

# *Leon County, Florida*



## *Annual Financial Report For the Fiscal Year Ended September 30, 2024*

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

Leon County, Florida,  
Annual Financial Report

Year ended September 30, 2024

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## Report of Independent Auditors

The Honorable Board of County Commissioners  
Leon County, Florida

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information and the budgetary comparison statements of Leon County, Florida (the County) as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditor, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County as of September 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison statements for the General Fund, the Fine and Forfeiture Fund, the Grants Funds, the Emergency Medical Services Fund, and the Local Provider Participation Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Housing Finance Authority of Leon County, a discretely presented component unit of Leon County, which represent 0.4%, 0.9%, and 0.1%, respectively, of the assets, net position, and revenues of the County as of September 30, 2024. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Housing Finance Authority of Leon County, is based solely on the report of the other auditors.

#### ***Basis for Opinions***

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

***Emphasis of Matter***

As discussed in Note I to the financial statements, during the fiscal year ended September 30, 2024, the County adopted Governmental Accounting Standards Board Statement No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*. Our opinions are not modified with respect to this matter.

As discussed in Note XVIII to the financial statements, October 1, 2023 fund balances for the discretely presented component unit have been restated to correct previously reported misstatements. Our opinions are not modified with respect to this matter.

***Responsibilities of Management for the Financial Statements***

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

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

***Auditors' Responsibilities for the Audit of the Financial Statements***

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

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

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

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

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5–15 and the supplementary schedules on pages 84–89 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Supplementary Information***

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 2025, on our consideration of the Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Board's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Board's internal control over financial reporting and compliance.



Thomas Howell Ferguson P.A.  
Tallahassee, Florida  
June 19, 2025



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

## **Management's Discussion and Analysis**

This discussion and analysis of Leon County's (the County) financial statements is designed to introduce the basic financial statements and provide an analytical overview of the County's financial activities for the fiscal year ended September 30, 2024. The basic financial statements are comprised of the government-wide financial statements, fund financial statements, and footnotes. We trust that the basic financial statements will, in conjunction with additional information provided in our letter of transmittal (pages xii – pages xvii), assist readers in identifying significant financial issues, and in future years, changes in the County's financial position. In this Management's Discussion and Analysis (MD&A), all amounts, unless otherwise indicated, are expressed in thousands of dollars.

### **Overview of the Financial Statements**

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

#### **Government-wide Financial Statements**

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

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

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

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

#### **Fund Financial Statements**

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

## Fund Financial Statements (continued)

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

Table 1 Major Features of the Basic Financial Statements

	<i>Government-wide Fund Financial Statements</i>	<i>Governmental Funds</i>	<i>Proprietary Funds</i>	<i>Fiduciary Funds</i>
<b>Scope</b>	Entire County government (except fiduciary funds) and the County's component unit	Activities of the County that are not proprietary or fiduciary	Activities of the County that are similar to private businesses	Instances in which the County is the trustee or agent for someone else's resources
<b>Required financial statements</b>	<ul style="list-style-type: none"> <li>• Statement of Net Position</li> <li>• Statement of Activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance Sheet</li> <li>• Statement of Revenues, Expenditures, and Changes in Fund Balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of Net Position</li> <li>• Statement of Revenues, Expenses, and Changes in Net Position</li> <li>• Statement of Cash Flows</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of Fiduciary Net Position</li> <li>• Statement of Changes in Fiduciary Net Position</li> </ul>
<b>Accounting basis and measurement focus</b>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
<b>Type of asset/liability information</b>	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources, both, financial and capital, and short-term and long-term	Only assets and deferred outflows of resources expected to be used up and liabilities and deferred inflows of resources that come due during the year or soon thereafter; no capital assets included	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources, both financial and capital, and short-term and long-term	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources, both short-term and long-term
<b>Type of inflow/outflow information</b>	All revenues and expenses during the year, regardless of when cash is received or paid	<ul style="list-style-type: none"> <li>• Revenues for which cash is received during or soon after the end of the year</li> <li>• Expenditures when goods or services have been received and payment is due during the year or soon thereafter</li> </ul>	All revenues and expenses during the year, regardless of when cash is received or paid	All revenues and expenses during the year, regardless of when cash is received or paid

## **Notes to the Financial Statements**

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

### **Infrastructure Assets**

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

### **Condensed Statement of Net Position**

The net investment in capital assets is the largest portion of the County's net position. This represents capital assets (land, buildings, improvements, equipment, furniture, vehicles, construction in progress, and infrastructure), net of accumulated depreciation, and the outstanding related debt used to acquire the assets in the amount of \$303.8 million as compared to \$274.7 million a year ago; this is an increase of \$29.1 million. These capital assets are used to provide services to the citizens and businesses in the County; consequently, the net position is not available for future spending.

