

**LAFAYETTE COUNTY, FLORIDA
MAYO, FLORIDA**

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

SEPTEMBER 30, 2022

**LAFAYETTE COUNTY, FLORIDA
AUDIT REPORT
SEPTEMBER 30, 2022**

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**INDEPENDENT AUDITOR'S
REPORT ON FINANCIAL STATEMENTS**

Honorable Members of the
Board of County Commissioners
Lafayette County, FL

Opinions

I have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Lafayette County, as of for the year ended September 30, 2022, and the related notes to the Financial Statements, which collectively comprise Lafayette County's basic financial statements as listed in the Table of Contents.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information Lafayette County as of September 30, 2022, and the respective changes in financial position and the respective budgetary comparison for each major fund thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. My responsibilities under those standards are further described in the Auditor's responsibilities for the Audit of the Financial Statements sections of our report. I am required to be independent of the County, and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Responsibility of Management for the Financial Statements

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

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.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- 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 Lafayette 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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Lafayette County's ability to continue as a going concern for a reasonable period of time.

I am 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 I 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 3 through 6 as listed in the table of contents, 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 reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual non-major fund financial statements and combining and individual statement of fiduciary net position schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by the Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and Chapter 10.550, *Local Governments Audits, Rules of the Auditor General* of the State of Florida, and neither schedule is a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relate 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 auditing standards generally accepted in the United States of America. In my opinion, the combining and individual nonmajor fund financial statements combining and individual statement of fiduciary net position schedules, the schedule of expenditures of federal awards and state financial assistance are 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*, I have also issued a report dated June 27, 2023 on my consideration of Lafayette County's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my 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 County'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 Lafayette County internal control over financial reporting and compliance.

James E. Davis
Certified Public Accountant

June 27, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of Lafayette County, Florida has prepared the following discussion and analysis to (a) assist the reader in focusing on significant financial issues; (b) provide an overview and analysis of the County's financial activities; (c) identify changes in the County's financial position; (d) identify material deviations from the approved budget; and (e) highlight significant issues in individual funds.

Because the information contained in the Management's Discussion and Analysis (MD&A) is intended to highlight significant transaction, events, and conditions, it should be considered in conjunction with the County's financial statements and notes to the financial statements found on pages 18 through 50.

The County has implemented Governmental Accounting Standards Board (GASB) Statement 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* as of October 1, 2003. This statement requires governmental entities to report finances in accordance with specific guidelines. Among those guidelines are the components of this section dealing with management's discussion and analysis.

Its intent is to provide a brief, objective, and easily readable analysis of the County's financial performance for the year and its financial position at fiscal year-end September 30, 2022.

One of the key changes in financial presentation is the requirement to capitalize infrastructure assets and record depreciation. Consequently, significant changes have resulted in the reporting of fixed assets, long term liabilities, and fund balances.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2021-22 fiscal year are as follows.

- The assets of the County exceeded its liabilities at the close of the most recent fiscal year by \$48,181,071.
- The County's total net assets increased by \$2,445,123, which represents a 5.35 percent increase from the 2020-21 fiscal year.
- As of the close of the current fiscal year, the County's governmental funds reported total fund balance of \$8,359,096, a decrease of \$334,486, in comparison with the prior year.
- During the current year, General Fund expenditures and transfers were more than revenues by \$169,571.
- Long-term debt decreased by \$14,815.

OVERVIEW OF THE FINANCIAL STATEMENTS

The basic financial statements consist of three components:

- Government-wide financial statements
- Fund financial statements
- Notes to financial statements

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements provide both short-term and long-term information about the County's overall financial condition in a manner similar to those of a private-sector business. The statements include a Statement of Net Assets and a Statement of Activities that are designed to provide consolidated financial information about the governmental activities of the County presented on the accrual basis of accounting. The Statement of Net Assets provides information about the government's financial position, its assets and liabilities, using an economic resources measurement focus. The difference between the assets and liabilities, the net assets, is a measure of the financial health of the County. The Statement of Activities presents information about the change in the County's net assets, the results of operations, during the fiscal year. An increase or decrease in net assets may be an indication of whether the County's financial health is improving or deteriorating.

The government activities of the County include general government, public safety, physical environment, transportation, economic environment, health and social services, culture/recreation, and other community services.

The government-wide financial statements can be found on pages 12 and 13 of this report.

Fund Financial Statements

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

Governmental Funds - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, the governmental funds utilize a spendable financial resources measurement focus rather than the economic resources measurement focus found in the government-wide financial statements. This financial resources measurement focus allows the governmental fund statements to provide information on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year.

MANAGEMENT'S DISCUSSION AND ANALYSIS - continued

The governmental fund statements provide a detailed short-term view that may be used to evaluate the County's near-term financing requirements. This short-term view is useful when compared to the long-term view presented as governmental activities in the government-wide financial statements. To facilitate this comparison, both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation of governmental funds to governmental activities.

The governmental funds balance sheet and statement of revenues, expenditures, and changes in fund balances provide detailed information about the County's funds. The County maintains 16 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, Road and Bridge Fund, Solid Waste Management, Emergency Medical Services, Sheriff's Office, Capital Projects, and Debt Service Funds, which are considered to be major funds. Data from the other 9 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the supplementary information section of this report.

The County adopts an annual appropriated budget for its governmental funds. A budgetary comparison schedule has been provided for the major funds.

Under GASB 34, the County's Fiduciary Funds, other than Agency Funds, are now classified as non-major governmental funds.

Notes to Financial Statements

The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 18 through 50 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net assets may serve over time as a useful indicator of a government's financial position. The following is a summary of the County's net assets as of September 30, 2022 and September 30, 2021:

Net Position, End of Year

	Governmental Activities	
	9/30/2022	9/30/2021
Current and Other Assets	\$ 7,781,655	\$ 7,355,527
Noncurrent Assets - net	46,669,751	44,263,294
Deferred Outflows of Resources	1,847,915	1,533,829
Total Assets and Deferred Outflows of Resources	56,299,321	53,152,650
Current Liabilities	355,923	160,590
Long-term Liabilities	7,245,161	2,624,528
Deferred Inflows of Resources	517,166	4,631,584
Total Liabilities	8,118,250	7,416,702
Net Position:		
Net Investment in Capital Assets	45,736,387	43,110,609
Restricted	3,730,595	2,641,689
Unrestricted	(1,285,911)	(16,350)
Total Net Position	\$ 48,181,071	\$ 45,735,948

The largest portion of the County's net position reflects its investments in capital assets (e.g., land, buildings, and equipment); less any related outstanding debt used to acquire those assets. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

Major Governmental Funds

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, the assigned fund balance was \$1,341,117, while the total fund balance was \$1,341,117. As a measure of the General Fund's liquidity, it may be useful to compare both the assigned fund balance and total fund balance to total General Fund expenditures. Assigned fund balance represents 53.3 percent of total General Fund expenditures, while total fund balance represents 53.3 percent of that same amount. The assigned total fund balance increased by \$34,486 during the 2021-22 fiscal year.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

Total assigned fund balances for all governmental funds totaled \$4,496,435 at September 30, 2022, compared to total governmental fund balances of \$8,359,096, at the same date. The difference amounted to \$933,364 reserved for mortgages receivable in the Affordable Housing Trust and Grant Fund and \$3,563,071 restricted for other governmental activity.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the course of the 2021-22 fiscal year, the County did not amend its General Fund budget.

CAPITAL ASSETS

The County's investment in capital assets for its governmental activities as of September 30, 2022, amounted to \$45,736,387 (net of accumulated depreciation and related debt). This investment in capital assets includes land; buildings and fixed equipment; furniture, fixtures, and equipment; and computer software. Costs for past road and other infrastructure have not been included, but will be reflected in a future report when the information is collected.

LONG-TERM DEBT

At the end of fiscal year ended September 30, 2022, the County had long-term debt, exclusive of net pension liability, and OPEB amounting to \$268,091. Of this amount, \$249,760 estimated to meet compensated absences obligations and other long-term debt of \$18,259 to purchase or lease equipment.

ECONOMIC FACTORS – LAFAYETTE COUNTY, FLORIDA

- The unemployment rate for the County was 2.6 percent at September 30, 2022, a 0.9% increase over the prior year.
- Population decreased approximately 4.5% from the prior year to approximately 7,808.
- The taxable value for personal and real property in the County at September 30, 2022 was \$321,496,916 an increase of 14 percent from the previous year.
- The general ad valorem tax mileage rate was 10.00 mills for the year ended September 30, 2022. This amount will remain the same in fiscal year 2023.
- The budget for the next fiscal year ending September 30, 2023 represents a 7.4 percent increase over the 2022 fiscal year.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of Lafayette County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Lafayette Board of County Commissioners, P.O. Box 88, Mayo, Florida 32066.

LAFAYETTE COUNTY, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2022

	Governmental Activities
ASSETS	
CURRENT ASSETS	
Cash and Cash Equivalents	\$ 3,862,661
Accounts Receivable - net	43,719
Due from Other Governmental Units	379,519
Total Current Assets	<u>4,285,899</u>
RESTRICTED ASSETS	
Cash and Cash Equivalents	<u>3,495,756</u>
NONCURRENT ASSETS	
Mortgages Receivable	933,364
Capital Assets - net of depreciation	45,736,387
Total Noncurrent Assets	<u>46,669,751</u>
Total Assets	<u>54,451,406</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pension liability	1,847,915
Total assets and deferred outflows of resources	<u>56,299,321</u>
LIABILITIES	
CURRENT LIABILITIES	
Accounts Payable and Accrued Expenses	355,923
Total Current Liabilities	<u>355,923</u>
NONCURRENT LIABILITIES	
Capital Lease Obligation	18,259
Compensated Absences	249,760
Net Pension Liability	6,770,417
Other Post-Employment Benefit Obligation	206,725
Total Noncurrent Liabilities	<u>7,245,161</u>
Total Liabilities	<u>7,601,084</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pension liability	517,166
Total liabilities and deferred inflows of resources	<u>8,118,250</u>
NET POSITION	
Net Investment in Capital Assets	45,736,387
Restricted - Road & Bridge	(42,428)
- Solid Waste	105,844
- Emergency Medical	90,353
- Other Governmental	3,576,826
Unrestricted (Deficit)	(1,285,911)
Total Net Position	<u>\$ 48,181,071</u>

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

LAFAYETTE COUNTY
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	Expenses	Program Revenues			Net (Expense) Revenue & Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Functions/Programs					
Governmental Activities:					
General Government	\$ 2,731,156	\$ 233,047	\$ 136,333	\$ -	\$ (2,361,776)
Public Safety	4,048,467	238,983	264,000	-	(3,545,484)
Physical Environment	791,429	168,287	93,750	-	(529,392)
Transportation	4,048,467	-	-	2,332,880	(1,715,587)
Economic Environment	604,769	-	-	-	(604,769)
Human Services	191,220	-	-	-	(191,220)
Culture/Recreation	288,872	-	19,322	32,111	(237,439)
Depreciation	1,909,957	-	-	-	(1,909,957)
Interest	661	-	-	-	(661)
Total Government Activities	14,614,998	640,317	513,405	2,364,991	(11,096,285)
General Revenues:					
					2,840,275
					1,105,270
					1,461,297
					465,044
					232,611
					7,437,513
					<u>13,542,010</u>
					2,445,725
					45,735,948
					<u>\$ 48,181,673</u>

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

LAFAYETTE COUNTY, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022

<u>ASSETS</u>	General Fund	Road and Bridge	Solid Waste Management	Emergency Medical Services	Sheriff	Capital Projects Fund	Debt Service	Other Governmental Funds	Total
Cash	\$ 1,049,378	\$ 114,929	\$ 6,164	\$ 154,837	\$ 692,687	\$ 1,132,277	\$1,303,069	\$ 2,905,076	\$ 7,358,417
Accounts receivable	-	-	8,220	31,513	-	-	-	3,986	43,719
Mortgages receivable	-	-	-	-	-	-	-	933,364	933,364
Due from other governmental units	183,375	109,946	-	-	-	53,017	33,181	-	379,519
Due from other funds	175,860	-	123,357	-	-	-	-	162,667	461,884
	<u>\$ 1,408,613</u>	<u>\$ 224,875</u>	<u>\$ 137,741</u>	<u>\$ 186,350</u>	<u>\$ 692,687</u>	<u>\$ 1,185,294</u>	<u>\$1,336,250</u>	<u>\$ 4,005,093</u>	<u>\$ 9,176,903</u>
<u>LIABILITIES AND FUND EQUITY</u>									
Liabilities									
Accounts and vouchers payable	\$ 67,496	\$ 250,126	\$ 31,897	\$ 6,404	\$ -	\$ -	\$ -	\$ -	\$ 355,923
Due to other governmental units	-	-	-	-	-	-	-	-	-
Due to other funds	-	184,701	-	89,593	187,590	-	-	-	461,884
Total liabilities	<u>67,496</u>	<u>434,827</u>	<u>31,897</u>	<u>95,997</u>	<u>187,590</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>817,807</u>
Fund equity									
Fund balances									
Nonspendable	-	-	-	-	-	-	-	933,364	933,364
Restricted	-	(209,952)	105,844	90,353	505,097	-	-	3,071,729	3,563,071
Assigned	1,341,117	-	-	-	-	1,185,294	1,336,250	-	3,862,661
	<u>1,341,117</u>	<u>(209,952)</u>	<u>105,844</u>	<u>90,353</u>	<u>505,097</u>	<u>1,185,294</u>	<u>1,336,250</u>	<u>4,005,093</u>	<u>8,359,096</u>
	<u>\$ 1,408,613</u>	<u>\$ 224,875</u>	<u>\$ 137,741</u>	<u>\$ 186,350</u>	<u>\$ 692,687</u>	<u>\$ 1,185,294</u>	<u>\$1,336,250</u>	<u>\$ 4,005,093</u>	<u>\$ 9,176,903</u>

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

LAFAYETTE COUNTY, FLORIDA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
SEPTEMBER 30, 2022

Total Fund Balances - Governmental Funds	\$ 8,359,096
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Amounts reported for governmental activities in the statement of net position are different because:

Net pension liability, OPEB liability and deferred outflows/inflows of resources not reported in governmental funds	(5,646,393)
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Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.	45,736,387
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Long-term liabilities are not due and payable in the current period and therefore are not reported in governmental funds	<u>(268,019)</u>
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Total Net Position - Governmental Activities	<u><u>\$ 48,181,071</u></u>
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The accompanying notes are an integral part of the financial statements.

LAFAYETTE COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	General Fund	Road and Bridge	Solid Waste Management	Emergency Medical Services	Sheriff	Capital Projects Fund	Debt Service	Other Governmental Funds	Total
REVENUES:									
Charges for services	\$ 97,800	\$ -	\$ 158,286	\$ 238,983	\$ -	\$ -	\$ -	\$ 135,247	\$ 630,316
Taxes	2,867,517	201,806	111,528	353,516	-	-	-	-	3,534,367
Fines and forfeitures	13,252	-	-	-	-	-	-	111,086	124,338
Intergovernmental revenue	2,223,771	3,236,344	93,750	200,000	450,299	703,883	629,313	1,984,509	9,521,869
Licenses and permits	118,528	-	-	-	-	-	-	-	118,528
Miscellaneous	319,322	57,573	2,326	2,091	1,175	495	15,741	46,390	445,113
Total Revenues	<u>5,640,190</u>	<u>3,495,723</u>	<u>365,890</u>	<u>794,590</u>	<u>451,474</u>	<u>704,378</u>	<u>645,054</u>	<u>2,277,232</u>	<u>14,374,531</u>
EXPENDITURES:									
General government	1,187,402	-	-	-	-	25	-	1,544,390	2,731,817
Physical environment	289,873	-	501,556	-	-	-	-	-	791,429
Transportation	-	1,155,513	-	-	-	-	-	-	1,155,513
Public safety	308,686	-	-	791,927	2,841,324	-	-	106,530	4,048,467
Economic environment	19,115	-	-	-	-	-	-	585,654	604,769
Human services	191,220	-	-	-	-	-	-	-	191,220
Culture/recreation	288,872	-	-	-	-	-	-	-	288,872
Capital outlay	229,727	2,699,480	-	1,787	79,771	-	1,052,823	472,147	4,535,735
Debt service	-	-	14,815	-	-	-	-	-	14,815
Total Expenditures	<u>2,514,895</u>	<u>3,854,993</u>	<u>516,371</u>	<u>793,714</u>	<u>2,921,095</u>	<u>25</u>	<u>1,052,823</u>	<u>2,708,721</u>	<u>14,362,637</u>
OTHER FINANCING SOURCES (USES)									
Debt proceeds	-	-	-	-	-	-	-	-	-
Operating transfers in (out)	(3,294,876)	-	50,000	-	2,695,148	(500,000)	(34,600)	1,084,328	-
	<u>(3,294,876)</u>	<u>-</u>	<u>50,000</u>	<u>-</u>	<u>2,695,148</u>	<u>(500,000)</u>	<u>(34,600)</u>	<u>1,084,328</u>	<u>-</u>
NET CHANGES IN FUND BALANCE	(169,581)	(359,270)	(100,481)	876	225,527	204,353	(442,369)	652,839	11,894
FUND BALANCE - OCTOBER 1, 2021	<u>1,510,688</u>	<u>149,318</u>	<u>206,325</u>	<u>89,477</u>	<u>279,570</u>	<u>980,941</u>	<u>1,778,619</u>	<u>3,352,254</u>	<u>8,347,192</u>
FUND BALANCE - SEPTEMBER 30, 2022	<u>\$ 1,341,107</u>	<u>\$ (209,952)</u>	<u>\$ 105,844</u>	<u>\$ 90,353</u>	<u>\$ 505,097</u>	<u>\$ 1,185,294</u>	<u>\$ 1,336,250</u>	<u>\$ 4,005,093</u>	<u>\$ 8,359,086</u>

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

LAFAYETTE COUNTY, FLORIDA
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES & CHANGES IN FUND BALANCES TO THE
STATEMENT OF ACTIVITIES
SEPTEMBER 30, 2022

Net Change in Fund Balance - Governmental Funds	\$ (34,486)
--	--------------------

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

Capital outlay, reported as expenditures in governmental funds are shown as capital assets in the Statement of Net Position	4,535,735
---	-----------

Depreciation expense on governmental capital assets included in the governmental activities in the Statement of Activities	(1,909,957)
--	-------------

Certain items 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, including pension adjustments.	(160,984)
--	-----------

Repayments of long-term debt reported as expenditure in governmental funds, but as a reduction of long-term liabilities on the Statement of Net Position	14,815
--	--------

Long-term debt proceeds are shown as providing current resources in governmental funds but as an increase in long-term liabilities on the Statement of Net Position	-
---	---

Change in Net Position - Governmental Activities	<u>\$ 2,445,123</u>
---	----------------------------

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

LAFAYETTE COUNTY, FLORIDA
STATEMENT OF FIDUCIARY NET ASSETS – CUSTODIAL FUNDS
SEPTEMBER 30, 2022

	<u>Custodial Funds</u>
ASSETS	
Cash	\$ 475,147
Investments	<u>388,991</u>
	864,138
LIABILITIES	
Due to other governments	32,029
Due to other funds	118,694
Due to individuals	324,424
Deferred compensation	<u>388,991</u>
	<u>864,138</u>
NET POSITION	<u><u>\$ -</u></u>

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

LAFAYETTE COUNTY, FLORIDA
STATEMENT OF FIDUCIARY CHANGES IN NET ASSETS – CUSTODIAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	<u>Custodial Funds</u>
<u>ADDITIONS</u>	
Contributions:	
Funds held for others	\$ 8,489,640
<u>DEDUCTIONS</u>	
Funds held for others	<u>8,489,640</u>
CHANGE IN NET POSITON	-
Net position - beginning of the year	-
Net positon - end of year	<u><u>\$ -</u></u>

LAFAYETTE COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

The financial statements of Lafayette County, Florida (the County) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units in accordance with the Governmental Accounting Standards Board (GASB). GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following notes to the financial statements are an integral part of the County's basic financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

▪ **Reporting Entity**

Lafayette County, Florida 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 (five members). In addition to the members of the Board of County Commissioners, there are five elected Constitutional Officers: Clerk of Circuit Court, Property Appraiser, Sheriff, Supervisor of Elections and Tax Collector. The Constitutional Officers maintain separate accounting records and budgets.

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 Lafayette 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.

The following entities are considered autonomous of the County's operations:

Lafayette Soil and Water Conservation District

District School Board of Lafayette County

Pursuant to the action of the State of Florida Legislature, the operations of the Lafayette County Development Authority and the Lafayette Recreation Board were transferred to the Lafayette County Board of County Commissioners in September 2002.

The County, along with the governments of Dixie and Gilchrist Counties established the Three Rivers Regional Library System ("Library") through an

LAFAYETTE COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

inter-local agreement. The Library is an organization established for the purpose of providing a regional approach to library services without regard to political or governmental boundaries. The Library is governed by a governing board made up, in part, of a commissioner from each participating county. The County does not have an ongoing financial interest in the Library; however, the County does have an ongoing financial responsibility to the Library.

▪ **Basis of Presentation**

These 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.

As permitted by Chapter 10.556(4), Rules of the Auditor General State of Florida, the financial statements consist of only the fund level financial statements as defined in GASB Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – For State and Local Governments*, and do not include presentation of government-wide financial statements of Lafayette County.

Fund Financial Statements – Fund financial statements report detailed information about the District in the governmental and fiduciary funds. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is reported in a separate column. Nonmajor funds are aggregated and reported in a single column. Because the focus of governmental fund financial statements differs from the focus of government-wide financial statements, reconciliation is presented with each of the governmental funds financial statements.

The County reports the following major governmental funds: General Fund, Major Special Revenue Funds, Capital Projects Funds and Debt Service Funds.

▪ **Basis of Accounting**

The accounts of the County are organized on the basis of funds and accounts groups, 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, fund equity, revenues, 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.

LAFAYETTE COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

▪ **Description of Funds**

The financial activities of the County 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 County. 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 County as an agent for individuals, private organizations and/or other governmental units. These are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Such assets include receipts for property taxes, business registration fees, tourist development taxes, vehicle registrations, driver license fees, and hunting and fishing licenses.

▪ **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.

All governmental fund financial statements are reported using a current financial resources measurement focus on a modified accrual basis of accounting. The major modifications to the accrual basis are: (a) revenues are recorded in the accounting period in which they become available and measureable (available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, considered to be sixty days for property taxes and ninety days for all other revenue) and (b) expenditures are recorded in the accounting period in which the liability is incurred, if measureable, except for accumulated sick and vacation compensation, which are expensed when paid.

Fiduciary fund (custodial fund) statements are prepared using economic resource measurement focus and the accrual basis of accounting.

▪ **Measurement Focus**

The accounting and financial reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus.

LAFAYETTE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)

All governmental funds are accounted for on a spending or “financial flow” measurement focus. This means that generally, only current assets and current liabilities are included in the balance sheet. Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

Accordingly, they present a summary of sources and uses of “available spendable resources” during a period.

Recently Issued and Implemented Accounting Pronouncements

In June 2017, the GASB issued Statement No. 87 (GASB 87), *Leases*. The objective of GASB 87 is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. GASB 87 increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset.

Under GASB 87, a lessee is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of GASB 87 are effective for reporting periods beginning after June 15, 2021. The implementation of GASB 87 resulted in the inclusion of a lease receivable, leases payable and right of use assets in the Statement of Net Position. See note 8 for further discussion on the restatement of beginning balances required for the implementation of GASB 87.

In June 2018, the GASB issued Statement No. 89 (GASB 89), *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. The implementation of GASB 89 did not result in any change in the County's financial statements.

LAFAYETTE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)

In January 2020, the GASB issued Statement No. 92, *Omnibus 2020* (GASB 92). The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about the following:

- The effective date of Statement No. 87, *Leases*, and Implementation Guide No. 2019- 3, *Leases*, for interim financial reports,
- Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan,
- The applicability of Statements No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68*, and *Amendments to Certain Provisions of GASB Statements 67 and 68*, as amended, and No. 74, *Financial Reporting for Post-employment Benefit Plans Other Than Pension Plans*, as amended, to reporting assets accumulated for postemployment benefits,
- The applicability of certain requirements of Statement No. 84, *Fiduciary Activities*, to postemployment benefit arrangements,
- Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition,
- Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers,
- Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature, and
- Terminology used to refer to derivative instruments.

The requirements of this Statement are effective as follows:

- The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance.
- The requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74 are effective for fiscal years beginning after June 15, 2021.
- The requirements related to application of Statement 84 'to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities are effective for reporting periods beginning after June 15, 2021.
- The requirements related to the measurement of liabilities (and assets, if any) associated with asset retirement obligations in a government acquisition are effective for government acquisitions occurring in reporting periods beginning after June 15, 2021.

LAFAYETTE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)

In May 2020, the GASB issued Statement No. 93 (GASB 93), *Replacement of Interbank Offered Rates*. The objectives of this Statement are to address financial reporting issues that result from the replacement of an Interbank Offered Rate (IBOR) by providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment and clarification of the hedge accounting termination provisions when a hedged item is amended to replace the reference rate; replacing LIBOR as an appropriate benchmark interest rate for the evaluation of the effectiveness of an interest rate swap with a Secured Overnight Financing Rate or the Effective Federal Funds Rate; and providing exceptions to the lease modifications guidance in GASB 87 for lease contracts that are amended solely to replace an IBOR used to determine variable payments.

The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2022. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2021. The implementation of GASB 93 did not result in any change in the County's financial statements.

In June 2020, the GASB issued Statement No. 97 (GASB 97), *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. The primary objectives of GASB 97 are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements of GASB 97 are effective for fiscal years beginning after June 15, 2021. The implementation of GASB 97 did not result in any change in the County's financial statements.

LAFAYETTE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)

In October 2021, the GASB issued GASB Statement No. 98 (GASB 98), *The Annual Comprehensive Financial Report*. This Statement establishes the term *annual comprehensive financial report* and its acronym *ACFR*. That new term and acronym replace instances of *comprehensive annual financial report* and its acronym in generally accepted accounting principles for state and local governments. This Statement was developed in response to concerns raised by stakeholders that the common pronunciation of the acronym for comprehensive annual financial report sounds like a profoundly objectionable racial slur. This Statement's introduction of the new term is founded on a commitment to promoting inclusiveness. The requirements of this Statement are effective for fiscal years ending after December 15, 2021. The implementation of GASB 98 did not result in any change in the County's financial statements.

Pronouncements Issued But Not Yet Effective

The GASB has issued statements that will become effective in future years. These statements are as follows:

In May 2019, the GASB issued Statement No. 91 (GASB 91), *Conduit Debt Obligations*. The primary objectives of GASB 91 are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. GASB 91 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 requirements of GASB 91 are effective for reporting periods beginning after December 15, 2021.

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* (GASB 94).

The objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a

LAFAYETTE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)

PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement.

This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022.

In May 2020, the GASB issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (GASB 96). This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, leases, as amended. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Assets and liabilities resulting from SBITAs should be recognized and measured using the facts and circumstances that existed at the beginning of the fiscal year in which this Statement is implemented.

Governments are permitted, but are not required, to include in the measurement of the subscription asset capitalizable outlays associated with the initial implementation stage and the operation and additional implementation stage incurred prior to the implementation of this Statement.

In April 2022, the GASB issued GASB Statement No. 99, *Omnibus 2022* (GASB 99). This Statement provides guidance on the following:

- Classification and reporting of derivative instruments within the scope of Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, that do not meet the definition of either an investment derivative instrument or a hedging derivative instrument

LAFAYETTE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)

- Clarification of provisions in Statement No. 87, *Leases*, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives,
- Clarification of provisions in Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, related to (a) the determination of the PPP term and (b)
- recognition and measurement of installment payments and the transfer of the underlying PPP asset,
- Clarification of provisions in Statement No. 96, *Subscription-Based Information Technology Arrangements*, related to the SBITA term, classification of a SBITA as a short-term SBITA, and recognition and measurement of a subscription liability,
- Extension of the period during which the LIBOR is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt,
- Accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP),
- Disclosures related to nonmonetary transactions,
- Pledges of future revenues when resources are not received by the pledging government,
- Clarification of provisions in Statement No. 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments, as amended, related to the focus of the government-wide financial statements,
- Terminology updates related to certain provisions of Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, and Terminology used in Statement 53 to refer to resource flows statements.

The requirements of this Statement are effective as follows:

- The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance.
- The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.
- The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

LAFAYETTE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)

In June 2022, the GASB issued GASB Statement No. 100, *Accounting Changes and Error Corrections* (GASB 100). This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The requirements of this Statement for changes in accounting principles apply to the implementation of a new pronouncement in absence of specific transition provisions in the new pronouncement. This Statement also requires that the aggregate amount of adjustments to and restatements of beginning net position, fund balance, or fund net position, as applicable, be displayed by reporting unit in the financial statements. This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated. Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). For periods that are earlier than those included in the basic financial statements, information presented in RSI or SI should be restated for error corrections, if practicable, but not for changes in accounting principles. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

In June 2022, the GASB issued GASB Statement No. 101, *Compensated Absences* (GASB 101). The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability (as long as they identify it as a net change). In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences.

LAFAYETTE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)

The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

The County is evaluating the requirements of the above statements and the impact on reporting.

Budgetary Requirements

Florida Statutes, Chapter 218.35 and 218.36 details the preparation, adoption and administration of the County's annual budget. The County establishes an annual balanced budget for their office which displays the revenues available to the office and the functions for which the money is to be expended. The budgeted revenues and expenditures in the accompanying financial statements reflect all amendments approved by the Board.

The budget is prepared on a basis consistent with GAAP. Budgetary control is maintained at the major object expenditure level. Expenditures may not legally exceed appropriations at the department level, and appropriations lapse at year-end. Budgetary changes within major object expenditure categories are made at the discretion of the County.

Interfund Loans and Transfers

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are 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 non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

▪ **Cash and Cash Equivalents**

Cash and cash equivalents represent cash on hand as well as demand deposits, and certificates of deposit with original maturities of three months or less.

▪ **Inventory and Prepaid Items**

The purchase method is used to account for inventory and payments to vendors for costs applicable to future periods (prepaid). Under the purchase method, expenditures are recognized when the available financial resource is expended. Inventory is not deemed significant and therefore no amount has been reported.

