

Special-Purpose Financial Statements

Board of County Commissioners Leon County, Florida

*Year Ended September 30, 2022
with Report of Independent Auditors*

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

**Board of County Commissioners
Leon County, Florida
Special-Purpose Financial Statements
Year Ended September 30, 2022**

Board of County Commissioners

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

**COUNTY ADMINISTRATOR
Vincent S. Long**

CLERK OF THE CIRCUIT COURT

AND

**COMPTROLLER
Gwen Marshall**

Year Ended September 30, 2022

TABLE OF CONTENTS

Report of Independent Auditors.....	1
Audited Special-Purpose Financial Statements	
Balance Sheet - Governmental Funds.....	5
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.....	7
Statement of Net Position - Proprietary Funds.....	9
Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds.....	10
Statement of Cash Flows - Proprietary Funds.....	11
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund.....	13
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Fine and Forfeiture Fund....	14
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Grants Fund.....	15
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Emergency Medical Services Fund.....	16
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Fire Rescue Services Fund.....	17
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Local Provider Participation Fund.....	18
Notes to Special-Purpose Financial Statements.....	19
Other Schedules	
Schedule of Receipts and Expenditures of Funds Related to the Deepwater Horizon Oil Spill.....	48
Other Reports	
Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Special-Purpose Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	49
Report of Independent Accountants on Compliance with Section 218.415, <i>Florida Statutes</i> , Local Government Investment Policies.....	51
Report of Independent Accountants on Compliance with Sections 365.172 and 365.173, <i>Florida Statutes</i> , Emergency Communications Number E911 System Fund.....	52
Report of Independent Accountants on Compliance with Section 288.8017, <i>Florida Statutes</i> , Receipts and Expenditures of Funds Related to the Deepwater Horizon Oil Spill.....	53
Management Letter.....	54

Report of Independent Auditors

The Honorable Board of County Commissioners
Leon County, Florida

Report on the Audit of the Special-Purpose Financial Statements

Opinions

We have audited the accompanying special-purpose financial statements of the major governmental funds, the proprietary funds, and the aggregate remaining fund information of the Board of County Commissioners of Leon County, Florida (the Board) as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Board's special-purpose financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying special-purpose financial statements referred to above present fairly, in all material respects, the respective financial position of the major governmental funds, the proprietary funds, the discretely presented component unit, and the aggregate remaining fund information of the Board as of September 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, the Fine and Forfeiture Fund, the Grants Fund, the Emergency Medical Services Fund, the Fire Rescue Services Fund, and the Local Provider Participation Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Housing Finance Authority of Leon County, a discretely presented component unit of Leon County, which represent 0.7%, 1.0%, and 0.1% of total assets, fund balance, and total revenues of the Board as of September 30, 2022. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Housing Finance Authority of Leon County, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Special-Purpose Financial Statements section of our report. We are required to be independent of the Board and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 1, the accompanying special-purpose financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida (Rules). In conformity with the Rules, the accompanying special-purpose financial statements are intended to present the financial position and changes in financial position of the governmental funds, the proprietary funds, and the discretely presented component unit of the Board, and only that portion that is attributable to the transactions of the Board. They do not purport to, and do not, present fairly the financial position of Leon County, Florida, as of September 30, 2022, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

As discussed in Note 1 to the special-purpose financial statements, in the fiscal year ended September 30, 2022, the Board adopted Governmental Accounting Standards Board Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Special-Purpose Financial Statements

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

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

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

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 19, 2023 on our consideration of the Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Board's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Board's internal control over financial reporting and compliance.



Thomas Howell Ferguson P.A.
Tallahassee, Florida
April 19, 2023

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

Board of County Commissioners
Balance Sheet - Governmental Funds
September 30, 2022

	General Fund	Fine & Forfeiture Fund	Grants Fund	Emergency Medical Services Fund
Assets				
Cash	\$ 7,780,450	\$ 0	\$ 687,618	\$ 0
Investments	39,216,011	1,394,642	32,252,463	2,686,148
Receivables (net of allowances for uncollectibles):				
Accounts	1,812,873	2,612	0	4,811,822
Lease receivables	0	0	0	0
Special assessments	0	0	0	0
Due from other governments	4,727,505	213,669	6,470,391	0
Due from other funds	1,071,598	0	0	0
Due from other county units	1,872,347	278,297	25,600	1,185
Inventories	407,335	0	0	0
Prepays	412,620	0	117,345	22,705
Total assets	\$ 57,300,739	\$ 1,889,220	\$ 39,553,417	\$ 7,521,860
Liabilities, deferred inflows, and fund balances				
Liabilities:				
Accounts payable	\$ 1,924,483	\$ 1,108	\$ 705,485	\$ 229,965
Accrued liabilities	1,521,212	0	4,118	295,010
Due to other governments	747,532	4,553	49,041	1,298
Due to other funds	0	0	62,092	0
Due to other county units	72,603	3,431	0	0
Deposits	0	90,812	0	0
Revenue received in advance	0	0	9,427,657	0
Total liabilities	4,265,830	99,904	10,248,393	526,273
Deferred inflows				
Deferred inflow of resources	0	0	0	0
Total deferred inflows	0	0	0	0
Fund balances:				
Nonspendable	819,955	0	117,345	22,705
Restricted	2,429,378	499,290	28,828,135	0
Committed	7,955,237	268,397	687,618	6,972,882
Assigned	5,947,134	1,021,629	0	0
Unassigned	35,883,205	0	(328,074)	0
Total fund balances	53,034,909	1,789,316	29,305,024	6,995,587
Total liabilities, deferred inflows, and fund balances	\$ 57,300,739	\$ 1,889,220	\$ 39,553,417	\$ 7,521,860

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

Fire Rescue Services Fund	Local Provider Participation Fund	Capital Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 0	\$ 152,537	\$ 0	\$ 3,443,184	\$ 12,063,789
5,304,278	0	25,171,106	58,875,743	164,900,391
21,531	0	47,148	178,016	6,874,002
0	0	0	4,249,400	4,249,400
0	9,626,920	0	399,770	10,026,690
0	0	0	2,757,055	14,168,620
0	0	0	0	1,071,598
240	0	0	738,969	2,916,638
0	0	0	0	407,335
0	0	164,918	250,220	967,808
<u>\$ 5,326,049</u>	<u>\$ 9,779,457</u>	<u>\$ 25,383,172</u>	<u>\$ 70,892,357</u>	<u>\$ 217,646,271</u>
\$ 0	\$ 0	\$ 1,301,129	\$ 1,604,175	\$ 5,766,345
0	0	0	205,096	2,025,436
4,278,141	9,626,920	129,097	889,528	15,726,110
0	0	0	789,803	851,895
0	0	0	9,376	85,410
0	0	0	24,262	115,074
0	0	0	1,398,844	10,826,501
<u>4,278,141</u>	<u>9,626,920</u>	<u>1,430,226</u>	<u>4,921,084</u>	<u>35,396,771</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>4,310,729</u>	<u>4,310,729</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>4,310,729</u>	<u>4,310,729</u>
0	0	164,918	250,220	1,375,143
0	152,537	23,788,028	53,707,310	109,404,678
1,047,908	0	0	8,063,687	24,995,729
0	0	0	0	6,968,763
0	0	0	(360,673)	35,194,458
<u>1,047,908</u>	<u>152,537</u>	<u>23,952,946</u>	<u>61,660,544</u>	<u>177,938,771</u>
<u>\$ 5,326,049</u>	<u>\$ 9,779,457</u>	<u>\$ 25,383,172</u>	<u>\$ 70,892,357</u>	<u>\$ 217,646,271</u>

Board of County Commissioners
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Governmental Funds
Year Ended September 30, 2022

	General Fund	Fine & Forfeiture Fund	Grants Fund	Emergency Medical Services Fund
Revenues				
Taxes	\$ 82,540,190	\$ 91,949,509	\$ 0	\$ 9,398,435
Licenses and permits	0	0	0	0
Intergovernmental	13,204,553	3,669	37,200,936	0
Charges for services	1,773,583	634,922	102,338	14,836,486
Fines and forfeitures	0	94,693	0	0
Interest	490,611	143,406	337,136	44,536
Net increase (decrease) in fair value of investments	(1,886,724)	(67,893)	(69,359)	(134,733)
Miscellaneous	508,875	210,004	1,906	10,044
Total revenues	<u>96,631,088</u>	<u>92,968,310</u>	<u>37,572,957</u>	<u>24,154,768</u>
Expenditures				
Current:				
General government	22,318,723	0	0	0
Public safety	2,879,902	3,390,741	6,007,590	25,026,931
Physical environment	2,311,101	0	254,976	0
Transportation	0	0	13,363	0
Economic environment	3,806,138	0	5,070,498	0
Human services	8,658,904	0	129,956	0
Culture and recreation	5,374,942	0	34,326	0
Judicial	3,281,476	2,140,666	5,343	0
Debt Service:				
Principal retirement	0	0	0	0
Interest and fiscal charges	0	0	0	0
Other debt service costs	0	0	0	0
Capital Outlay	694,170	0	5,078,067	542,101
Total expenditures	<u>49,325,356</u>	<u>5,531,407</u>	<u>16,594,119</u>	<u>25,569,032</u>
Excess (deficiency) of revenues over (under) expenditures	<u>47,305,732</u>	<u>87,436,903</u>	<u>20,978,838</u>	<u>(1,414,264)</u>
Other financing sources (uses):				
Transfers in	2,590,035	1,759,791	480,642	2,640,656
Proceeds of long-term capital-related debt	0	0	0	0
Transfers out	(44,558,979)	(89,864,566)	(7,627,717)	(1,545,617)
Total other financing (uses) sources	<u>(41,968,944)</u>	<u>(88,104,775)</u>	<u>(7,147,075)</u>	<u>1,095,039</u>
Net change in fund balances	5,336,788	(667,872)	13,831,763	(319,225)
Fund balances at beginning of year	<u>47,698,121</u>	<u>2,457,188</u>	<u>15,473,261</u>	<u>7,314,812</u>
Fund balances at end of year	<u>\$ 53,034,909</u>	<u>\$ 1,789,316</u>	<u>\$ 29,305,024</u>	<u>\$ 6,995,587</u>