## Condensed Statement of Net Position (continued)

Table 2 below presents the County’s condensed Statement of Net Position as of September 30, 2024 and 2023, as derived from the government-wide Statement of Net Position.

Table 2

Leon County, Florida Condensed Statement of Net Position As of September 30 (in thousands)						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 286,385	\$ 279,784	\$ 23,177	\$ 17,688	\$ 309,562	\$ 297,472
Capital assets	337,216	313,969	7,960	6,763	345,176	320,732
Total assets	623,601	593,753	31,137	24,451	654,738	618,204
Deferred outflows	69,036	56,456	-	-	69,036	56,456
 Total assets and deferred outflows	 692,637	 650,209	 31,137	 24,451	 723,774	 674,660
 Current liabilities	 95,932	 85,834	 1,912	 2,212	 97,844	 88,046
Noncurrent liabilities	268,053	263,069	27,925	22,438	295,978	285,507
Total liabilities	363,985	348,903	29,837	24,650	393,822	373,553
Deferred inflows	46,577	39,559	-	-	46,577	39,559
 Total liabilities and deferred outflows	 410,562	 388,462	 29,837	 24,650	 440,399	 413,112
 <b>Net position:</b>						
Net investment in capital assets	295,861	267,934	7,960	6,763	303,821	274,697
Restricted	111,705	121,995	-	-	111,705	121,995
Unrestricted	(125,491)	(128,182)	(6,660)	(6,962)	(132,151)	(135,144)
*Total net position	<u>\$ 282,075</u>	<u>\$ 261,747</u>	<u>\$ 1,300</u>	<u>\$ (199)</u>	<u>\$ 283,375</u>	<u>\$ 261,548</u>

\*Differences from financial statements due to rounding

## Condensed Statement of Activities

Table 3 on page 10 presents the County’s condensed Statement of Activities for the fiscal years ended September 30, 2024 and 2023, as derived from the Government-Wide Statement of Activities. Over time, increases and decreases in net position may measure whether the County’s financial position is improving or deteriorating. During the fiscal year, the net position of the governmental activities increased by \$20.3 million, or 8 percent, and the net position of the business-type activities increased by \$1.5 million, or 753 percent. The increase in Governmental Activities is primarily due to across the board revenue increases which more than offset increased program expenses. The increase in Business-Type Activities is due to an increase in transfers to the Landfill in 2024.

In 2003, the Board of County Commissioners adopted an ordinance levying a Utility Services Tax on the unincorporated area of Leon County. This tax generated \$9.9 million in FY 2023 versus \$10.8 million in FY 2024. The County also adopted a Communications Services Tax in FY 2003, with revenues in the amount of \$2.7 million in FY 2023 compared to revenues of \$2.4 million in FY 2024. These two taxes have been a stabilizing factor in the County’s financial picture, which was the intent of the ordinances.

## **Condensed Statement of Activities (continued)**

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

With respect to non-homestead property, Amendment 1 limits (caps) the annual increase in assessed value for non-homestead property (businesses, industrial property, rental property, second homes, etc.) to ten percent (10%), except for school district taxes. The Amendment also provides a \$25,000 exemption for tangible personal property. Amendment 1 became effective on October 1, 2008, but the ten percent (10%) assessment cap on non-homestead property became effective on January 1, 2009. Property tax revenues in FY 24 increased by 11%, and future growth will be tempered by the above tax changes, with increases mirroring population growth.

The Board of County Commissioners (the Board) Investment Policy is very risk averse and places a premium on security. With the effective rate of return of the portfolio averaging 4.76% for the year, the net change in fair market value of investments in the portfolio totaled \$14.7 million, an increase of \$2.2 million from 2023. The primary reasons for the increase in fair market value are from unrealized gains marked to market totaling \$2.2 million, while the investment portfolio earned a total return of \$12.5 million.