LAFAYETTE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)

▪ **Interfund Loans and Transfers**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are 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 non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.”

▪ **Deposits and Investments**

Cash deposits are held by banks qualified as public depositories under Florida law. All deposits are insured by Federal depository insurance and collateralized with securities held in Florida’s multiple financial institution collateral pool as required by Chapter 280, Florida Statutes.

Investments consist of amounts placed with the State Board of Administration for participation in the Local Government Surplus Funds Trust Fund investment pool created by Section 218.405, Florida Statutes. The investment pool operates Investments consist of amounts placed with the State Board of Administration for participation in the Local Government Surplus Funds Trust Fund investment pool created by Section 218.405, Florida Statutes. The investment pool operates under investment guidelines established by Section 215.47, Florida Statutes. The County’s investments in the Local Government Surplus Funds

Trust Fund, a Securities and Exchange Commission rule 2a-7-like external investment pool, are reported at amortized cost.

Types and amounts of investments held at fiscal year-end are described in a subsequent note on investments.

▪ **Capital Assets**

Expenditures for capital assets acquired or constructed for general County purposes are reported in the governmental fund that financed the acquisition or construction. The capital assets so acquired are reported at cost in the government-wide statement of net assets but are not reported in the governmental fund financial statements. Donated assets are recorded at fair value at the date of donation.

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

LAFAYETTE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)

<u>Description</u>	<u>Estimated Lives</u>
Buildings and Improvements	10-40 years
Furniture, Fixtures, and Equipment	5-15 years
Data Processing Equipment	5 years

▪ **Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County had deferred outflows at year end related to various actuarial assumption changes and valuations related to the County's portion of the Florida Retirement System Pension Plan and Retiree Health Insurance Subsidy Program annual valuations and retirement contribution payments made by the County after the valuation date of the Florida Retirement System's latest valuation but before the end of the County's fiscal year.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The only such item at year end consists of various actuarial assumption changes and valuations related to the County's portion of the Florida Retirement System Pension Plan and Retiree Health Insurance Subsidy Program annual valuations. These amounts are recognized as inflows of resources in the period that they become available.

▪ **Property Taxes**

Property taxes in the County are levied by the Board. The millage levies are determined on the basis of estimates of revenue needs and the total taxable valuations within the jurisdiction of the Board. No aggregate ad valorem tax millage in excess of 10 mills on the dollar is levied against property of the County as specified in Florida Statute 200.071.

Each year, the total taxable valuation is established by the Property Appraiser and the list of property assessments is submitted to the State Department of Revenue for approval.

LAFAYETTE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)

Taxes, assessed as of January 1 of each year, are due and payable on November 1 of each year or as soon thereafter as the assessment roll is opened for collection. Pursuant to Florida Law, all owners of property have the responsibility of ascertaining the amount due and paying it before April 1 of the year following the year in which the tax was assessed.

2022 Property tax calendar:

Lien date	-January 1, 2021
Levy date	- November 1, 2021
Tax bills mailed	- November 1, 2021
Collection dates	- November 30, 2022: 4% discount - Through January 2, 2022: 3% discount - Through January 31, 2022: 2% discount - Through February 29, 2022: 1% discount
Delinquent date	- April 1, 2022

Tax Sale – 2022 delinquent property taxes – on or before June 1, 2022

▪ **Compensated Absences**

The County allows employees to accumulate up to 130 days of available sick leave and various amounts of annual leave depending upon length of employment. Annual leave is expected to be used within the calendar year earned, while sick leave may be accumulated past the end of the year.

Upon termination of employment, former employees, who completed the 6 months probationary period, receive payment for unused annual leave and 100% of sick leave earned prior to April 12, 1993 and 50% of sick leave earned after that date.

Accrued compensated absences for the Constitutional Officers' employees of the County have been included with the Board's liability.

▪ **Spendable fund balances**

Spendable fund balances are classified based on a hierarchy of the County's ability to control the spending of these fund balances.

Restricted fund balances are fund balance amounts that are constrained for specific purposes which are externally imposed by creditors, grantors, contributors, or laws or regulations or imposed by law through constitutional provisions or enabling legislation. As of September 30, 2022, the County had restricted fund balances as indicated on the Balance Sheet – Governmental Funds.

LAFAYETTE COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Committed fund balances are fund balances constrained for specific purposes imposed by the County's formal action of highest level of decision making authority. As of September 30, 2022 the County had no committed fund balances.

Assigned fund balances are fund balances intended to be used for specific purposes, but which are neither restricted nor committed. As of September 30, 2022, the County had assigned fund balances as indicated on the Balance Sheet – Governmental Funds.

Unassigned fund balances represent the residual positive fund balance within the general fund, which has not been assigned to other funds and has not been restricted, committed or assigned. In funds other than the general fund, unassigned fund balances are limited to negative residual fund balances. As of September 30, 2022, the County had no unassigned fund balances.

When expenditures are incurred for purposes for which restricted or unrestricted fund classifications could be used, it is the County's policy to use restricted funds first, then unrestricted.

▪ **Encumbrances**

Encumbrance accounting, under which purchase orders, and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed.

NOTE 2 – BUDGETARY COMPLIANCE AND ACCOUNTABILITY

- The County follows these procedures in establishing the budgetary data reflected in the financial statements.
 1. Prior to July 15, the Clerk submits to the Board a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
 2. Public hearings are conducted to obtain taxpayer comments.
 3. Prior to October 1, the budget is legally enacted through passage of an resolution.

LAFAYETTE COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 2 – BUDGETARY COMPLIANCE AND ACCOUNTABILITY (continued)

4. Budgets for the General, Special Revenue, Debt Service and Capital Project Funds are adopted on a basis substantially consistent with generally accepted accounting principles. Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year. Appropriations are legally controlled at the function level and unexpended portions lapse at year-end.

▪ Budgetary Accounting

Basis of Budgetary Accounting – Annual budgets for governmental fund types that are legally required to prepare an annual budget are adopted on a basis consistent with accounting principles generally accepted in the United States of America. All appropriations lapse at year-end.

Board of County Commissioners – Pursuant to Chapter 129, Florida Statutes, General Budget Policies, the following procedures are followed by the Board in establishing, adopting and maintaining the operating budget:

Clerk of the Court – Florida Statutes Chapter 218.35 and 218.36 details the preparation, adoption and administration of the Clerk of the Circuit Court's (the Clerk) annual budget. The Clerk establishes an annual balanced budget for his office which displays the revenues available to the office and the functions for which the money is to be expended. The budgeted revenues and expenditures in the accompanying financial statements reflect all amendments approved by the Board. The budget is prepared on a basis consistent with generally accepted accounting principles.

The Clerk, functioning in the capacity as Clerk of the Circuit and County courts and as Clerk of the Board of County Commissioners, prepares a budget in two parts:

- The budget relating to the state court system (Circuit and County) is filed with the Florida Clerk of Courts Operations Corporation; and
- The budget for funds relating to the requirements of the Clerk as the Clerk of Board of County Commissioners and Custodian or Treasurer of all county funds and other county-related duties.

The fees generated by the various non-court departments of the Clerk of Circuit Court are used to pay operating expenditures of that department. All excess fees are remitted to the Board at year-end.

Sheriff – Florida Statutes Chapter 30.49 and 129.03 governs the preparation, adoption and administration of the Sheriff's annual budget. By June 1 each year, the sheriff shall certify to the Board a proposed budget of expenditures for carrying out the duties of his office for the ensuing fiscal year.

LAFAYETTE COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 2 – BUDGETARY COMPLIANCE AND ACCOUNTABILITY (continued)

Tax Collector and Property Appraiser – Florida Statutes Chapter 195.087 details the preparation, adoption and administration of the budgets of the Tax Collector and Property Appraiser. On or before a legally designated date each year, the Tax Collector and Property Appraiser shall submit to the Florida Department of Revenue a budget for the ensuing fiscal year. A copy of such budget shall be furnished at the same time to the Board. Final approval of the budgets is given by the Florida Department of the Revenue.

Supervisor of Elections – The Supervisor of Elections works in cooperation with the Board to establish an annual budget for her office. Florida Statutes 129.201 and 129.03 details the preparation, adoption and administration of his annual budget. The Supervisor of Elections' budget is funded from the Board's General Fund.

An operating budget is adopted each fiscal year for all governmental fund types on the modified accrual basis in accordance with GAAP.

NOTE 3 - CASH AND CASH EQUIVALENTS

Cash and cash equivalents at September 30, 2022, consisted of funds maintained in checking accounts at three local financial institutions and additional funds deposited in the State Board of Administration of Florida's Local Government Surplus Trust Fund Investment Pool. Each depository qualifies as a "public depository", as required by law (Florida Security for Public Deposits Act Chapter 280, Florida Statutes). All the cash deposits of the County are classified category one risk, which means they are insured or collateralized.

NOTE 4 - ACCOUNTS RECEIVABLE

Accounts receivable at September 30, 2022 of \$43,719 consist of funds due to the Solid Waste Management Fund, Emergency Medical Services Fund and Industrial Park for services rendered or rent. The accounts receivables are shown net of an allowance for uncollectible accounts.

NOTE 5 – INVESTMENTS

The investments for the Deferred Compensation Plan of \$388,991 are held and managed by Nationwide Retirement Solutions Inc. and are not classified by credit risk since they are invested in mutual funds.

LAFAYETTE COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 6- MORTGAGES RECEIVABLE

Mortgages receivable represent funds advanced under the State Housing Initiatives Partnership (SHIP) program and the Community Development Block Grant where qualified residents of the County are advanced down payments, other closing costs, or rehabilitation expenses when purchasing or constructing personal residences.

These mortgages are fully forgiven if the individuals retain this residence for 10 years. If the property is sold or transferred prior to 10 years, a sliding scale based upon years of occupancy is used to determine the remaining liability to the individual, which is immediately due the County. Mortgages receivable at September 30, 2022 amounted to \$933,364.

NOTE 7 -CHANGES IN CAPITAL ASSETS

Changes in capital assets are presented in the table below:

<u>GOVERNMENTAL ACTIVITIES</u>	<u>BALANCE 9/30/21</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE 9/30/22</u>
Land	\$ 1,379,966	\$ -	\$ -	\$ 1,379,966
Buildings and Land Improvements	36,458,818	3,804,657	-	40,263,475
Furniture, Fixtures and Equipment	18,773,534	731,078	-	19,504,612
	56,612,318	4,535,735	-	61,148,053
Accumulated Depreciation	13,501,709	1,909,957	-	15,411,666
Net Investment in Capital Assets	<u>\$ 43,110,609</u>	<u>\$ 2,625,778</u>	<u>\$ -</u>	<u>\$ 45,736,387</u>

Depreciation expense amounted to \$1,909,957 for the year ended September 30, 2022.

NOTE 8 – LONG-TERM DEBT

The following is a summary of long-term debt changes for year ended September 30, 2022:

	<u>Payable at October 1, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Payable at September 30, 2022</u>
Capital lease obligation	\$ 33,074	\$ -	\$ 14,815	\$ 18,259
Compensated absences	237,867	11,893	-	249,760
Totals	<u>\$ 270,941</u>	<u>\$ 11,893</u>	<u>\$ 14,815</u>	<u>\$ 268,019</u>

LAFAYETTE COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 9 – RISK MANAGEMENT

The County is exposed to various risk of loss related to torts; thefts of, damage to and destruction of assets; errors or omissions; injuries to employees and/or the public; or damage to property of others. The County purchases insurance to protect itself against these risks. The County's insurance programs include the County's Constitutional Officers.

NOTE 10 – DEFINED BENEFIT PENSION PLANS

Background

The Florida Retirement System (FRS) was created by Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, Florida Statutes, established the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing multiple-employer defined benefit pension plan, to assist retired members of any State-administered retirement system in paying the costs of health insurance.

Essentially all regular employees of the County are eligible to enroll as members of the State-administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative – Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of the two cost-sharing, multiple-employer defined benefit plans and other nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' website (www.dms.mvflorida.com).

The County's pension expense totaled \$616,733 for both the FRS Pension Plan and HIS Plan for the fiscal year ended September 30, 2022.

Florida Retirement System Pension Plan

Plan Description

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

LAFAYETTE COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 10 – DEFINED BENEFIT PENSION PLANS (continued)

The general classes of membership are as follows:

- *Regular Class* - Members of the FRS who do not qualify for membership in the other classes.
- *Senior Management Service Class (SMSC)* - Members in senior management level positions.
- *Special Risk Class* – Members who are special risk employees, such as law enforcement officers, meet the criteria to qualify for this class.

Employees enrolled in the FRS Plan prior to July 1, 2011, vest at 6 years of creditable service and employees enrolled in the FRS Plan on or after July 1, 2011, vest at 8 years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service, except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service. All members enrolled in the FRS Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service, except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service. Employees enrolled in the FRS Plan may include up to 4 years of credit for military service toward creditable service. The FRS Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The FRS Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the FRS Plan to defer receipt of monthly benefit payments while continuing employment with an FRS participating employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

Benefits Provided

Benefits under the FRS Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation.

LAFAYETTE COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 10 – DEFINED BENEFIT PENSION PLANS (continued)

For members initially enrolled before July 1, 2011, the average final compensation is the average of the 5 highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the 8 highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits.

The following chart shows the percentage value for each year of service credit earned:

Class, Initial Enrollment, and Retirement Age/Years of Service: % Value

Regular Class members initially enrolled before July 1, 2011

Retirement up to age 62 or up to 30 years of service	1.60
Retirement up to age 63 or up to 31 years of service	1.63
Retirement up to age 64 or up to 32 years of service	1.65
Retirement up to age 65 or up to 33 years of service	1.68

Regular Class members initially enrolled on or after July 1, 2011

Retirement up to age 65 or up to 33 years of service	1.60
Retirement up to age 66 or up to 34 years of service	1.63
Retirement up to age 67 or up to 35 years of service	1.65
Retirement up to age 68 or up to 36 years of service	1.68

Elected District Officers	3.00
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Senior Management Service Class	2.00
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Special Risk Regular

Service from December 1, 1970, through September 30, 1974	2.00
Service on and after October 1, 1974	3.00

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3 percent per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3 percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3 percent. FRS Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

LAFAYETTE COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 10 – DEFINED BENEFIT PENSION PLANS (continued)

Contributions

The Florida Legislature establishes contribution rates for participating employers and employees. Effective July 1, 2011, all FRS Plan members (except those in DROP) are required to make 3% employee contributions on a pretax basis. The contribution rates effective September 30, 2022, were applied to employee salaries as follows: regular employees 11.91%, senior management 31.57% special risk 27.83%, elected officials 57.00% and DROP participants 18.60%. The County's contributions to the FRS Plan were \$684,067 for the year ended September 30, 2022.

Pension Costs

At September 30, 2022, the County reported a liability of \$5,777,758 for its proportionate share of the FRS Plan's net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The County's proportion of the net pension liability was based on the County's contributions received by FRS during the measurement period for employer payroll paid dates from July 1, 2021, through June 30, 2022, relative to the total employer contributions received from all of FRS's participating employers.

For the year ended September 30, 2022, the County recognized pension expense of \$805,406 for its proportionate share of FRS's pension expense. In addition, the County reported its proportionate share of FRS's deferred outflows of resources and deferred inflows of resources from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 276,480	\$ -
Changes in Actuarial Assumptions	709,091	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	380,582	-
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	145,536	319,744
District Contributions Subsequent to the Measurement Date	187,512	-
Total	<u>\$ 1,699,201</u>	<u>\$ 319,744</u>

LAFAYETTE COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 10 – DEFINED BENEFIT PENSION PLANS (continued)

\$187,512 reported as deferred outflows of resources related to pensions resulting from County contributions to the FRS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2022. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized as an increase (decrease) in pension expense in future years:

Actuarial Assumptions

The total pension liability in the July 1, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60% per year
Salary Increases	3.25%, Average, including inflation
Investment Rate of Return	6.8%, Net of Pension Plan Investment Expense, Including Inflation

Mortality rates were based on the Generational RP-2000 with Projection Scale BB. The actuarial assumptions used in the July 1, 2022, valuation were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013.

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

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	3.0%	3.0%	1.7%
Fixed Income	18.0%	4.7%	4.6%	4.6%
Global Equity	53.0%	8.1%	6.8%	17.2%
Real Estate (Property)	10.0%	6.4%	5.8%	12.0%
Private Equity	6.0%	11.5%	7.8%	30.0%
Strategic Investments	12.0%	6.1%	5.6%	11.1%
Totals	100.0%			
Assumed Inflation - Mean		2.6%		1.9%

LAFAYETTE COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 10 – DEFINED BENEFIT PENSION PLANS (continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.60% for the FRS Plan. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, each of the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Pension Plan Fiduciary Net Position

Detailed information about the FRS Plan's fiduciary's net position is available in a separately-issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report. That report may be obtained through the Florida Department of Management Services' website, <http://www.dms.mvflorida.com>.

Retiree Health Insurance Subsidy Program

Plan Description

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

Benefits Provided

For the fiscal year ended June 30, 2022, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions

The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2022, the contribution rate was 1.66 percent of payroll pursuant to section 112.363, Florida Statutes. The County contributed 100 percent of its statutorily required contributions for the current and preceding 3 years.

LAFAYETTE COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 10 – DEFINED BENEFIT PENSION PLANS (continued)

HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled. The County's contributions to the HIS Plan were \$66,819 for the year ended September 30, 2022.

Pension Costs

At September 30, 2022, the County reported a liability of \$992,659 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The County's proportion of the net pension liability was based on the County's contributions received during the measurement period for employer payroll paid dates from July 1, 2020, through June 30, 2021, relative to the total employer contributions received from all participating employers. At June 30, 2022, the County's proportion was 0.0000937%, which was a decrease of 0.0000019% from its proportion measured as of June 30, 2021.

For the year ended September 30, 2022, the County recognized pension expense of \$94,394 for its proportionate share of HIS's pension expense. In addition, the County reported its proportionate share of HIS's deferred outflows of resources and deferred inflows of resources from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 30,138	\$ 4,871
Changes in Actuarial Assumptions	56,900	132,463
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,437	-
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	45,928	60,088
District Contributions Subsequent to the Measurement Date	14,316	-
Total	<u>\$ 148,719</u>	<u>\$ 197,422</u>

LAFAYETTE COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 10 – DEFINED BENEFIT PENSION PLANS (continued)

\$14,316 reported as deferred outflows of resources related to pensions resulting from County contributions to the FRS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2022. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized as an increase (decrease) in pension expense in future years:

Actuarial Assumptions

The total pension liability in the July 1, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40% per year
Salary Increases	3.25%, Average, including inflation
Municipal Bond Rate	6.8% Net of Pension Plan
	Investment Expense Including Inflation

Mortality rates were based on the Generational RP-2000 with Projection Scale BB. The actuarial assumptions used in the July 1, 2021, valuation were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013.

Discount Rate

The discount rate used to measure the total pension liability was 2.85% for the HIS Plan. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Pension Plan Fiduciary Net Position

Detailed information about the HIS Plan's fiduciary's net position is available in a separately-issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report. That report may be obtained through the Florida Department of Management Services' website
<http://www.dms.mvflorida.com>.

LAFAYETTE COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 11 - DEFERRED COMPENSATION PLAN

Lafayette County offers its employees a National Association of Counties' deferred compensation plan (the plan) created in accordance with Internal Revenue Code Section 457. The plan, available to all employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

The plan assets (cash and investments) are recorded at market value and are accounted for in an agency fund in accordance with Governmental Association Standards Board (GASB) Statement No. 32.

Deferred compensation amounts withheld from participating employees' pay are not taxable as current income until withdrawn from the plan.

According to Chapter 112.215, Florida Statutes, the "Government Employees' Deferred Compensation Plan Act", the State Treasurer, with the approval of the State Board of Administration, shall establish such plan or plans of deferred compensation for state employees, including all such investment vehicles or products incident thereto, as may be available through, or offered by, qualified companies or person, and may approve one or more such plans for implementation by and on behalf of the state and its agencies and employees.

In accordance with a plan of deferred compensation which has been approved as herein provided, the state or any agency, county, municipality, or other political subdivision may, by contract or a collective bargaining agreement, agree with any employee to defer all and any portion of that employee's otherwise payable compensation and, pursuant to the terms of such approved plan invest such deferred compensation in savings accounts or use the same to purchase fixed or variable life insurance or annuity contracts, securities, evidence of indebtedness, or such other investment products as may have been approved for the purposes of carrying out the objectives of such plan. Such insurance, annuity, savings, or investment products shall be underwritten and offered in compliance with the applicable federal and state laws and regulations by persons who are duly authorized by applicable state and federal authorities.

All records identifying individual participants in any plan under this section and their personal account activities shall be confidential and are exempt from the provisions of s199.07(1).Florida Statutes.

LAFAYETTE COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 11 - DEFERRED COMPENSATION PLAN (continued)

The purchase of any insurance contract for an employee or annuity of the investment in another investment option under any plan of deferred compensation provided for in the United States Internal Revenue Code and not prohibited under the laws of this state for an employee shall impose no liability or responsibility on the state, county, municipality, or other political subdivision, except to show that the payments have been remitted for the purposes for which the compensation has been deferred.

The deferred compensation plan is reported as a custodial fund to show that the payments have been remitted for which the compensation has been deferred.

NOTE 12 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Plan Description

In accordance with Section 112.081 of the Florida Statutes, the County provides postretirement health insurance to employees who retire from the County and wish to remain on the County's health plan. The County administers a single-employer defined benefit healthcare plan (the "Plan") that offers optional postemployment healthcare coverage to eligible individuals under a self-insured health insurance program. Once the retiree becomes eligible for Medicare coverage, the monthly premium is reduced. The retired employees reimburse the County for the actual premium cost, including the portion that previously would have been paid by the County during employment. Expenses for postretirement health care benefits are recognized as paid and there is no advance funding on the part of the County. The Plan does not issue a publicly available financial report.

Eligibility for participation in the Plan is limited to full time employees of the County and of the Constitutional Officers. A retired employee who is participating in the employer's medical program is eligible to elect post-retirement coverage if:

Normal retirement requirements for members initially enrolled before July 1, 2011:

- *For Special Risk* — is at least age 55 with 6 years of service or any age with 25 years of service, and is eligible for immediate retirement benefits under FRS, or
- *For Non-Special Risk*— is at least age 62 with 6 or more years of service, or any age with 30years of service.

LAFAYETTE COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

**NOTE 12 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) –
(continued)**

Normal retirement requirements for members initially enrolled on or after July 1, 2011:

- *For Special Risk* — is at least age 60 with 6 years of service or any age with 30 years of service, and is eligible for immediate retirement benefits under FRS, or
- *For Non-Special Risk*— is at least age 65 with 6 or more years of service, or any age with 33 years of service.

The benefit is payable immediately upon retirement for life.

Funding Policy

A qualifying trust or agency fund has not been authorized by the County. The required contribution is based on pay-as-you-go financing requirements. Upon a retiree or beneficiary reaching age 65 years of age, they are required to contribute 100% of their current premium costs. Prior to a retiree or beneficiary reaching age 65 years of age, the County pays a portion of the premium and the beneficiary is required to pay the remainder. The County contributes the remainder to cover the costs of providing the benefits to the retirees.

Membership

At September 30, 2022, there were no terminated employees entitled to benefits but not yet receiving them. The membership of the Plan consisted of:

Active employees	69
<u>Retirees and beneficiaries currently receiving benefits</u>	<u>3</u>
<u>Total membership</u>	<u>72</u>
<u>Participating employers</u>	<u>1</u>

Net OPEB Liability

The County's net OPEB liability is reported herein as of September 30, 2022 for the County's fiscal year and reporting period of October 1, 2021 to September 30, 2022. The values shown for this fiscal year and reporting period are based on a measurement date of September 30, 2022 and the corresponding measurement period of October 1, 2021 to September 30, 2022. The measurement of the total OPEB liability is based on a valuation date of October 1, 2021. The following shows the changes in the County's net OPEB liability:

LAFAYETTE COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

**NOTE 12 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) –
(continued)**

	Increases (Decreases)		
	Total OPEB Liability (a)	Plan Fiduciary Net Pension (b)	Net OPEB Liability (a)+(b)
Balance at October 1, 2021	\$ 224,147	\$ -	\$ 224,147
Service cost	13,443	-	13,443
Interest cost	10,361	-	10,361
Difference between expected and actual experience	0	-	-
Changes in assumptions	0	-	-
Benefit payments	(41,226)	-	(41,226)
Net changes	(17,422)	-	(17,422)
Balance at September 30, 2022	\$ 206,725	\$ -	\$ 206,725

Sensitivity of the net OPEB liability to changes in the discount rate - The following represents the net OPEB liability of the County, as well as what the County's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1- percentage-point higher than the current discount rate:

	1% Decrease	Current Discount Rate	Increase
Net OPEB liability	\$221,254	\$206,725	\$193,697

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates - The following represents the net OPEB liability of the County, as well as what the County's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1-percentage-point higher than the current healthcare trend rates:

	Trend Rate Minus 1.00%	Current Trend Rate, then 8.00% graded down to 5.00%	Trend Rate Plus 1.00%
Net OPEB liability	\$ 188,555	\$206,725	\$ 227,990

For the year ended September 30, 2022, the County recognized OPEB expense of (\$17,422).

LAFAYETTE COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

**NOTE 12 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) –
(continued)**

At September 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to the OPEB Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Balance at October 1, 2021	\$ -	\$ -
Amortization payments	-	-
Demographic gain/loss	-	-
Changes in assumptions		-
Balance at September 30, 2022	\$ -	\$ -

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

Year Ended September 30,	OPEB Expense, Net
2023	\$ -
2024	-
2025	-
2026	-
2027	-
Thereafter	-
	\$ -

Actuarial Methods and Assumptions - The valuation report dated June 5, 2023 for the fiscal year end date of September 30, 2022 was prepared using GAAP and practices, and relied on unaudited census data and medical claims data reported by the County. Projections of benefits for financial reporting purposes are based on the substantive plan (the Plan as understood by the employer and the Plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used included techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

LAFAYETTE COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

**NOTE 12 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) –
(continued)**

In the September 30, 2022 actuarial valuation, the entry age normal actuarial cost method was used to determine the Plan's funding liabilities and assets. The actuarial assumption included a 4.77% discount rate, general wage increases of 3.0% and a healthcare cost trend rate for the year-ended September 30, 2022 of 8.00%, graded down by 0.50% per year to 5.00% for the year-ended September 30, 2028 and later fiscal years. The discount rate represents the S&P Municipal Bond 20-year High Grade yield curve rates as of September 30, 2022. Mortality rates were based on the PUB-2010 Mortality Table (without income adjustments), with full generational improvements in mortality using Scale MP-2020.

NOTE 13 – LEASE ARRANGEMENTS

The County has entered into the following lease arrangements whereby the County leases some of its property to other entities:

Doctor's Memorial Hospital Committee leases building space in County owned property for an annual rental of \$41,297, payable in monthly installments of \$3,441.

Three Rivers Regional Library System leases building space in County owned property for an annual rental of \$12,000, payable in monthly installments of \$1,000.

NOTE 14 – NET POSITION

Net Assets Invested in Capital Assets, Net of Related Debt

All debt proceeds obtained for capital assets were expensed and netted against net capital assets to arrive at net assets invested in capital assets, net of related debt.

The government-wide statement of net position reports \$3,730,595 of restricted net assets, of which all was restricted by enabling legislation.

NOTE 15 – RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft, damage, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are mitigated in several ways including participation in a public entity risk pool. The County maintains workers' compensation coverage, health insurance, automobile liability, property, and general liability coverage with Public Risk Management. The County pays yearly premiums to this pool which covers all losses incurred subject to policy and contract limitations and coverage.

LAFAYETTE COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 16 – GASB STATEMENT NO. 87, LEASES

In June 2017, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 87, *Leases*. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financing of the right to use an underlying asset. Under this standard, 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.

The use of leases in the County is minimal and will be evaluated for inclusion in next year's financial report.

NOTE 17 – CONTINGENCIES/COMMITMENTS

The Board participates in a number of federally and state assisted grant programs. These programs are subject to financial and compliance audits by the grantors or their representatives.

NOTE 18 – SUBSEQUENT EVENT

Subsequent events have been evaluated through June 27, 2023, the date of these financial statement issuance, and no event was deemed to warrant disclosure.

REQUIRED SUPPLEMENTARY INFORMATION

LAFAYETTE COUNTY
SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
FLORIDA RETIREMENT SYSTEM PENSION PLAN¹
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

	2022	2021	2020	2019	2018	2017
Employer's proportion of the net pension liability	0.01547%	0.01560%	0.03896%	0.01729%	0.01663%	0.01728%
Employer's proportionate share of the net pension liability	\$5,777,758	\$1,178,473	\$7,215,832	\$5,954,435	\$3,299,658	\$5,007,689
Employer's covered-employee payroll*	\$3,652,502	\$3,512,021	\$3,344,782	\$3,185,507	\$3,095,725	\$3,977,611
Employer's proportionate share of the net pension liability as a percentage of its covered-employee payroll	158.19%	33.54%	215.73%	186.92%	106.59%	168.18%
Plan fiduciary net position as a percentage of the total pension liability	72.28%	70.17%	73.17%	72.50%	71.60%	72.01%

*Employer's covered-employee payroll during the fiscal year is the total payroll paid to covered employees (not just pension payroll).

**The amounts presented for each fiscal year are determined as of June 30.

¹ Information is required to be presented for 10 years. However until a full 10-year trend is compiled, the District will present information for only those years for which information is available.

**LAFAYETTE COUNTY
SCHEDULE OF EMPLOYER CONTRIBUTIONS
FLORIDA RETIREMENT SYSTEM PENSION PLAN¹
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022***

	2022	2021	2020	2019	2018	2017
Contractually required contribution**	\$ 684,607	\$ 588,091	\$ 560,087	\$ 533,416	\$ 489,949	\$ 473,815
Contributions in relation to the actuarially determined contribution	684,607	588,091	560,087	533,416	489,949	473,815
Contribution deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered-employee payroll***	\$3,652,502	\$3,512,021	\$3,344,752	\$3,185,507	\$3,095,725	\$2,977,611
Contributions as a percentage of covered-employee payroll	18.74%	16.74%	16.74%	16.75%	15.83%	15.91%

¹ Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the District will present information for only those years for which information is available.