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

Fire Rescue Services Fund	Local Provider Participation Fund	Capital Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 0	\$ 9,626,920	\$ 0	\$ 34,881,314	\$ 228,396,368
0	0	0	5,662,108	5,662,108
482,479	0	0	9,933,317	60,824,954
8,914,885	0	0	2,177,691	28,439,905
0	0	0	47,442	142,135
44,041	1,333	204,875	668,177	1,934,115
(251,563)	0	(1,238,746)	(2,802,801)	(6,451,819)
0	0	0	2,208,852	2,939,681
<u>9,189,842</u>	<u>9,628,253</u>	<u>(1,033,871)</u>	<u>52,776,100</u>	<u>321,887,447</u>
0	0	3,079,240	526,893	25,924,856
10,461,013	0	0	7,137,941	54,904,118
0	0	633,500	8,200,772	11,400,349
0	0	0	14,085,050	14,098,413
0	0	0	4,563,809	13,440,445
0	9,641,320	0	2,109,643	20,539,823
0	0	22,411	7,100,982	12,532,661
0	0	256,535	375,381	6,059,401
0	0	0	4,437,991	4,437,991
0	0	12,533	646,349	658,882
0	0	469,762	0	469,762
0	0	8,693,627	16,202,853	31,210,818
<u>10,461,013</u>	<u>9,641,320</u>	<u>13,167,608</u>	<u>65,387,664</u>	<u>195,677,519</u>
<u>(1,271,171)</u>	<u>(13,067)</u>	<u>(14,201,479)</u>	<u>(12,611,564)</u>	<u>126,209,928</u>
1,400,000	0	13,252,906	24,047,724	46,171,754
0	0	0	5,999,223	5,999,223
(938,881)	0	(150,000)	(10,001,234)	(154,686,994)
<u>461,119</u>	<u>0</u>	<u>13,102,906</u>	<u>20,045,713</u>	<u>(102,516,017)</u>
(810,052)	(13,067)	(1,098,573)	7,434,149	23,693,911
<u>1,857,960</u>	<u>165,604</u>	<u>25,051,519</u>	<u>54,226,395</u>	<u>154,244,860</u>
<u>\$ 1,047,908</u>	<u>\$ 152,537</u>	<u>\$ 23,952,946</u>	<u>\$ 61,660,544</u>	<u>\$ 177,938,771</u>

Board of County Commissioners
Leon County, Florida
Statement of Net Position - Proprietary Funds
September 30, 2022

	Business-type Activities - Landfill Fund	Internal Service Funds	Component Unit - Housing Finance Authority
Assets			
Current assets:			
Cash	\$ 423,841	\$ 620,197	\$ 1,499,073
Cash with fiscal agent	0	285,707	0
Investments	0	6,822,167	0
Accounts receivable	1,871,720	1,551,958	11,432
Due from other governments	0	8,956	5,687
Due from other county units	23	121,749	0
Inventories	1,733	94,971	0
Prepays	0	154,218	0
Total current assets	<u>2,297,317</u>	<u>9,659,923</u>	<u>1,516,192</u>
Noncurrent assets:			
Restricted cash and investments	13,288,003	0	0
Mortgage loans receivable, net of allowance	0	0	309,144
Capital assets:			
Non depreciable capital assets	2,663,678	0	0
Depreciable capital assets (Net)	<u>3,862,699</u>	<u>0</u>	<u>0</u>
Total noncurrent assets	<u>19,814,380</u>	<u>0</u>	<u>309,144</u>
Total assets	<u>\$ 22,111,697</u>	<u>\$ 9,659,923</u>	<u>\$ 1,825,336</u>
Liabilities			
Current liabilities:			
Accounts payable	\$ 1,454,627	\$ 298,510	\$ 0
Accrued liabilities	19,886	6,240	0
Due to other governments	40,772	16,409	0
Due to other county units	9	0	0
Due to other funds	0	219,703	0
Claims payable	0	6,648,290	0
Deposits	0	0	25,000
Revenue received in advance	11,870	0	0
Compensated absences	<u>79,129</u>	<u>34,233</u>	<u>0</u>
Total current liabilities	<u>1,606,293</u>	<u>7,223,385</u>	<u>25,000</u>
Noncurrent liabilities:			
Liability for closure costs	17,953,067	0	0
Liability for compensated absences	118,120	51,102	0
Other post employment benefits	<u>231,230</u>	<u>96,829</u>	<u>0</u>
Total noncurrent liabilities	<u>18,302,417</u>	<u>147,931</u>	<u>0</u>
Total liabilities	<u>19,908,710</u>	<u>7,371,316</u>	<u>25,000</u>
Net position			
Net investment in capital assets	6,526,377	0	0
Unrestricted	<u>(4,323,390)</u>	<u>2,288,607</u>	<u>1,800,336</u>
Total net position	<u>2,202,987</u>	<u>2,288,607</u>	<u>1,800,336</u>
Total liabilities and net position	<u>\$ 22,111,697</u>	<u>\$ 9,659,923</u>	<u>\$ 1,825,336</u>

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

**Board of County Commissioners
Leon County, Florida
Statement of Revenues, Expenses, and Changes in
Fund Net Position - Proprietary Funds
Year Ended September 30, 2022**

	Business-type Activities - Landfill Fund	Internal Service Funds	Component Unit - Housing Finance Authority
Operating revenues			
Charges for services	\$ 11,311,450	\$ 12,077,014	\$ 53,870
TBA program income	0	0	3,286
Other income	0	0	387,424
Sale of surplus land properties	0	0	30,468
Total operating revenues	11,311,450	12,077,014	475,048
Operating expenses			
Personnel services	2,040,043	628,307	0
Contractual services	10,539,494	161,305	61,771
Supplies	465,772	2,299,034	1,620
Communications services	31,273	748,593	0
Insurance	47,260	3,843,772	3,820
Utility services	58,557	0	0
Depreciation	866,525	0	0
Other services and charges	1,856,999	1,908,739	141,511
Total operating expenses	15,905,923	9,589,750	208,722
Operating (loss) income	(4,594,473)	2,487,264	266,326
Nonoperating revenues:			
Taxes	1,977,398	0	0
Interest	95,302	47,868	10,804
Net increase (decrease) in fair value of investments	(64,817)	(18,165)	0
Miscellaneous	16,747	0	0
Total nonoperating revenues	2,024,630	29,703	10,804
Income (loss) before contributions and transfers	(2,569,843)	2,516,967	277,130
Transfers in	1,652,329	1,008,900	0
Transfers out	(128,427)	0	0
Change in net position	(1,045,941)	3,525,867	277,130
Net position at beginning of year	3,248,928	(1,237,260)	1,523,206
Net position at end of year	\$ 2,202,987	\$ 2,288,607	\$ 1,800,336

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

Board of County Commissioners
Leon County, Florida
Statement of Cash Flows
Proprietary Funds
Year Ended September 30, 2022

	Business-type Activities Landfill Fund	Internal Service Funds	Component Unit - Housing Finance Authority
Cash flows from operating activities:			
Receipts from customers fees and other income	\$ 11,289,659	\$ 0	\$ 505,388
Payments to suppliers	(11,687,261)	(7,500,825)	(81,650)
Payments to employees	(2,027,514)	(623,995)	0
Internal activity - payments to other funds	(47,260)	0	0
Internal activity - cash received from other funds	0	11,153,295	0
Claims paid	0	(3,292,878)	0
Cash payments for program services	0	0	(127,500)
Net cash provided by (used in) operating activities	<u>(2,472,376)</u>	<u>(264,403)</u>	<u>296,238</u>
Cash flows from noncapital financing activities:			
Tax proceeds	1,977,398	0	0
Repayments on interfund loans	11	6,463	0
Loans from other funds	36,518	0	0
Transfers received from other funds	1,652,329	1,008,900	0
Transfers to other funds	(128,427)	0	0
Collections on housing assistance loans	0	0	18,168
Net cash provided by (used in) noncapital financing activities	<u>3,537,829</u>	<u>1,015,363</u>	<u>18,168</u>
Cash flows from capital and related financing activities:			
Acquisition and/or construction of capital assets	<u>(646,210)</u>	<u>0</u>	<u>0</u>
Net cash provided by (used in) capital and related financing activities	<u>(646,210)</u>	<u>0</u>	<u>0</u>
Cash flows from investing activities:			
Net proceeds from sales and maturities of investments	2,869,863	(167,522)	0
Interest and dividends received	100,153	59,597	10,804
Increase (decrease) in fair value of investments	<u>(64,817)</u>	<u>(18,165)</u>	<u>0</u>
Net cash provided by (used in) investing activities	<u>2,905,199</u>	<u>(126,090)</u>	<u>10,804</u>
Net cash increase (decrease) in cash	3,324,442	624,870	325,210
Cash at beginning of year (including \$9,540,026 included in restricted cash and investments)	<u>9,540,488</u>	<u>281,034</u>	<u>1,173,863</u>
Cash at end of year (including \$12,441,089 included in restricted cash and investments)	<u>\$ 12,864,930</u>	<u>\$ 905,904</u>	<u>\$ 1,499,073</u>

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

**Board of County Commissioners
Leon County, Florida
Statement of Cash Flows
Proprietary Funds
Year Ended September 30, 2022**

	Business-type Activities <u>Landfill Fund</u>	Internal Service Funds	Component Unit - Housing Finance Authority
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities			
Operating income (loss)	\$ (4,594,473)	\$ 2,487,264	\$ 266,326
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	866,525	0	0
Miscellaneous	16,747	0	0
Changes in assets and liabilities:			
Receivables	(38,027)	(1,160,751)	164
Prepays	0	(60,552)	0
Due from other governments	0	(875,657)	30,176
Accounts payable and other liabilities	558,035	(276,306)	(428)
Accrued expenses	12,529	4,312	0
Inventories	(287)	24,478	0
Other current liabilities	0	(407,191)	0
Revenues received in advance	(511)	0	0
Estimated liability for closure costs/maintenance	707,086	0	0
Net cash provided by (used in) operating activities:	<u>\$ (2,472,376)</u>	<u>\$ (264,403)</u>	<u>\$ 296,238</u>