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

## Condensed Statement of Activities (continued)

Table 3

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

	Governmental Activities		Business-Type Activities		Total Primary Government		Total % Change 2023 to 2024
	2024	2023	2024	2023	2024	2023	
<b>Revenues</b>							
<b>Program revenues:</b>							
Charges for services	\$ 55,102	\$ 47,532	\$ 13,775	\$ 11,216	\$ 68,877	\$ 58,748	17%
Operating grants & contributions	31,066	18,415	-	-	31,066	18,415	69%
Total program revenues	86,168	65,947	13,775	11,216	99,943	77,163	30%
<b>General revenues:</b>							
Property taxes	205,793	184,764	-	-	205,793	184,764	11%
Local option taxes	65,006	62,017	-	-	65,006	62,017	5%
Communications services taxes	2,423	2,743	-	-	2,423	2,743	-12%
Motor fuel taxes	1,401	1,388	-	-	1,401	1,388	1%
Utility services taxes	10,835	9,885	-	-	10,835	9,885	10%
Other taxes	-	-	1,866	1,892	1,866	1,892	-1%
State shared revenues	13,086	14,514	-	-	13,086	14,514	-10%
Net change in fair market value of investments	14,454	12,366	325	159	14,779	12,525	18%
Miscellaneous revenues	6,688	5,319	423	6	7,111	5,325	34%
Total general Revenues	319,686	292,996	2,614	2,057	322,300	295,053	9%
Total revenues	405,854	358,943	16,389	13,273	422,243	372,216	13%
<b>Program Expenses</b>							
General government	83,613	72,157	-	-	83,613	72,157	16%
Public safety	169,620	164,680	-	-	169,620	164,680	3%
Physical environment	20,756	16,019	22,480	18,901	43,236	34,920	24%
Transportation	17,063	17,546	-	-	17,063	17,546	-3%
Economic environment	12,116	12,762	-	-	12,116	12,762	-5%
Human services	39,157	34,858	-	-	39,157	34,858	12%
Culture and recreation	14,899	15,537	-	-	14,899	15,537	-4%
Judicial	19,620	19,298	-	-	19,620	19,298	2%
Interest on long-term debt	1,091	852	-	-	1,091	852	28%
<b>*Total Program Expenses</b>	377,935	353,709	22,480	18,901	400,415	372,610	7%
Excess (deficiency) before transfers (net)	27,919	5,234	(6,091)	(5,628)	21,828	(394)	-5640%
Transfers	(7,591)	(4,039)	7,591	2,933	-	(1,106)	100%
<b>Change In Net Position</b>	20,328	1,195	1,500	(2,695)	21,828	(1,500)	1555%
Beginning net position	261,747	262,598	(200)	2,496	261,547	265,094	-1%
Prior period adjustments	-	(2,046)	-	-	-	(2,046)	-100%
Beginning net position, as restated	261,747	260,552	(200)	2,496	261,547	263,048	-1%
*Ending net position	\$ 282,075	\$ 261,747	\$ 1,300	\$ (199)	\$ 283,375	\$ 261,548	8%

\*Differences from financial statements due to rounding

## Program Expenses and Revenues for Governmental Activities

Table 4 below presents program expenses and revenues for governmental activities. The nature of governmental activities is to be funded primarily from taxes and not to be self-supporting. As a result, overall program revenues were not sufficient to cover program expenses for governmental activities. General revenues, mainly taxes, therefore supported the net program expenses of these governmental activities. Program revenues as a percentage of program expenses increased to 23% from fiscal year 2023 to fiscal year 2024.

Table 4

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

	<b>Program Expenses</b>	<b>Less Program Revenues</b>	<b>Net Program Expenses (a)</b>		<b>Program Revenues as a Percentage Program Expenses</b>	
	<b>2024</b>	<b>2024</b>	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
General government	\$ 83,613	\$ 8,274	\$ 75,339	\$ 63,770	10%	12%
Public safety	169,620	50,943	118,677	124,681	30%	24%
Physical environment	20,756	14,197	6,559	13,870	68%	13%
Transportation	17,063	380	16,683	17,303	2%	1%
Economic environment	12,116	1,487	10,629	9,613	12%	25%
Human services	39,157	104	39,053	33,954	0%	3%
Culture and recreation	14,899	737	14,162	15,196	5%	2%
Judicial	19,620	10,046	9,574	8,523	51%	56%
Interest on long-term debt	1,091	-	1,091	852	N/A	N/A
*Total governmental activities	<u>\$377,935</u>	<u>\$ 86,168</u>	<u>\$ 291,767</u>	<u>\$ 287,762</u>	<u>23%</u>	<u>19%</u>

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

\*Differences from financial statements due to rounding

## Program Expenses and Revenues for Business-type Activities

Table 5 below presents program expenses and revenues for business-type activities. Revenues are not sufficient to cover program expenses in FY 2024. Program revenues as a percentage of expenses increased to 61% from 2023 to 2024. The program expenses increased by \$1 million compared to 2023. In 2024, the estimated liability for closure/post closure cost for the Landfill increased by \$5.5 million, whereas in 2023 there was an increase of \$4.1 million. This increase along with operating expense increases resulted in an increase in the program revenues as a percentage of expenses.