*The amounts presented for each fiscal year are determined as of June 30.

**Employer's covered-employee payroll during the measurement is the total payroll paid to covered employees (not just pension payroll). For fiscal year 2022, the measurement period is October 1, 2021 through September 30, 2022.

***The amount of contractually required contributions is equal to the amount that would be recognized as additions from the employer's contributions in the pension plan's schedule of changes in fiduciary net position during the period that coincides with the employer's fiscal year.

LAFAYETTE COUNTY
SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
HEALTH INSURANCE SUBSIDY PENSION PLAN
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

	2022	2021	2020	2019	2018	2017
Employer's proportion of the net pension liability	0.00937%	0.00956%	0.00960%	0.00979%	0.00949%	0.00944%
Employer's proportionate share of the net pension liability	\$ 992,659	\$ 1,175,110	\$ 825,800	\$ 1,087,072	\$ 1,005,547	\$ 1,002,896
Employer's covered-employee payroll*	\$ 3,652,502	\$ 3,512,021	\$ 3,344,782	\$ 3,185,507	\$ 3,095,725	\$ 2,977,611
Employer's proportionate share of the net pension liability as a percentage of its covered-employee payroll	27.18%	33.46%	24.69%	34.13%	32.48%	33.68%
Plan fiduciary net position as a percentage of the total pension liability	72.67%	72.91%	73.17%	72.50%	71.60%	71.86%

*Employer's covered-employee payroll during the fiscal year is the total payroll paid to covered employees (not just pension payroll).

**The amounts presented for each fiscal year are determined as of June 30.

¹ Information is required to be presented for 10 years. However until a full 10-year trend is compiled, the District will present information for only those years for which information is available.

**LAFAYETTE COUNTY
SCHEDULE OF EMPLOYER CONTRIBUTIONS
HEALTH INSURANCE SUBSIDY PENSION PLAN
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022***

	2022	2021	2020	2019	2018	2017
Contractually required contribution**	\$ 66,819	\$ 59,195	\$ 56,646	\$ 53,949	\$ 51,624	\$ 51,522
Contributions in relation to the actuarially determined contribution	66,819	59,195	56,646	53,949	51,624	51,522
Contribution deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered-employee payroll***	\$3,652,502	\$3,512,021	\$3,334,782	\$3,185,507	\$3,095,725	\$2,977,611
Contributions as a percentage of covered-	1.83%	1.68%	1.70%	1.69%	1.67%	1.74%

¹ Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the District will present information for only those years for which information is available.

*The amounts presented for each fiscal year are determined as of June 30.

**Employer's covered-employee payroll during the measurement is the total payroll paid to covered employees (not just pension payroll). For fiscal year 2022, the measurement period is October 1, 2021 through September 30, 2022.

***The amount of contractually required contributions is equal to the amount that would be recognized as additions from the employer's contributions in the pension plan's schedule of changes in fiduciary net position during the period that coincides with the employer's fiscal year.

Required Other Postemployment Benefits Supplementary Information

Schedule of Changes in Net OPEB Liability and Related Ratios Last Five Fiscal Years*

As of and for the year ended September 30,

	2022	2021	2020	2019	2018
Total OPEB Liability					
Service cost	\$ 13,433	N/A	N/A	N/A	N/A
Interest	10,361	N/A	N/A	N/A	N/A
Differences between expected and actual experience	-	N/A	N/A	N/A	N/A
Changes of assumptions	-	N/A	N/A	N/A	N/A
Benefit payments	(41,266)	N/A	N/A	N/A	N/A
Net change in total OPEB liability	(17,422)	N/A	N/A	N/A	N/A
Total OPEB liability - beginning	224,147	N/A	N/A	N/A	N/A
Total OPEB liability - ending (a)	206,725	N/A	N/A	N/A	N/A
Plan Fiduciary Net Position		N/A	N/A	N/A	N/A
Contributions - employer	23,794	N/A	N/A	N/A	N/A
Benefit payments	(23,794)	N/A	N/A	N/A	N/A
Net change in plan fiduciary net position	-	N/A	N/A	N/A	N/A
Plan fiduciary net position - beginning	-	N/A	N/A	N/A	N/A
Plan fiduciary net position - ending (b)	-	N/A	N/A	N/A	N/A
Net OPEB liability - ending (a) - (b)	\$ 206,725	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total OPEB liability		N/A	N/A	N/A	N/A
	0.00%				
Covered-employee payroll	\$2,833,043	N/A	N/A	N/A	N/A
Net OPEB liability as a percentage of covered-employee payroll	7.30%	N/A	N/A	N/A	N/A
Contributions as a percentage of covered-employee payroll	0.83%	N/A	N/A	N/A	N/A

*This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

LAFAYETTE COUNTY, FLORIDA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Original Budget	Final Budget	Actual	Variance With Final Budget Favorable (Unfavorable)
REVENUE:				
Taxes:				
Ad valorem taxes	\$3,224,969	\$3,224,969	\$2,840,275	\$ (384,694)
Communications tax	26,000	26,000	27,242	1,242
	<u>3,250,969</u>	<u>3,250,969</u>	<u>2,867,517</u>	<u>(383,452)</u>
Licenses and permits:				
Building permits	90,000	90,000	110,012	20,012
Other licenses and permits	4,500	4,500	8,516	4,016
Total licenses and permits	<u>94,500</u>	<u>94,500</u>	<u>118,528</u>	<u>24,028</u>
Intergovernmental:				
State grants:				
School Resouce Officers	190,000	190,000	190,000	-
Local Mitigation Strategy	5,000	5,000	-	(5,000)
Fiscal Constraint - Salary Assistance	296,000	296,000	74,000	(222,000)
Culture/Recreation:				
Library grants	19,231	19,231	19,322	91
Boat ramps	504,388	504,388	32,111	(472,277)
Recreation Complex	175,000	175,000	-	(175,000)
Other state grants	5,000	5,000	136,333	131,333
State shared revenue:				
Pari-mutual distribution	220,150	220,150	220,150	-
State revenue sharing	175,852	175,852	232,611	56,759
Insurance agent's county licenses	16,000	16,000	18,746	2,746
Mobile home licenses	3,000	3,000	2,979	(21)
Alcoholic beverage licenses	200	200	185	(15)
Local government half-cent sales tax - ordinary	190,000	190,000	202,440	12,440
Local government half-cent sales tax - emer.	525,000	525,000	607,829	82,829
Local government half-cent sales tax - suppl.	21,500	21,500	21,715	215
License plates	-	-	79	79
Amendment One Offset - FCC	205,000	205,000	241,032	36,032
Local revenue:				
Public Safety - Building Official	15,475	15,475	18,142	2,667
Public Safety Town of Mayo - Law enforcement	32,000	32,000	29,333	(2,667)
Payment in lieu of taxes	70,000	70,000	77,699	7,699
Soil and water conservation	-	-	99,065	99,065
Total intergovernmental	<u>2,668,796</u>	<u>2,668,796</u>	<u>2,223,771</u>	<u>(445,025)</u>

(continued)

LAFAYETTE COUNTY, FLORIDA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Original Budget	Final Budget	Actual	Variance With Final Budget Favorable (Unfavorable)
REVENUE: (continued)				
Charges for Services:				
General government charges:				
County Officers' commissions and fees				
Tax Collectors fees	70,000	70,000	60,741	(9,259)
Sheriff fees	1,000	1,000	-	(1,000)
Supervisor of Election fees	500	500	31	(469)
Property Appraisers fees	3,000	3,000	-	(3,000)
Court related information system	10,000	10,000	11,738	1,738
Recreation department	8,000	8,000	9,440	1,440
Civic Center fees	12,000	12,000	15,850	3,850
Total charges for services	104,500	104,500	97,800	(6,700)
Fines and forfeitures:				
Library fines	2,000	2,000	2,820	820
Other fines	9,000	9,000	10,432	1,432
Total fines and forfeitures	11,000	11,000	13,252	2,252
Miscellaneous Revenues:				
Interest earnings	5,000	5,000	14,450	9,450
Rents	53,296	53,296	53,297	-
Impact fees	6,000	6,000	60,900	54,900
Other miscellaneous revenues	30,000	30,000	190,685	160,685
Sales of equipment and land	2,500	2,500	-	(2,500)
Estimated uncollectible revenue	(340,618)	(340,618)	-	340,618
Total miscellaneous revenues	(243,822)	(243,822)	319,332	563,154
Total revenue	5,885,943	5,885,943	5,640,200	(245,743)
EXPENDITURES:				
General government services:				
Legislative:				
Personal services	304,394	304,394	238,479	(65,915)
Operating expenditures	17,000	17,000	11,483	(5,517)
	321,394	321,394	249,962	71,432
Executive				
Operating expenditures	25,500	25,500	11,145	14,355
Capital outlay	-	-	-	-
	25,500	25,500	11,145	14,355

(continued)

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

LAFAYETTE COUNTY, FLORIDA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Original Budget	Final Budget	Actual	Variance With Final Budget Favorable (Unfavorable)
EXPENDITURES: (continued)				
Financial and Administrative:				
Personal services	29,618	29,618	-	29,618
Operating expenditures	108,800	108,800	93,886	14,914
Capital outlay	2,500	2,500	-	2,500
	140,918	140,918	93,886	47,032
Legal counsel				
Personal services	50,402	50,402	50,364	38
Operating expenditures	26,000	26,000	-	26,000
	76,402	76,402	50,364	26,038
Comprehensive planning				-
Personal services	-	-	-	-
Operating expenditures	19,000	19,000	22,802	(3,802)
	19,000	19,000	22,802	(3,802)
Judicial/Court reporting				-
Personal services	4,860	4,860	-	4,860
Operating expenditures	111,173	111,173	81,337	29,836
Capital outlay	12,500	12,500	-	12,500
	128,533	128,533	81,337	47,196
Other general governmental services				
Personal services	687,441	687,441	556,815	130,626
Operating expenditures	167,350	167,350	121,091	46,259
Capital outlay	10,000	10,000	6,843	3,157
	864,791	864,791	684,749	180,042
Total general government services	1,576,538	1,576,538	1,194,245	382,293
Fire control				
Personal services	-	-	-	-
Operating expenditures	33,230	33,230	55,684	(22,454)
Capital outlay	5,000	5,000	1,670	3,330
	38,230	38,230	57,354	(19,124)
Detention and corrections				
Personal services	5,000	5,000	-	5,000
Operating expenditures	89,524	89,524	98,498	(8,974)
Capital outlay	5,000	5,000	-	5,000
	99,524	99,524	98,498	1,026
Protective Inspections - Building Inspector:				
Personal services	120,915	120,915	107,953	12,962
Operating expenditures	16,695	16,695	13,979	2,716
Capital outlay	1,000	1,000	-	1,000
(continued)	138,610	138,610	121,932	16,678

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

LAFAYETTE COUNTY, FLORIDA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Original Budget	Final Budget	Actual	Variance With Final Budget Favorable (Unfavorable)
EXPENDITURES: (continued)				
Emergency/Disaster Relief	-	-	1,762	(1,762)
Medical Examiner:				
Personal Services	-	-	-	-
Operating Expenditures	35,300	35,300	30,810	4,490
	35,300	35,300	30,810	4,490
Total public safety	311,664	311,664	310,356	1,308
Physical Environment:				
Solid waste disposal	1,410	1,410	2,818	(1,408)
Conservation and resource management				
Personal Services	203,622	203,622	201,084	2,538
Operating Expenditures	69,365	69,365	85,971	(16,606)
	272,987	272,987	287,055	(14,068)
Total physical environment	274,397	274,397	289,873	(15,476)
Economic Environment:				
Industry Development:				
Operating Expenditures	6,000	6,000	11,108	(5,108)
Veterans Services				
Personal Services	9,565	9,565	6,365	3,200
Operating Expenditures	3,500	3,500	1,642	1,858
Total economic environment	19,065	19,065	19,115	(50)
Human Services:				
Health services:				
Operating Expenditures	67,490	67,490	51,976	15,514
COVID Relief Funds	-	-	-	-
Mental health:				
Operating Expenditures	18,209	18,209	18,209	-
Welfare:				
Operating Expenditures	118,201	118,201	121,035	(2,834)
Total human services	203,900	203,900	191,220	12,680
(continued)				

The accompanying notes are an integral part of the financial statements

LAFAYETTE COUNTY, FLORIDA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Original Budget	Final Budget	Actual	Variance With Final Budget Favorable (Unfavorable)
EXPENDITURES: (continued)				
Culture and Recreation:				
Libraries:				
Personal Services	140,061	140,061	118,228	21,833
Operating Expenditures	59,090	59,090	62,283	(3,193)
Capital Outlay	2,000	2,000	1,336	664
	<u>201,151</u>	<u>201,151</u>	<u>181,847</u>	<u>19,304</u>
Community Centers:				
Operating Expenditures	33,640	33,640	39,912	(6,272)
Capital Outlay	2,000	2,000	-	2,000
	<u>35,640</u>	<u>35,640</u>	<u>39,912</u>	<u>(4,272)</u>
Parks and Recreations:				
Personal Services	5,598	5,598	5,598	-
Operating Expenditures	101,075	101,075	62,851	38,224
Capital Outlay	699,388	699,388	219,878	479,510
	<u>806,061</u>	<u>806,061</u>	<u>288,327</u>	<u>517,734</u>
Total culture and recreation	<u>1,042,852</u>	<u>1,042,852</u>	<u>510,086</u>	<u>532,766</u>
Reserve for contingencies	45,994	45,994	-	45,994
Reserve for cash carry forward	15,000	15,000	-	15,000
	<u>3,489,410</u>	<u>3,489,410</u>	<u>2,514,895</u>	<u>974,515</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>2,396,533</u>	<u>2,396,533</u>	<u>3,125,305</u>	<u>728,772</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	585,801	585,801	655,375	69,574
Operating transfers out				
Clerk of the Circuit Court	(272,364)	(272,364)	(244,195)	28,169
Sheriff	(2,847,800)	(2,847,800)	(2,559,899)	287,901
Property Appraiser	(326,304)	(326,304)	(301,344)	24,960
Tax Collector	(360,175)	(360,175)	(341,187)	18,988
Supervisor of Elections	(301,180)	(301,180)	(275,093)	26,087
Road and Bridge Fund	-	-	(228,533)	(228,533)
Total other financing sources (uses)	<u>(3,522,022)</u>	<u>(3,522,022)</u>	<u>(3,294,876)</u>	<u>455,679</u>
EXCESS OF REVENUE AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>(1,125,489)</u>	<u>(1,125,489)</u>	<u>(169,571)</u>	<u>955,918</u>
FUND BALANCE - October 1, 2021	1,153,000	1,153,000	1,510,688	357,688
FUND BALANCE - September 30, 2022	<u>\$ 27,511</u>	<u>\$ 27,511</u>	<u>\$ 1,341,117</u>	<u>\$ 1,313,606</u>

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

LAFAYETTE COUNTY, FLORIDA
SPECIAL REVENUE FUND – ROAD & BRIDGE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget- Favorable (Unfavorable)
REVENUES:				
Taxes:				
Local option gas tax	\$ 199,342	\$ 199,342	\$ 201,806	\$ 2,464
Intergovernmental Revenues				
Small county road assistance program	4,282,166	4,282,166	2,332,880	(1,949,286)
Fuel tax refunds	15,000	15,000	14,795	(205)
Motor fuel tax rebate	1,000	1,000	736	(264)
Constitutional gas tax	583,592	583,592	614,095	30,503
County gas tax	258,716	258,716	259,765	1,049
Ninth cent gas tax	13,500	13,500	14,073	573
	<u>5,153,974</u>	<u>5,153,974</u>	<u>3,236,344</u>	<u>(1,917,630)</u>
Miscellaneous Revenues				
Estimated uncollectible revenue	(267,866)	(267,866)	-	267,866
Interest on investments	1,000	1,000	6,633	5,633
Sale of equipment	2,000	2,000	-	(2,000)
Other miscellaneous revenues	1,000	1,000	50,940	49,940
	<u>(263,866)</u>	<u>(263,866)</u>	<u>57,573</u>	<u>321,439</u>
Total revenues	<u>5,089,450</u>	<u>5,089,450</u>	<u>3,495,723</u>	<u>(1,593,727)</u>
EXPENDITURES:				
Transportation				
Road and Bridge operations				
Personal services	713,236	713,236	589,852	123,384
Operating expenditures	609,481	609,481	565,661	43,820
Capital outlay	4,146,557	4,146,557	2,699,480	1,447,077
Debt service	-	-	-	-
	<u>5,469,274</u>	<u>5,469,274</u>	<u>3,854,993</u>	<u>1,614,281</u>
Reserve for contingencies	20,176	20,176	-	20,176
Reserve for cash carry forward	10,000	10,000	-	10,000
Total expenditures	<u>5,499,450</u>	<u>5,499,450</u>	<u>3,854,993</u>	<u>1,644,457</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(410,000)	(410,000)	(359,270)	50,730
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	-	-	-	-
Debt Proceeds	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUE AND OTHER SOURCES OVER/(UNDER) EXPENDITURES/SOURCES	(410,000)	(410,000)	(359,270)	50,730
FUND BALANCE - October 1, 2021	410,000	410,000	149,318	(260,682)
FUND BALANCE -September 30, 2022	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (209,952)</u>	<u>\$ (209,952)</u>

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

LAFAYETTE COUNTY, FLORIDA
SPECIAL REVENUE FUND – SOLID WASTE MANAGEMENT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
REVENUES:				
Taxes:				
Special assessments	\$ 175,000	\$ 175,000	\$ 111,528	\$ (63,472)
Charges for services				
Landfill and recycling fees	151,200	151,200	158,286	7,086
Intergovernmental Revenue				
Small County Grant - 2011	93,750	93,750	93,750	-
Recycling Grant	-	-	-	-
Miscellaneous Revenue				
Interest on investments	1,000	1,000	1,526	526
Miscellaneous	6,000	6,000	800	(5,200)
Less estimated uncollectible revenue	(38,848)	(38,848)	-	38,848
Total revenues	<u>388,102</u>	<u>388,102</u>	<u>365,890</u>	<u>(22,212)</u>
EXPENDITURES:				
Physical Environment				
Sanitary landfill				
Personal services	206,663	206,663	200,095	6,568
Operating expenditures	324,693	324,693	301,461	23,232
Capital Outlay	275,000	275,000	275,000	-
Debt Service	-	-	14,815	(14,815)
	<u>806,356</u>	<u>806,356</u>	<u>791,371</u>	<u>14,985</u>
Reserve for cash carry forward	1,500	1,500	-	1,500
Reserve for contingencies	5,246	5,246	-	5,246
Total expenditures	<u>813,102</u>	<u>813,102</u>	<u>791,371</u>	<u>21,731</u>
EXCESS OF REVENUE OVER EXPENDITURES	(425,000)	(425,000)	(425,481)	481
OTHER FINANCING SOURCES (USES):				
Debt Proceeds	-	-	-	-
Operating transfer in	<u>350,000</u>	<u>350,000</u>	<u>50,000</u>	<u>300,000</u>
	<u>350,000</u>	<u>350,000</u>	<u>50,000</u>	<u>300,000</u>
EXCESS OF REVENUE AND OTHER SOURCES OVER/(UNDER) EXPENDITURES AND OTHER USES	(75,000)	(75,000)	(375,481)	300,481
FUND BALANCE - October 1, 2021	<u>75,000</u>	<u>75,000</u>	<u>206,325</u>	<u>104,908</u>
FUND BALANCE - September 30, 2022	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (169,156)</u>	<u>\$ (169,156)</u>

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

LAFAYETTE COUNTY, FLORIDA
SPECIAL REVENUE FUND – EMERGENCY MEDICAL SERVICES
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
REVENUES:				
Taxes				
Special assessments	\$ 350,000	\$ 350,000	\$ 353,516	\$ 3,516
Charges for services				
Service fees	232,000	232,000	238,983	6,983
Intergovernmental Revenue				
State grant	2,500	2,500	-	(2,500)
Miscellaneous				
Interest	3,000	3,000	2,091	(909)
American Rescue Plan	550,000	550,000	200,000	(350,000)
Estimated uncollectible revenue	(56,875)	(56,875)	-	56,875
Total revenues	<u>1,080,625</u>	<u>1,080,625</u>	<u>794,590</u>	<u>(286,035)</u>
EXPENDITURES:				
Public safety:				
Personal services	846,050	846,050	624,387	221,663
Operating expenditures	184,658	184,658	167,540	(17,118)
Capital outlay	260,000	260,000	1,787	258,213
	<u>1,290,708</u>	<u>1,290,708</u>	<u>793,714</u>	<u>462,758</u>
Reserve for cash carry forward	5,000	5,000	-	5,000
Reserve for contingencies	9,917	9,917	-	9,917
Total expenditures	<u>1,305,625</u>	<u>1,305,625</u>	<u>793,714</u>	<u>511,911</u>
OTHER FINANCIAL SOURCES (USES)				
Operating transfer in	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(225,000)	(225,000)	876	(797,946)
FUND BALANCE (DEFICIT) - October 1, 2021	<u>225,000</u>	<u>225,000</u>	<u>89,477</u>	<u>(135,523)</u>
FUND BALANCE (DEFICIT) - September 30, 2022	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 90,353</u>	<u>\$ 90,353</u>

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

LAFAYETTE COUNTY, FLORIDA
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
REVENUES:				
Intergovernmental revenue				
Fiscally constrained distribution	\$ 644,000	\$ 644,000	\$ 703,883	\$ 59,883
Miscellaneous revenue				
Interest	2,500	2,500	495	(2,005)
Less uncollectible revenue	(32,325)	(32,325)	-	32,325
Total revenues	614,175	614,175	704,378	90,203
EXPENDITURES:				
Operating expenditures	25,000	25,000	25	24,975
Construction and Equipment	650,000	650,000	-	650,000
Reserve for contingencies	264,175	264,175	-	264,175
	939,175	939,175	25	939,150
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(325,000)	(325,000)	704,353	1,029,353
OTHER FINANCING SOURCES (USES)				
Operating transfer in (out)	(575,000)	(575,000)	(500,000)	75,000
EXCESS (DEFICIENCY) OF REVENUE AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING (USES)	(900,000)	(900,000)	204,353	1,104,353
Fund balance - October 1, 2021	900,000	900,000	980,941	80,941
Fund balance - September 30, 2022	\$ -	\$ -	\$ 1,185,294	\$ 1,185,294

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

LAFAYETTE COUNTY, FLORIDA
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
REVENUE:				
Intergovernmental Revenue				
Local infrastructure surtax	\$ 375,000	\$ 375,000	\$ 629,313	\$ 254,313
Less uncollectible revenue	(18,775)	(18,775)	-	18,775
Total intergovernmental revenues	356,225	356,225	629,313	273,088
Miscellaneous Revenue				
Interest	500	500	15,741	15,241
	356,725	356,725	645,054	288,329
EXPENDITURES:				
Capital Outlay				
Construction	1,075,000	1,075,000	1,052,823	22,177
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Other fees	2,500	2,500	-	2,500
Reserve for contingencies	1,679,225	1,679,225	-	1,679,225
Total expenditures	2,756,725	2,756,725	1,052,823	1,703,902
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(2,400,000)	(2,400,000)	(407,769)	1,992,231
OTHER FINANCING SOURCES (USES)				
Operating transfer (in)	-	-	-	-
Operating transfer (out)	-	-	(34,600)	(34,600)
	-	-	(34,600)	(34,600)
EXCESS OF REVENUE AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(2,400,000)	(2,400,000)	(442,369)	1,957,631
Fund balance - October 1, 2021	2,400,000	2,400,000	1,778,619	(621,381)
Fund balance - September 30, 2022	\$ -	\$ -	\$ 1,336,250	\$ 1,336,250

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

LAFAYETTE COUNTY, FLORIDA
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022

<u>ASSETS</u>	Clerk of the Court	Property Appraiser	Tax Collector	Supervisor of Elections	(SHIP) Affordable Housing Trust Fund	Criminal Justice Education Fund	Grants Fund	Development Authority	Total
Cash	\$139,273	\$ -	\$11,385	\$122,907	\$ 430,574	\$ 15,493	\$1,875,107	\$ 310,337	\$2,905,076
Accounts receivable	-	-	-	-	-	-	3,986	-	3,986
Mortgages receivable	-	-	-	-	891,674	-	41,690	-	933,364
Due from other governmental units	-	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	107,366	55,301	162,667
	<u>\$139,273</u>	<u>\$ -</u>	<u>\$11,385</u>	<u>\$122,907</u>	<u>\$1,322,248</u>	<u>\$ 15,493</u>	<u>\$2,028,149</u>	<u>\$ 365,638</u>	<u>\$4,005,093</u>
 <u>LIABILITIES AND FUND EQUITY</u>									
Liabilities									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other governmental units	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund equity									
Fund balances:									
Nonspendable	-	-	-	-	891,674	-	41,690	-	933,364
Restricted	139,273	-	11,385	122,907	430,574	15,493	1,986,459	365,638	3,071,729
Assigned	-	-	-	-	-	-	-	-	-
	<u>139,273</u>	<u>-</u>	<u>11,385</u>	<u>122,907</u>	<u>1,322,248</u>	<u>15,493</u>	<u>2,028,149</u>	<u>365,638</u>	<u>4,005,093</u>
	<u>\$139,273</u>	<u>\$ -</u>	<u>\$11,385</u>	<u>\$122,907</u>	<u>\$1,322,248</u>	<u>\$ 15,493</u>	<u>\$2,028,149</u>	<u>\$ 365,638</u>	<u>\$4,005,093</u>

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

LAFAYETTE COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Clerk of the Court	Property Appraiser	Tax Collector	Supervisor of Elections	(SHIP) Affordable Housing Trust Fund	Criminal Justice Education Fund	Grants Fund	Development Authority	Total
REVENUE:									
Charges for services	\$ 35,475	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 99,772	\$ -	\$ 135,247
Taxes	-	-	-	-	-	-	-	-	-
Fines and forfeitures	107,442	-	-	-	-	844	2,800	-	111,086
Intergovernmental revenue	273,560	-	-	96,581	350,000	-	1,249,368	15,000	1,984,509
Licenses and permits	-	-	-	-	-	-	-	-	-
Miscellaneous	93	-	14	1,153	12,901	8	8,620	23,601	46,390
Total Revenue	416,570	-	14	97,734	362,901	852	1,360,560	38,601	2,277,232
EXPENDITURES:									
General government									
Personal services	562,537	249,654	294,882	210,457	-	-	-	-	1,317,530
Operating expenditures	63,459	46,258	49,925	67,218	-	-	-	-	226,860
Capital outlay	11,931	2,000	2,571	75,615	-	-	-	-	92,117
	637,927	297,912	347,378	353,290	-	-	-	-	1,636,507
Physical environment									
Personal services	-	-	-	-	-	-	-	-	-
Operating expenditures	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Transportation									
Personal services	-	-	-	-	-	-	-	-	-
Operating expenditures	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Public safety									
Personal services	-	-	-	-	-	-	-	-	-
Operating expenditures	-	-	-	-	-	-	106,530	-	106,530
Capital outlay	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	106,530	-	106,530

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

LAFAYETTE COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Clerk of the Court	Property Appraiser	Tax Collector	Supervisor of Elections	(SHIP) Affordable Housing Trust Fund	Criminal Justice Education Fund	Grants Fund	Development Authority	Total
EXPENDITURES: (continued)									
Economic environment									
Operating expenditures	-	-	-	-	528,790	-	54,864	2,000	585,654
Capital Outlay	-	-	-	-	-	-	380,030	-	380,030
	-	-	-	-	528,790	-	434,894	2,000	965,684
Total expenditures	637,927	297,912	347,378	353,290	528,790	-	541,424	2,000	2,708,721
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(221,357)	(297,912)	(347,364)	(255,556)	(165,889)	852	819,136	36,601	(431,489)
OTHER FINANCING SOURCES (USES)									
Operating transfers in	244,195	297,912	341,187	280,712	-	-	250,000	-	1,414,006
Operating transfers out	-	-	-	-	-	-	(329,678)	-	(329,678)
	244,195	297,912	341,187	280,712	-	-	(79,678)	-	1,084,328
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	22,838	-	(6,177)	25,156	(165,889)	852	739,458	36,601	652,839
FUND BALANCE - October 1, 2021	116,435	-	17,562	97,751	1,488,137	14,641	1,288,691	329,037	3,352,254
FUND BALANCE - September 30, 2022	<u>\$ 139,273</u>	<u>\$ -</u>	<u>\$ 11,385</u>	<u>\$ 122,907</u>	<u>\$ 1,322,248</u>	<u>\$ 15,493</u>	<u>\$ 2,028,149</u>	<u>\$ 365,638</u>	<u>\$ 4,005,093</u>

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

LAFAYETTE COUNTY, FLORIDA
COMBINING STATEMENTS OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
SEPTEMBER 30, 2022

	Clerk of the Circuit Court	Sheriff	Tax Collector	Board of County Commissioners	Total
ASSETS					
Cash and cash equivalents	\$ 246,156	\$ 62,701	\$ 166,290	\$ -	\$ 475,147
Investments	312,518	-	-	76,473	388,991
	<u>558,674</u>	<u>62,701</u>	<u>166,290</u>	<u>76,473</u>	<u>864,138</u>
LIABILITIES					
Due to other governments	6,738	-	25,291	-	32,029
Due to other individuals	213,417	62,701	48,306	-	324,424
Due to other funds	26,001	-	92,693	-	118,694
Deferred compensation	312,518	-	-	76,473	388,991
	<u>558,674</u>	<u>62,701</u>	<u>166,290</u>	<u>76,473</u>	<u>864,138</u>
Total Liabilities					
	<u>558,674</u>	<u>62,701</u>	<u>166,290</u>	<u>76,473</u>	<u>864,138</u>
NET POSITION	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

LAFAYETTE COUNTY, FLORIDA
COMBINING STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
SEPTEMBER 30, 2022

	<u>Clerk of the Circuit Court</u>	<u>Sheriff</u>	<u>Tax Collector</u>	<u>Board of County Commissioners</u>	<u>Total</u>
<u>ADDITIONS</u>					
Funds held for others	\$ 1,693,520	\$ 62,701	\$ 6,656,946	\$ 76,473	\$ 8,489,640
<u>DEDUCTIONS</u>					
Funds held for others	<u>1,693,520</u>	<u>62,701</u>	<u>6,656,946</u>	<u>76,473</u>	<u>8,489,640</u>
CHANGE IN NET POSITON	-	-	-	-	-
Net position - beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net positon - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

LAFAYETTE COUNTY, FLORIDA
SCHEDULE OF FEDERAL AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDS SEPTEMBER 30, 2022

STATE AGENCY/PASS THROUGH ENTITY/PROJECT	CFDA/CFSA NUMBER	CONTRACT/GRANT NUMBER	EXPENDITURES
<u>Florida Department of Economic Opportunity</u>			
State Homeland Security Grant - EMPG Base Grant	97.067	GO257	\$ 105,806
State Homeland Security Grant - EMPA Base Grant	97.067	GO234	41,980
	97.067	AO201	105,806
EMPG-ARPA Competitive Grant	97.042	GO3557	10,985
			<u>264,577</u>
<u>Department of Environmental Protection</u>			
Small County Consolidated Grant	37.012	SC219	93,750
Edward Perry Sports Complex		A21035	200,000
			<u>293,750</u>
<u>Department of State</u>			
State Aid to Libraries	45.030	22-ST-86	19,322
Courthouse Clock Tower			650,000
			<u>669,322</u>
<u>Department of Revenue</u>			
CSE Cooperative Agreement	93.563	CC334	15,829
Child Support Enforcement			
<u>Florida Housing Finance Agency</u>			
SHIP Program	40.901		528,790
<u>Florida Department of Transportation</u>			
Small County Road Assistance	55.009	G0K89	2,332,880
<u>Florida Department of Education</u>			
Coach Aaron Feis Guardian Program	48.14	096M-90210-20001	21,300
<u>Florida Department of Law Enforcement</u>			
Law Enforcement Salary Assistance for fiscally Constrained Counties	71.067	76033	74,000
Total State Agencies			<u>\$ 4,200,448</u>

INDEPENDENT AUDITOR'S MANAGEMENT LETTER

INDEPENDENT AUDITOR'S MANAGEMENT LETTER

Honorable Board of County Commissioners
Lafayette County, Florida

Report on the Financial Statements

I have audited the financial statements of Lafayette County, Florida as of and for the fiscal year ended September 30, 2022 and have issued my report thereon dated June 27, 2023.