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

Board of County Commissioners
Leon County, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
General Fund
Year Ended September 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues				
Taxes	\$ 79,156,906	\$ 79,156,906	\$ 82,540,190	\$ 3,383,284
Intergovernmental	9,323,449	9,323,449	13,204,553	3,881,104
Charges for services	1,610,022	1,610,022	1,773,583	163,561
Interest	492,825	492,825	490,611	(2,214)
Net (decrease) increase in fair value of investments	0	0	(1,886,724)	(1,886,724)
Miscellaneous	206,878	276,878	508,875	231,997
Total revenue	90,790,080	90,860,080	96,631,088	5,771,008
Expenditures				
Current				
General government	26,711,190	31,414,546	22,318,723	9,095,823
Public safety	2,962,135	3,136,613	2,879,902	256,711
Physical environment	2,558,766	2,558,766	2,311,101	247,665
Economic environment	3,910,998	3,959,613	3,806,138	153,475
Human services	9,201,791	9,583,471	8,658,904	924,567
Culture and recreation	5,891,119	5,911,375	5,374,942	536,433
Judicial	445,741	346,862	3,281,476	(2,934,614)
Capital Outlay	679,034	599,773	694,170	(94,397)
Total expenditures	52,360,774	57,511,019	49,325,356	8,185,663
Excess (deficiency) of revenues over (under) expenditures	38,429,306	33,349,061	47,305,732	13,956,671
Other financing sources (uses):				
Transfers in	6,354,772	6,354,772	2,590,035	(3,764,737)
Transfers out	(48,413,760)	(49,794,080)	(44,558,979)	5,235,101
Total other financing sources (uses)	(42,058,988)	(43,439,308)	(41,968,944)	1,470,364
Net change in fund balance	(3,629,682)	(10,090,247)	5,336,788	15,427,035
Fund balances, October 1	47,698,121	47,698,121	47,698,121	0
Fund balances, September 30	\$ 44,068,439	\$ 37,607,874	\$ 53,034,909	\$ 15,427,035

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

Board of County Commissioners
Leon County, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Fine & Forfeiture Fund
Year Ended September 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues				
Taxes	\$ 90,948,385	\$ 90,948,385	\$ 91,949,509	\$ 1,001,124
Intergovernmental	16,764	16,764	3,669	(13,095)
Charges for services	686,495	686,495	634,922	(51,573)
Fines and forfeitures	115,995	115,995	94,693	(21,302)
Interest	306,310	306,310	143,406	(162,904)
Net (decrease) increase in fair value of investments	0	0	(67,893)	(67,893)
Miscellaneous	210,000	210,000	210,004	4
Total revenue	92,283,949	92,283,949	92,968,310	684,361
Expenditures				
Current				
Public safety	3,448,695	3,590,741	3,390,741	200,000
Human services	0	195,874	0	(195,874)
Judicial	2,346,857	2,304,811	2,140,666	(164,145)
Total expenditures	5,795,552	6,091,426	5,531,407	560,019
Excess (deficiency) of revenues over (under) expenditures	86,488,397	86,192,523	87,436,903	1,244,380
Other financing sources (uses):				
Transfers in	0	1,597,624	1,759,791	162,167
Transfers out	(86,488,397)	(90,144,567)	(89,864,566)	(280,001)
Total other financing sources (uses)	(86,488,397)	(88,546,943)	(88,104,775)	442,168
Net change in fund balance	0	(2,354,420)	(667,872)	1,686,548
Fund balances, October 1	2,457,188	2,457,188	2,457,188	0
Fund balances, September 30	\$ 2,457,188	\$ 102,768	\$ 1,789,316	\$ 1,686,548

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

Board of County Commissioners
Leon County, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Grants Fund
Year Ended September 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues				
Intergovernmental	\$ 590,348	\$ 74,590,868	\$ 37,200,936	\$ (37,389,932)
Charges for services	78,454	211,136	102,338	(108,798)
Interest	0	25,312	337,136	311,824
Net (decrease) increase in fair value of investments	0	0	(69,359)	(69,359)
Miscellaneous	0	856,748	1,906	(854,842)
Total revenue	668,802	75,684,064	37,572,957	(38,111,107)
Expenditures				
Current				
Public safety	680,863	28,235,298	6,007,590	22,227,708
Physical environment	0	2,103,424	254,976	1,848,448
Transportation	0	215,946	13,363	202,583
Economic environment	100,000	16,332,989	5,070,498	11,262,491
Human services	32,468	146,904	129,956	16,948
Culture and recreation	5,500	380,394	34,326	346,068
Judicial	92,143	176,434	5,343	171,091
Capital Outlay	69,500	40,774,535	5,078,067	35,696,468
Total expenditures	980,474	88,365,924	16,594,119	71,771,805
Excess (deficiency) of revenues over (under) expenditures	(311,672)	(12,681,860)	20,978,838	33,660,698
Other financing sources (uses):				
Transfers in	311,672	492,431	480,642	(11,789)
Transfers out	0	(7,627,717)	(7,627,717)	0
Total other financing sources (uses)	311,672	(7,135,286)	(7,147,075)	(11,789)
Net change in fund balance	0	(19,817,146)	13,831,763	33,648,909
Fund balances, October 1	15,473,261	15,473,261	15,473,261	0
Fund balances, September 30	\$ 15,473,261	\$ (4,343,885)	\$ 29,305,024	\$ 33,648,909

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

Board of County Commissioners
Leon County, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Emergency Medical Services Fund
Year Ended September 30, 2022

	<u>Budget Amounts</u>		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues				
Taxes	\$ 9,287,268	\$ 9,392,355	\$ 9,398,435	\$ 6,080
Charges for services	14,024,381	14,534,782	14,836,486	301,704
Interest	90,630	90,630	44,536	(46,094)
Net (decrease) increase in fair value of investments	0	0	(134,733)	(134,733)
Miscellaneous	33,000	33,000	10,044	(22,956)
Total revenue	<u>23,435,279</u>	<u>24,050,767</u>	<u>24,154,768</u>	<u>104,001</u>
Expenditures				
Current				
Public safety	23,501,055	26,062,067	25,026,931	1,035,136
Capital Outlay	<u>1,243,000</u>	<u>4,672,327</u>	<u>542,101</u>	<u>4,130,226</u>
Total expenditures	<u>24,744,055</u>	<u>30,734,394</u>	<u>25,569,032</u>	<u>5,165,362</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,308,776)</u>	<u>(6,683,627)</u>	<u>(1,414,264)</u>	<u>5,269,363</u>
Other financing sources (uses):				
Transfers in	1,344,162	2,640,656	2,640,656	0
Transfers out	<u>(162,395)</u>	<u>(1,550,434)</u>	<u>(1,545,617)</u>	<u>(4,817)</u>
Total other financing sources (uses)	<u>1,181,767</u>	<u>1,090,222</u>	<u>1,095,039</u>	<u>4,817</u>
Net change in fund balance	(127,009)	(5,593,405)	(319,225)	5,274,180
Fund balances, October 1	<u>7,314,812</u>	<u>7,314,812</u>	<u>7,314,812</u>	<u>0</u>
Fund balances, September 30	<u>\$ 7,187,803</u>	<u>\$ 1,721,407</u>	<u>\$ 6,995,587</u>	<u>\$ 5,274,180</u>

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

Board of County Commissioners
Leon County, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Fire Rescue Services Fund
Year Ended September 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues				
Intergovernmental	\$ 482,479	\$ 482,479	\$ 482,479	\$ 0
Charges for services	8,623,513	8,956,253	8,914,885	(41,368)
Interest	0	0	44,041	44,041
Net (decrease) increase in fair value of investments	0	0	(251,563)	(251,563)
Total revenue	<u>9,105,992</u>	<u>9,438,732</u>	<u>9,189,842</u>	<u>(248,890)</u>
Expenditures				
Current				
Public safety	10,393,964	10,756,704	10,461,013	295,691
Total expenditures	<u>10,393,964</u>	<u>10,756,704</u>	<u>10,461,013</u>	<u>295,691</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,287,972)</u>	<u>(1,317,972)</u>	<u>(1,271,171)</u>	<u>46,801</u>
Other financing sources (uses):				
Transfers in	1,400,000	1,400,000	1,400,000	0
Transfers out	(112,028)	(940,014)	(938,881)	1,133
Total other financing sources (uses)	<u>1,287,972</u>	<u>459,986</u>	<u>461,119</u>	<u>1,133</u>
Net change in fund balance	0	(857,986)	(810,052)	47,934
Fund balances, October 1	<u>1,857,960</u>	<u>1,857,960</u>	<u>1,857,960</u>	<u>0</u>
Fund balances, September 30	<u>\$ 1,857,960</u>	<u>\$ 999,974</u>	<u>\$ 1,047,908</u>	<u>\$ 47,934</u>

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

Board of County Commissioners
Leon County, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Local Provider Participation Fund
Year Ended September 30, 2022

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
Revenues				
Taxes	\$ 0	\$ 9,626,920	\$ 9,626,920	\$ 0
Interest	0	0	1,333	1,333
Total revenues	<u>0</u>	<u>9,626,920</u>	<u>9,628,253</u>	<u>1,333</u>
Expenditures				
Current				
Human services	0	9,626,920	9,641,320	(14,400)
Total expenditures	<u>0</u>	<u>9,626,920</u>	<u>9,641,320</u>	<u>(14,400)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>0</u>	<u>0</u>	<u>(13,067)</u>	<u>(13,067)</u>
Net change in fund balance	0	0	(13,067)	(13,067)
Fund balances, October 1	165,604	165,604	165,604	0
Fund Balances, September 30	<u>\$ 165,604</u>	<u>\$ 165,604</u>	<u>\$ 152,537</u>	<u>\$ (13,067)</u>

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

**Board of County Commissioners
Leon County, Florida
Notes to Special-Purpose Financial Statements
Year Ended September 30, 2022**

1. Accounting Policies

Reporting Entity

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

Component Unit

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

Specific criteria used to determine financial accountability are:

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

Financial statements of component units are included in the financial reporting entity either as a blended component unit or as a discretely presented component unit in accordance with governmental accounting standards. As of September 30, 2022, the only component unit of the Board is the Housing Finance Authority of Leon County (the Authority) which is discretely presented in a separate column on the Board financial statements.