Auditor's Responsibility

I conducted my 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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.550, Rules of the Auditor General.

Other Reports and Schedules

I have issued my Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated, June 27, 2023, 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 I determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. I reported the following finding and recommendation, which the County has been unable to address due to financial constraints, in the preceding annual financial report:

There were no prior year audit findings.

Current Audit Findings

There were no current findings discovered during the audit.

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. This information is contained in the footnotes.

Financial Condition

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

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

Annual Financial Report

Section 10.554(1)(i)5.b. and 10.556(7), Rules of the Auditor General, requires that I apply appropriate procedures and report the results of my determination as to whether the annual financial report for Lafayette County for the fiscal year ended September 30, 2022, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2022. In connection with my audit, I determined that these two reports were in agreement.

Special District Component Units

Section 10.554(1)(i)5.d., Rules of the Auditor General, require that I apply appropriate procedures and report the results of our determination as to whether the annual financial report for Lafayette County for the fiscal year ended September 30, 2022, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2022. In connection with my audit, I determined that these two reports were in agreement.

Other Matters

Section 10.554(1)(i)2., Rules of the Auditor General, requires that I address in the

management letter any recommendations to improve financial management. In connection with my audit, I did not have any such recommendations.

Section 10.554(1)(i)3., Rules of the Auditor General, requires that I 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 my audit, I did not have any such findings.

Purpose of this Letter

My 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, and applicable management and is not intended to be and should not be used by anyone other than these specified parties.

James E. Davis
Certified Public Accountant

June 27, 2023

JAMES E. DAVIS, CPA

1733 Old Plank Road
Crawfordville, FL 32327
Phone: (850) 445-5878

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH AUTHORIZED
EXPENDITURES OF E911 FEE AND DISTRIBUTION AND USE OF E911 FUNDS**

Board of County Commissioners
Lafayette County, Florida

I have examined Lafayette County, Florida's (the County) compliance with the requirements of Section 365.172(10), Florida Statutes, *Authorized Expenditures of E911 Fee*, and Section 365.173(2)(d), Florida Statutes, *Distribution and Use of (E911) Funds*, during the year ended September 30, 2022. Management of the County is responsible for the County's compliance with the specified requirements. My responsibility is to express an opinion on the County's compliance with the specified requirements based on my examination.

My examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that I plan and perform the examination to obtain reasonable assurance about whether the County complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the County complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on my judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. I believe that the evidence I obtained is sufficient and appropriate to provide a reasonable basis for my opinion.

My examination does not provide a legal determination on the County's compliance with specified requirements.

In my opinion, the County complied, in all material respects, with the requirements of Section 365.172(10), Florida Statutes, *Authorized Expenditures of E911 Fee*, and Section 365.173(2)(d), Florida Statutes, *Distribution and Use of (E9U) Funds*, for the year ended September 30, 2022.

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

James E. Davis
Certified Public Accountant

June 27, 2023

JAMES E. DAVIS, CPA
1733 Old Plank Road
Crawfordville, FL 32327
Phone: (850) 445-5878

**INDEPENDENT ACCOUNTANT'S REPORT ON AN EXAMINATION CONDUCTED IN
ACCORDANCE WITH AICPA PROFESSIONAL STANDARDS, SECTION 601, REGARDING
COMPLIANCE REQUIREMENTS IN ACCORDANCE WITH CHAPTER 10.550, RULES OF THE
AUDITOR GENERAL**

Lafayette County
Mayo, Florida

I have examined Lafayette County's compliance with the requirements of Section 218.415, Florida Statutes, Local Government Investment Policies, during the year ended September 30, 2022. Management is responsible for Lafayette County's compliance with those requirements. My responsibility is to express an opinion on Lafayette County's compliance based on my examination.

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

In my opinion, Lafayette County complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2022.

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

James E. Davis
Certified Public Accountant

June 27, 2023

JAMES E. DAVIS, CPA
1733 Old Plank Road
Crawfordville, FL 32327
Phone: (850) 445-5878

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

Board of County Commissioners
Lafayette County
Mayo, Florida

I have audited the financial statements of Lafayette County, Florida, as of and for the year ended September 30, 2022, and have issued my report thereon dated June 27, 2023. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

My 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, I identified no deficiencies in internal control that I consider to be material weaknesses.

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 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. I identified no deficiencies that I consider to be 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. During my audit I did not identify any deficiencies in internal control that I consider to be a significant deficiency. However, significant deficiencies may exist that have not been identified.

Compliance and Other Matters

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

I noted certain other matters that were reported to the County in a separate letter dated June 27, 2023.

County's Response to Findings

The County's responses to the findings identified in my audit are included 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, I express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of my 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.

James E. Davis
Certified Public Accountant

June 27, 2023

**ADDITIONAL REPORTS PREPARED IN ACCORDANCE
WITH THE PROVISIONS OF THE OFFICE OF MANAGEMENT
AND BUDGET (OMB) CIRCULAR A-133 AND
THE RULES OF THE AUDITOR GENERAL
OF THE STATE OF FLORIDA**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - STATE PROJECTS
FISCAL YEAR ENDED SEPTEMBER 30, 2022

A. SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unqualified opinion on the general purpose financial statements of Lafayette County, Florida.
2. No significant deficiencies were reported in the Independent Auditor's report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of the General Purpose Financial Statements Performed in Accordance with Government Auditing Standards.
3. No instances of noncompliance material to the financial statements of Lafayette County, Florida were disclosed during the audit.
4. The audit disclosed no significant deficiencies in internal control over any major federal program and state project.
5. The report on compliance with requirements applicable to the major state projects expressed an unqualified opinion.
6. The audit disclosed no findings related to the major state projects.
7. The County had one major federal program and two major state programs.
8. The threshold for distinguishing Type A projects was \$750,000 which was the larger of \$750,000 or \$131,026, 3% (three percent) of the total expenditures.

B. FINDINGS – FINANCIAL STATEMENTS

See Management Letter for discussion of recommendations resulting from audit of financial statement,

Management response follows Management Letter.

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL PROGRAM AND STATE PROJECTS

None

D. OTHER ISSUES

1. No Summary Schedule of Prior Audit Findings is required as there were no prior audit findings related to Federal programs or State projects.
2. No Corrective Action Plan is required because there were no findings required to be reported under the Federal or Florida Single Audit Acts.

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND
STATE PROJECT AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE AND CHAPTER 10.550,
RULES OF THE AUDITOR GENERAL**

To Board of County Commissioners
Lafayette County
Mayo, Florida

Report on Compliance for Each Major Federal Program and State Project

I have audited the Lafayette County's compliance with the types of compliance requirements described in the *OMB Compliance Supplement*, and the requirements described in the *Department of Financial Services' State Projects Compliance Supplement*, that could have a direct and material effect on each of Lafayette County's major Federal programs and State projects for the year ended September 30, 2022. The Lafayette County's major Federal programs and State projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with Federal and State Statutes, regulations, and the terms and conditions of its Federal awards and State projects applicable to its Federal programs and State projects.

Auditor's Responsibility

My responsibility is to express an opinion on compliance for each of the Lafayette County's major Federal programs and State projects based on my audit of the types of compliance requirements referred to above. I conducted my audit of compliance 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); Chapter **10.550**, Rules of the Auditor General. Those standards, the Uniform Guidance, and Chapter **10.550**, Rules of the Auditor General, require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major

Federal program or State project occurred. An audit includes examining, on a test basis, evidence about the Lafayette County's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances.

I believe that my audit provides a reasonable basis for my opinion on compliance for each major Federal program and State project. However, my audit does not provide a legal determination of the Lafayette County's compliance.

Opinion on Each Major Federal Program and State Project

In my opinion, the Lafayette County 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, 2022.

Report on Internal Control Over Compliance

Management of the Lafayette County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing my audit of compliance, I considered the Lafayette County internal control over compliance with the types of requirements that could have a direct and material effect on each major Federal program or State project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major Federal program and State project and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter **10.550**, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the Lafayette County's internal control over compliance.

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

My consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses, or significant deficiencies. I did not identify any deficiencies in internal control over

compliance that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of my testing of internal control over compliance and 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.

James E. Davis
Certified Public Accountant

June 27, 2023

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

**SPECIAL-PURPOSE FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT**

SEPTEMBER 30, 2022

**LAFAYETTE COUNTY CLERK OF THE CIRCUIT COURT
AUDIT REPORT
SEPTEMBER 30, 2022**

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**INDEPENDENT AUDITOR'S REPORT ON
SPECIAL-PURPOSE FINANCIAL STATEMENTS**

Clerk of the Circuit Court
Lafayette County, Florida

Report on Special-Purpose Financial Statements

I have audited the accompanying special-purpose financial statements of the governmental activities, each major fund, the aggregate remaining fund information and the fiduciary fund type of the Clerk of the Circuit Court ("Clerk"), as of for the year ended September 30, 2022, and the related notes to the Financial Statements, which collectively comprise the Clerk's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such

opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the special-purpose financial statements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinion

In my opinion, the special-purpose financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, the aggregate remaining fund information, and the fiduciary fund types of the Clerk as of September 30, 2022, and the changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

As discussed in Note 1 to the special-purpose financial statements, the Clerk's financial statements are special-purpose financial statements presenting only the financial position and results of operations of the Clerk. These special-purpose financial statements are not intended to be a complete presentation of the financial position and results of operations of Lafayette County, Florida taken as a whole. As permitted by Chapter 10.556(4), Rules of the Auditor General State of Florida, the special-purpose financial statements consist of only the fund level financial statements as defined in Government Accounting Standards Board Statement 34, and do not include presentations of government-wide financial statements of the Clerk.

Other Information

My audit was conducted for the purpose of forming opinions on the special-purpose financial statements that collectively comprise the Clerk's basic financial statements. The combining and individual nonmajor fund financial statements and combining and individual statement of fiduciary net position are presented for purposes of additional analysis and are not a required part of 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 Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and Chapter 10.550, Local Government Entity Audits, *Rules of the Auditor General* State of Florida, and is not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, combining and individual statement of fiduciary net position are the responsibility of management and were

derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures, including comparing and reconciling such 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 my opinion, the combining and individual nonmajor fund financial statements, combining and individual statement of fiduciary net position are 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*, I have also issued a report dated June 27, 2023 on my consideration of the Clerk's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 Clerk internal control over financial reporting and compliance.

James E. Davis
Certified Public Accountant

June 27, 2023

LAFAYETTE COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT
BALANCE SHEET
SEPTEMBER 30, 2022

ASSETS

Cash	<u>\$ 139,273</u>
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LIABILITIES AND FUND EQUITY

Liabilities

Due to other funds	\$ -
Due to other governmental units	<u>-</u>
	-

Fund equity

Fund Balance -Restricted	139,273
	<u>\$ 139,273</u>

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

LAFAYETTE COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE – OPERATING FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022

Revenues	
Title IV-D child support fees	\$ 15,829
Deficit County Assistance	217,790
Jury Reimbursement	3,917
Clerk's Trust - recording	35,475
Clerk's Trust - courts	97,509
Modernization Trust fees	3,770
Court Technology fees	6,463
Prior year settle up	35,724
Investment income	93
Total revenues	<u>416,570</u>
Expenditures	
Courts	
Personal services	316,373
Operating expenditures	<u>22,575</u>
Total courts	338,948
Recording	
Operating expenditures	35,475
Capital outlay	<u>-</u>
Total recording	35,475
Finance	
Personal services	246,164
Operating expenditures	1,492
Capital outlay	<u>11,931</u>
Total finance	259,587
Modernization Trust	
Capital outlay	-
Court Technology	
Capital outlay	-
Jury	
Operating Expenditures	<u>3,917</u>
Total expenditures	<u>637,927</u>
Other financing sources (uses):	
Appropriations from Board of County Commissioner - net of surplus refund	<u>244,195</u>
Net changes in fund balance	22,838
Fund balance - beginning of year	<u>116,435</u>
Fund balance - end of year	<u><u>\$ 139,273</u></u>

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

LAFAYETTE COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT
STATEMENT OF FIDUCIARY NET ASSETS – CUSTODIAL FUNDS
SEPTEMBER 30, 2022

	<u>Custodial Funds</u>
<u>ASSETS</u>	
Cash	\$ 246,156
Investments	<u>312,518</u>
	558,674
<u>LIABILITIES</u>	
Due to other funds	26,001
Due to other governments	6,738
Due to other individuals	213,417
Deferred compensation	<u>312,518</u>
	558,674
NET POSITION	<u><u>\$ -</u></u>

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

LAFAYETTE COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT
STATEMENT OF FIDUCIARY CHANGES NET ASSETS – CUSTODIAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	<u>Custodial Funds</u>
<u>ADDITIONS</u>	
Contributions:	
Funds held for others	\$ 1,693,520
<u>DEDUCTIONS</u>	
Funds held for others	<u>1,693,520</u>
CHANGE IN NET POSITON	-
Net position - beginning of the year	<u>-</u>
Net positon - end of year	<u><u>\$ -</u></u>

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

LAFAYETTE COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES

▪ **Reporting Entity**

The Clerk of the Circuit Court operates as a County agency and an elected Constitutional Officer of Lafayette County, Florida, pursuant to Article VIII, Section (I) of the Constitution of the State of Florida. For financial statement and reporting purposes, the Clerk of the Circuit Court is a separate constitutional officer as provided by Chapter 218 of *Florida Statutes*. Lafayette County is a 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 county either alters or expands the powers of the elected officials via voter referendum. The Clerk of the Circuit Court is considered to be a part of the primary government of Lafayette County, Florida, and is included in the Lafayette County county-wide financial statements, Pursuant to GASB Codification of Governmental Accounting and Financial Reporting Standards, Section 2100 and 2600, the Clerk's financial statements are combined with those of the Board of County Commissioners (the Board) and other elected officials into the reporting entity of the County. The financial statements contained herein represent the financial transactions of the Clerk of the Circuit Court only.

The accounting policies of the Clerk of the Circuit Court 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.

As permitted by Chapter 10.556(4), Rules of the Auditor General State of Florida, the special-purpose financial statements consist of only the fund level financial statements as defined in GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – For State and Local Governments*, and do not include presentation of government-wide financial statements of the Clerk.

▪ **Basis of Reporting**

The accounts of the Clerk of the Circuit Court are organized on the basis of funds

LAFAYETTE COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)

and accounts groups, 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, fund equity, revenues, 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.

▪ **Description of Funds**

The financial activities of the Clerk of the Circuit Court 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 of the Circuit Court. 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 Clerk of the Circuit Court as an agent for individuals, private organizations and/or other governmental units. These are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

▪ **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.

All governmental fund financial statements are reported using a current financial resources measurement focus on a modified accrual basis of accounting. The major modifications to the accrual basis are (a) revenues are recorded in the accounting period in which they become available and measureable (available means collectible within the current period or soon enough thereafter to be used

LAFAYETTE COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)

to pay liabilities of the current period, considered to be sixty days for property taxes and ninety days for all other revenue) and (b) expenditures are recorded in the accounting period in which the liability is incurred, if measureable, except for accumulated sick and vacation compensation, which are expensed when paid.

Fiduciary fund (custodial fund) statements are prepared using economic resource measurement focus and the accrual basis of accounting.

▪ **Measurement Focus**

The accounting and financial reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or “financial flow” measurement focus. This means that generally, only current assets and current liabilities are included in the balance sheet. Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they present a summary of sources and uses of “available spendable resources” during a period.

The portion of the Clerk’s revenue that is a budget appropriation from the Board rather than a charge for service is reported as an appropriation by the Clerk and as expenditures by the Board. Any excess of revenue and other financing sources received over expenditures are remitted to the Board at year-end and reported as a reversion to the Board of County Commissioners.

Recently Issued and Implemented Accounting Pronouncements

In June 2017, the GASB issued Statement No. 87 (GASB 87), *Leases*. The objective of GASB 87 is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. GASB 87 increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset.

LAFAYETTE COUNTY, FLORIDA
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NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)

Under GASB 87, a lessee is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of GASB 87 are effective for reporting periods beginning after June 15, 2021. The implementation of GASB 87 resulted in the inclusion of a lease receivable, leases payable and right of use assets in the Statement of Net Position. See note 8 for further discussion on the restatement of beginning balances required for the implementation of GASB 87.

In June 2018, the GASB issued Statement No. 89 (GASB 89), *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. The implementation of GASB 89 did not result in any change in the County's financial statements.

In January 2020, the GASB issued Statement No. 92, *Omnibus 2020* (GASB 92). The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about the following:

- The effective date of Statement No. 87, *Leases*, and Implementation Guide No. 2019- 3, *Leases*, for interim financial reports,
- Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan,
- The applicability of Statements No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68*, and *Amendments to Certain Provisions of GASB Statements 67 and 68*, as amended, and No. 74, *Financial Reporting for Post-employment Benefit Plans Other Than Pension Plans*, as amended, to reporting assets accumulated for postemployment benefits,
- The applicability of certain requirements of Statement No. 84, *Fiduciary Activities*, to postemployment benefit arrangements,

LAFAYETTE COUNTY, FLORIDA
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NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)

- Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition,
- Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers,
- Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature, and
- Terminology used to refer to derivative instruments.

The requirements of this Statement are effective as follows:

- The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance.
- The requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74 are effective for fiscal years beginning after June 15, 2021.
- The requirements related to application of Statement 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities are effective for reporting periods beginning after June 15, 2021.
- The requirements related to the measurement of liabilities (and assets, if any) associated with asset retirement obligations in a government acquisition are effective for government acquisitions occurring in reporting periods beginning after June 15, 2021.

In May 2020, the GASB issued Statement No. 93 (GASB 93), *Replacement of Interbank Offered Rates*. The objectives of this Statement are to address financial reporting issues that result from the replacement of an Interbank Offered Rate (IBOR) by providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment and clarification of the hedge accounting termination provisions when a hedged item is amended to replace the reference rate; replacing LIBOR as an appropriate benchmark interest rate for the evaluation of the effectiveness of an interest rate swap with a Secured Overnight Financing Rate or the Effective Federal Funds Rate; and providing exceptions to the lease modifications guidance in GASB 87 for lease contracts that are amended solely to replace an IBOR used to determine variable payments.

LAFAYETTE COUNTY, FLORIDA
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NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)

The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2022. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2021. The implementation of GASB 93 did not result in any change in the County's financial statements.

In June 2020, the GASB issued Statement No. 97 (GASB 97), *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. The primary objectives of GASB 97 are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements of GASB 97 are effective for fiscal years beginning after June 15, 2021. The implementation of GASB 97 did not result in any change in the County's financial statements.

In October 2021, the GASB issued GASB Statement No. 98 (GASB 98), *The Annual Comprehensive Financial Report*. This Statement establishes the term *annual comprehensive financial report* and its acronym *ACFR*. That new term and acronym replace instances of *comprehensive annual financial report* and its acronym in generally accepted accounting principles for state and local governments. This Statement was developed in response to concerns raised by stakeholders that the common pronunciation of the acronym for comprehensive annual financial report sounds like a profoundly objectionable racial slur. This Statement's introduction of the new term is founded on a commitment to promoting inclusiveness. The requirements of this Statement are effective for fiscal years ending after December 15, 2021. The implementation of GASB 98 did not result in any change in the County's financial statements.

LAFAYETTE COUNTY, FLORIDA
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NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)

Pronouncements Issued But Not Yet Effective

The GASB has issued statements that will become effective in future years.

These statements are as follows:

In May 2019, the GASB issued Statement No. 91 (GASB 91), *Conduit Debt Obligations*. The primary objectives of GASB 91 are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. GASB 91 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 requirements of GASB 91 are effective for reporting periods beginning after December 15, 2021.

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* (GASB 94). The objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement.

This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA

LAFAYETTE COUNTY, FLORIDA
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NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)

is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022.

In May 2020, the GASB issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (GASB 96). This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end 'users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, leases, as amended. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Assets and liabilities resulting from SBITAs should be recognized and measured using the facts and circumstances that existed at the beginning of the fiscal year in which this Statement is implemented.

Governments are permitted, but are not required, to include in the measurement of the subscription asset capitalizable outlays associated with the initial implementation stage and the operation and additional implementation stage incurred prior to the implementation of this Statement.

In April 2022, the GASB issued GASB Statement No. 99, *Omnibus 2022* (GASB 99). This Statement provides guidance on the following:

- Classification and reporting of derivative instruments within the scope of Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, that do not meet the definition of either an investment derivative instrument or a hedging derivative instrument
- Clarification of provisions in Statement No. 87, *Leases*, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives,
- Clarification of provisions in Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, related to (a) the determination of the PPP term and (b)

LAFAYETTE COUNTY, FLORIDA
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NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)

- recognition and measurement of installment payments and the transfer of the underlying PPP asset,
- Clarification of provisions in Statement No. 96, *Subscription-Based Information Technology Arrangements*, related to the SBITA term, classification of a SBITA as a short-term SBITA, and recognition and measurement of a subscription liability,
- Extension of the period during which the LIBOR is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt,
- Accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP),
- Disclosures related to nonmonetary transactions,
- Pledges of future revenues when resources are not received by the pledging government,
- Clarification of provisions in Statement No. 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments, as amended, related to the focus of the government-wide financial statements,
- Terminology updates related to certain provisions of Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, and Terminology used in Statement 53 to refer to resource flows statements.

The requirements of this Statement are effective as follows:

- The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance.
- The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.
- The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

In June 2022, the GASB issued GASB Statement No. 100, *Accounting Changes and Error Corrections* (GASB 100). This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error

LAFAYETTE COUNTY, FLORIDA
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NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)

corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The requirements of this Statement for changes in accounting principles apply to the implementation of a new pronouncement in absence of specific transition provisions in the new pronouncement. This Statement also requires that the aggregate amount of adjustments to and restatements of beginning net position, fund balance, or fund net position, as applicable, be displayed by reporting unit in the financial statements. This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated. Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). For periods that are earlier than those included in the basic financial statements, information presented in RSI or SI should be restated for error corrections, if practicable, but not for changes in accounting principles. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

In June 2022, the GASB issued GASB Statement No. 101, *Compensated Absences* (GASB 101). The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability (as long as they identify it as a net change). In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences.

LAFAYETTE COUNTY, FLORIDA
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NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)

The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

The County is evaluating the requirements of the above statements and the impact on reporting.

Budgetary Requirements

Florida Statutes, Chapter 218.35 and 218.36 details the preparation, adoption and administration of the Clerk of the Court's annual budget. The Clerk of the Court establishes an annual balanced budget for their office which displays the revenues available to the office and the functions for which the money is to be expended. The budgeted revenues and expenditures in the accompanying financial statements reflect all amendments approved by the Board. The budget is prepared on a basis consistent with GAAP. Budgetary control is maintained at the major object expenditure level. Expenditures may not legally exceed appropriations at the department level, and appropriations lapse at year-end. Budgetary changes within major object expenditure categories are made at the discretion of the Clerk of the Court.

The Clerk of the Courts, functioning in the capacity as the Clerk of the Circuit and County Courts and as Clerk of the Board, prepares a budget in two parts:

- A. The budget relating to the state court system (Circuit and County), is filed with the Florida Clerk of the Court Operations Corporation; and
- B. The budget relating to the requirements of the Clerk as the Clerk of the Board, County Auditor, and Custodian or Treasurer of all County funds and other County-related duties.

Interfund Loans and Transfers

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are 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 non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

▪ **Budgets and Budgetary Accounting**

Florida Statutes, Section 195.087, governs the preparation, adoption and administration of the annual budget of the Clerk of the Circuit Court. The budget

LAFAYETTE COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)

and subsequent budget amendments of the Clerk of the Circuit Court are submitted to the Florida Department of Revenue for approval. A copy of the budget is provided to the Lafayette 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. 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 that 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.

▪ **Cash and Cash Equivalents**

Cash and cash equivalents represent cash on hand as well as demand deposits, and certificates of deposit with original maturities of three months or less.

▪ **Inventory and Prepaid Items**

The purchase method is used to account for inventory and payments to vendors for costs applicable to future periods (prepaid). Under the purchase method, expenditures are recognized when the available financial resource is expended. Inventory is not deemed significant and therefore no amount has been reported.

▪ **Interfund Loans and Transfers**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are 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 non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.”

▪ **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. Capital assets acquired under capital leases are recorded, at cost, as capital out sources at inception of the capital lease.

LAFAYETTE COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)

The tangible personal property used by the Clerk of the Circuit Court is reported as capital assets, at cost, in the Statement of Net Assets in the county-wide financial statements of Lafayette County, Florida.

▪ **Liability for Compensated Absences**

The Clerk of the Circuit Court accrues a liability for employee's rights to receive compensation for future absences when certain conditions are met. The Clerk of the Circuit Court 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 at the county-wide financial statement level.

▪ **Governmental Fund Balances**

Fund balances are classified either as nonspendable or spendable. Spendable fund balances are further classified in a hierarchy based on the extent to which there are external internal constraints on the spending of these fund balances. These classifications are described as follows:

Nonspendable fund balances includes amounts that cannot be spent because they are not in spendable form or legally or contractually required to be maintained intact. There were no nonspendable fund balances at the Clerk as of September 30, 2022.

Spendable fund balances are classified based on a hierarchy of the Clerk's ability to control the spending of these fund balances.

Restricted fund balances are fund balance amounts that are constrained for specific purposes which are externally imposed by creditors, grantors, contributors, or laws or regulations or imposed by law through constitutional provisions or enabling legislation. As of September 30, 2022, the Clerk had restricted fund balances as indicated on the Balance Sheet.

Committed fund balances are fund balances constrained for specific purposes imposed by the Clerk's formal action of highest level of decision making authority. As of September 30, 2022, the Clerk had no committed fund balances.

LAFAYETTE COUNTY, FLORIDA
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NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)

Assigned fund balances are fund balances intended to be used for specific purposes, but which are neither restricted nor committed. As of September 30, 2022, the Clerk had no assigned fund balances.

Unassigned fund balances represent the residual positive fund balance within the general fund, which has not been assigned to other funds and has not been restricted, committed or assigned. In funds other than the general fund, unassigned fund balances are limited to negative residual fund balances. As of September 30, 2022, the Clerk had no unassigned fund balances.

When expenditures are incurred for purposes for which restricted or unrestricted fund classifications could be used, it is the Clerk's policy to use restricted funds first, then unrestricted.

▪ **Related Organizations – Service Fees and Common Expenses**

Certain expenses, which are common to the Board, are reported as expenses of the Board and, therefore, are not budgeted by or allocated to the Clerk of the Circuit Court. These expenses include:

Occupancy costs
Janitorial Service
Utilities (except telephone)
Property Insurance

▪ **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 2 – CASH AND INVESTMENTS

▪ **Cash deposits**

Cash deposits of the Clerk of the Circuit Court are placed at the Lafayette County State Bank in Mayo, Florida and the First Federal Savings Bank in Mayo, Florida. The Lafayette County State Bank and the First Federal Savings Bank qualify as public depositories, as required by law (Florida Security for Public Deposits Act, Chapter 280, Florida Statutes).

LAFAYETTE COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 2 – CASH AND INVESTMENTS (continued)

Deposits in banks and savings and loan institutions are collateralized as public funds through a state procedure provided for in Chapter 280, Florida Statutes.

Financial institutions qualifying as public depositories are required to pledge eligible collateral having a market value equal to or greater than the average daily monthly balance of all public deposits times the depository's collateral pledging level. The Public Deposit Security Trust Fund has a procedure to allocate and recover losses in the event of a default or insolvency. When public deposits are made in accordance with Chapter 280, Florida Statutes, no public depositor shall be liable for any loss thereof. All of the cash deposits of the Lafayette County Clerk of Circuit Court are placed with qualified financial institutions and are classified as category one credit risk, which means they are insured or collateralized.

▪ **Investments**

The investments of the deferred compensation fund of \$312,518 are held and managed by Nationwide Retirement Solution Inc. and are not classified by credit risk since they are invested in mutual funds.

NOTE 3 – EMPLOYEE'S RETIREMENT PLAN

The Clerk and all full-time employees are participants in the Florida Retirement System (the "System"), a defined benefit, cost sharing, multiple-employer public retirement system, which is controlled by the State Legislature and administered by the State of Florida, Department of Administration, Division of Retirement. The plan covers full-time employees of various governmental units within the State of Florida. Accordingly, the actuarial information and related disclosures attributable to the Clerk's employees are not determinable.

The System's funding policy provides for monthly employer contributions at actuarially *determined* rates that, expressed as percentages of annual covered payroll, are adequate to accumulate sufficient assets to pay benefits when due (see rates below). Level percentage of payroll employer contribution rates, established by state law, is determined using the entry-age actuarial funding method. If an unfunded actuarial liability re-emerges, future plan benefit changes, assumption changes, and methodology changes are amortized within 30 years, using level dollar amounts. Except for gains reserved for rate stabilization, it is anticipated future actuarial gains and losses are amortized on a rolling 10% basis, as a level dollar amount.

LAFAYETTE COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 3 – EMPLOYEE’S RETIREMENT PLAN (continued)

The System provides for those employees hired prior to July 1, 2011 vesting of benefits after six years of creditable service. Normal retirement benefits are available to employees who retire at or after age 62 with six or more years of service.

Early retirement is available after six years of service with a 5% reduction of benefits for each year prior to the normal retirement age. For those employees hired on or after July 1, 2011, the System provides for vesting of benefits after eight years of creditable service. Normal retirement benefits are available to these employees who retire at or after age 65 with eight years of service with a 5% reduction of benefits for each year. Retirement benefits are based upon age, average compensation and years-of-service credit where average compensation is computed as the average of an individual's five highest years of earnings.

Participating employer contributions are based upon State-wide rates established by the State of Florida. These rates applied to employee salaries at year end are as follows: DROP Program – 18.60%, regular employees – 11.91%, senior management – 31.57%, special risk – 27.83%, and elected officials – 57%.

The rate applied to employee salaries for employee contributions was 3.00% for all classifications, with the exception of the DROP Program.

For the year ended September 30, 2022, total payroll for the Clerk's employees covered by the System was \$311,432 and total payroll was \$311,432. The Clerk's contributions to the plan for the year ended September 30, 2021 was \$78,520, and was paid by the due date for the contribution.

The Clerk has no responsibility to the System other than to make the periodic payments required by state statutes. The Florida Division of Retirement issues a publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing Florida Division of Retirement, P. O. Box 9000, Tallahassee, FL 32315-9000 or at the Division's website at dms.myflorida.com.

Deferred Compensation Plan

The Lafayette County Clerk of Circuit Court offers its employees a National Association of Counties’ deferred compensation plan (the plan) created in accordance with Internal Revenue Code Section 457. The plan, available to all Lafayette County Clerk of Circuit Court employees, permits them to defer a

LAFAYETTE COUNTY, FLORIDA
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NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 3 – EMPLOYEE’S RETIREMENT PLAN (continued)

portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. The plan assets (cash and investments) are recorded at market value and are accounted for in an agency fund in accordance with Governmental Association Standards Board (GASB) Statement No. 32. Deferred compensation amounts withheld from participating employee’s pay are not taxable as current income until withdrawn from the plan. According to Chapter 112.215, Florida Statutes, the “Government Employees’ Deferred Compensation Plan Act”, the State Treasurer, with the approval of the State Board of Administration, shall establish such plan or plans of deferred compensation for state employees, including all such investment vehicles or products incident thereto, as may be available through, or offered by, qualified companies or person, and may approve one or more such plans for implementation by and on behalf of the state and its agencies and employees.

In accordance with a plan of deferred compensation which has been approved as herein provided, the state or any state agency, county, municipality, or other political subdivision may, by contract or a collective bargaining agreement, agree with any employee to defer all and any portion of that employee’s otherwise payable compensation and, pursuant to the terms of such approved plan invest such deferred compensation in savings accounts or use the same to purchase fixed or variable life insurance or annuity contracts, securities, evidence of indebtedness, or such other investment products as may have been approved for the purposes of carrying out the objectives of such plan. Such insurance, annuity, savings, or investment products shall be underwritten and offered in compliance with the applicable federal and state laws and regulations by persons who are duly authorized by applicable state and federal authorities.

All records identifying individual participants in any plan under this section and their personal account activities shall be confidential and are exempt from the provisions of Section 119.07(1), Florida Statutes.

The purchase of any insurance contract for an employee or annuity of the investment in another investment option under any plan of deferred compensation provided for in the United States Internal Revenue Code and not prohibited under the laws of this state for an employee shall impose no liability or responsibility on the state, county, municipality, or other political subdivision, except to show that the payments have been remitted for the purposes for which the compensation has been deferred. The deferred compensation plan is reported as an agency fund to show that the payments have been remitted for which the compensation has been deferred.

LAFAYETTE COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 4 – POST EMPLOYMENT BENEFITS OTHER THAN PENSION

Retired employees who participated in the group health insurance plan while employed are allowed to continue coverage, with 100% of the premium paid by the retired employee. The Clerk assumes no cost of this benefit.

See Note 12, page 39 in the Lafayette County audit report.

NOTE 5 – ENCUMBRANCES

Encumbrance accounting, under which purchase orders, and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed.

NOTE 6– SUBSEQUENT EVENTS

The Clerk has evaluated subsequent events through the date of issuance of these special-purpose financial statements and has determined that no events occurring subsequent to year-end warranted disclosure.

REQUIRED SUPPLEMENTARY INFORMATION

LAFAYETTE COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT
OPERATING FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Original Budget	Final Budget	Actual	Variance- With Final Budget- Favorable (Unfavorable)
Revenue				
Charges for services				
Title IV-D Child Support Fee	\$ 30,000	\$ 30,000	\$ 15,829	\$ (14,171)
Deficit County Assistance	175,000	175,000	217,790	42,790
Transfer from Clerk's Trust	129,937	129,937	143,217	13,280
Jury Reimbursement	8,000	8,000	3,917	(4,083)
Prior year settle up	-	-	35,724	35,724
Interest Income	-	-	93	93
Total Revenues	<u>342,937</u>	<u>342,937</u>	<u>416,570</u>	<u>73,633</u>
Expenditures				
General government				
Finance, recording & courts				
Personal services	522,132	522,132	562,537	(40,405)
Operating expenditures	55,000	55,000	63,459	(8,459)
Capital outlay	10,000	10,000	11,931	(1,931)
Total Expenditures	<u>587,132</u>	<u>587,132</u>	<u>637,927</u>	<u>(50,795)</u>
Excess (Deficiency) of revenue over expenditures	(244,195)	(244,195)	(221,357)	22,838
Other financing sources				
Appropriation from Board of County Commissioners - net	<u>244,195</u>	<u>244,195</u>	<u>244,195</u>	<u>-</u>
Excess (Deficiency) of revenue and other sources over expenditures	-	-	22,838	22,838
Fund Balance - beginning of year	<u>-</u>	<u>-</u>	<u>116,435</u>	<u>116,435</u>
Fund Balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 139,273</u>	<u>\$ 139,273</u>

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

LAFAYETTE COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT

FIDUCIARY FUNDS

Trust Funds – To account for the collections held in trust including taxes, fine and forfeitures, and other miscellaneous sources prior to disbursement.

Registry of Court: To account for the collections held in trust as ordered by the courts prior to disbursement.

Domestic Relations Fund: To account for deposits of child support payments.

Deferred Compensation: To account for deferred compensation accounts of the Clerk's employees.

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

LAFAYETTE COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT
COMBINING STATEMENTS OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
SEPTEMBER 30, 2022

	Trust Fund	Domestic Relations	Registry of Courts	Deferred Compensation	Total
ASSETS					
Cash and cash equivalents	\$ 202,871	\$ 9,327	\$ 33,958	\$ -	\$ 246,156
Investments	-	-	-	312,518	312,518
	<u>202,871</u>	<u>9,327</u>	<u>33,958</u>	<u>312,518</u>	<u>558,674</u>
LIABILITIES					
Due to other funds	13,488	6,458	6,055	-	26,001
Due to other governments	6,738	-	-	-	6,738
Due to other individuals	182,645	2,869	27,903	-	213,417
Deferred compensation	-	-	-	312,518	312,518
	<u>-</u>	<u>-</u>	<u>-</u>	<u>312,518</u>	<u>312,518</u>
Total Liabilities	202,871	9,327	33,958	312,518	558,674
NET POSITION	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

LAFAYETTE COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT
COMBINING STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	<u>Trust Fund</u>	<u>Domestic Relations</u>	<u>Registry of Courts</u>	<u>Deferred Compensation</u>	<u>Total</u>
<u>ADDITIONS</u>					
Funds held for others	\$ 1,565,966	\$ 22,215	\$ 20,165	\$ 85,174	\$1,693,520
<u>DEDUCTIONS</u>					
Funds held for others	<u>1,565,966</u>	<u>22,215</u>	<u>20,165</u>	<u>85,174</u>	<u>1,693,520</u>
CHANGE IN NET POSITON	-	-	-	-	-
Net position - beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net positon - end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

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

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

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

Honorable Clerk of the Circuit Court
Lafayette County, Florida

I have audited the special-purpose financial statements of the Clerk of the Circuit Court of Lafayette County, Florida (the Clerk), as of and for the year ended September 30, 2022, and have issued my report thereon dated June 27, 2023. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing my audit of the special-purpose financial statements, I considered the Clerk's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my 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, I do not express an opinion on the effectiveness of the Clerk's internal control.

My 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, I identified no deficiencies in internal control that I consider to be material weakness.

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 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. I noticed no deficiencies that I considered 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. During my audit I did not identify any deficiencies in internal control that I consider to be a significant deficiency. However, significant deficiencies may exist that have not been identified.

Compliance and Other Matters

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

Clerk's Response to Findings

The Clerk's responses to the findings identified in my audit are included in the accompanying management letter. The Clerk's response was not subjected to the auditing procedures applied in the audit of the special-purpose financial statements and, accordingly, I express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of my 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.

James E. Davis
Certified Public Accountant

June 27, 2023

JAMES E. DAVIS, CPA

1733 Old Plank Road
Crawfordville, FL 32327
Phone: (850) 445-5878

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH ALIMONY AND
CHILD SUPPORT PAYMENTS**

Honorable Clerk of the Circuit Court
Lafayette County, Florida

I have examined the Lafayette County, Florida's Clerk of the Circuit Court's (the Clerk") compliance with the requirements of Section 61.181, Florida Statutes, Alimony and Child Support Payments, during the year ended September 30, 2022. Management is responsible for the Clerk's compliance with the specified requirements. My responsibility is to express an opinion on the Clerk's compliance with the specified requirements based on my examination.

My examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that I plan and perform examination to obtain reasonable assurance about whether the Clerk complied in all 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 my judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. I believe that the evidence I obtained is sufficient and appropriate to provide a reasonable basis for my opinion.

My examination does not provide a legal determination on the Clerk's compliance with specified requirements.

In my opinion, the Clerk complied, in all material respects, with the requirements of Section 61.181, Florida Statutes, Alimony and Child Support Payments, during the year ended September 30, 2022.

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

James E. Davis
Certified Public Accountant

June 27, 2023

JAMES E. DAVIS, CPA

1733 Old Plank Road
Crawfordville, FL 32327
Phone: (850) 445-5878

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH CLERKS OF COURT
PERFORMANCE STANDARDS AND BUDGETS**

Honorable Clerk of the Circuit Court
Lafayette County, Florida

I have examined the Lafayette County, Florida's Clerk of Court's (the "Clerk") compliance with the requirements of Sections 28.35 and 28.36, Florida Statutes, Clerks of Court Performance Standards and Budgets, during the year ended September 30, 2022. Management is responsible for the Clerk's compliance with the specified requirements. My responsibility is to express an opinion on the Clerk's compliance with the specified requirements based on my examination.

My examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that I 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 my judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. I believe that the evidence I obtained is sufficient and appropriate to provide a reasonable basis for my opinion.

My examination does not provide a legal determination on the Clerk's compliance with specified requirements.

In my opinion, the Clerk complied, in all material respects, with the requirements of Sections 28.35 and 28.36, Florida Statutes, Clerks of Court Performance Standards and Budgets, during the year ended September 30, 2022.

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

James E. Davis
Certified Public Accountant

June 27, 2023

INDEPENDENT AUDITOR'S MANAGEMENT LETTER

INDEPENDENT AUDITOR'S MANAGEMENT LETTER

Clerk of the Circuit Court
Lafayette County, Florida

Report on the Financial Statements

I have audited the financial statements of Lafayette County, Florida Clerk of the Circuit Court (the Clerk) as of and for the fiscal year ended September 30, 2022 and have issued my report thereon dated June 27, 2023.

Auditor's Responsibility

I conducted my 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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.550, Rules of the Auditor General.

Other Reports and Schedule

I have issued my Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's report on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated June 27, 2023, 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 I determine whether or not corrective actions have been taken to address findings and recommendations made in

the preceding annual financial audit report.

There were no prior year audit findings.

Current Year Audit Findings

There were no new current year audit findings discovered during the audit.

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. This information is contained in the footnotes.

Other Matters

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

Section 10.554(1)(i)3., Rules of the Auditor General, requires that I 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 my audit, I did not have any such findings.

Purpose of this letter

My 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, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

James E. Davis
Certified Public Accountant

June 27, 2023

JAMES E. DAVIS, CPA

1733 Old Plank Road
Crawfordville, FL 32327
Phone: (850) 445-5878

**INDEPENDENT ACCOUNTANT'S REPORT ON AN EXAMINATION CONDUCTED IN
ACCORDANCE WITH AICPA PROFESSIONAL STANDARDS, SECTION 601,
REGARDING COMPLIANCE REQUIREMENTS IN ACCORDANCE WITH CHAPTER
10.550, RULES OF THE AUDITOR GENERAL**

Lafayette County Clerk of Court
Mayo, Florida

I have examined the Lafayette County Clerk of Court (Clerk) compliance with the requirements of Section 218.415, Florida Statutes, Local Government Investment Policies, during the year ended September 30, 2022. Management is responsible for the Clerk's compliance with those requirements. My responsibility is to express an opinion on the Clerk's compliance based on my examination.

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

In my opinion, the Clerk complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2022.

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

James E. Davis
Certified Public Accountant

June 27, 2023

**LAFAYETTE COUNTY, FLORIDA
TAX COLLECTOR**

**SPECIAL-PURPOSE FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT**

SEPTEMBER 30, 2022

**LAFAYETTE COUNTY TAX COLLECTOR
AUDIT REPORT
SEPTEMBER 30, 2022**

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INDEPENDENT AUDITOR'S REPORT ON
SPECIAL-PURPOSE FINANCIAL STATEMENTS

Lafayette County Tax Collector
Lafayette County, Florida

Report on Special-Purpose Financial Statements

I have audited the accompanying special-purpose financial statements of the governmental activities, each major fund, the aggregate remaining fund information and the fiduciary fund type of the Tax Collector, as of for the year ended September 30, 2022, and the related notes to the Financial Statements, which collectively comprise the Tax Collector's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also

includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the special-purpose financial statements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinion

In my opinion, the special-purpose financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, the aggregate remaining fund information, and the fiduciary fund types of the Tax Collector as of September 30, 2022, and the changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

As discussed in Note 1 to the special-purpose financial statements, the Tax Collector's financial statements are special-purpose financial statements presenting only the financial position and results of operations of the Tax Collector. These special-purpose financial statements are not intended to be a complete presentation of the financial position and results of operations of Lafayette County, Florida taken as a whole. As permitted by Chapter 10.556(4), Rules of the Auditor General State of Florida, the special-purpose financial statements consist of only the fund level financial statements as defined in Government Accounting Standards Board Statement 34, and do not include presentations of government-wide financial statements of the Tax Collector.

Other Information

My audit was conducted for the purpose of forming opinions on the special-purpose financial statements that collectively comprise the Tax Collector's basic financial statements. The combining and individual nonmajor fund financial statements and combining and individual statement of fiduciary net position are presented for purposes of additional analysis and are not a required part of 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 Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and Chapter 10.550, Local Government Entity Audits, *Rules of the Auditor General* State of Florida, and is not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, combining and individual statement of fiduciary net position and schedule of expenditures of federal awards and state financial assistance are the responsibility of management and were

derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures, including comparing and reconciling such 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 my opinion, the combining and individual nonmajor fund financial statements, combining and individual statement of fiduciary net position and the schedule of expenditures of federal awards and state financial assistance are 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*, I have also issued a report dated June 24, 2023 on my consideration of the Tax Collector's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 internal control over financial reporting and compliance.

James E. Davis
Certified Public Accountant

June 24, 2023

LAFAYETTE COUNTY, FLORIDA
TAX COLLECTOR
BALANCE SHEET
SEPTEMBER 30, 2022

Governmental
Fund -
Operating Fund

ASSETS

Cash	\$ 11,385
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LIABILITIES AND FUND EQUITY

Liabilities

Due to other funds	\$ -
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Fund Equity

Fund Balance - Restricted	11,385
Total liabilities and equity	\$ 11,385

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

LAFAYETTE COUNTY, FLORIDA
TAX COLLECTOR
OPERATING FUND
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED SEPTEMBER 30, 2022

Revenues	\$ 14
Expenditures	
Public safety	
General government	
Personal services	
Executive salary	107,536
Regular salary	103,007
FICA taxes	15,993
Retirement contribution	68,346
Total personal services	<u>294,882</u>
Operating expenditures	
Travel and per diem	937
Communication services	4,045
Postage	9,308
E D P Service	26,902
Office supplies and other	5,033
Education and dues	3,700
Total operating	<u>49,925</u>
Capital outlay	
Machinery and equipment	2,571
Total capital outlay	<u>2,571</u>
Total expenditures	347,378
Other financing sources (uses):	
Appropriations from Board of County Commissioners - net	<u>341,187</u>
Net changes in fund balance	(6,177)
Fund balance - beginning of year	<u>17,562</u>
Fund balance - end of year	<u><u>\$ 11,385</u></u>

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

LAFAYETTE COUNTY, FLORIDA
TAX COLLECTOR
STATEMENT OF FIDUCIARY NET POSITION – FIDUCIARY FUNDS
SEPTEMBER 30, 2022

	<u>Custodial Funds</u>
<u>ASSETS</u>	
Cash	<u>\$ 166,290</u>
<u>LIABILITIES</u>	
Due to other governments	25,291
Due to other funds	92,693
Due to other individuals	<u>48,306</u>
	166,290
 NET POSITION	 <u><u>\$ -</u></u>

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

LAFAYETTE COUNTY, FLORIDA
TAX COLLECTOR
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	<u>Custodial Funds</u>
<u>ADDITIONS</u>	
Contributions:	
Fund held for others	\$ 7,126,114
<u>DEDUCTIONS</u>	
Funds held for others	7,126,114
CHANGE IN NET POSITION	<u>-</u>
Net position - beginning of the year	-
Net position - end of year	<u><u>\$ -</u></u>

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

LAFAYETTE COUNTY, FLORIDA
TAX COLLECTOR
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

▪ **Reporting Entity**

The Tax Collector operates as a County agency and an elected Constitutional Officer of Lafayette County, Florida, pursuant to Article VIII, Section (I) 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 of *Florida Statutes*. Lafayette County is a 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 county 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 Lafayette County, Florida, and is included in the Lafayette County county-wide financial statements. Pursuant to GASB Codification of Governmental Accounting and Financial Reporting Standards, Section 2100 and 2600, the Tax Collector's financial statements are combined with those of the Board of County Commissioners (the Board) and other elected officials into the reporting entity of the County. The financial statements contained herein represent the financial transactions of the Tax Collector.

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.

As permitted by Chapter 10.556(4), Rules of the Auditor General State of Florida, the special-purpose financial statements consist of only the fund level financial statements as defined in GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – For State and Local Governments*, and do not include presentation of government-wide financial statements of the Tax Collector.

▪ **Basis of Reporting**

The accounts of the Tax Collector are organized on the basis of funds and accounts groups, each of which is considered a separate accounting entity. The operations of

LAFAYETTE COUNTY, FLORIDA
TAX COLLECTOR
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, 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.

▪ **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. These are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Such assets include receipts for property taxes, business registration fees, tourist development taxes, vehicle registrations, driver license fees, and hunting and fishing licenses.

▪ **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.

All governmental fund financial statements are reported using a current financial resources measurement focus on a modified accrual basis of accounting. The major modifications to the accrual basis are (a) revenues are recorded in the accounting period in which they become available and measureable (available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, considered to be sixty days for property taxes and ninety days for all other revenue) and (b) expenditures are recorded in the accounting period in which the liability is incurred, if measureable, except for accumulated sick and vacation compensation, which are expensed when paid.

LAFAYETTE COUNTY, FLORIDA
TAX COLLECTOR
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)

Fiduciary fund (agency fund) statements are prepared using economic resource measurement focus and the accrual basis of accounting.

▪ **Measurement Focus**

The accounting and financial reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus.

All governmental funds are accounted for on a spending or “financial flow” measurement focus. This means that generally, only current assets and current liabilities are included in the balance sheet. Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they present a summary of sources and uses of “available spendable resources” during a period.

The portion of the Tax Collector’s revenue that is a budget appropriation from the Board rather than a charge for service is reported as an appropriation by the Tax Collector and as expenditures by the Board. Any excess of revenue and other financing sources received over expenditures are remitted to the Board at year-end and reported as a reversion to the Board of County Commissioners.

Recently Issued and Implemented Accounting Pronouncements

In June 2017, the GASB issued Statement No. 87 (GASB 87), *Leases*. The objective of GASB 87 is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. GASB 87 increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset.

Under GASB 87, a lessee is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments’ leasing activities. The requirements of GASB 87 are effective for reporting periods beginning after June 15, 2021. The implementation of GASB 87 resulted in the inclusion of a lease receivable, leases payable and right of use assets in the Statement of Net Position. See note 8 for further discussion on the restatement of beginning balances required for the implementation of GASB 87.

LAFAYETTE COUNTY, FLORIDA
TAX COLLECTOR
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)

In June 2018, the GASB issued Statement No. 89 (GASB 89), *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. The implementation of GASB 89 did not result in any change in the County's financial statements.

In January 2020, the GASB issued Statement No. 92, *Omnibus 2020* (GASB 92). The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about the following:

- The effective date of Statement No. 87, *Leases*, and Implementation Guide No. 2019- 3, *leases*, for interim financial reports,
- Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan,
- The applicability of Statements No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68*, and amendments to Certain Provisions of GASB Statements 67 and 68, as amended, and No. 74, *Financial Reporting for Post-employment Benefit Plans Other Than Pension Plans*, as amended, to reporting assets accumulated for postemployment benefits,
- The applicability of certain requirements of Statement No. 84, *Fiduciary Activities*, to postemployment benefit arrangements,
- Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition,
- Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers,
- Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature, and
- Terminology used to refer to derivative instruments.

LAFAYETTE COUNTY, FLORIDA
TAX COLLECTOR
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)

The requirements of this Statement are effective as follows:

- The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance.
- The requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74 are effective for fiscal years beginning after June 15, 2021.
- The requirements related to application of Statement 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities are effective for reporting periods beginning after June 15, 2021.
- The requirements related to the measurement of liabilities (and assets, if any) associated with asset retirement obligations in a government acquisition are effective for government acquisitions occurring in reporting periods beginning after June 15, 2021.

The implementation of GASB 92 did not result in any significant change in the County's financial statements.

In May 2020, the GASB issued Statement No. 93 (GASB 93), *Replacement of Interbank Offered Rates*. The objectives of this Statement are to address financial reporting issues that result from the replacement of an Interbank Offered Rate (IBOR) by providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment and clarification of the hedge accounting termination provisions when a hedged Item is amended to replace the reference rate; replacing LIBOR as an appropriate benchmark interest rate for the evaluation of the effectiveness of an interest rate swap with a Secured Overnight Financing Rate or the Effective Federal Funds Rate; and providing exceptions to the lease modifications guidance in GASB 87 for lease contracts that are amended solely to replace an IBOR used to determine variable payments.

The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2022. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2021. The implementation of GASB 93 did not result in any change in the County's financial statements.

LAFAYETTE COUNTY, FLORIDA
TAX COLLECTOR
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)

In June 2020, the GASB issued Statement No. 97 (GASB 97), *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. The primary objectives of GASB 97 are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements of GASB 97 are effective for fiscal years beginning after June 15, 2021. The implementation of GASB 97 did not result in any change in the County's financial statements.

In October 2021, the GASB issued GASB Statement No. 98 (GASB 98), *The Annual Comprehensive Financial Report*. This Statement establishes the term *annual comprehensive financial report* and its acronym *ACFR*. That new term and acronym replace instances of *comprehensive annual financial report* and its acronym in generally accepted accounting principles for state and local governments. This Statement was developed in response to concerns raised by stakeholders that the common pronunciation of the acronym for comprehensive annual financial report sounds like a profoundly objectionable racial slur. This Statement's introduction of the new term is founded on a commitment to promoting inclusiveness. The requirements of this Statement are effective for fiscal years ending after December 15, 2021. The implementation of GASB 98 did not result in any change in the County's financial statements.

Pronouncements Issued But Not Yet Effective

The GASB has issued statements that will become effective in future years. These statements are as follows:

In May 2019, the GASB issued Statement No. 91 (GASB 91), *Conduit Debt Obligations*. The primary objectives of GASB 91 are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements

LAFAYETTE COUNTY, FLORIDA
TAX COLLECTOR
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)

associated with conduit debt obligations, and (3) related note disclosures. GASB 91 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 requirements of GASB 91 are effective for reporting periods beginning after December 15, 2021.

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* (GASB 94). The objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement.

This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022.

In May 2020, the GASB issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (GASB 96). This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for

LAFAYETTE COUNTY, FLORIDA
TAX COLLECTOR
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)

outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, leases, as amended. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Assets and liabilities resulting from SBITAs should be recognized and measured using the facts and circumstances that existed at the beginning of the fiscal year in which this Statement is implemented. Governments are permitted, but are not required, to include in the measurement of the subscription asset capitalizable outlays associated with the initial implementation stage and the operation and additional implementation stage incurred prior to the implementation of this Statement.

In April 2022, the GASB issued GASB Statement No. 99, *Omnibus 2022* (GASB 99). This Statement provides guidance on the following:

- Classification and reporting of derivative instruments within the scope of Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, that do not meet the definition of either an investment derivative instrument or a hedging derivative instrument
- Clarification of provisions in Statement No. 87, *Leases*, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives,
- Clarification of provisions in Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, related to (a) the determination of the PPP term and (b)
- recognition and measurement of installment payments and the transfer of the underlying PPP asset,
- Clarification of provisions in Statement No. 96, *Subscription-Based Information Technology Arrangements*, related to the SBITA term, classification of a SBITA as a short-term SBITA, and recognition and measurement of a subscription liability,
- Extension of the period during which the LIBOR is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt,
- Accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP),
- Disclosures related to nonmonetary transactions,
- Pledges of future revenues when resources are not received by the pledging government,

LAFAYETTE COUNTY, FLORIDA
TAX COLLECTOR
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)

- Clarification of provisions in Statement No. 34, Basic Financial Statements— and Management's Discussion and Analysis—for State and Local Governments, as amended, related to the focus of the government-wide financial statements,
- Terminology updates related to certain provisions of Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, and
- Terminology used in Statement 53 to refer to resource flows statements.

The requirements of this Statement are effective as follows:

- The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance.
- The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.
- The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

In June 2022, the GASB issued GASB Statement No. 100, *Accounting Changes and Error Corrections* (GASB 100). This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The requirements of this Statement for changes in accounting principles apply to the implementation of a new pronouncement in absence of specific transition provisions in the new pronouncement. This Statement also requires that the aggregate amount of adjustments to and restatements of beginning net position, fund balance, or fund net position, as applicable, be displayed by reporting unit in the financial statements.

This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature.

LAFAYETTE COUNTY, FLORIDA
TAX COLLECTOR
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)

In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated. Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). For periods that are earlier than those included in the basic financial statements, information presented in RSI or SI should be restated for error corrections, if practicable, but not for changes in accounting principles. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

In June 2022, the GASB issued GASB Statement No. 101, *Compensated Absences* (GASB 101). The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability (as long as they identify it as a net change). In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

The County is evaluating the requirements of the above statements and the impact on reporting.

Budgetary Requirements

Florida Statutes, Chapter 218.35 and 218.36 details the preparation, adoption and administration of the Tax Collector's annual budget. The Tax Collector establishes an annual balanced budget for their office which displays the revenues available to the office and the functions for which the money is to be expended. The budgeted revenues and expenditures in the accompanying financial statements reflect all amendments approved by the Board. The budget is prepared on a basis consistent with GAAP. Budgetary control is maintained at the major object expenditure level. Expenditures may not legally exceed appropriations at the

LAFAYETTE COUNTY, FLORIDA
TAX COLLECTOR
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)

department level, and appropriations lapse at year-end. Budgetary changes within major object expenditure categories are made at the discretion of the Tax Collector.

Interfund Loans and Transfers

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are 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 non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

▪ **Cash and Cash Equivalents**

Cash and cash equivalents represent cash on hand as well as demand deposits, and certificates of deposit with original maturities of three months or less.

▪ **Inventory and Prepaid Items**

The purchase method is used to account for inventory and payments to vendors for costs applicable to future periods (prepaid). Under the purchase method, expenditures are recognized when the available financial resource is expended. Inventory is not deemed significant and therefore no amount has been reported.

▪ **Interfund Loans and Transfers**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are 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 non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

▪ **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. Capital assets acquired under capital leases are recorded, at cost, as capital outlay expenditures and other financing sources at inception of the capital lease. The tangible personal property used by the Tax Collector is reported as capital assets, at cost, in the Statement of Net Assets in the county-wide financial statements of Lafayette County, Florida.

LAFAYETTE COUNTY, FLORIDA
TAX COLLECTOR
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)

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

▪ **Liability for Compensated Absences**

The Tax Collector accrues a liability for employee's rights to receive compensation for future absences when certain conditions are met. The Tax Collector does not, nor is she 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 at the county-wide financial statement level.