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

**Board of County Commissioners
Leon County, Florida
Notes to Special-Purpose Financial Statements
Year Ended September 30, 2022**

1. Accounting Policies (continued)

Component Unit (continued)

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

Excluded from the Reporting Entity:

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

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

Children's Services Council of Leon County
Leon County School District
Leon County Health Department
Fallschase Special Taxing District
Northwest Florida Water Management District

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

Consolidated Dispatch Agency

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

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

Board of County Commissioners
Leon County, Florida
Notes to Special-Purpose Financial Statements
Year Ended September 30, 2022

1. Accounting Policies (continued)

Capital Region Transportation Planning Agency

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

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

Blueprint Intergovernmental Agency

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

Periodically, Blueprint provides construction management services to the County. For these services Blueprint and the County enter into Joint Participation Agreements whereby the County agrees to pay an administrative fee to Blueprint.

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

Basis of Presentation

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

Board of County Commissioners
Leon County, Florida
Notes to Special-Purpose Financial Statements
Year Ended September 30, 2022

1. Accounting Policies (continued)

Description of Funds

Governmental Major Funds:

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

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

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

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

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

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

Fire Rescue Services Fund – This fund is a special revenue fund, established to account for enhanced fire protection services in the unincorporated area of Leon County.

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

Proprietary Major Fund:

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

Other Fund Types:

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

Board of County Commissioners
Leon County, Florida
Notes to Special-Purpose Financial Statements
Year Ended September 30, 2022

1. Accounting Policies (continued)

Basis of Accounting

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

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

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

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

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

Budgets and Budgetary Accounting

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

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

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

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

Board of County Commissioners
Leon County, Florida
Notes to Special-Purpose Financial Statements
Year Ended September 30, 2022

1. Accounting Policies (continued)

Budgets and Budgetary Accounting (continued)

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

1. On or before May 1 of each year, the designated budget officer submits to the Board a tentative budget for the ensuing fiscal year. The tentative budget includes proposed expenditures and funding sources.
2. The Board requires such changes to be made as it shall deem necessary, provided the budget remains in balance and subject to the notice and hearing requirements of Section 200.065, *Florida Statutes* and the budget preparation and adoption procedures, as defined in Section 129.03, *Florida Statutes*. The legal level of budgetary control is at the fund level.
3. Public hearings are held pursuant to Section 200.065, *Florida Statutes* in order for the Board to adopt the tentative and final budgets.
4. Prior to October 1, the budget is legally enacted through passage of a resolution.
5. All changes to the final budget must be approved by the Board in accordance with Section 129.06, *Florida Statutes*.
6. Formal budgetary integration is used as a management control device during the year for all governmental funds of the Board.
7. Budgets for the governmental fund types are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

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

Cash and Investments

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

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

Board of County Commissioners
Leon County, Florida
Notes to Special-Purpose Financial Statements
Year Ended September 30, 2022

1. Accounting Policies (continued)

Cash and Investments (continued)

During the 2021-2022 fiscal year, the Board invested in three different investment pools: the Special Purpose Investment Account (SPIA) within the Florida Treasury Investment Pool (the Pool) administered by the Florida Department of Financial Services, as authorized by Section 17.61(1), Florida Statutes; The Florida Local Government Investment Trust (FLGIT), a local government investment pool developed through the joint efforts of the Florida Court Clerks and Comptrollers (FCCC) and the Florida Association of Counties (FAC); and the Local Government Surplus Funds Trust Fund (Florida PRIME), administered by the Florida State Board of Administration (SBA) as authorized by Section 218.415 (17), Florida Statutes. Florida PRIME is not a registrant with the SEC; however, the SBA has adopted operating procedures consistent with the requirements for the SEC Rule 2a-7 fund.

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

Receivables

Receivables are shown net of an allowance for uncollectibles. As the receivables age, the allowance increases. The emergency medical services allowance used for September 30, 2022 is equal to 60% of current year billings.

Short-Term Interfund Receivables/Payables

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

Inventories

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

Restricted Assets

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

Capital Assets

Capital assets purchased in the governmental fund types are recorded as expenditures (capital outlay) at the time of purchase. Such assets are reported as capital assets in the Statement of Net Position as part of the Leon County, Florida Annual Comprehensive Financial Report (Leon County ACFR). The Board does not record depreciation of these assets on its governmental fund financial statements, although depreciation is recorded for such assets in the Leon County ACFR. Donated assets are recorded at fair market value at the date of donation. Accounting policies for capitalization and depreciation of infrastructure assets including roads, bridges, curbs, gutters, and sidewalks are described in the Leon County ACFR. A summary of capital assets purchased by the Board’s governmental funds is provided in Note 6.

Board of County Commissioners
Leon County, Florida
Notes to Special-Purpose Financial Statements
Year Ended September 30, 2022

1. Accounting Policies (continued)

Leases

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

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

Fixed Assets

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

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

Liability for Compensated Absences

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

Board of County Commissioners
Leon County, Florida
Notes to Special-Purpose Financial Statements
Year Ended September 30, 2022

1. Accounting Policies (continued)

Other Post Employment Benefits

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

Executive Service Plan

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

Net Position and Fund Balances

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

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

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

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

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

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

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

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

Board of County Commissioners
Leon County, Florida
Notes to Special-Purpose Financial Statements
Year Ended September 30, 2022

1. Accounting Policies (continued)

Common Expenses

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

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

Operating Transfers

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

Use of Estimates

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

New accounting pronouncements

In June 2017, the GASB issued Statement No. 87, "Leases". This statement 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 the payment provisions of the contract. The requirements of this statement are effective for financial statements for periods beginning after December 15, 2019. In response to the coronavirus pandemic, GASB issued Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance, which extended this effective date by 18 months. The Board implemented GASB Statement No. 87 as of October 1, 2021.

Board of County Commissioners
Leon County, Florida
Notes to Special-Purpose Financial Statements
Year Ended September 30, 2022

2. Property Taxes

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

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

All taxes are due and payable on November 1 of each year, or as soon thereafter as the assessment roll is certified and delivered to the Tax Collector. All unpaid taxes become delinquent on April 1 following the year in which they are assessed. Discounts are allowed for early payment at the rate of 4% in the month of November, 3% in the month of December, 2% in the month of January, and 1% in the month of February. The taxes paid in March are without discount. No accrual for the property tax levy becoming due in September 30, 2022 is included in the accompanying financial statements, since such taxes are collected to finance expenditures of the subsequent period.

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

Delinquent taxes on personal property bear interest at 18% per year until the tax is satisfied either by seizure and sale of the property or by the seven-year statute of limitations. Since tax certificates were sold for substantially all current year delinquent property taxes, there were no material property taxes receivable at September 30, 2022.

3. Cash and Investments

Credit Risk

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

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

Board of County Commissioners
Leon County, Florida
Notes to Special-Purpose Financial Statements
Year Ended September 30, 2022

3. Cash and Investments (continued)

Credit Risk (continued)

1. The Florida PRIME (formerly the Local Government Surplus Funds Trust Fund) or any authorized intergovernmental investment pool.
2. Securities and Exchange Commission (SEC) registered money market funds with the highest credit quality rating from a nationally recognized rating agency.
3. Interest-bearing time deposits or savings accounts in qualified public depositories.
4. Direct obligations of the U.S. Treasury.
5. Federal agencies and instrumentalities.
6. Securities of, or other interests in, any management type investment company or trust registered under the Investment Company Act of 1940, where the investment portfolio is limited to United States Government Obligations.
7. Other investments authorized by law or by ordinance for a county or a municipality.

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

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

The Chief Financial Officer for the State of Florida (formerly the State Treasurer) has been investing state revenues, excess revenues of state universities and community colleges, and certain other public agencies in a commingled investment portfolio for several years. This program is authorized under Section 17.61(1), *Florida Statutes* and is called the Treasury Special Purpose Investment Account (SPIA). Historically, SPIA participants have received higher earnings reflecting the higher risk associated with the longer maturities and lower credit quality. The financial details and disclosures for the Treasury Investment Pool are made in Note 2 to the State of Florida Annual Comprehensive Financial Report (ACFR). The rating as of September 30, 2022 was AA-f by Standard and Poor's. A copy of SPIA's most recent financial statements can be found at <http://www.myfloridacfo.com/Division/Treasury/>. Investments in this pool are limited to a maximum of 100% of the portfolio. At September 30, 2022, the Board had \$51,995,390 with SPIA.

Board of County Commissioners
Leon County, Florida
Notes to Special-Purpose Financial Statements
Year Ended September 30, 2022

3. Cash and Investments (continued)

Credit Risk (continued)

The Florida Local Government Investment Trust (FLGIT) is a local government investment pool developed through the joint efforts of the Florida Court Clerks and Comptrollers (FCCC) and the Florida Association of Counties (FAC) for providing opportunities for the investment of excess public funds. FLGIT offers two investment funds to its participants, the Short Term Bond Fund and the Day to Day Fund. The Short Term Bond Fund is a longer term higher yielding fund, which is accounted for as a fluctuating Net Asset Value (NAV) pool. At September 30, 2022 the Board did not have any balances in the Short Term Bond Fund. The Day to Day Fund is a highly liquid fund with underlying investments having a weighted average maturity of less than 90 days. The Day to Day Fund does meet the criteria and has adopted operating procedures consistent with the requirements for a SEC Rule 2a-7 fund. The Day to Day Fund maintained a credit rating of AAAM by Fitch as of September 30, 2022. At September 30, 2022, the Board had \$34,063,968 with the FLGIT Day to Day Fund. A copy of FLGIT's most recent financial statements can be found at <http://www.floridatrusionline.com/funds-reports/day-to-day/>. Investments with FLGIT are limited to a maximum of 20% of the portfolio.

The Board also invests in Florida PRIME administered by the Florida State Board of Administration (SBA). Florida PRIME is an external investment pool that is not a registrant with the SEC; however, the SBA has adopted operating procedures consistent with the requirements for a SEC Rule 2a-7 fund. Florida PRIME is governed by Chapter 19-7 of the Florida Administrative Code, which identifies the Rules of the SBA. These rules provide guidance and establish the general operating procedures for the administration of Florida PRIME. Additionally, the State of Florida, Auditor General performs the operational audit of the activities and investments of the SBA. On September 30, 2022, Florida PRIME was invested in fixed rate and floating rate bank instruments, repurchase agreements, fixed rate and floating rate corporate commercial paper, floating rate corporate notes, money market mutual funds, and fixed rate and floating rate asset backed commercial paper. Investments in this pool are limited to a maximum of 20% of the portfolio. Investments in Florida PRIME are not evidenced by securities that exist in physical or book entry form. The current rating for the Florida PRIME is AAAM by Standard and Poor's. The weighted average days to maturity of the Florida PRIME at September 30, 2022 is 21 days. The fair value of the Board's position in the pool approximates the value of the pool shares. At September 30, 2022, the Board had \$33,397,810 invested in Florida PRIME. Florida PRIME's most recent financial statements can be found at <https://prime.sbafla.com/audits/>.