▪ **Governmental Fund Balances**

Fund balances are classified either as nonspendable or spendable. Spendable fund balances are further classified in a hierarchy based on the extent to which there are external internal constraints on the spending of these fund balances. These classifications are described as follows:

Nonspendable fund balances includes amounts that cannot be spent because they are not in spendable form or legally or contractually required to be maintained intact. There were no nonspendable fund balances at the Tax Collector as of September 30, 2022.

Spendable fund balances are classified based on a hierarchy of the Tax Collector's ability to control the spending of these fund balances.

Restricted fund balances are fund balance amounts that are constrained for specific purposes which are externally imposed by creditors, grantors, contributors, or laws or regulations or imposed by law through constitutional provisions or enabling legislation. As of September 30, 2022, the Tax Collector had no restricted fund balances.

Committed fund balances are fund balances constrained for specific purposes imposed by the Tax Collector's formal action of highest level of decision making authority. As of September 30, 2022, the Tax Collector had no committed fund balances.

LAFAYETTE COUNTY, FLORIDA
TAX COLLECTOR
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)

Assigned fund balances are fund balances intended to be used for specific purposes, but which are neither restricted nor committed. As of September 30, 2022, the Tax Collector had no assigned fund balances.

Unassigned fund balances represent the residual positive fund balance within the general fund, which has not been assigned to other funds and has not been restricted, committed or assigned. In funds other than the general fund, unassigned fund balances are limited to negative residual fund balances. As of September 30, 2022, the Tax Collector had no unassigned fund balances.

When expenditures are incurred for purposes for which restricted or unrestricted fund classifications could be used, it is the Tax Collector's policy to use restricted funds first, then unrestricted.

▪ **Related Organizations – Common Expenses**

Certain expenses, which are common to the Board, 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 Service
Utilities (except telephone)
Property Insurance

▪ **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 2 - DEPOSITS

All bank accounts of the Tax Collector are placed at the Lafayette County State Bank (insured by FDIC) in Mayo, Florida. The Lafayette County State Bank qualifies as a public depository, as required by law (Florida Security for Public Deposits Act, Chapter 280, Florida Statutes).

LAFAYETTE COUNTY, FLORIDA
TAX COLLECTOR
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 3 – EMPLOYEE’S RETIREMENT PLAN

The Tax Collector and all full-time employees are participants in the Florida Retirement System (the "System"), a defined benefit, cost sharing, multiple-employer public retirement system, which is controlled by the State Legislature and administered by the State of Florida, Department of Administration, Division of Retirement. The plan covers full-time employees of various governmental units within the State of Florida. Accordingly, the actuarial information and related disclosures attributable to the Tax Collector’s employees are not determinable.

The System's funding policy provides for monthly employer contributions at actuarially *determined* rates that, expressed as percentages of annual covered payroll, are adequate to accumulate sufficient assets to pay benefits when due (see rates below). Level percentage of payroll employer contribution rates, established by state law, is determined using the entry-age actuarial funding method. If an unfunded actuarial liability re-emerges, future plan benefit changes, assumption changes, and methodology changes are amortized within 30 years, using level dollar amounts. Except for gains reserved for rate stabilization, it is anticipated future actuarial gains and losses are amortized on a rolling 10% basis, as a level dollar amount.

The System provides for those employees hired prior to July 1, 2011 vesting of benefits after six years of creditable service. Normal retirement benefits are available to employees who retire at or after age 62 with six or more years of service. Early retirement is available after six years of service with a 5% reduction of benefits for each year prior to the normal retirement age.

For those employees hired on or after July 1, 2011, the System provides for vesting of benefits after eight years of credible service. Normal retirement benefits are available to these employees who retire at or after age 65 with eight years of service with a 5% reduction of benefits for each year. Retirement benefits are based upon age, average compensation and years-of-service credit where average compensation is computed as the average of an individual's five highest years of earnings.

Participating employer contributions are based upon State-wide rates established by the State of Florida. These rates applied to employee salaries at year end are as follows: DROP Program -18.60%, regular employees – 11.91%, senior management –31.57%, special risk – 27.83%, and elected officials – 57.00%.

The rate applied to employee salaries for employee contributions was 3.00% for all classifications, with the exception of the DROP Program.

LAFAYETTE COUNTY, FLORIDA
TAX COLLECTOR
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 3 – EMPLOYEE’S RETIREMENT PLAN (continued)

For the year ended September 30, 2022, total payroll for the Tax Collector's employees covered by the System was \$200,926 and total payroll was \$210,544. The Tax Collector's contributions to the plan for the year ended September 30, 2022 was \$68,346, and was paid by the due date for the contribution.

The Tax Collector has no responsibility to the System other than to make the periodic payments required by state statutes. The Florida Division of Retirement issues a publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing Florida Division of Retirement, P. O. Box 9000, Tallahassee, FL 32315-9000 or at the Division's website at dms.myflorida.com.

NOTE 4 – POST EMPLOYMENT BENEFITS OTHER THAN PENSION

Retired employees who participated in the group health insurance plan while employed are allowed to continue coverage, with 100% of the premium paid by the retired employee. The Tax Collector assumes no cost of this benefit.

NOTE 5 – ENCUMBRANCES

Encumbrance accounting, under which purchase orders, and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed.

NOTE 6 – SUBSEQUENT EVENTS

The Tax Collector has evaluated subsequent events through the date of issuance of these special-purpose financial statements and has determined that no events occurring subsequent to year-end warranted disclosure.

REQUIRED SUPPLEMENTARY INFORMATION

LAFAYETTE COUNTY, FLORIDA
TAX COLLECTOR
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL – OPERATING FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget- Favorable (unfavorable)
Revenues	\$ -	\$ -	\$ 14	\$ 14
Expenditures				
Public safety				
General government				
Other general government				
Personal services	278,237	278,237	294,882	(16,645)
Operating expenditures	58,500	58,500	49,925	8,575
Capital outlay	3,000	3,000	2,571	429
Total expenditures	<u>339,737</u>	<u>339,737</u>	<u>347,378</u>	<u>(7,641)</u>
Excess (deficiency) of revenue over expenditures	(339,737)	(339,737)	(347,364)	(7,627)
Other financing sources				
Appropriation from Board of County Commissioners - net	<u>341,187</u>	<u>341,187</u>	<u>341,187</u>	<u>-</u>
Excess of revenues and other sources over expenditures	1,450	1,450	(6,177)	(6,177)
Fund balance - beginning of year	<u>-</u>	<u>-</u>	<u>17,562</u>	<u>17,562</u>
Fund balance - end of year	<u>\$ 1,450</u>	<u>\$ 1,450</u>	<u>\$ 11,385</u>	<u>\$ 11,385</u>

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

LAFAYETTE COUNTY, FLORIDA
TAX COLLECTOR

FIDUCIARY FUNDS

Tax and Tag Fund account for the collection and disbursement of local property taxes, account for the collection of motor vehicle and driver's license registration receipts and subsequent remittance of licenses and permits, and account for the collection of concealed weapons licenses registration receipts and subsequent remittance of licenses and permits.

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

LAFAYETTE COUNTY, FLORIDA
TAX COLLECTOR
FIDUCIARY NET ASSETS – CUSTODIAL FUNDS
COMBINING STATEMENT
FOR THE YEAR ENDED SEPTEMBER 30, 2022

Tax and Tag Fund

Assets	
Cash	<u>\$ 166,290</u>
Liabilities	
Due to other funds	\$ 92,693
Due to other governmentals	25,291
Due to individuals	<u>48,306</u>
	166,290
Net Position	-
Total liabilities and net position	<u>\$ -</u>

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

LAFAYETTE COUNTY, FLORIDA
TAX COLLECTOR
COMBINING STATEMENT OF CHANGES IN
FIDUCIARY NET POSITION – CUSTODIAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	<u>Custodial Funds</u>
<u>ADDITIONS</u>	
Contributions:	
Fund held for others	\$ 7,126,114
<u>DEDUCTIONS</u>	
Funds held for others	7,126,114
CHANGE IN NET POSITION	<u>-</u>
Net position - beginning of the year	-
Net position - end of year	<u><u>\$ -</u></u>

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

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

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

Honorable Tax Collector
Lafayette County, Florida

I have audited the special-purpose financial statements of the Tax Collector Lafayette County, Florida, as of and for the year ended September 30, 2022, and have issued my report thereon dated June 24, 2023. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing my audit of the special-purpose financial statements, I considered the Tax Collector's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my 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, I do not express an opinion on the effectiveness of the Tax Collector's internal control.

My 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, I identified no deficiencies in internal control that I consider to be material weaknesses.

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 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. I found no deficiencies that I consider 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. During my audit I did not identify any deficiencies in internal control that I consider to be a significant deficiency. However, significant deficiencies may exist that have not been identified.

Compliance and Other Matters

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

Tax Collector's Response to Findings

The Tax Collector's response to the findings identified in my audit is included in the accompanying management letter. The Tax Collector's response was not subjected to the auditing procedures applied in the audit of the special-purpose financial statements and, accordingly, I express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of my 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.

James E. Davis
Certified Public Accountant

June 24, 2023

INDEPENDENT AUDITOR'S MANAGEMENT LETTER

INDEPENDENT AUDITOR'S MANAGEMENT LETTER

Tax Collector
Lafayette County, Florida

Report on the Financial Statements

I have audited the financial statements of Lafayette County, Florida Tax Collector as of and for the fiscal year ended September 30, 2022 and have issued my report thereon dated June 24, 2023.

Auditor's Responsibility

I conducted my 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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.550, Rules of the Auditor General.

Other Reports and Schedule

I have issued my Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's report on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated June 10, 2023, 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 I determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.

There were no prior year audit findings.

Current Year Audit Findings

No new current findings were discovered during the audit.

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. This information is contained in the footnotes.

Other Matters

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

Section 10.554(1)(i)3., Rules of the Auditor General, requires that I 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 my audit, I did not have any such findings.

Purpose of this letter

My 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 these specified parties.

James E. Davis
Certified Public Accountant

June 24, 2023

JAMES E. DAVIS, CPA
1733 Old Plank Road
Crawfordville, FL 32327
Phone: (850) 445-5878

**INDEPENDENT ACCOUNTANT'S REPORT ON AN EXAMINATION CONDUCTED IN
ACCORDANCE WITH AICPA PROFESSIONAL STANDARDS, SECTION 601,
REGARDING COMPLIANCE REQUIREMENTS IN ACCORDANCE WITH CHAPTER
10.550, RULES OF THE AUDITOR GENERAL**

Lafayette Tax Collector
Mayo, Florida

I have examined the Lafayette Tax Collector compliance with the requirements of Section 218.415, Florida Statutes, Local Government Investment Policies, during the year ended September 30, 2022. Management is responsible for the Tax Collector's compliance with those requirements. My responsibility is to express an opinion on the Tax Collector's compliance based on my examination.

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

In my opinion, the Tax Collector complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2022.

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

James E. Davis
Certified Public Accountant

June 24, 2023

**LAFAYETTE COUNTY, FLORIDA
SHERIFF**

**SPECIAL-PURPOSE FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT**

SEPTEMBER 30, 2022

**LAFAYETTE COUNTY SHERIFF
AUDIT REPORT
SEPTEMBER 30, 2022**

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INDEPENDENT AUDITOR'S REPORT ON
SPECIAL-PURPOSE FINANCIAL STATEMENTS

Lafayette County Sheriff
Lafayette County, Florida

Report on Special-Purpose Financial Statements

I have audited the accompanying special-purpose financial statements of the governmental activities, each major fund, the aggregate remaining fund information and the fiduciary fund type of the Sheriff, as of for the year ended September 30, 2022, and the related notes to the Financial Statements, which collectively comprise the Sheriff's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such

opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the special-purpose financial statements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinion

In my opinion, the special-purpose financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, the aggregate remaining fund information, and the fiduciary fund types of the Sheriff as of September 30, 2022, and the changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

As discussed in Note 1 to the special-purpose financial statements, the Sheriff's financial statements are special-purpose financial statements presenting only the financial position and results of operations of the Sheriff. These special-purpose financial statements are not intended to be a complete presentation of the financial position and results of operations of Lafayette County, Florida taken as a whole. As permitted by Chapter 10.556(4), Rules of the Auditor General State of Florida, the special-purpose financial statements consist of only the fund level financial statements as defined in Government Accounting Standards Board Statement 34, and do not include presentations of government-wide financial statements of the Sheriff.

Other Information

My audit was conducted for the purpose of forming opinions on the special-purpose financial statements that collectively comprise the Sheriff's basic financial statements. The combining and individual nonmajor fund financial statements and combining and individual statement of fiduciary net position are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, combining and individual statement of fiduciary net position are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures, including comparing and reconciling such 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 my opinion, the combining and individual nonmajor fund financial statements, combining and individual statement of fiduciary net position are 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*, I have also issued a report dated June 27, 2023 on my consideration of the Sheriff's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 internal control over financial reporting and compliance.

James E. Davis
Certified Public Accountant

June 27, 2023

LAFAYETTE COUNTY, FLORIDA
SHERIFF
BALANCE SHEET – GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022

	<u>Governmental Fund Type</u>		<u>Total</u>
	<u>Operating</u>	<u>Other Special Revenue</u>	<u>(Governmental Funds)</u>
ASSETS			
Cash	<u>\$ 187,590</u>	<u>\$ 505,097</u>	<u>\$ 692,687</u>
LIABILITIES AND FUND EQUITY			
Liabilities:			
Due to other funds	<u>\$ 187,590</u>	<u>\$ -</u>	<u>\$ 187,590</u>
Fund Equity:			
Fund Balance - Restricted	<u>-</u>	<u>505,097</u>	<u>505,097</u>
	<u>\$ 187,590</u>	<u>\$ 505,097</u>	<u>\$ 692,687</u>

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

LAFAYETTE COUNTY, FLORIDA
SHERIFF
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Governmental Fund Type		Total (Governmental Funds)
	Operating	Other Special Revenue	
Revenue			
Interest on investments	\$ 407	\$ 768	\$ 1,175
Intergovernmental Revenue	-	-	-
Miscellaneous	216,642	233,657	450,299
	<u>217,049</u>	<u>234,425</u>	<u>451,474</u>
Expenditures			
Public safety			
Law enforcement			
Personal services	862,737	116,120	978,857
Operating expenditures	442,090	16,724	458,814
Capital outlay	-	-	-
	<u>1,304,827</u>	<u>132,844</u>	<u>1,437,671</u>
Corrections and/or detention			
Personal services	618,646	-	618,646
Operating expenditures	266,858	-	266,858
Capital outlay	-	-	-
	<u>885,504</u>	<u>-</u>	<u>885,504</u>
911 Dispatchers			
Personal services	-	280,981	280,981
Operating expenditures	-	39,989	39,989
Capital outlay	-	-	-
	<u>-</u>	<u>320,970</u>	<u>320,970</u>
Emergency Management			
Personal services	-	112,951	112,951
Operating expenditures	-	59,490	59,490
Capital outlay	-	-	-
	<u>-</u>	<u>172,441</u>	<u>172,441</u>
Law Enforcement Trust			
Operating Expenditures	-	24,738	24,738
Capital Outlay	-	79,771	79,771
	<u>-</u>	<u>104,509</u>	<u>104,509</u>
Total expenditures	<u>2,190,331</u>	<u>730,764</u>	<u>2,921,095</u>
Excess (deficiency) of revenues over expenditures	(1,973,282)	(496,339)	(2,469,621)
Other financing sources			
Transfer from (to) other funds	-	721,866	721,866
Appropriation from Board of County Commissioners - net	<u>1,973,282</u>	<u>-</u>	<u>1,973,282</u>
Excess (deficiency) of revenue and other sources over (under) expenditures and other uses	-	225,527	225,527
Fund balance (deficit) - beginning of year	-	279,570	279,570
Fund balance (deficit) - end of year	<u>\$ -</u>	<u>\$ 505,097</u>	<u>\$ 505,097</u>

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

LAFAYETTE COUNTY, FLORIDA
SHERIFF
STATEMENT OF FIDUCIARY NET ASSETS – CUSTODIAL FUNDS
SEPTEMBER 30, 2022

	<u>Custodial Funds</u>
<u>ASSETS</u>	
Cash	<u>\$ 62,701</u>
 <u>LIABILITIES</u>	
Deposits	<u>62,701</u>
 NET ASSETS	 <u><u>\$ -</u></u>

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

LAFAYETTE COUNTY, FLORIDA
SHERIFF
STATEMENT OF FIDUCIARY CHANGES IN NET ASSETS – CUSTODIAL FUNDS
SEPTEMBER 30, 2022

	<u>Custodial Funds</u>
<u>ADDITIONS</u>	
Deposits	\$ 20,846
<u>DEDUCTIONS</u>	
Current	
Public Safety	<u>20,846</u>
CHANGE IN NET POSITON	-
Net position - beginning of the year	-
Net positon - end of year	<u><u>\$ -</u></u>

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

LAFAYETTE COUNTY, FLORIDA
SHERIFF
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

▪ **Reporting Entity**

The Sheriff operates as a County agency and an elected Constitutional Officer of Lafayette County, Florida, pursuant to Article VIII, Section (I) 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 of *Florida Statutes*. Lafayette County is a 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 county 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 Lafayette County, Florida, and is included in the Lafayette County county-wide financial statements, Pursuant to GASB Codification of Governmental Accounting and Financial Reporting Standards, Section 2100 and 2600, the Sheriff's financial statements are combined with those of the Board of County Commissioners (the Board) and other elected officials into the reporting entity of the County. The financial statements contained herein represent the financial transactions of the Sheriff.

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.

As permitted by Chapter 10.556(4), Rules of the Auditor General State of Florida, the special-purpose financial statements consist of only the fund level financial statements as defined in GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – For State and Local Governments*, and do not include presentation of government-wide financial statements of the Sheriff.

▪ **Basis of Reporting**

The accounts of the Sheriff are organized on the basis of funds and accounts

LAFAYETTE COUNTY, FLORIDA
SHERIFF
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)

groups, 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, fund equity, revenues, 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.

▪ **Description of Funds**

The financial activities of the Sheriff 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 Sheriff. 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 Sheriff as an agent for individuals, private organizations and/or other governmental units. These are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

▪ **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.

All governmental fund financial statements are reported using a current financial resources measurement focus on a modified accrual basis of accounting. The major modifications to the accrual basis are (a) revenues are recorded in the accounting period in which they become available and measureable (available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, considered to be sixty days for property taxes and ninety days for all other revenue) and (b) expenditures are recorded in the accounting period in which the liability is incurred, if measureable, except for

LAFAYETTE COUNTY, FLORIDA
SHERIFF
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)

accumulated sick and vacation compensation, which are expensed when paid.

Fiduciary fund (agency fund) statements are prepared using economic resource measurement focus and the accrual basis of accounting.

▪ **Measurement Focus**

The accounting and financial reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus.

All governmental funds are accounted for on a spending or “financial flow” measurement focus. This means that generally, only current assets and current liabilities are included in the balance sheet. Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they present a summary of sources and uses of “available spendable resources” during a period.

The portion of the Sheriff’s revenue that is a budget appropriation from the Board rather than a charge for service is reported as an appropriation by the Sheriff and as expenditures by the Board. Any excess of revenue and other financing sources received over expenditures are remitted to the Board at year-end and reported as a reversion to the Board of County Commissioners.

Recently Issued and Implemented Accounting Pronouncements

In June 2017, the GASB issued Statement No. 87 (GASB 87), *Leases*. The objective of GASB 87 is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. GASB 87 increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset.

Under GASB 87, a lessee is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments’ leasing activities. The requirements of GASB 87 are effective for reporting periods beginning after June 15, 2021. The implementation of GASB 87 resulted in the inclusion of a lease receivable, leases

LAFAYETTE COUNTY, FLORIDA
SHERIFF
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)

payable and right of use assets in the Statement of Net Position. See note 8 for further discussion on the restatement of beginning balances required for the implementation of GASB 87.

In June 2018, the GASB issued Statement No. 89 (GASB 89), *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. The implementation of GASB 89 did not result in any change in the County's financial statements.

In January 2020, the GASB issued Statement No. 92, *Omnibus 2020* (GASB 92). The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about the following:

- The effective date of Statement No. 87, *Leases*, and Implementation Guide No. 2019- 3, *Leases*, for interim financial reports,
- Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan,
- The applicability of Statements No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68*, and *Amendments to Certain Provisions of GASB Statements 67 and 68*, as amended, and No. 74, *Financial Reporting for Post-employment Benefit Plans Other Than Pension Plans*, as amended, to reporting assets accumulated for postemployment benefits,
- The applicability of certain requirements of Statement No. 84, *Fiduciary Activities*, to postemployment benefit arrangements,
- Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition,
- Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers,

LAFAYETTE COUNTY, FLORIDA
SHERIFF
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)

- Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature, and
- Terminology used to refer to derivative instruments.

The requirements of this Statement are effective as follows:

- The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance.
- The requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74 are effective for fiscal years beginning after June 15, 2021.
- The requirements related to application of Statement 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities are effective for reporting periods beginning after June 15, 2021.
- The requirements related to the measurement of liabilities (and assets, if any) associated with asset retirement obligations in a government acquisition are effective for government acquisitions occurring in reporting periods beginning after June 15, 2021.

In May 2020, the GASB issued Statement No. 93 (GASB 93), *Replacement of Interbank Offered Rates*. The objectives of this Statement are to address financial reporting issues that result from the replacement of an Interbank Offered Rate (IBOR) by providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment and clarification of the hedge accounting termination provisions when a hedged item is amended to replace the reference rate; replacing LIBOR as an appropriate benchmark interest rate for the evaluation of the effectiveness of an interest rate swap with a Secured Overnight Financing Rate or the Effective Federal Funds Rate; and providing exceptions to the lease modifications guidance in GASB 87 for lease contracts that are amended solely to replace an IBOR used to determine variable payments.

The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2022. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2021. The implementation of GASB 93 did not result in any change in the County's financial statements.

LAFAYETTE COUNTY, FLORIDA
SHERIFF
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)

In June 2020, the GASB issued Statement No. 97 (GASB 97), *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. The primary objectives of GASB 97 are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements of GASB 97 are effective for fiscal years beginning after June 15, 2021. The implementation of GASB 97 did not result in any change in the County's financial statements.

In October 2021, the GASB issued GASB Statement No. 98 (GASB 98), *The Annual Comprehensive Financial Report*. This Statement establishes the term *annual comprehensive financial report* and its acronym *ACFR*. That new term and acronym replace instances of *comprehensive annual financial report* and its acronym in generally accepted accounting principles for state and local governments. This Statement was developed in response to concerns raised by stakeholders that the common pronunciation of the acronym for comprehensive annual financial report sounds like a profoundly objectionable racial slur. This Statement's introduction of the new term is founded on a commitment to promoting inclusiveness. The requirements of this Statement are effective for fiscal years ending after December 15, 2021. The implementation of GASB 98 did not result in any change in the County's financial statements.

Pronouncements Issued But Not Yet Effective

The GASB has issued statements that will become effective in future years. These statements are as follows:

LAFAYETTE COUNTY, FLORIDA
SHERIFF
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)

In May 2019, the GASB issued Statement No. 91 (GASB 91), *Conduit Debt Obligations*. The primary objectives of GASB 91 are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. GASB 91 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 requirements of GASB 91 are effective for reporting periods beginning after December 15, 2021.

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* (GASB 94). The objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement.

This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022.

LAFAYETTE COUNTY, FLORIDA
SHERIFF
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)

In May 2020, the GASB issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (GASB 96). This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Assets and liabilities resulting from SBITAs should be recognized and measured using the facts and circumstances that existed at the beginning of the fiscal year in which this Statement is implemented. Governments are permitted, but are not required, to include in the measurement of the subscription asset capitalizable outlays associated with the initial implementation stage and the operation and additional implementation stage incurred prior to the implementation of this Statement.

In April 2022, the GASB issued GASB Statement No. 99, *Omnibus 2022* (GASB 99). This Statement provides guidance on the following:

- Classification and reporting of derivative instruments within the scope of Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, that do not meet the definition of either an investment derivative instrument or a hedging derivative instrument
- Clarification of provisions in Statement No. 87, *Leases*, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives,
- Clarification of provisions in Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, related to (a) the determination of the PPP term and (b)
- recognition and measurement of installment payments and the transfer of the underlying PPP asset,
- Clarification of provisions in Statement No. 96, *Subscription-Based Information Technology Arrangements*, related to the SBITA term, classification of a SBITA as a short-term SBITA, and recognition and measurement of a subscription liability,

LAFAYETTE COUNTY, FLORIDA
SHERIFF
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)

- Extension of the period during which the LIBOR is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt,
- Accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP),
- Disclosures related to nonmonetary transactions,
- Pledges of future revenues when resources are not received by the pledging government,
- Clarification of provisions in Statement No. 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments, as amended, related to the focus of the government-wide financial statements,
- Terminology updates related to certain provisions of Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, and Terminology used in Statement 53 to refer to resource flows statements.

The requirements of this Statement are effective as follows:

- The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance.
- The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.
- The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

In June 2022, the GASB issued GASB Statement No. 100, *Accounting Changes and Error Corrections* (GASB 100). This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The requirements of this Statement for changes in accounting principles apply to the implementation of a new pronouncement in absence of specific transition provisions in the new pronouncement. This Statement also requires

LAFAYETTE COUNTY, FLORIDA
SHERIFF
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)

that the aggregate amount of adjustments to and restatements of beginning net position, fund balance, or fund net position, as applicable, be displayed by reporting unit in the financial statements. This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated. Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). For periods that are earlier than those included in the basic financial statements, information presented in RSI or SI should be restated for error corrections, if practicable, but not for changes in accounting principles. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

In June 2022, the GASB issued GASB Statement No. 101, *Compensated Absences* (GASB 101). The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability (as long as they identify it as a net change). In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences.

The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

The County is evaluating the requirements of the above statements and the impact on reporting.

LAFAYETTE COUNTY, FLORIDA
SHERIFF
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)

Budgetary Requirements

Florida Statutes, Chapter 218.35 and 218.36 details the preparation, adoption and administration of the Sheriff's annual budget. The Sheriff establishes an annual balanced budget for their office which displays the revenues available to the office and the functions for which the money is to be expended. The budgeted revenues and expenditures in the accompanying financial statements reflect all amendments approved by the Board. The budget is prepared on a basis consistent with GAAP. Budgetary control is maintained at the major object expenditure level. Expenditures may not legally exceed appropriations at the department level, and appropriations lapse at year-end. Budgetary changes within major object expenditure categories are made at the discretion of the Sheriff.

Interfund Loans and Transfers

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are 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 non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

- **Cash and Cash Equivalents**

Cash and cash equivalents represent cash on hand as well as demand deposits, and certificates of deposit with original maturities of three months or less.

- **Inventory and Prepaid Items**

The purchase method is used to account for inventory and payments to vendors for costs applicable to future periods (prepaid). Under the purchase method, expenditures are recognized when the available financial resource is expended. Inventory is not deemed significant and therefore no amount has been reported.

- **Interfund Loans and Transfers**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are 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 non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

LAFAYETTE COUNTY, FLORIDA
SHERIFF
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)

▪ **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. Capital assets acquired under capital leases are recorded, at cost, as capital outlay expenditures and other financing sources at inception of the capital lease. The tangible personal property used by the Sheriff is reported as capital assets, at cost, in the Statement of Net Assets in the county-wide financial statements of Lafayette County, Florida.

▪ **Liability for Compensated Absences**

The Sheriff accrues a liability for employee's rights to receive compensation for future absences when certain conditions are met. The Sheriff 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 at the county-wide financial statement level.

▪ **Governmental Fund Balances**

Fund balances are classified either as nonspendable or spendable. Spendable fund balances are further classified in a hierarchy based on the extent to which there are external internal constraints on the spending of these fund balances. These classifications are described as follows:

Nonspendable fund balances includes amounts that cannot be spent because they are not in spendable form or legally or contractually required to be maintained intact. There were no nonspendable fund balances at the Sheriff as of September 30, 2022.

Spendable fund balances are classified based on a hierarchy of the Sheriff's ability to control the spending of these fund balances.

Restricted fund balances are fund balance amounts that are constrained for specific purposes which are externally imposed by creditors, grantors, contributors, or laws or regulations or imposed by law through constitutional provisions or enabling legislation. As of September 30, 2022, the Sheriff had restricted fund balance as indicated in the Balance Sheet.

LAFAYETTE COUNTY, FLORIDA
SHERIFF
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)

Committed fund balances are fund balances constrained for specific purposes imposed by the Sheriff's formal action of highest level of decision making authority. As of September 30, 2022, the Sheriff had no committed fund balances.

Assigned fund balances are fund balances intended to be used for specific purposes, but which are neither restricted nor committed. As of September 30, 2022, the Sheriff had no assigned fund balances.

Unassigned fund balances represent the residual positive fund balance within the general fund, which has not been assigned to other funds and has not been restricted, committed or assigned. In funds other than the general fund, unassigned fund balances are limited to negative residual fund balances. As of September 30, 2022 the Sheriff had no unassigned fund balances.

When expenditures are incurred for purposes for which restricted or unrestricted fund classifications could be used, it is the Sheriff's policy to use restricted funds first, then unrestricted.

▪ **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 estimated that affect the reported amounts in the fund financial statements. Actual results could differ from those estimates.

NOTE 2 - DEPOSITS

All bank accounts of the Sheriff are placed at either the Lafayette County State Bank or First Federal Savings Bank in Mayo, Florida. These banks (insured by FDIC) qualify as public depositories, as required by law (Florida Security for Public Deposits Act, Chapter 280, Florida Statutes).

NOTE 3 – FIXED ASSETS

The Sheriff had the following changes in fixed assets for the year ended September 30, 2022:

	Balance at Beginning of Year	Additions	Deletions	Balance at End of Year
Furniture, equipment and vehicles	<u>\$1,865,805</u>	<u>\$ 79,771</u>	<u>\$ -</u>	<u>\$1,945,576</u>

LAFAYETTE COUNTY, FLORIDA
SHERIFF
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 4 - EMPLOYEE'S RETIREMENT PLAN

The Sheriff and all full-time employees are participants in the Florida Retirement System (the "System"), a defined benefit, cost sharing, a multiple-employer public retirement system, which is controlled by the State Legislature and administered by the State of Florida, Department of Administration, Division of Retirement. The plan covers full-time employees of various governmental units within the State of Florida. Accordingly, the actuarial information and related disclosures attributable to the Sheriff's employees are not determinable.

The System's funding policy provides for monthly employer contributions at actuarially *determined* rates that, expressed as percentages of annual covered payroll, are adequate to accumulate sufficient assets to pay benefits when due (see rates below). Level percentage of payroll employer contribution rates, established by state law, is determined using the entry-age actuarial funding method. If an unfunded actuarial liability re-emerges, future plan benefit changes, assumption changes, and methodology changes are amortized within 30 years, using level dollar amounts. Except for gains reserved for rate stabilization, it is anticipated future actuarial gains and losses are amortized on a rolling 10% basis, as a level dollar amount.

The System provides for those employees hired prior to July 1, 2011 vesting of benefits after six years of creditable service. Normal retirement benefits are available to employees who retire at or after age 62 with six or more years of service. Early retirement is available after six years of service with a 5% reduction of benefits for each year prior to the normal retirement age. For those employees hired on or after July 1, 2011, the System provides for vesting of benefits after eight years of creditable service. Normal retirement benefits are available to these employees who retire at or after age 65 with eight years of service with a 5% reduction of benefits for each year. Retirement benefits are based upon age, average compensation and years-of-service credit where average compensation is computed as the average of an individual's five highest years of earnings.

Participating employer contributions are based upon State-wide rates established by the State of Florida. These rates applied to employee salaries at year end are as follows: DROP Program – 18.60%, regular employees – 11.91%, senior management – 31.57%, special risk – 27.83%, and elected officials – 57.00%.

The rate applied to employee salaries for employee contributions was 3.00% for all classifications, with the exception of the DROP Program.

LAFAYETTE COUNTY, FLORIDA
SHERIFF
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 4 - EMPLOYEE'S RETIREMENT PLAN (continued)

For the year ended September 30, 2022, total payroll for the Sheriff's employees covered by the System was \$1,462,704 and total payroll was \$1,462,704. The Sheriff's contributions to the plan for the year ended September 30, 2022 was \$246,065, and was paid by the due date for the contribution.

The Sheriff has no responsibility to the System other than to make the periodic payments required by state statutes. The Florida Division of Retirement issues a publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing Florida Division of Retirement, P. O. Box 9000, Tallahassee, FL 32315-9000 or at the Division's website at dms.myflorida.com.

NOTE 5 – POST EMPLOYMENT BENEFITS OTHER THAN PENSION

Retired employees who participated in the group health insurance plan while employed are allowed to continue coverage, with 100% of the premium paid by the retired employee. The Sheriff assumes no cost of this benefit.

See Note 12, page 39 of the Lafayette County audit report.

NOTE 6 – ENCUMBRANCES

Encumbrance accounting, under which purchase orders, and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed.

NOTE 7 – SUBSEQUENT EVENTS

The Sheriff has evaluated subsequent events through the date of issuance of these special-purpose financial statements and has determined that no events occurring subsequent to year-end warranted disclosure.

REQUIRED SUPPLEMENTARY INFORMATION

LAFAYETTE COUNTY, FLORIDA
SHERIFF OPERATING FUND
SCHEDULE OF REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget - Favorable (unfavorable)
Revenues				
Intergovernmental income	\$ -	\$ -	\$ 216,642	\$ 216,642
Interest	-	-	407	407
	<u>-</u>	<u>-</u>	<u>217,049</u>	<u>216,642</u>
Expenditures				
Law enforcement				
Personal services				
Executive salary	97,766	97,766	97,766	-
Regular salary	528,551	528,551	517,980	10,571
FICA and other payroll taxes	49,370	49,370	47,105	2,265
Retirement contribution	163,039	163,039	199,886	(36,847)
Total personal services	<u>838,726</u>	<u>838,726</u>	<u>862,737</u>	<u>(24,011)</u>
Operating expenditures				
Legal ads and dues	3,100	3,100	3,778	(678)
Repair and maintenance	8,500	8,500	8,208	292
Uniforms	1,500	1,500	12,366	(10,866)
Travel and per diem	1,000	1,000	635	365
Communication services	15,000	15,000	40,073	(25,073)
Professional services	1,000	1,000	1,000	-
Postage and shipping	500	500	628	(128)
Insurance	40,325	40,325	45,449	(5,124)
Operating expense	79,960	79,960	149,325	(69,365)
Grant expense	-	-	179,230	(179,230)
Office expense	2,000	2,000	1,398	602
Total operating expenditures	<u>152,885</u>	<u>152,885</u>	<u>442,090</u>	<u>(289,205)</u>
Capital outlay				
Machinery and equipment	500	500	-	500
	<u>992,111</u>	<u>992,111</u>	<u>1,304,827</u>	<u>(312,716)</u>
Corrections and/or detention				
Personal services				
Executive salary	15,300	15,300	15,300	-
Regular salary	485,788	485,788	439,757	46,031
FICA and other payroll taxes	38,334	38,334	34,811	3,523
Retirement contribution	122,763	122,763	128,778	(6,015)
Total personal services	<u>662,185</u>	<u>662,185</u>	<u>618,646</u>	<u>43,539</u>
Operating expenditures				
Postage	500	500	498	2
Uniforms	700	700	4,016	(3,316)
Insurance	12,205	12,205	17,770	(5,565)
Communications	8,000	8,000	-	8,000
Utilities	26,280	26,280	52,743	(26,463)
Professional services - medical	4,500	4,500	4,306	194
Repairs and maintenance	1,500	1,500	7,137	(5,637)
Travel and per diem	2,500	2,500	-	2,500
Other operating expenses	131,300	131,300	142,207	(10,907)
Office expense	4,620	4,620	769	3,851
Grant expense	-	-	37,412	
Total operating expenditures	<u>192,105</u>	<u>192,105</u>	<u>266,858</u>	<u>(37,341)</u>

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

LAFAYETTE COUNTY, FLORIDA
SHERIFF OPERATING FUND
SCHEDULE OF REVENUES AND EXPENDITURES AND CHANGES
IN FUND BALANCES –
BUDGET AND ACTUAL - continued
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Original Budget	Final Budget	Actual	Final Budget - Favorable (unfavorable)
Capital outlay				
Machinery and equipment	\$ 3,000	\$ 3,000	\$ -	\$ 3,000
	<u>857,290</u>	<u>857,290</u>	<u>885,504</u>	<u>(28,214)</u>
Total expenditures	<u>1,849,401</u>	<u>1,849,401</u>	<u>2,190,331</u>	<u>(340,930)</u>
Excess (Deficiency) of revenue and other sources over expenditures	(1,849,401)	(1,849,401)	(1,973,282)	(123,881)
Other financing sources:				
Appropriation from Board of County Commissioners - net	1,849,401	1,849,401	1,973,282	123,881
Transfer to other funds	-	-	-	-
Fund balance - beginning of year	-	-	-	-
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

LAFAYETTE COUNTY, FLORIDA
SHERIFF

FIDUCIARY FUNDS

Individual and Other Suspense: Where all civil process fees are deposited, this money is transferred to the Board of County Commissioners at the end of each budget year.

Inmate Welfare Fund: Used to purchase any items that inmates use such as inmate uniforms, sheets, shoes etc.

I&E Fund: Used to conduct undercover drug operations. These funds are used to purchase undercover drug buys, pay informants and purchase equipment used in the undercover drug buys.

Canteen Fund: Where all money deposited for inmate canteen accounts goes. There is a kiosk in the jail lobby where money can be deposited or online. Inmates can then purchase items through Stewart (canteen company is used). When an inmate is released and still has money on the books a check is written back to them out of this account.

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

LAFAYETTE COUNTY, FLORIDA
SHERIFF
AGENCY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION – CUSTODIAL FUNDS
SEPTEMBER 30, 2022

	Individual and Other Suspense	Inmate Welfare	I&E	Total
<u>ASSETS</u>				
Cash and cash equivalents	<u>\$ 6,304</u>	<u>\$ 41,507</u>	<u>\$ 14,890</u>	<u>\$ 62,701</u>
<u>LIABILITIES</u>				
Deposits	<u>6,304</u>	<u>41,507</u>	<u>14,890</u>	<u>62,701</u>
Total Liabilities	<u>6,304</u>	<u>41,507</u>	<u>14,890</u>	<u>62,701</u>
NET POSITION	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

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

LAFAYETTE COUNTY, FLORIDA
SHERIFF
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Individual and Other Suspense	Inmate Welfare	I&E	Total
<u>ADDITIONS</u>				
Funds held for others	<u>\$ 6,458</u>	<u>\$ 12,979</u>	<u>\$ 1,409</u>	<u>\$ 20,846</u>
<u>DEDUCTIONS</u>				
Funds held for others	<u>6,458</u>	<u>12,979</u>	<u>1,409</u>	<u>20,846</u>
Changes in Net Position	-	-	-	-
Net Position - beginning of year	-	-	-	-
Net Position - end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

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

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

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

Honorable Sheriff
Lafayette County, Florida

I have audited the special-purpose financial statements of the Sheriff Lafayette County, Florida, as of and for the year ended September 30, 2022, and have issued my report thereon dated June 27, 2023. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing my audit of the special-purpose financial statements, I considered the Sheriff's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my 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, I do not express an opinion on the effectiveness of the Sheriff's internal control.

My 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, I identified no significant deficiencies internal control that I consider to be material weaknesses.

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 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. I noted no deficiencies that I consider 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. During my audit I did not identify any deficiencies in internal control that I consider to be a significant deficiency. However, significant deficiencies may exist that have not been identified.

Compliance and Other Matters

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

Sheriff' Response to Findings

The Sheriff's response to the findings identified in my audit are included in the accompanying management letter. The Sheriff's response was not subjected to the auditing procedures applied in the audit of the special-purpose financial statements and, accordingly, I express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of my 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.

James E. Davis
Certified Public Accountant

June 27, 2023

INDEPENDENT AUDITOR'S MANAGEMENT LETTER

INDEPENDENT AUDITOR'S MANAGEMENT LETTER

Sheriff
Lafayette County, Florida

Report on the Financial Statements

I have audited the financial statements of Lafayette County, Florida Sheriff as of and for the fiscal year ended September 30, 2022 and have issued my report thereon dated June 27, 2023.

Auditor's Responsibility

I conducted my 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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.550, Rules of the Auditor General.

Other Reports and Schedule

I have issued my Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's report on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated June 27, 2023, 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 I determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.

There were no prior year audit findings.

Current Audit Findings

There were no current findings discovered during the audit.

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. This information is contained in the footnotes.

Other Matters

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

Section 10.554(1)(i)3., Rules of the Auditor General, requires that I 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 my audit, I did not have any such findings.

Purpose of this letter

My 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, and applicable management and is not intended to be and should not be used by anyone other than these specified parties.

James E. Davis
Certified Public Accountant

June 27, 2023

JAMES E. DAVIS, CPA

1733 Old Plank Road
Crawfordville, FL 32327
Phone: (850) 445-5878

**INDEPENDENT ACCOUNTANT'S REPORT ON AN EXAMINATION CONDUCTED IN
ACCORDANCE WITH AICPA PROFESSIONAL STANDARDS, SECTION 601,
REGARDING COMPLIANCE REQUIREMENTS IN ACCORDANCE WITH CHAPTER
10.550, RULES OF THE AUDITOR GENERAL**

Lafayette County Sheriff
Mayo, Florida

I have examined the Lafayette County Sheriff compliance with the requirements of Section 218.415, Florida Statutes, Local Government Investment Policies, during the year ended September 30, 2022. Management is responsible for the Sheriff's compliance with those requirements. My responsibility is to express an opinion on the Sheriff's compliance based on my examination.

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

In my opinion, the Sheriff complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2022.

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

James E. Davis
Certified Public Accountant

June 27, 2023

**LAFAYETTE COUNTY, FLORIDA
PROPERTY APPRAISER**

**SPECIAL-PURPOSE FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT**

SEPTEMBER 30, 2022

**LAFAYETTE COUNTY PROPERTY APPRAISER
AUDIT REPORT
SEPTEMBER 30, 2022**

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**INDEPENDENT AUDITOR'S REPORT ON
SPECIAL-PURPOSE FINANCIAL STATEMENTS**

Lafayette County Property Appraiser
Lafayette County, Florida

Report on Special-Purpose Financial Statements

I have audited the accompanying special-purpose financial statements of the governmental activities, the discreetly presented component unit, each major fund, the aggregate remaining fund information and the fiduciary fund type of the Property Appraiser, as of for the year ended September 30, 2022, and the related notes to the Financial Statements, which collectively comprise the Property Appraiser's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such

opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the special-purpose financial statements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinion

In my opinion, the special-purpose financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, discreetly presented component unit, each major fund, the aggregate remaining fund information, and the fiduciary fund types of the Property Appraiser as of September 30, 2022, and the changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

As discussed in Note 1 to the special-purpose financial statements, the Property Appraiser's financial statements are special-purpose financial statements presenting only the financial position and results of operations of the Property Appraiser. These special-purpose financial statements are not intended to be a complete presentation of the financial position and results of operations of Lafayette County, Florida taken as a whole. As permitted by Chapter 10.556(4), Rules of the Auditor General State of Florida, the special-purpose financial statements consist of only the fund level financial statements as defined in Government Accounting Standards Board Statement 34, and do not include presentations of government-wide financial statements of the Property Appraiser.

Other Information

My audit was conducted for the purpose of forming opinions on the special-purpose financial statements that collectively comprise the Property Appraiser's basic financial statements. The combining and individual nonmajor fund financial statements and combining and individual statement of fiduciary net position are presented for purposes of additional analysis and are not a required part of 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 Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and Chapter 10.550, *Local Government Entity Audits, Rules of the Auditor General State of Florida*, and is not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, combining and individual statement of fiduciary net position and schedule of expenditures of federal awards and state financial assistance are the responsibility of management and were

derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures, including comparing and reconciling such 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 my opinion, the combining and individual nonmajor fund financial statements, combining and individual statement of fiduciary net position and the schedule of expenditures of federal awards and state financial assistance are 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*, I have also issued a report dated June 24, 2023 on my consideration of the Property Appraiser's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 internal control over financial reporting and compliance.

James E. Davis
Certified Public Accountant

June 24, 2023

LAFAYETTE COUNTY, FLORIDA
PROPERTY APPRAISER
BALANCE SHEET – GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022

Governmental
Fund -
Operating Fund

ASSETS

Cash and cash equivalents	\$ <u> -</u>
---------------------------	---------------------------------

LIABILITIES

Due to other funds	\$ <u> -</u>
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The accompanying notes are an integral part of the special-purpose financial statements.

LAFAYETTE COUNTY, FLORIDA
PROPERTY APPRAISER
OPERATING FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2022

Revenues	\$ -
Expenditures	
General government	
Other general government	
Personal services	
Executive salary	105,507
Regular salary	67,720
FICA and other payroll taxes	13,191
Retirement contribution	63,236
Total personal services	249,654
Operating expenditures	
EDP services	20,268
Appraisal services	5,000
Education	430
Emergency Contingency	2,000
Communications	3,752
Postage and shipping	763
Office supplies	6,413
Travel	1,196
Printing	2,813
Dues and Membership	3,623
Total operating expenditures	46,258
Capital outlay	2,000
Total expenditures	297,912
Other financing sources:	
Appropriation from Board of County Commissioners - net	297,912
Net changes in fund balance	-
Fund balance - beginning of year	-
Fund balance - end of year	\$ -

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

LAFAYETTE COUNTY, FLORIDA
PROPERTY APPRAISER
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

▪ **Reporting Entity**

The Property Appraiser operates as a County agency and an elected Constitutional Officer of Lafayette County, Florida, pursuant to Article VIII, Section (I) 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 of *Florida Statutes*. Lafayette County is a 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 county 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 Lafayette County, Florida, and is included in the Lafayette County county-wide financial statements. Pursuant to GASB Codification of Governmental Accounting and Financial Reporting Standards, Section 2100 and 2600, the Property Appraiser's financial statements are combined with those of the Board of County Commissioners (the Board) and other elected officials into the reporting entity of the County. The financial statements contained herein represent the financial transactions of the Property Appraiser.

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.

As permitted by Chapter 10.556(4), Rules of the Auditor General State of Florida, the special-purpose financial statements consist of only the fund level financial statements as defined in GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – For State and Local Governments*, and do not include presentation of government-wide financial statements of the Property Appraiser.

▪ **Basis of Reporting**

The accounts of the Property Appraiser are organized on the basis of funds and

LAFAYETTE COUNTY, FLORIDA
PROPERTY APPRAISER
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 – SUMMARY OF ACCOUNTING POLICIES (continued)

accounts groups, 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, fund equity, revenues, 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.

▪ **Description of Funds**

The financial activities of the Property Appraiser 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 Property Appraiser. This fund is used to account for all financial transactions not required to be accounted for in another fund.

Fiduciary Fund Type

- Agency Fund – The Agency Fund is used to account for assets held by the Property Appraiser as an agent for individuals, private organizations and/or other governmental units. These are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

▪ **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.

All governmental fund financial statements are reported using a current financial resources measurement focus on a modified accrual basis of accounting. The major modifications to the accrual basis are (a) revenues are recorded in the accounting period in which they become available and measureable (available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, considered to be sixty days for property taxes and ninety days for all other revenue) and (b) expenditures are recorded in the accounting period in which the liability is incurred, if measureable, except for accumulated sick and vacation compensation, which are expensed when paid.

LAFAYETTE COUNTY, FLORIDA
PROPERTY APPRAISER
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)

Fiduciary fund (agency fund) statements are prepared using economic resource measurement focus and the accrual basis of accounting.

▪ **Measurement Focus**

The accounting and financial reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus.

All governmental funds are accounted for on a spending or “financial flow” measurement focus. This means that generally, only current assets and current liabilities are included in the balance sheet. Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they present a summary of sources and uses of “available spendable resources” during a period.

The portion of the Property Appraiser’s revenue that is a budget appropriation from the Board rather than a charge for service is reported as an appropriation by the Property Appraiser and as expenditures by the Board. Any excess of revenue and other financing sources received over expenditures are remitted to the Board at year-end and reported as a reversion to the Board of County Commissioners.

Recently Issued and Implemented Accounting Pronouncements

In June 2017, the GASB issued Statement No. 87 (GASB 87), *Leases*. The objective of GASB 87 is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. GASB 87 increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset.

Under GASB 87, a lessee is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments’ leasing activities. The requirements of GASB 87 are effective for reporting periods beginning after June 15, 2021. The implementation of GASB 87 resulted in the inclusion of a lease receivable, leases

LAFAYETTE COUNTY, FLORIDA
PROPERTY APPRAISER
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)

payable and right of use assets in the Statement of Net Position. See note 8 for further discussion on the restatement of beginning balances required for the implementation of GASB 87.

In June 2018, the GASB issued Statement No. 89 (GASB 89), *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. The implementation of GASB 89 did not result in any change in the County's financial statements.

In January 2020, the GASB issued Statement No. 92, *Omnibus 2020* (GASB 92). The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about the following:

- The effective date of Statement No. 87, *Leases*, and Implementation Guide No. 2019- 3, *Leases*, for interim financial reports,
- Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan,
- The applicability of Statements No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and amendments to Certain Provisions of GASB Statements 67 and 68*, as amended, and No. 74, *Financial Reporting for Post-employment Benefit Plans Other Than Pension Plans*, as amended, to reporting assets accumulated for postemployment benefits,
- The applicability of certain requirements of Statement No. 84, *Fiduciary Activities*, to postemployment benefit arrangements,
- Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition,
- Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers,

LAFAYETTE COUNTY, FLORIDA
PROPERTY APPRAISER
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)

- Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature, and
- Terminology used to refer to derivative instruments.

The requirements of this Statement are effective as follows:

- The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance.
- The requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74 are effective for fiscal years beginning after June 15, 2021.
- The requirements related to application of Statement 84 'to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities are effective for reporting periods beginning after June 15, 2021.
- The requirements related to the measurement of liabilities (and assets, if any) associated with asset retirement obligations in a government acquisition are effective for government acquisitions occurring in reporting periods beginning after June 15, 2021.

The implementation of GASB 92 did not result in any significant change in the County's financial statements.

In May 2020, the GASB issued Statement No. 93 (GASB 93), *Replacement of Interbank Offered Rates*. The objectives of this Statement are to address financial reporting issues that result from the replacement of an Interbank Offered Rate (IBOR) by providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment and clarification of the hedge accounting termination provisions when a hedged Item is amended to replace the reference rate; replacing LIBOR as an appropriate benchmark interest rate for the evaluation of the effectiveness of an interest rate swap with a Secured Overnight Financing Rate or the Effective Federal Funds Rate; and providing exceptions to the lease modifications guidance in GASB 87 for lease contracts that are amended solely to replace an IBOR used to determine variable payments.

The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2022. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2021. The implementation of GASB 93 did not result in any change in the County's financial statements.

LAFAYETTE COUNTY, FLORIDA
PROPERTY APPRAISER
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)

In June 2020, the GASB issued Statement No. 97 (GASB 97), *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. The primary objectives of GASB 97 are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements of GASB 97 are effective for fiscal years beginning after June 15, 2021. The implementation of GASB 97 did not result in any change in the County's financial statements.

In October 2021, the GASB issued GASB Statement No. 98 (GASB 98), *The Annual Comprehensive Financial Report*. This Statement establishes the term *annual comprehensive financial report* and its acronym *ACFR*. That new term and acronym replace instances of *comprehensive annual financial report* and its acronym in generally accepted accounting principles for state and local governments. This Statement was developed in response to concerns raised by stakeholders that the common pronunciation of the acronym for comprehensive annual financial report sounds like a profoundly objectionable racial slur. This Statement's introduction of the new term is founded on a commitment to promoting inclusiveness. The requirements of this Statement are effective for fiscal years ending after December 15, 2021. The implementation of GASB 98 did not result in any change in the County's financial statements.

Pronouncements Issued But Not Yet Effective

The GASB has issued statements that will become effective in future years. These statements are as follows:

In May 2019, the GASB issued Statement No. 91 (GASB 91), *Conduit Debt Obligations*. The primary objectives of GASB 91 are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in

LAFAYETTE COUNTY, FLORIDA
PROPERTY APPRAISER
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)

practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. GASB 91 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 requirements of GASB 91 are effective for reporting periods beginning after December 15, 2021.

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* (GASB 94). The objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement.

This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022.

In May 2020, the GASB issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (GASB 96). This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a

LAFAYETTE COUNTY, FLORIDA
PROPERTY APPRAISER
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)

SBITA results in a right-to use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, leases, as amended. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Assets and liabilities resulting from SBITAs should be recognized and measured using the facts and circumstances that existed at the beginning of the fiscal year in which this Statement is implemented. Governments are permitted, but are not required, to include in the measurement of the subscription asset capitalizable outlays associated with the initial implementation stage and the operation and additional implementation stage incurred prior to the implementation of this Statement.

In April 2022, the GASB issued GASB Statement No. 99, *Omnibus 2022* (GASB 99). This Statement provides guidance on the following:

- Classification and reporting of derivative instruments within the scope of Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, that do not meet the definition of either an investment derivative instrument or a hedging derivative instrument
- Clarification of provisions in Statement No. 87, *Leases*, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives,
- Clarification of provisions in Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, related to (a) the determination of the PPP term and (b)
- recognition and measurement of installment payments and the transfer of the underlying PPP asset,
- Clarification of provisions in Statement No. 96, *Subscription-Based Information Technology Arrangements*, related to the SBITA term, classification of a SBITA as a short-term SBITA, and recognition and measurement of a subscription liability,
- Extension of the period during which the LIBOR is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt,
- Accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP),
- Disclosures related to nonmonetary transactions,

LAFAYETTE COUNTY, FLORIDA
PROPERTY APPRAISER
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)

- Pledges of future revenues when resources are not received by the pledging government,
- Clarification of provisions in Statement No. 34, Basic Financial Statements— and Management's Discussion and Analysis—for State and Local Governments, as amended, related to the focus of the government-wide financial statements,
- Terminology updates related to certain provisions of Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, and
- Terminology used in Statement 53 to refer to resource flows statements.

The requirements of this Statement are effective as follows:

- The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance.
- The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.
- The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

In June 2022, the GASB issued GASB Statement No. 100, *Accounting Changes and Error Corrections* (GASB 100). This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The requirements of this Statement for changes in accounting principles apply to the implementation of a new pronouncement in absence of specific transition provisions in the new pronouncement. This Statement also requires that the aggregate amount of adjustments to and restatements of beginning net position, fund balance, or fund net position, as applicable, be displayed by reporting unit in the financial statements.

LAFAYETTE COUNTY, FLORIDA
PROPERTY APPRAISER
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)

This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated. Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). For periods that are earlier than those included in the basic financial statements, information presented in RSI or SI should be restated for error corrections, if practicable, but not for changes in accounting principles. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

In June 2022, the GASB issued GASB Statement No. 101, *Compensated Absences* (GASB 101). The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability (as long as they identify it as a net change). In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

The County is evaluating the requirements of the above statements and the impact on reporting.

Budgetary Requirements

Florida Statutes, Chapter 218.35 and 218.36 details the preparation, adoption and administration of the Property Appraiser's annual budget. The Property Appraiser establishes an annual balanced budget for their office which displays the revenues available to the office and the functions for which the money is to be expended. The budgeted revenues and expenditures in the accompanying financial statements reflect all amendments approved by the Board. The budget

LAFAYETTE COUNTY, FLORIDA
PROPERTY APPRAISER
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)

is prepared on a basis consistent with GAAP. Budgetary control is maintained at the major object expenditure level. Expenditures may not legally exceed appropriations at the department level, and appropriations lapse at year-end. Budgetary changes within major object expenditure categories are made at the discretion of the Property Appraiser.

Interfund Loans and Transfers

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are 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 non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

- **Cash and Cash Equivalents**

Cash and cash equivalents represent cash on hand as well as demand deposits, and certificates of deposit with original maturities of three months or less.

- **Inventory and Prepaid Items**

The purchase method is used to account for inventory and payments to vendors for costs applicable to future periods (prepaid). Under the purchase method, expenditures are recognized when the available financial resource is expended. Inventory is not deemed significant and therefore no amount has been reported.

- **Interfund Loans and Transfers**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are 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 non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

- **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. Capital assets acquired under capital leases are recorded, at cost, as capital outlay expenditures and other financing sources at inception of the capital lease. The tangible personal property used by the Property Appraiser is reported as capital assets, at cost, in the Statement of Net Assets in the county-wide financial statements of Lafayette County, Florida.

LAFAYETTE COUNTY, FLORIDA
PROPERTY APPRAISER
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)

▪ **Liability for Compensated Absences**

The Property Appraiser accrues a liability for employee's rights to receive compensation for future absences when certain conditions are met. The Property Appraiser 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 at the county-wide financial statement level.

▪ **Governmental Fund Balances**

Fund balances are classified either as nonspendable or spendable. Spendable fund balances are further classified in a hierarchy based on the extent to which there are external internal constraints on the spending of these fund balances. These classifications are described as follows:

Nonspendable fund balances includes amounts that cannot be spent because they are not in spendable form or legally or contractually required to be maintained intact. There were no nonspendable fund balances at the Property Appraiser as of September 30, 2022.

Spendable fund balances are classified based on a hierarchy of the Property Appraiser's ability to control the spending of these fund balances.

Restricted fund balances are fund balance amounts that are constrained for specific purposes which are externally imposed by creditors, grantors, contributors, or laws or regulations or imposed by law through constitutional provisions or enabling legislation. As of September 30, 2022, the Property Appraiser had no restricted fund balances.

Committed fund balances are fund balances constrained for specific purposes imposed by the Property Appraiser's formal action of highest level of decision making authority. As of September 30, 2022, the Property Appraiser had no committed fund balances.

Assigned fund balances are fund balances intended to be used for specific purposes, but which are neither restricted nor committed. As of September 30, 2022, the Property Appraiser had no assigned fund balances.

LAFAYETTE COUNTY, FLORIDA
PROPERTY APPRAISER
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)

Unassigned fund balances represent the residual positive fund balance within the general fund, which has not been assigned to other funds and has not been restricted, committed or assigned. In funds other than the general fund, unassigned fund balances are limited to negative residual fund balances. As of September 30, 2022, the Property Appraiser had no unassigned fund balances.

When expenditures are incurred for purposes for which restricted or unrestricted fund classifications could be used, it is the Property Appraiser's policy to use restricted funds first, then unrestricted.

▪ **Related Organizations**

Certain expenses, which are common to the Board, are reported as expenses of the Board and, therefore, are not budgeted by or allocated to the Property Appraiser. These expenses include:

Occupancy costs
Janitorial Service
Utilities (except telephone)
Property Insurance

▪ **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 2 – DEPOSITS

The Property Appraiser maintains one bank account at the Lafayette County State Bank (insured by FDIC) in Mayo, Florida. The Lafayette County State Bank qualifies as a public depository, as required by law (Florida Security for Public Deposits Act, Chapter 280, Florida Statutes).

NOTE 3 – EMPLOYEE'S RETIREMENT PLAN

The Property Appraiser and all full-time employees are participants in the Florida Retirement System (the "System"), a defined benefit, cost sharing, multiple-employer public retirement system, which is controlled by the State Legislature

LAFAYETTE COUNTY, FLORIDA
PROPERTY APPRAISER
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 3 – EMPLOYEE’S RETIREMENT PLAN (continued)

and administered by the State of Florida, Department of Administration, Division of Retirement. The plan covers full-time employees of various governmental units within the State of Florida. Accordingly, the actuarial information and related disclosures attributable to the Property Appraiser’s employees are not determinable.

The System's funding policy provides for monthly employer contributions at actuarially *determined* rates that, expressed as percentages of annual covered payroll, are adequate to accumulate sufficient assets to pay benefits when due (see rates below). Level percentage of payroll employer contribution rates, established by state law, is determined using the entry-age actuarial funding method. If an unfunded actuarial liability re-emerges, future plan benefit changes, assumption changes, and methodology changes are amortized within 30 years, using level dollar amounts. Except for gains reserved for rate stabilization, it is anticipated future actuarial gains and losses are amortized on a rolling 10% basis, as a level dollar amount.