Custodial Credit Risk

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

Qualified public depositories of public funds are required to provide collateral each month pursuant to Section 280.04, Florida Statutes. The collateral is held by the Florida Division of Treasury or other custodian with full legal rights maintained by the Florida Division of Treasury to transfer ownership. Any loss not covered by the pledged securities and deposit insurance would be assessed by the Florida Division of Treasury and paid by the other public depositories. The Board's deposits are therefore considered fully insured or collateralized. Bank balances at September 30, 2022, were \$27,922,638, of which \$12,441,089 was restricted deposits with qualified public depositories. Due to the nature of the Board's cash and investments, there is no exposure to custodial credit risk and concentration of credit risk.

Board of County Commissioners
Leon County, Florida
Notes to Special-Purpose Financial Statements
Year Ended September 30, 2022

3. Cash and Investments (continued)

Interest Rate Risk

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

The externally managed portfolio totaled \$53,358,631 at September 30, 2022, and was invested for a weighted average term of approximately 631 days, as compared to a weighted average term of 650 days in fiscal year 2021. The Board requires a minimum balance of short term investments. To meet the day-to-day operating needs of the Board and to provide the ready cash to meet unforeseen temporary cash requirements, a liquidity base of approximately two months of anticipated disbursements is kept in relatively short term investments. This includes investments in government pools with daily liquidity such as Florida PRIME, FLGIT Day to Day Fund, or money markets. The Board was in compliance with this requirement.

As of September 30, 2022, the value of the Board's deposits and investments, with their credit ratings, was as follows:

	Fair Value	Credit Rating	Duration
Deposits in Qualified Public Depositories	\$ 13,107,827	NA	NA
Restricted Deposits in Qualified Public Depositories	12,441,089	NA	NA
External Investment in Government Pools:			
State of Florida Special Purpose Investment Account (SPIA)	51,995,390	AA-f	2.67
Florida Local Government Investment Trust Day to Day Fund (FLGIT)	34,063,968	AAAm	0.08
Florida PRIME Investment Pool	33,397,810	AAAm	0.06
Externally Managed Portfolio:			
Money Market	26,455	AAA	NA
U.S. Treasuries	23,117,293	AA+	1.97
Government Sponsored Agencies:			
Federal Home Loan Bank	575,041	AA+	1.27
Federal National Mortgage Association	1,827,762	AA+	2.51
Other Government Sponsored Agencies	3,422,657	AA+	1.69
Mortgage Backed Securites	6,522,545	AA+	2.09
Collateralized Mortgage Obligations	222,753	AA+	0.60
Corporate Bonds	11,244,039	A-	1.24
State and Local Obligations	3,002,604	A+	1.39
Asset-Backed Securities	3,397,482	AAA	1.14
Total Cash and Investments	<u>\$ 198,364,715</u>		

The amounts above exclude cash on hand and amounts held by third parties in trust for the Board, but includes accrued interest of \$246,328.

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

Board of County Commissioners
Leon County, Florida
Notes to Special-Purpose Financial Statements
Year Ended September 30, 2022

3. Cash and Investments (continued)

Foreign Currency Risk

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

4. Fair Value Measurements

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

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

FLGIT Short Term Bond Fund reports based on the fair market value of the underlying securities. Therefore, any participant account balance is measured at net asset value per share and is not subject to fair value hierarchy level classification under GASB 72. The County did not have a balance with the FLGIT Short Term Bond Fund at September 30, 2022.

The fair value factor for SPIA at September 30, 2022 was 0.9357. SPIA funds are combined with State of Florida funds and are invested in a combination of short-term liquid instruments and intermediate term fixed income securities. SPIA is measured at net asset value per share. Investments measured at net asset value are not subject to fair value hierarchy level classification under GASB 72.

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

The following table summarizes the assets and liabilities of the Board for which fair values are determined on a recurring basis as of September 30, 2022:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Fair Value
Asset Backed Security (Mortgage Backed) - Non US				
Agency Sponsored	\$ 0	\$ 6,522,545	\$ 0	\$ 6,522,545
Corporate Bonds	0	11,244,039	0	11,244,039
Government Sponsored Agencies	0	5,825,460	0	5,825,460
US Government Obligations	23,117,293	0	0	23,117,293
Mortgage Backed Security - US Agency Sponsored	0	3,397,482	0	3,397,482
State and Local Obligations	0	3,002,604	0	3,002,604
Collateralized Mortgage Obligations	0	222,753	0	222,753
Investments at fair value	<u>\$ 23,117,293</u>	<u>\$ 30,214,883</u>	<u>\$ 0</u>	<u>\$ 53,332,176</u>

**Board of County Commissioners
Leon County, Florida
Notes to Special-Purpose Financial Statements
Year Ended September 30, 2022**

5. Leases

For the year ended September 30, 2022, the financial statements include the adoption of GASB Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

Lessee

The Board has entered into three leases as lessee for the use of various pieces of equipment. The terms range from 36 months to 60 months beginning on the contract commencement date. An initial lease liability was recorded in the amount of \$2,259,901. As of September 30, 2022, the value of the lease liability is \$410,815. The Board is required to make semi annual payments ranging from \$59,941 to \$160,029 through the terms of the leases. The leases have an interest rate of 2.00%. The value of the right to use asset as of September 30, 2022 of \$636,754 with accumulated amortization of \$1,623,147 and is included with Equipment on the lease class activities table found below.

Asset Class	September 30, 2022	
	Lease Asset Value	Accumulated Amortization
Equipment	\$ 2,259,901	\$ 1,623,147
	\$ 2,259,901	\$ 1,623,147

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

Fiscal Year	Business-type Activites		
	Principal	Interest	Total
2023	\$ 253,430	\$ 6,501	\$ 259,931
2024	157,385	2,643	160,028
Total	\$ 410,815	\$ 9,144	\$ 419,959

Leases Receivable

In October 2009, the Board purchased the Lake Jackson Huntington Oaks Property. There are several noncancellable lease agreements for the rental of its building. The lease agreements provide for monthly rentals, which escalate over the lease terms and expire on various dates. On October 1, 2021, the Board had a total of 9 leases as lessor for the use of commercial building space with remaining terms ranging from 18 to 82 months. An initial lease receivable was recorded in the amount of \$1,034,644. As of September 30, 2022, the value of the lease receivable is \$786,141. The lessees are required to make monthly fixed payments ranging from \$716 to \$5,576. The leases have an interest rate of 2.00%. The value of the deferred inflow of resources as of September 30, 2022 was \$769,701, and the Board recognized lease revenue of \$264,943 during the fiscal year. The lessees have 1 or 2 extension option(s), for a range of 12 to 60 months each.

**Board of County Commissioners
Leon County, Florida
Notes to Special-Purpose Financial Statements
Year Ended September 30, 2022**

5. Leases (continued)

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

Fiscal Year	Governmental Activities		
	Principal	Interest	Total
2023	\$ 263,257	\$ 12,815	\$ 276,072
2024	213,434	8,066	221,500
2025	147,947	4,450	152,397
2026	71,671	2,456	74,127
2027	54,659	1,123	55,782
2028-2032	35,173	264	35,437
Total	<u>\$ 786,141</u>	<u>\$ 29,174</u>	<u>\$ 815,315</u>

In June 2003, the Board purchased the Bank of America building. There are several noncancellable lease agreements for the rental of its building. The lease agreements provide for monthly rentals, which escalate over the lease terms and expire on various dates. On October 1, 2021, the Board had a total of 6 leases as lessor for the use of office space with remaining terms ranging from 10 to 111 months. An initial lease receivable was recorded in the amount of \$3,980,415. As of September 30, 2022, the value of the lease receivable is \$3,463,259. The lessees are required to make monthly fixed payments ranging from \$5,960 to \$26,908. The lease has an interest rate of 2.00%. The value of the deferred inflow of resources as of September 30, 2022 was \$3,249,298, and the Board recognized lease revenue of \$731,117 during the fiscal year. The lessees have 1 or 2 extension option(s), for a range of 14 to 60 months each.

Fiscal Year	Governmental Activities		
	Principal	Interest	Total
2023	\$ 683,976	\$ 61,800	\$ 745,776
2024	710,877	47,853	758,730
2025	671,098	33,995	705,093
2026	629,040	20,911	649,951
2027	297,102	11,487	308,589
2028-2032	471,166	13,863	485,029
Total	<u>\$ 3,463,259</u>	<u>\$ 189,909</u>	<u>\$ 3,653,168</u>

Board of County Commissioners
Leon County, Florida
Notes to Special-Purpose Financial Statements
Year Ended September 30, 2022

6. Fixed Assets

A summary of changes in fixed assets and depreciation for the year ended September 30, 2022, follows:

	Beginning Balance	Additions	(Reductions)	Ending Balance
Governmental Funds:				
Land	\$ 21,043,253	\$ 175,437	\$ 0	\$ 21,218,690
Improvements other than buildings	35,155,202	13,727,007	0	48,882,209
Buildings and improvements	227,042,172	4,729,156	0	231,771,328
Equipment	83,175,497	5,578,346	(2,186,864)	86,566,979
Leasehold Improvement	1,580,627	0	0	1,580,627
Construction in progress	36,518,026	23,056,537	(31,987,203)	27,587,360
Totals at historical cost	<u>\$ 404,514,777</u>	<u>\$ 47,266,483</u>	<u>\$ (34,174,067)</u>	<u>\$ 417,607,193</u>

Depreciation on capital assets used in governmental activities is recorded in the Leon County ACFR.