The System provides for those employees hired prior to July 1, 2011 vesting of benefits after six years of creditable service. Normal retirement benefits are available to employees who retire at or after age 62 with six or more years of service. Early retirement is available after six years of service with a 5% reduction of benefits for each year prior to the normal retirement age. For those employees hired on or after July 1, 2011, the System provides for vesting of benefits after eight years of creditable service. Normal retirement benefits are available to these employees who retire at or after age 65 with eight years of service with a 5% reduction of benefits for each year. Retirement benefits are based upon age, average compensation and years-of-service credit where average compensation is computed as the average of an individual's five highest years of earnings.

Participating employer contributions are based upon State-wide rates established by the State of Florida. These rates applied to employee salaries at year end are as follows: DROP Program – 18.60%, regular employees – 11.91%, senior management – 31.57%, special risk – 27.83%, and elected officials – 57.00%.

The rate applied to employee salaries for employee contributions was 3.00% for all classifications, with the exception of the DROP Program.

For the year ended September 30, 2022, total payroll for the Property Appraiser's employees covered by the System was \$173,227 and total payroll was \$173,227. The Property Appraiser's contributions to the plan for the year ended September 30, 2022 was \$63,236, and was paid by the due date for the contribution.

LAFAYETTE COUNTY, FLORIDA
PROPERTY APPRAISER
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 3 – EMPLOYEE’S RETIREMENT PLAN (continued)

The Property Appraiser has no responsibility to the System other than to make the periodic payments required by state statutes. The Florida Division of Retirement issues a publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing Florida Division of Retirement, P. O. Box 9000, Tallahassee, FL 32315-9000 or at the Division's website at dms.myflorida.com.

NOTE 4 – POST EMPLOYMENT BENEFITS OTHER THAN PENSION

Retired employees who participated in the group health insurance plan while employed are allowed to continue coverage, with 100% of the premium paid by the retired employee. The Property Appraiser assumes no cost of this benefit.

See Note 12, page 39 of the Lafayette County audit report.

NOTE 5 – ENCUMBRANCES

Encumbrance accounting, under which purchase orders, and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed.

NOTE 6 – SUBSEQUENT EVENTS

The Property Appraiser has evaluated subsequent events through the date of issuance of these special-purpose financial statements, and has determined that no events occurring subsequent to year end warranted disclosure.

REQUIRED SUPPLEMENTARY INFORMATION

LAFAYETTE COUNTY, FLORIDA
PROPERTY APPRAISER
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
General Government				
Financial and administration				
Personal services	249,717	249,717	249,654	63
Operating expenditures	49,627	49,627	46,258	3,369
Capital outlay	2,000	2,000	2,000	-
Total expenditures	301,344	301,344	297,912	3,432
Excess (Deficiency) of revenue over expenditures	(301,344)	(301,344)	(297,912)	3,432
Other financing sources:				
Appropriation from Board of County Commissioners - net	301,344	301,344	297,912	(3,432)
Excess (Deficiency) of revenue and other sources over expenditures	-	-	-	-
Fund balance - beginning of year	-	-	-	-
Fund balance - end of year	\$ -	\$ -	\$ -	\$ -

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

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

JAMES E. DAVIS, CPA

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Crawfordville, FL 32327
Phone: (850) 445-5878

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

Honorable Property Appraiser
Lafayette County, Florida

I have audited the special-purpose financial statements of the Property Appraiser Lafayette County, Florida, as of and for the year ended September 30, 2022, and have issued my report thereon dated June 24, 2023. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing my audit of the special-purpose financial statements, I considered the Property Appraiser's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my 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, I do not express an opinion on the effectiveness of the Property Appraiser's internal control.

My 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, I identified no deficiencies in internal control that I consider to be material weaknesses.

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 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. During my audit, I did not identify any deficiencies in internal control that I consider 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. During my audit I did not identify any deficiencies in internal control that I consider to be a significant deficiency. However, significant deficiencies may exist that have not been identified.

Compliance and Other Matters

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

Other matters that came to my attention during the audit were reported to the Property Appraiser in a separate letter dated June 24, 2023.

Property Appraiser's Response to Findings

The Property Appraiser's responses to the findings identified in my audit are included in the accompanying management letter. The Property Appraiser's response was not subjected to the auditing procedures applied in the audit of the special-purpose financial statements and, accordingly, I express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of my 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.

James E. Davis
Certified Public Accountant

June 24, 2023

INDEPENDENT AUDITOR'S MANAGEMENT LETTER

INDEPENDENT AUDITOR'S MANAGEMENT LETTER

Property Appraiser
Lafayette County, Florida

Report on the Financial Statements

I have audited the financial statements of Lafayette County, Florida Property Appraiser as of and for the fiscal year ended September 30, 2022 and have issued my report thereon dated June 24, 2023.

Auditor's Responsibility

I conducted my 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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.550, Rules of the Auditor General.

Other Reports and Schedule

I have issued my Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's report on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated June 24, 2023, 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 I determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.

There were no prior year audit findings.

Current Audit Findings

There were no new findings from the current audit.

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. This information is contained in the footnotes.

Other Matters

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

Section 10.554(1)(i)3., Rules of the Auditor General, requires that I 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 my audit, I did not have any such findings.

Purpose of this letter

My 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, and applicable management and is not intended to be and should not be used by anyone other than these specified parties.

James E. Davis
Certified Public Accountant

June 24, 2023

JAMES E. DAVIS, CPA

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Crawfordville, FL 32327
Phone: (850) 445-5878

**INDEPENDENT ACCOUNTANT'S REPORT ON AN EXAMINATION CONDUCTED IN
ACCORDANCE WITH AICPA PROFESSIONAL STANDARDS, SECTION 601,
REGARDING COMPLIANCE REQUIREMENTS IN ACCORDANCE WITH CHAPTER
10.550, RULES OF THE AUDITOR GENERAL**

Lafayette County Property Appraiser
Mayo, Florida

I have examined the Lafayette County Property Appraiser compliance with the requirements of Section 218.415, Florida Statutes, Local Government Investment Policies, during the year ended September 30, 2022. Management is responsible for the Property Appraiser's compliance with those requirements. My responsibility is to express an opinion on the Property Appraiser's compliance based on my examination.

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

In my opinion, the Property Appraiser complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2022.

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

James E. Davis
Certified Public Accountant

June 24, 2023

**LAFAYETTE COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS**

**SPECIAL-PURPOSE FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT**

SEPTEMBER 30, 2022

**LAFAYETTE COUNTY SUPERVISOR OF ELECTIONS
AUDIT REPORT
SEPTEMBER 30, 2022**

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**INDEPENDENT AUDITOR'S REPORT ON
SPECIAL-PURPOSE FINANCIAL STATEMENTS**

Lafayette County Supervisor of Elections
Lafayette County, Florida

Report on Special-Purpose Financial Statements

I have audited the accompanying special-purpose financial statements of the governmental activities, the discretely presented component unit, each major fund, the aggregate remaining fund information and the fiduciary fund type of the Supervisor of Elections, as of for the year ended September 30, 2022, and the related notes to the Financial Statements, which collectively comprise the Supervisor of Elections' basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of

significant accounting estimates made by management, as well as evaluating the overall presentation of the special-purpose financial statements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinion

In my opinion, the special-purpose financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, discreetly presented component unit, each major fund, the aggregate remaining fund information, and the fiduciary fund types of the Supervisor of Elections as of September 30, 2022, and the changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

As discussed in Note 1 to the special-purpose financial statements, the Supervisor of Elections' financial statements are special-purpose financial statements presenting only the financial position and results of operations of the Supervisor of Elections. These special-purpose financial statements are not intended to be a complete presentation of the financial position and results of operations of Lafayette County, Florida taken as a whole. As permitted by Chapter 10.556(4), Rules of the Auditor General State of Florida, the special-purpose financial statements consist of only the fund level financial statements as defined in Government Accounting Standards Board Statement 34, and do not include presentations of government-wide financial statements of the Supervisor of Elections.

Other Information

My audit was conducted for the purpose of forming opinions on the special-purpose financial statements that collectively comprise the Supervisor of Elections' basic financial statements. The combining and individual nonmajor fund financial statements and combining and individual statement of fiduciary net position are presented for purposes of additional analysis and are not a required part of 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 Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and Chapter 10.550, *Local Government Entity Audits, Rules of the Auditor General State of Florida*, and is not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, combining and individual statement of fiduciary net position and schedule of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures,

including comparing and reconciling such 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 my opinion, the combining and individual nonmajor fund financial statements, combining and individual statement of fiduciary net position and the schedule of expenditures of federal awards and state financial assistance are 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*, I have also issued a report dated June 24, 2023 on my consideration of the Supervisor of Elections' internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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.

James E. Davis
Certified Public Accountant

June 24, 2023

LAFAYETTE COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
BALANCE SHEET
SEPTEMBER 30, 2022

	Governmental Fund - <u>Operating Fund</u>
<u>ASSETS</u>	
Cash	<u>\$ 122,907</u>
<u>LIABILITIES AND FUND EQUITY</u>	
Liabilities	
Due to other funds	\$ -
Fund Equity	
Fund Balance - Restricted	<u>122,907</u>
Total liabilities and equity	<u>\$ 122,907</u>

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

LAFAYETTE COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – OPERATING FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022

Revenues	
Intergovernmental revenues	\$ 96,581
Interest income	357
Qualifying fees, net	796
Miscellaneous income	-
Total revenues	<u>97,734</u>
Expenditures	
General government	
Other general government	
Personal services	
Executive salary	105,507
Regular salary	34,660
FICA taxes	10,722
Retirement contribution	59,568
Total personal services	<u>210,457</u>
Operating expenditures	
Poll workers and Other election expenditures	20,619
Other operating expenditures	46,599
Total operating expenditures	<u>67,218</u>
Capital outlay	
Machinery and equipment	-
Grant Expenditures	75,615
Total expenditures	<u>353,290</u>
Other financing sources (uses):	
Appropriations from Board of County Commissioners - net	<u>280,712</u>
Net changes in fund balance	25,156
Fund balance - beginning of year	<u>97,751</u>
Fund balance - end of year	<u><u>\$ 122,907</u></u>

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

LAFAYETTE COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES

▪ **Reporting Entity**

The Supervisor of Elections operates as a County agency and an elected Constitutional Officer of Lafayette County, Florida, pursuant to Article VIII, Section (I) 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 of *Florida Statutes*. Lafayette County is a 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 county 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 Lafayette County, Florida, and is included in the Lafayette County county-wide financial statements, Pursuant to GASB Codification of Governmental Accounting and Financial Reporting Standards, Section 2100 and 2600, the Supervisor of Elections' financial statements are combined with those of the Board of County Commissioners (the Board) and other elected officials into the reporting entity of the County. The financial statements contained herein represent the financial transactions of the Supervisor of Elections.

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**

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.

As permitted by Chapter 10.556(4), Rules of the Auditor General State of Florida, the special-purpose financial statements consist of only the fund level financial statements as defined in GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – For State and Local Governments*, and do not include presentation of government-wide financial statements of the Supervisor of Elections.

LAFAYETTE COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (Continued)

▪ **Basis of Reporting**

The accounts of the Supervisor of Elections are organized on the basis of funds and accounts groups, 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, fund equity, revenues, 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.

▪ **Description of Funds**

The financial activities of the Supervisor of Elections are recorded in one fund which is categorized and described as follows:

Governmental Fund Type

- General Fund – The General Fund is the general operating fund of the Supervisor of Elections. 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.

All governmental fund financial statements are reported using a current financial resources measurement focus on a modified accrual basis of accounting. The major modifications to the accrual basis are (a) revenues are recorded in the accounting period in which they become available and measureable (available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, considered to be sixty days for property taxes and ninety days for all other revenue) and (b) expenditures are recorded in the accounting period in which the liability is incurred, if measureable, except for accumulated sick and vacation compensation, which are expensed when paid.

▪ **Measurement Focus**

The accounting and financial reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus.

LAFAYETTE COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)

All governmental funds are accounted for on a spending or “financial flow” measurement focus. This means that generally, only current assets and current liabilities are included in the balance sheet. Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they present a summary of sources and uses of “available spendable resources” during a period.

The portion of the Supervisor of Elections’ revenue that is a budget appropriation from the Board rather than a charge for service is reported as an appropriation by the Supervisor of Elections and as expenditures by the Board. Any excess of revenue and other financing sources received over expenditures are remitted to the Board at year-end and reported as a reversion to the Board of County Commissioners.

Recently Issued and Implemented Accounting Pronouncements

In June 2017, the GASB issued Statement No. 87 (GASB 87), *Leases*. The objective of GASB 87 is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. GASB 87 increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset.

Under GASB 87, a lessee is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments’ leasing activities. The requirements of GASB 87 are effective for reporting periods beginning after June 15, 2021. The implementation of GASB 87 resulted in the inclusion of a lease receivable, leases payable and right of use assets in the Statement of Net Position. See note 8 for further discussion on the restatement of beginning balances required for the implementation of GASB 87. In June 2018, the GASB issued Statement No. 89 (GASB 89), *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

LAFAYETTE COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)

This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. The implementation of GASB 89 did not result in any change in the County's financial statements.

In January 2020, the GASB issued Statement No. 92, *Omnibus 2020* (GASB 92). The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about the following:

- The effective date of Statement No. 87, *Leases*, and Implementation Guide No. 2019- 3, *Leases*, for interim financial reports, Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan,
- The applicability of Statements No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and amendments to Certain Provisions of GASB Statements 67 and 68*, as amended, and No. 74, *Financial Reporting for Post-employment Benefit Plans Other Than Pension Plans*, as amended, to reporting assets accumulated for postemployment benefits,
- The applicability of certain requirements of Statement No. 84, *Fiduciary Activities*, to postemployment benefit arrangements,
- Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition,
- Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers,
- Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature, and
- Terminology used to refer to derivative instruments.

The requirements of this Statement are effective as follows:

- The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance.

LAFAYETTE COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)

- The requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74 are effective for fiscal years beginning after June 15, 2021.
- The requirements related to application of Statement 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities are effective for reporting periods beginning after June 15, 2021.
- The requirements related to the measurement of liabilities (and assets, if any) associated with asset retirement obligations in a government acquisition are effective for government acquisitions occurring in reporting periods beginning after June 15, 2021.

The implementation of GASB 92 did not result in any significant change in the County's financial statements.

In May 2020, the GASB issued Statement No. 93 (GASB 93), *Replacement of Interbank Offered Rates*. The objectives of this Statement are to address financial reporting issues that result from the replacement of an Interbank Offered Rate (IBOR) by providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment and clarification of the hedge accounting termination provisions when a hedged item is amended to replace the reference rate; replacing LIBOR as an appropriate benchmark interest rate for the evaluation of the effectiveness of an interest rate swap with a Secured Overnight Financing Rate or the Effective Federal Funds Rate; and providing exceptions to the lease modifications guidance in GASB 87 for lease contracts that are amended solely to replace an IBOR used to determine variable payments.

The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2022. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2021. The implementation of GASB 93 did not result in any change in the County's financial statements.

In June 2020, the GASB issued Statement No. 97 (GASB 97), *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. The primary objectives of GASB 97 are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential

LAFAYETTE COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)

component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements of GASB 97 are effective for fiscal years beginning after June 15, 2021. The implementation of GASB 97 did not result in any change in the County's financial statements.

In October 2021, the GASB issued GASB Statement No. 98 (GASB 98), *The Annual Comprehensive Financial Report*. This Statement establishes the term *annual comprehensive financial report* and its acronym *ACFR*. That new term and acronym replace instances of *comprehensive annual financial report* and its acronym in generally accepted accounting principles for state and local governments. This Statement was developed in response to concerns raised by stakeholders that the common pronunciation of the acronym for comprehensive annual financial report sounds like a profoundly objectionable racial slur. This Statement's introduction of the new term is founded on a commitment to promoting inclusiveness. The requirements of this Statement are effective for fiscal years ending after December 15, 2021. The implementation of GASB 98 did not result in any change in the County's financial statements.

Pronouncements Issued But Not Yet Effective

The GASB has issued statements that will become effective in future years. These statements are as follows:

In May 2019, the GASB issued Statement No. 91 (GASB 91), *Conduit Debt Obligations*. The primary objectives of GASB 91 are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. GASB 91 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.

LAFAYETTE COUNTY, FLORIDA
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SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)

The requirements of GASB 91 are effective for reporting periods beginning after December 15, 2021.

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* (GASB 94). The objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement.

This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022.

In May 2020, the GASB issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (GASB 96). This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, leases, as amended. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods

LAFAYETTE COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)

thereafter. Assets and liabilities resulting from SBITAs should be recognized and measured using the facts and circumstances that existed at the beginning of the fiscal year in which this Statement is implemented. Governments are permitted, but are not required, to include in the measurement of the subscription asset capitalizable outlays associated with the initial implementation stage and the operation and additional implementation stage incurred prior to the implementation of this Statement.

In April 2022, the GASB issued GASB Statement No. 99, *Omnibus 2022* (GASB 99). This Statement provides guidance on the following:

- Classification and reporting of derivative instruments within the scope of Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, that do not meet the definition of either an investment derivative instrument or a hedging derivative instrument
- Clarification of provisions in Statement No. 87, *Leases*, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives,
- Clarification of provisions in Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, related to (a) the determination of the PPP term and (b)
- recognition and measurement of installment payments and the transfer of the underlying PPP asset,
- Clarification of provisions in Statement No. 96, *Subscription-Based Information Technology Arrangements*, related to the SBITA term, classification of a SBITA as a short-term SBITA, and recognition and measurement of a subscription liability,
- Extension of the period during which the LIBOR is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt,
- Accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP),
- Disclosures related to nonmonetary transactions,
- Pledges of future revenues when resources are not received by the pledging government,
- Clarification of provisions in Statement No. 34, *Basic Financial Statements— and Management's Discussion and Analysis—*for State and Local Governments, as amended, related to the focus of the government-wide financial statements,

LAFAYETTE COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)

- Terminology updates related to certain provisions of Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, and
- Terminology used in Statement 53 to refer to resource flows statements.

The requirements of this Statement are effective as follows:

- The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance.
- The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.
- The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

In June 2022, the GASB issued GASB Statement No. 100, *Accounting Changes and Error Corrections* (GASB 100). This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The requirements of this Statement for changes in accounting principles apply to the implementation of a new pronouncement in absence of specific transition provisions in the new pronouncement. This Statement also requires that the aggregate amount of adjustments to and restatements of beginning net position, fund balance, or fund net position, as applicable, be displayed by reporting unit in the financial statements.

This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated. Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be

LAFAYETTE COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)

presented in required supplementary information (RSI) and supplementary information (SI). For periods that are earlier than those included in the basic financial statements, information presented in RSI or SI should be restated for error corrections, if practicable, but not for changes in accounting principles. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

In June 2022, the GASB issued GASB Statement No. 101, *Compensated Absences* (GASB 101). The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability (as long as they identify it as a net change). In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

The County is evaluating the requirements of the above statements and the impact on reporting.

Budgetary Requirements

▪ **Budgets and Budgetary Accounting**

Florida Statutes, Section 195.087, governs the preparation, adoption and administration of the annual budget of the Supervisor of Elections. A copy of the budget is provided to the Lafayette County Board of County Commissioners (the Board) for approval.

Line item expenditures in excess of budget are authorized to the extent that total expenditures do not exceed the total budgeted expenditures. 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 that 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.

LAFAYETTE COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)

▪ **Cash and Cash Equivalents**

Cash and cash equivalents represent cash on hand as well as demand deposits, and certificates of deposit with original maturities of three months or less.

▪ **Inventory and Prepaid Items**

The purchase method is used to account for inventory and payments to vendors for costs applicable to future periods (prepaid). Under the purchase method, expenditures are recognized when the available financial resource is expended. Inventory is not deemed significant and therefore no amount has been reported.

▪ **Interfund Loans and Transfers**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are 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 non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.”

▪ **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.

Capital assets acquired under capital leases are recorded, at cost, as capital outlay expenditures and other financing sources at inception of the capital lease. The tangible personal property used by the Supervisor of Elections is reported as capital assets, at cost, in the Statement of Net Assets in the county-wide financial statements of Lafayette County, Florida.

▪ **Liability for Compensated Absences**

The Supervisor of Elections accrues a liability for employee's 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 at the county-wide financial statement level.

LAFAYETTE COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (Continued)

▪ **Governmental Fund Balances**

Fund balances are classified either as nonspendable or spendable. Spendable fund balances are further classified in a hierarchy based on the extent to which there are external internal constraints on the spending of these fund balances. These classifications are described as follows:

Nonspendable fund balances included amounts that cannot be spent because they are not in spendable form or legally or contractually required to be maintained intact. There were no nonspendable fund balances at the Supervisor of Elections as of September 30, 2022.

Spendable fund balances are classified based on a hierarchy of the Supervisor of Elections' ability to control the spending of these fund balances.

Restricted fund balances are fund balance amounts that are constrained for specific purposes which are externally imposed by creditors, grantors, contributors, or laws or regulations or imposed by law through constitutional provisions or enabling legislation. As of September 30, 2022, the Supervisor of Elections had restricted fund balances as indicated on the Balance Sheet.

Committed fund balances are fund balances constrained for specific purposes imposed by the Supervisor of Elections' formal action of highest level of decision making authority. As of September 30, 2022, the Supervisor of Elections had no committed fund balances.

Assigned fund balances are fund balances intended to be used for specific purposes, but which are neither restricted nor committed. As of September 30, 2022, the Supervisor of Elections had no assigned fund balances.

Unassigned fund balances represent the residual positive fund balance within the general fund, which has not been assigned to other funds and has not been restricted, committed or assigned. In funds other than the general fund, unassigned fund balances are limited to negative residual fund balances. As of September 30, 2022, the fund balance for the Supervisor of Elections was not considered unassigned fund balances.

When expenditures are incurred for purposes for which restricted or unrestricted fund classifications could be used, it is the Supervisor of Elections' policy to use restricted funds first, then unrestricted.

LAFAYETTE COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (Continued)

▪ Related Organizations

Certain expenses, which are common to the Board, are reported as expenses of the Board and, therefore, are not budgeted by or allocated to the Supervisor of Elections. These expenses include:

Occupancy costs
Janitorial Service
Utilities (except telephone)
Property Insurance

▪ 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 2 - DEPOSITS

The Supervisor of Elections maintains two bank accounts, which are placed at the Lafayette County State Bank in Mayo, Florida. The Lafayette County State Bank (insured by FDIC) qualifies as a public depository, as required by law (Florida Security for Public Deposits Act, Chapter 280, Florida Statutes).

NOTE 3 – EMPLOYEE’S RETIREMENT PLAN

The Supervisor of Elections and all full-time employees are participants in the Florida Retirement System (the "System"), a defined benefit, cost sharing, multiple-employer public retirement system, which is controlled by the State Legislature and administered by the State of Florida, Department of Administration, Division of Retirement. The plan covers full-time employees of various governmental units within the State of Florida. Accordingly, the actuarial information and related disclosures attributable to the Supervisor of Elections’ employees are not determinable.

The System's funding policy provides for monthly employer contributions at actuarially *determined* rates that, expressed as percentages of annual covered payroll, are adequate to accumulate sufficient assets to pay benefits when due (see rates below). Level percentage of payroll employer contribution rates, established by state law, is determined using the entry-age actuarial funding method. If an

LAFAYETTE COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 3 – EMPLOYEE’S RETIREMENT PLAN (continued)

unfunded actuarial liability re-emerges, future plan benefit changes, assumption changes, and methodology changes are amortized within 30 years, using level dollar amounts. Except for gains reserved for rate stabilization, it is anticipated future actuarial gains and losses are amortized on a rolling 10% basis, as a level dollar amount.

The System provides for those employees hired prior to July 1, 2011 vesting of benefits after six years of creditable service. Normal retirement benefits are available to employees who retire at or after age 62 with six or more years of service. Early retirement is available after six years of service with a 5% reduction of benefits for each year prior to the normal retirement age. For those employees hired on or after July 1, 2011, the System provides for vesting of benefits after eight years of creditable service. Normal retirement benefits are available to these employees who retire at or after age 65 with eight years of service with a 5% reduction of benefits for each year. Retirement benefits are based upon age, average compensation and years-of-service credit where average compensation is computed as the average of an individual's five highest years of earnings.

Participating employer contributions are based upon State-wide rates established by the State of Florida. These rates applied to employee salaries at year end are as follows: DROP Program – 18.60%, regular employees – 11.91%, senior management – 31.57%, special risk – 27.83%, and elected officials – 57.00%.

The rate applied to employee salaries for employee contributions was 3.00% for all classifications, with the exception of the DROP Program.

For the year ended September 30, 2022, total payroll for the Supervisor of Election's employees covered by the System was \$140,167 and total payroll was \$140,167. The Supervisor of Election's contributions to the plan for the year ended September 30, 2022 was \$59,568, and was paid by the due date for the contribution.

The Supervisor of Elections has no responsibility to the System other than to make the periodic payments required by state statutes. The Florida Division of Retirement issues a publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing Florida Division of Retirement, P. O. Box 9000, Tallahassee, FL 32315-9000 or at the Division's website at dms.myflorida.com.

NOTE 4 – POST EMPLOYMENT BENEFITS OTHER THAN PENSION

Retired employees who participated in the group health insurance plan while employed are allowed to continue coverage, with 100% of the premium paid by the retired employee. The Supervisor of Elections assumes no cost of this benefit.

LAFAYETTE COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 4 – POST EMPLOYMENT BENEFITS OTHER THAN PENSION (continued)

See Note 12 for the Lafayette County financial report, page 39

NOTE 5 – ENCUMBRANCES

Encumbrance accounting, under which purchase orders, and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed.

NOTE 6 – SUBSEQUENT EVENTS

The Supervisor of Elections has evaluated subsequent events through the date of issuance of these special-purpose financial statements and has determined that no events occurring subsequent to year-end warranted disclosure.

REQUIRED SUPPLEMENTARY INFORMATION

LAFAYETTE COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
OPERATING FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget- Favorable (Unfavorable)
Revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 97,734</u>	<u>\$ 97,734</u>
Expenditures				
General government				
Other general government				
Personal services	208,892	208,892	210,457	(1,565)
Operating expenditures	71,920	71,920	142,833	(70,913)
Capital outlay	-	-	-	-
Total expenditures	<u>280,812</u>	<u>280,812</u>	<u>353,290</u>	<u>(72,478)</u>
Excess (deficiency) of revenue over expenditures	(280,812)	(280,812)	(255,556)	25,256
Other financing sources				
Appropriation from Board of County Commissioners - net	<u>280,712</u>	<u>280,712</u>	<u>280,712</u>	<u>-</u>
Excess of revenues and other sources over expenditures	(100)	(100)	25,156	25,256
Fund balance - beginning of year	<u>-</u>	<u>-</u>	<u>97,751</u>	<u>97,751</u>
Fund balance - end of year	<u>\$ (100)</u>	<u>\$ (100)</u>	<u>\$ 122,907</u>	<u>\$ 123,007</u>

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

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

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

Honorable Supervisor of Elections
Lafayette County, Florida

I have audited the special-purpose financial statements of the Supervisor of Elections Lafayette County, Florida, as of and for the year ended September 30, 2022, and have issued my report thereon dated June 24, 2023. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing my audit of the special-purpose financial statements, I considered the Supervisor of Elections' internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my 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, I do not express an opinion on the effectiveness of the Supervisor of Elections' internal control.

My 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, I identified no deficiencies in internal control that I consider to be material weaknesses.

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 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. During my audit, I did not identify any deficiencies in internal control that I consider 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. During my audit I did not identify any deficiencies in internal control that I consider to be a significant deficiency. However, significant deficiencies may exist that have not been identified.

Compliance and Other Matters

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

Other matters if any that came to my attention during the audit would be reported to the Supervisor of Elections in a separate letter dated June 24, 2023.

Supervisor of Elections' Response to Findings

The Supervisor of Elections' responses to the findings identified in my audit are included in the accompanying management letter. The Supervisor of Elections' response was not subjected to the auditing procedures applied in the audit of the special-purpose financial statements and, accordingly, I express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of my 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.


Certified Public Accountant

June 24, 2023

INDEPENDENT AUDITOR'S MANAGEMENT LETTER

INDEPENDENT AUDITOR'S MANAGEMENT LETTER

Supervisor of Elections
Lafayette County, Florida

Report on the Financial Statements

I have audited the financial statements of Lafayette County, Florida Supervisor of Elections as of and for the fiscal year ended September 30, 2022 and have issued my report thereon dated June 24, 2023.

Auditor's Responsibility

I conducted my 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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.550, Rules of the Auditor General.

Other Reports and Schedule

I have issued my Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's report on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated June 24, 2023, 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 I determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.

There were no prior year audit findings.

Current Year Audit Findings

There were no new audit findings 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. This information is contained in the footnotes.

Other Matters

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

Section 10.554(1)(i)3., Rules of the Auditor General, requires that I 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 my audit, I did not have any such findings.

Purpose of this letter

My 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, and applicable management and is not intended to be and should not be used by anyone other than these specified parties.

James E. Davis
Certified Public Accountant

June 24, 2023

JAMES E. DAVIS, CPA

1733 Old Plank Road
Crawfordville, FL 32327
Phone: (850) 445-5878

**INDEPENDENT ACCOUNTANT'S REPORT ON AN EXAMINATION CONDUCTED IN
ACCORDANCE WITH AICPA PROFESSIONAL STANDARDS, SECTION 601,
REGARDING COMPLIANCE REQUIREMENTS IN ACCORDANCE WITH CHAPTER
10.550, RULES OF THE AUDITOR GENERAL**

Lafayette County Supervisor of Elections
Mayo, Florida

I have examined the Lafayette County Supervisor of Elections compliance with the requirements of Section 218.415, Florida Statutes, Local Government Investment Policies, during the year ended September 30, 2022. Management is responsible for the Supervisor of Elections' compliance with those requirements. My responsibility is to express an opinion on the Supervisor of Elections' compliance based on my examination.

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

In my opinion, the Supervisor of Elections complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2022.

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

James E. Davis
Certified Public Accountant

June 24, 2023