	Beginning balance	Additions	(Reductions)	Ending Balance
Business type activities:				
Land	\$ 1,809,844	\$ 0	\$ 0	\$ 1,809,844
Buildings, improvements, and construction in progress	19,475,296	361,831	0	19,837,127
Equipment	5,255,798	367,939	(217,574)	5,406,163
Totals at historical cost	<u>26,540,938</u>	<u>729,770</u>	<u>(217,574)</u>	<u>27,053,134</u>
Less accumulated depreciation for:				
Buildings and improvements	(16,023,781)	(514,204)	0	(16,537,985)
Equipment	(3,770,465)	(352,321)	134,014	(3,988,772)
Total accumulated depreciation	<u>(19,794,246)</u>	<u>(866,525)</u>	<u>134,014</u>	<u>(20,526,757)</u>
	<u>\$ 6,746,692</u>	<u>\$ (136,755)</u>	<u>\$ (83,560)</u>	<u>\$ 6,526,377</u>

**Board of County Commissioners
Leon County, Florida
Notes to Special-Purpose Financial Statements
Year Ended September 30, 2022**

7. Long-Term Liabilities

A. A summary of changes in the long-term debt of the Board follows:

	Balance October 1, 2021	Additions	(Reductions)	Balance September 30, 2022	Due Within One Year
Long-Term Liabilities					
Special revenue debt:					
Capital Improvement Revenue Refunding Bonds, Series 2017	\$ 12,420,000	\$ 0	\$ (3,008,000)	\$ 9,412,000	\$ 3,073,000
Capital Improvement Revenue Refunding Bonds, Series 2020	1,058,634	0	(239,991)	818,643	244,527
Capital Improvement Revenue Refunding Bonds, Series 2021	5,400,000	0	(270,000)	5,130,000	325,000
Capital Improvement Revenue Refunding Bonds, Series 2021B	0	3,400,000	0	3,400,000	465,000
Total special revenue debt	<u>18,878,634</u>	<u>3,400,000</u>	<u>(3,517,991)</u>	<u>18,760,643</u>	<u>4,107,527</u>
Liability for closure costs	17,245,981	707,086	0	17,953,067	0
Liability for compensated absences	5,987,045	4,138,210	(4,280,825)	5,844,430	2,344,565
Arbitrage rebate liability	25,000	0	0	25,000	0
Lease liability- Equipment	880,577	0	(469,762)	410,815	253,430
Financed purchase liability- Esco	13,901,263	2,599,222	(920,000)	15,580,485	990,000
	<u>\$ 56,918,500</u>	<u>\$ 10,844,518</u>	<u>\$ (9,188,578)</u>	<u>\$ 58,574,440</u>	<u>\$ 7,695,522</u>

Total interest costs incurred for general long-term debt by the Board, including bond issuance costs, for the year ended September 30, 2022, was \$658,882.

**Board of County Commissioners
Leon County, Florida
Notes to Special-Purpose Financial Statements
Year Ended September 30, 2022**

7. Long-Term Liabilities (continued)

B. A summary of each special revenue debt obligation outstanding at September 30, 2022 is as follows:

	Outstanding at September 30, 2022
<p>\$15,991,000 Capital Improvement Revenue Refunding Bonds, Series 2017, (i) refund the Capital Improvement Revenue Bonds, Series 2014 of which \$15,951,000 was currently outstanding and maturing in the years 2021 through 2025, and (ii) pay issuance costs on the Series 2017 bonds. The economic gain resulting from the refunding was \$489,076. The bonds dated June 22, 2017 and bear interest of 2.11% per annum. The interest on the bonds is payable on April 1 and October 1, beginning October 1, 2017. The bond principal matures serially on October 1 of each year through the final maturity of October 1, 2025.</p>	\$ 9,412,000
<p>\$1,298,120 Capital Improvement Revenue note, Series 2020, is dated January 30, 2020 and bear interest of 1.89% per annum. The interest on the bonds is payable on June 1 and December 1, beginning June 1, 2020. The bond principal matures serially on December 1 of each year through the final maturity of December 1, 2025.</p>	818,643
<p>\$5,400,000 Capital Improvement Revenue note, Series 2021, is dated January 28, 2021 and bear interest of 1.85% per annum. The interest on the bonds is payable on December 1 and June 1, beginning December 1, 2021. The bond principal matures serially on December 1 of each year through the final maturity of December 1, 2036.</p>	5,130,000
<p>\$3,400,000 Capital Improvement Revenue note, Series 2021B, is dated November 16, 2021 and bear interest of 1.29% per annum. The interest on the bonds is payable on December 1, beginning December 1, 2022. The bond principal matures serially on December 1 of each year through the final maturity of December 1, 2028.</p>	3,400,000
<p><i>The Capital Improvement Revenue Refunding Bonds Series 2017, Capital Improvement Revenue Refunding Bonds Series 2020, Capital Improvement Revenue Refunding Bonds Series 2021, and the Capital Improvement Revenue Note Series 2021B are parity bonds payable from and secured by a lien upon certain non-ad valorem revenue. The pledged revenues include the Local Government Half-Cent Sales Tax, Guaranteed Entitlement, Second Guaranteed Entitlement, and additional State Revenue Sharing Funds (less the Guaranteed Entitlement and the Second Guaranteed Entitlement). Total pledged revenue was \$18,697,790.</i></p>	
Total Special Revenue Bond Obligations	\$ 18,760,643

**Board of County Commissioners
Leon County, Florida
Notes to Special-Purpose Financial Statements
Year Ended September 30, 2022**

7. Long-Term Liabilities (continued)

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

	Year ending September 30,				
	2023	2024	2025	2026	2027
Capital Improvement Revenue Refunding Bonds, Series 2017	\$ 3,271,593	\$ 3,269,753	\$ 3,270,583	\$ 0	\$ 0
Capital Improvement Revenue Bonds, Series 2020	257,689	257,645	257,601	71,781	0
Capital Improvement Revenue Bonds, Series 2021	419,905	418,893	417,788	421,590	420,208
Capital Improvement Revenue Bonds, Series 2021B	510,688	512,862	511,734	510,542	509,286
Total Debt Service	<u>\$ 4,459,875</u>	<u>\$ 4,459,153</u>	<u>\$ 4,457,706</u>	<u>\$ 1,003,913</u>	<u>\$ 929,494</u>
			Total	Less	
	2028-2032	2033-2036	Payments	Interest	Principal
Capital Improvement Revenue Refunding Bonds, Series 2017	\$ 0	\$ 0	\$ 9,811,929	\$ 399,929	\$ 9,412,000
Capital Improvement Revenue Bonds, Series 2020	0	0	844,716	26,073	818,643
Capital Improvement Revenue Bonds, Series 2021	2,096,785	1,674,646	5,869,815	739,815	5,130,000
Capital Improvement Revenue Bonds, Series 2021B	1,024,478	0	3,579,590	179,590	3,400,000
Total Debt Service	<u>\$ 3,121,263</u>	<u>\$ 1,674,646</u>	<u>\$ 20,106,050</u>	<u>\$ 1,345,407</u>	<u>\$ 18,760,643</u>

**Board of County Commissioners
Leon County, Florida
Notes to Special-Purpose Financial Statements
Year Ended September 30, 2022**

7. Long-Term Liabilities (continued)

D. Financed purchase liability - ESCO

The County has an agreement with US Bank to finance the funding of an energy savings project. The project completed by the Energy Systems Group LLC included the installation of energy, water, and wastewater efficiency and conservation measures and related upgrades at County facilities. Terms of the agreement include bi-annual payments on June 1 and December 1. The agreement expires December 1, 2035. As of September 30, 2022 future payments totaling \$17,578,693 consists of principal of \$15,580,485 and interest of \$1,998,208.

The future financed purchase liability and the net present value of the minimum payments relating to the energy savings project as of September 30, 2022, were as follows:

ESCO - Financed Purchase Liability, Series 2020

Period Ending	Principal	Interest	Debt Service
9/30/2023	\$ 990,000	\$ 265,647	\$ 1,255,647
9/30/2024	1,010,000	248,037	1,258,037
9/30/2025	1,025,000	230,119	1,255,119
9/30/2026	1,045,000	211,892	1,256,892
9/30/2027	1,065,000	193,314	1,258,314
9/30/2028	1,080,000	174,427	1,254,427
9/30/2029	1,100,000	155,232	1,255,232
9/30/2030	1,120,000	135,685	1,255,685
9/30/2031	1,140,000	115,786	1,255,786
9/30/2032	1,160,000	95,534	1,255,534
9/30/2033	1,180,000	74,931	1,254,931
9/30/2034	1,200,000	53,975	1,253,975
9/30/2035	1,220,000	32,667	1,252,667
9/30/2036	1,245,485	10,962	1,256,447
Totals:	\$ 15,580,485	\$ 1,998,208	\$ 17,578,693

8. Employees' Retirement Plan

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, is effective for all fiscal years beginning after June 15, 2014. This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. As described in Note 1, the financial statements of the Board are fund statements considered to be special-purpose financial statements consistent with accounting practices prescribed by the State of Florida Auditor General. Accordingly, the net pension liability is included in the Leon County ACFR rather than in these Special-Purpose Financial Statements.

All full-time employees of the Board are eligible to participate in the Florida Retirement System (FRS). The FRS includes various plans and programs, including a defined benefit pension plan (Pension Plan), which is primarily a cost-sharing, multiple-employer defined benefit public-employee pension plan. Information as to benefits, contribution rates, and vesting requirements by membership category is provided in the Leon County ACFR. Contributions and benefits are established in Section 121.71, *Florida Statutes*.

Board of County Commissioners
Leon County, Florida
Notes to Special-Purpose Financial Statements
Year Ended September 30, 2022

8. Employees' Retirement Plan (continued)

Participating employer contributions are based upon actuarially determined blended rates established by the State Legislature that are expressed as percentages of annual covered payroll and are adequate to accumulate sufficient assets to pay benefits when due. Employees who are not participating in the Deferred Retirement Option Plan are required to contribute 3% of their salary to the FRS.

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

The HIS Program is funded by required contributions from FRS participating employers as set by the State Legislature. Employer contributions are a percentage of gross compensation for all active FRS employees and are reported by employers with monthly payroll reports and included with the amount submitted for retirement contributions. For the fiscal year ended September 30, 2022, the contribution rate was 1.66% of payroll pursuant to Section 112.363, *Florida Statutes*.

The total employer retirement contributions for the fiscal years ended September 30, 2022, 2021, and 2020 were \$6,764,458, \$6,088,602, and \$5,434,608, respectively, which is equal to the required contribution for each year.

The Pension Plan and the HIS Program are administered by the State of Florida Department of Management Services, Division of Retirement. The Division of Retirement issues a publicly available FRS Annual Report that includes financial statements and required supplementary information for the Pension Plan and HIS Program. That report may be obtained by writing to the Division of Retirement, P.O. Box 9000, Tallahassee, Florida 32399-9000, or on the website located at www.dms.myflorida.workforce_operations/retirement/publications.

9. Other Post Employment Benefits

Plan Description

The Board participates in an agent multiple-employer plan administered by the County for all the constitutional officers under which qualified retired employees are permitted to participate in the health and life insurance benefits program (the Program). As described in Note 1, the Program may be amended by the Board. A stand alone financial report is not issued for the Program. As described in Note 1, the financial statements of the Board are fund statements considered to be special-purpose financial statements consistent with accounting practices by the State of Florida Auditor General. Accordingly, the annual OPEB obligation of the Board is recognized in the Leon County ACFR rather than in these Special-Purpose Financial Statements.

10. Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; error and omissions; injuries to employees; and natural disasters. The following is a summary of the County's coverage and exposure relating to the various risks of loss retained as of September 30, 2022.

General Liability

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

**Board of County Commissioners
Leon County, Florida
Notes to Special-Purpose Financial Statements
Year Ended September 30, 2022**

10. Risk Management (continued)

General Liability (continued)

The actuarially determined liability determined below reflects open claims associated with these carriers.

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

	Beginning of Fiscal Year	Current Year Claims and Changes in Estimates	Claims Payments	Balance September 30, 2022
September 30, 2022	\$ 0	\$ 0	\$ 0	\$ 0
September 30, 2021	\$ 14,819	\$ (14,819)	\$ 0	\$ 0

The claims liability of \$0 includes an actuarial valuation for incurred but not reported claims of \$0.

Workers' Compensation

The Board maintains a self-insurance Internal Service Fund (the Fund) to account for insurance activities relating to workers' compensation, which is administered by a third-party administrator, Preferred Governmental Claims Solutions. Under this program, the Board absorbs losses up to a maximum of \$500,000 for each claim. At September 30, 2022, the Board had \$186,596 deposited with the third-party administrator for use against future claims. The Board purchases commercial insurance for claims in excess of coverage provided by the Fund. Settled claims have not exceeded the retention level for this commercial coverage in the current year and any of the past five years.

All funds of the Board participate in this program and make payments to the Insurance Service Fund based on payroll exposure in the amounts needed to pay prior and current year claims and to establish a reserve for catastrophic losses. Net position of the Self Insurance Fund is reserved for anticipated future catastrophic losses pursuant to County policy and GASB Statement No. 10.

The actuarially-determined claims liability for workers' compensation of \$6,606,825, which includes incurred but not reported claims of \$2,391,244, reported in the Fund at September 30, 2022 is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred as of the date of the financial statements and the amount of the loss can be reasonably estimated.

**Board of County Commissioners
Leon County, Florida
Notes to Special-Purpose Financial Statements
Year Ended September 30, 2022**

10. Risk Management (continued)

Workers' Compensation (continued)

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

	<u>Beginning of Fiscal Year</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Balance at Fiscal Year End</u>
September 30, 2022	\$ 7,050,581	\$ 2,391,244	\$ (2,835,000)	\$ 6,606,825
September 30, 2021	\$ 6,562,279	\$ 2,494,302	\$ (2,006,000)	\$ 7,050,581

Automobile Liability

The Board purchases commercial coverage for automobile liability insurance through the same provider of its general liability insurance. All vehicles are covered for physical damage with a \$1,000 deductible and for liability with a \$5,000 deductible.

All funds of the Board participate in this program and pay premiums to the Insurance Service Fund based on the vehicles used by their personnel. Changes in the Fund's claims liability were as follows:

	<u>Beginning of Fiscal Year</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Balance at Fiscal Year End</u>
September 30, 2022	\$ 4,900	\$ 36,565	\$ 0	\$ 41,465
September 30, 2021	\$ 10,690	\$ (5,790)	\$ 0	\$ 4,900

The claims liability of \$41,465 includes an actuarial valuation for incurred but not reported claims of \$5,000.

11. Other Required Individual Fund Disclosures

A. Interfund Receivables, Payables, and Transfers

Interfund balances in the Governmental Funds primarily represent repayments due from other funds responsible for particular expenditures to the funds that initially paid for them. Interfund balances are due and payable within one year.

Board of County Commissioners
Leon County, Florida
Notes to Special-Purpose Financial Statements
Year Ended September 30, 2022

11. Other Required Individual Fund Disclosures (continued)

Interfund receivable and payable balances at September 30, 2022, are as follows:

Fund	Interfund Receivables	Interfund Payable
General Fund	\$ 1,071,598	\$ 0
Nonmajor Governmental Funds	0	789,803
Internal Service Funds	0	219,703
Grants Fund	0	62,092
	<u>\$ 1,071,598</u>	<u>\$ 1,071,598</u>

Each fund has a discrete purpose. However, often, there is a need for one fund to support a portion of another fund's activities. To accomplish this, monies are moved between funds through a process called interfund transfers. Interfund Transfers, excluding transfers to other constitutional officers, for the year ended September 30, 2022, consisted of the following:

Transfers to the General Fund from:

Nonmajor Governmental Funds	\$ 773,210
Enterprise Fund	97,640
Total Transfers to the General Fund	<u>870,850</u>

Transfers to the Fine and Forfeiture Fund from:

General Fund	1,106,807
Grants fund	490,817
Total Transfers to the Fine and Forfeiture Fund	<u>1,597,624</u>

Transfers to the Grants Fund from:

General Fund	311,672
Emergency Medical Services Fund	18,970
Capital Improvement Fund	150,000
Total Transfers to the Grants Fund	<u>480,642</u>

Transfers to the Capital Improvement Fund from:

General Fund	3,609,520
Grants Fund	5,840,406
Nonmajor Governmental Funds	3,802,980
Total Transfers to the Capital Improvement Fund	<u>13,252,906</u>

Transfers to the Emergency Medical Services Fund:

General Fund	1,144,162
Grants Fund	1,296,494
Nonmajor Governmental Funds	200,000
Total Transfers to the Emergency Medical Services Fund	<u>2,640,656</u>

Transfers to the Fire Rescue Services Fund:

General Fund	1,400,000
Total Transfers to the Fire Rescue Services Fund	<u>1,400,000</u>

**Board of County Commissioners
Leon County, Florida
Notes to Special-Purpose Financial Statements
Year Ended September 30, 2022**

11. Other Required Individual Fund Disclosures (continued)

Transfers to the Nonmajor Governmental Funds:

General Fund	17,046,873
Emergency Medical Services Fund	1,169,069
Fire Rescue Services Fund	827,986
Nonmajor Governmental Funds	<u>5,003,796</u>
Total Transfers to the Nonmajor Governmental Funds	<u>24,047,724</u>
Total Transfers to Governmental Funds	<u>44,290,402</u>

Transfers to the Enterprise Fund from:

General Fund	<u>1,652,329</u>
Total Transfers to Enterprise Funds	<u>1,652,329</u>

Transfers to the Internal Service Funds from:

Fine and Forfeiture Fund	610,000
Emergency Medical Services Fund	200,000
Fire Rescue Services Fund	48,900
Nonmajor Governmental Funds	<u>150,000</u>
Total Transfers to Internal Service Funds	<u>1,008,900</u>
Total Interfund Transfers	<u>\$ 46,951,631</u>

B. Excess of Expenditures Over Appropriation

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

12. Closure and Post-closure Care Cost

State and federal laws and regulations require the Board to place a final cover on each of its landfill cells when it stops accepting waste and to perform certain maintenance and monitoring functions on each cell for thirty years after closure. Although closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, the Board reports a portion of these costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$17,953,067 reported as landfill closure and post-closure care liability at September 30, 2022, represents the cumulative amount reported to date based on the use of 100% of the estimated capacity of the landfill cells placed in use. These amounts are based on what it would cost to perform closure and post-closure care in 2022 on those cells placed in use. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. The landfill is no longer accepting waste.

The Board is required by state and federal laws to make annual contributions to an escrow account to finance a minimum of all closure costs. The Board is in compliance with those minimum requirements, and at September 30, 2022, held investments in the amount of \$13,288,003 for these purposes that are reported as restricted assets on the balance sheet. The Board expects that future inflation costs will be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional post-closure care requirements are determined; these costs may need to be covered by charges to future landfill users or from future tax revenue.

Board of County Commissioners
Leon County, Florida
Notes to Special-Purpose Financial Statements
Year Ended September 30, 2022

13. Commitments and Contingencies

A. Contract commitments:

Grants

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

Long-Term Construction Projects

The Board is committed to various material long-term construction projects at September 30, 2022. These commitments have been included in the 2022-2023 fiscal year budget and the five-year Capital Improvement Program and certain amounts have been reserved in the capital projects fund. Current contracts outstanding as of September 30, 2022 approximate \$3.2 million.

B. Potential liabilities resulting from litigation:

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

C. Encumbrances:

Encumbrances represent commitments related to unperformed contracts for goods or services. They do not constitute expenditures or liabilities. The commitments will be honored in the subsequent year. The Board had no reserved encumbrances as of September 30, 2022.

14. Net Position Restatement

Effective October 1, 2021, the Board adopted GASB Statement No. 87 – Leases, using the facts and circumstances that existed at the beginning of the period of implementation. In a period prior to the implementation of Statement 87, the Board entered into various capital leases in which the Board was a lessee. As of September 30, 2021 the Board recognized a capital lease asset and a capital lease liability of \$1,042,237. Statement 87 allows for the use of the carrying value of the existing capital lease asset, adjusted to the new carrying value of the lease liability. This change resulted in a decrease to the lease liability for these leases of \$161,660 and a increase of lease assets of \$123,393 as of September 30, 2021. Such assets and liabilities are not reported on the Balance Sheet - Governmental Funds for these special-purpose financial statements based on the current financial resources measurement focus. These assets and liabilities are reported on the Statement of Net Position in the county-wide financial statements of Leon County, Florida. Accordingly this resulted in a increase of beginning net position in the county-wide financial statements of Leon County, Florida of \$285,053.

Board of County Commissioners
Leon County, Florida
Notes to Special-Purpose Financial Statements
Year Ended September 30, 2022

15. Subsequent Event

The Board has evaluated subsequent events through April 19, 2023, the date the financial statements were available to be issued. No subsequent events were identified that required disclosure except the transaction described below.

On October 1, 2022 Leon County issued an educational refunding revenue bond, Series 2022, in the principal amount of \$5,379,428 and loaned the proceeds to Holy Comforter Episcopal School, Inc. for the principal purpose of refunding the Series 2018 bond. These details are more fully disclosed in the county-wide statements of Leon County, Florida.

Other Schedules

Board of County Commissioners
Leon County, Florida

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

Year Ended September 30, 2022

Source	Amount Received during the 2021-22 Fiscal Year	Amount Expended during the 2021-22 Fiscal Year
British Petroleum:		
Agreement No. 134036	\$ -	\$ 29,586

Note: This schedule does not include funds related to the Deepwater Horizon Oil Spill that are considered Federal awards or State financial assistance. Leon County, Florida did not receive or expend any Federal awards or State financial assistance related to the Deepwater Horizon Oil Spill.

See report of independent auditors.

Other Reports

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

September 30, 2022

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

The Honorable Board of County Commissioners
Leon County, Florida

Independent Auditors' Report

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the special-purpose financial statements of the major governmental funds, the proprietary funds, and the aggregate remaining fund information of the Board of County Commissioners of Leon County, Florida (the Board), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Board's special-purpose financial statements, and have issued our report thereon dated April 19, 2023. Our report includes reference to other auditors who audited the financial statements of the Housing Finance Authority of Leon County, a discretely presented component unit of Leon County, as described in our report on the Board's special-purpose financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported separately by these auditors.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying *Management Letter* as item 2022-001, that we consider to be a significant deficiency.

Report on Compliance and Other Matters

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

Board's Response to Findings

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

We have issued a management letter to the Board of County Commissioners of Leon County, Florida dated April 19, 2023, presenting certain required disclosures and comments pursuant to the *Rules of the Auditor General*, Chapter 10.550.



Thomas Howell Ferguson P.A.
Tallahassee, Florida
April 19, 2023



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

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

September 30, 2022

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

The Honorable Board of County Commissioners
Leon County, Florida

We have examined the Board of County Commissioners of Leon County, Florida's (the Board) compliance with local government investment policies provided in Section 218.415, *Florida Statutes*, during the year ended September 30, 2022. Management of the Board is responsible for the Board's compliance with the specified requirements. Our responsibility is to express an opinion on the Board's compliance with the specified requirements based on our examination.

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

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

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

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

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



Thomas Howell Ferguson P.A.
Tallahassee, Florida
April 19, 2023



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

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

September 30, 2022

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

The Honorable Board of County Commissioners
Leon County, Florida

We have examined the Board of County Commissioners of Leon County, Florida's (the Board) compliance with emergency communications number E911 system fund requirements provided in Sections 365.172 and 365.173, *Florida Statutes*, during the year ended September 30, 2022. Management of the Board is responsible for the Board's compliance with the specified requirements. Our responsibility is to express an opinion on the Board's compliance with the specified requirements based on our examination.

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

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

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

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

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



Thomas Howell Ferguson P.A.
Tallahassee, Florida
April 19, 2023



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

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

September 30, 2022

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

The Honorable Board of County Commissioners
Leon County, Florida

We have examined the Board of County Commissioners of Leon County, Florida's (the Board) compliance with the receipts and expenditures of funds related to the Deepwater Horizon oil spill provided in Section 288.8017, *Florida Statutes*, during the year ended September 30, 2022. Management of the Board is responsible for the Board's compliance with the specified requirements. Our responsibility is to express an opinion on the Board's compliance with the specified requirements based on our examination.

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

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

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

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

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



Thomas Howell Ferguson P.A.
Tallahassee, Florida
April 19, 2023



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

**Management Letter
September 30, 2022**

Management Letter

The Honorable Board of County Commissioners
Leon County, Florida

Report on the Special-Purpose Financial Statements

We have audited the special-purpose financial statements of the Board of County Commissioners of Leon County, Florida (the Board), as of and for the fiscal year ended September 30, 2022, and have issued our report thereon dated April 19, 2023.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Report of Independent Auditors on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Special-Purpose Financial Statements Performed in Accordance with *Government Auditing Standards* and Report of Independent Accountants on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated April 19, 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 we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions regarding the recommendations made in the preceding financial report are described below.

2021-001 Capital Lease Asset Recognition

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

2021-002 Capital Assets for Other Constitutional Officers

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

2021-003 Construction in Progress

Corrective action for this recommendation is in progress. During the current year, it was noted that management made progress on implementing corrective action policies and procedures to improve controls over this process. This corrective action is ongoing as of September 30, 2022, and as a result, this is the second consecutive year this specific recommendation is reported. See current year recommendation 2022-002.

Official Title and Legal Authority

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

Financial Management

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

2022-001 Insurance Recoveries

Criteria: GASB requires amounts that are recoverable from reinsurers or excess insurers that relate to paid claims and claim adjustment expenses, should be classified as assets (with an allowance for estimated uncollectible amounts) and as reductions of expenses.

Condition: Instances were noted in which reinsurance recoveries collected subsequent to year end, but related to previous years claims paid were recorded as revenues in the subsequent year received rather than being recorded as a receivable and an offset to expenses in the year the expenses were incurred.

Cause: Long periods of time between the underlying expense and the reimbursement were noted. However, an insurance recovery is recognizable as soon as it becomes realizable. A recovery is considered realizable if the insurer has admitted and acknowledged coverage. These factors led to internal controls for financial reporting being ineffective in identifying the proper period of recording for reinsurance recoveries received.

Effect: The Board's unadjusted trial balance contained financial reporting errors in which the accounts receivable balances were understated and expenses were overstated.

Recommendation: Management should monitor the expected repayment from reinsurance recoveries and record amounts to the period when a recovery becomes admitted and acknowledged. Management should provide training to employees over the proper accounting of such amounts to ensure that they are correctly recorded in the correct period in accordance with GASB standards.

Management's response:

Management will communicate the proper accounting for reinsurance recoveries with the appropriate stakeholders. Management will also update the internal controls for reinsurance recovery to include a notification step when claims are submitted.

2022-002 Construction in Progress

Criteria: Constructed assets should be re-classified to depreciable capital asset categories from construction in progress when the assets are substantially completed or otherwise available for use.

Condition: Management's initial schedules and trial balances reported significant amounts of completed projects in the non-depreciable construction in progress category. Corrections to the trial balance and supporting schedules were needed to improve reporting.

Cause: Management's schedules of completed capital projects in progress is completed using input from appropriate stakeholders. Breakdowns in the information and communication lead to untimely and incomplete support for the capital projects in process schedule.

Effect: Management's initially reported balance of construction in progress was overstated and included projects that had been previously completed and were not being depreciated.

Recommendation: Internal controls should be developed for the routine review of the capital projects report and the removal of assets that are completed. Management should make improvements to the internal reports used to determine the proper amounts for financial reporting.

Management's response:

Management has enhanced the current reconciliation process to implement both a wider scope of review, and a more streamlined communication process between finance, other departments, and constitentials involved in capital asset procurement. Within the fiscal year, management implemented a quarterly review of CIP projects and completion status with stakeholders. However, more emphasis is needed on the review process and that will be communicated.

2022-003 Purchasing Card Documentation

Criteria: The Board of County Commissions (BOCC) sets the policies and procedures regarding the use of purchasing cards by employees. These policies and procedures are necessary for financial reporting in accordance with the Government Accounting Standards Board (GASB) and to mitigate risks of the misuse of funds. BOCC policies require expenditures made via purchasing cards be supported by source documentation and receipts. Supporting documentation must be reviewed and approved timely by the employee's supervisor.

Condition: One of 30 purchasing card samples tested during purchasing card control testing had no supporting documentation or receipts that could be provided. It was noted that the purchasing card holder did not provide required documentation to the Finance Department and that the transactions were not reviewed or approved by the employee's supervisor. Additionally, it was noted that purchasing card documentation is often provided to the finance department in an untimely manner.

Cause: This specific purchasing card holder was not an employee of the Board but an employee of a separate Article V officer. As such, the Board's ability to force compliance with the policy was limited. Management identified the issue and notified the purchasing card holder of the requirements for supporting documentation and approval. After several attempts to resolve the issue, management terminated the user's purchasing card.

Effect: Management's risk of an employee's improper use of purchasing cards is increased.

Recommendation: Management should improve policies and procedures in place to obtain appropriate supporting documentation for all purchasing card transactions on a timely basis.

Management's response:

Management will be reviewing and updating the Purchase Card policy to align with best practices. Management is also reviewing and updating the internal controls over the documentation submission and approval process. The Finance department will begin taking a more active role in the review and approval process.

2022-004 Employee Benefit Fund Receivables and Payables

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

Condition: The legacy process for recording Employee Benefit Fund transactions has resulted in transactions not being properly classified in the general ledger and the receivable and payable balances reported in the financial statements being misstated.

Cause: Management has special procedures that are performed to record the receipt of the receivables and the payment of the payables within the Employee Benefit Fund. The legacy process is resulting in a netting of balances and errors for financial reporting.

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

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

Management's response:

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

2022-005 Reconciliation of Balances Between Other Constitutional Officers

Criteria: The Committee for Sponsoring Organizations (COSO) defines internal controls as, “a process effected by an entity’s board, management, and other personnel, designed to provide reasonable assurance of the achievement of objectives relating to operations, reporting, and compliance.”

Condition: Instances were noted in which balances reported by the Board for transfers between and due to/from other constitutional officers did not agree to the corresponding balance reported by the other constitutional officers. Management’s process for identifying, reconciling and reporting amounts for inter-constitutional balances was not performed timely and did not identify several differences in reported amounts. Various adjustments were needed between the constitutional officers for reconciliation.

Cause: Internal controls for information and communication between constitutional officers is not properly identifying all amounts between constitutional officers and is resulting in errors in reported balances.

Effect: The lack of controls and effective communication between constitutional officers led to differences in the amounts reported by the Board and those reported by other constitutional officers.

Recommendation: Management should implement controls to ensure that amounts reported by the Board for transfers in/out and due to/from other constitutional officers agrees to those reported by other constitutional officers, such as periodic reconciliations.

Management's response:

Management will ensure effective communication between the County and constitutional officers/staff by implementing off cycle training, periodic reconciliations, mid-year reviews, and an end of year preparation meeting.

Additional Matters

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

Purpose of this Letter

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



Thomas Howell Ferguson P.A.
Tallahassee, Florida
April 19, 2023



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