Table 5

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

	<u>Program Expenses</u>	<u>Less Program Revenues</u>	<u>Net Program Expenses</u>		<u>Program Revenues as a Percentage of Program Expenses</u>	
	2024	2024	2024	2023	2024	2023
Landfill	\$ 22,480	\$ 13,775	\$ 8,705	\$ 7,685	61%	59%

\*Differences from financial statements due to rounding

### Overall Analysis

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

The County's net position (excess of assets and deferred outflows over liabilities and deferred inflows) at the close of fiscal year 2024 is \$282,074,727, as compared to \$261,747,988 for fiscal year 2023, for governmental activities. The County's business-type activities net position (excess of assets and deferred outflows over liabilities and deferred inflows) at the close of fiscal year 2024 is \$1,300,011 as compared to \$(199,733) for fiscal year 2023. (Please see the Statement of Activities discussed previously for an explanation of the differences above.)

The County's total net position increased by \$21,826,483 during fiscal year 2024, as compared to a \$(3,546,158) decrease in fiscal year 2023. The net position of governmental activities increased by \$20,326,739 in fiscal year 2024, as compared to a decrease of \$(1,196,450) in 2023. The net position of business-type activities increased by \$1,499,744 in 2024, as compared to a decrease of \$(2,696,543) in 2023. (Please see the Statement of Activities discussed previously for an explanation of the differences above.)

## **Fund Analysis**

The following funds experienced significant changes during the year:

### **Governmental Funds**

The County's governmental funds reported a combined ending fund balance of \$197,724,042 for fiscal year 2024, as compared to \$204,145,455 for fiscal year 2023. This decrease in fund balance is a planned appropriation of expenditures primarily in the General Fund, Grants Fund, Fine and Forfeiture Fund and the Capital Improvement Fund. These appropriations allow the Board to maintain existing infrastructure over the next five years.

### **General Fund**

Fund balance at September 30, 2024 has decreased to a total of \$41,077,002, as compared to \$49,225,710 for September 30, 2023. This \$(8,148,708) decrease in fund balance in the General Fund represents an increase in general government, public safety, and debt service expenditures. The General Fund reserves are within policy limits and allowed the County to maintain the same property millage rates for 2025.

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

### **Fine & Forfeiture Fund**

Fund balance at September 30, 2024 totaled \$11,291,635, as compared to \$7,238,685 for September 30, 2023. This is an increase for the fiscal year and can be attributed to significant increases in tax revenues related to property value increases.

### **Grants Fund**

The fund balance at September 30, 2024 totaled \$5,326,885, as compared to the September 30, 2023 balance of \$17,462,584. This was a decrease of \$(12,135,699), primarily related to a decrease of pandemic recovery and relief efforts from the federal government in the current fiscal year. Grant expenditures increased as expected and will continue in following years to increase as projects close.

### **Emergency Medical Services Fund**

Fund balance at September 30, 2024 totaled \$15,524,853, as compared to \$10,185,068 for September 30, 2023. This was an increase of \$5,339,785. This increase can be attributed to increased tax revenue resulting from increased property values and an increase in the MTSU millage rate from 0.50 to 0.75.

### **Capital Improvement Fund**

Fund balance at September 30, 2024 totaled \$37,046,179, as compared to \$37,986,593 for September 30, 2023. This was a decrease of \$(940,414). This decrease can be attributed to a decrease in intergovernmental revenue and transfers in during fiscal year 2024.

### **Local Provider Participation Fund**

Fund balance at September 30, 2024, totaled \$2,181,537 as compared to \$2,039,726 for September 30, 2023. This was a decrease of \$(141,811). This decrease can be attributed to an increase in human services expenses during fiscal year 2024

### **Enterprise Funds**

The County's enterprise funds reported net position of \$719,152 for September 30, 2024, as compared to \$(520,338) for September 30, 2023, which is an increase of \$1,239,490. The increase in net position is due to an increase in transfers in from other funds to cover increased closure cost liabilities.

### **Budget Variances in the General Fund**

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

### **Capital Asset and Long-term Debt Activity**

#### **Capital Asset Activity**

The County reported \$337,215,837 in capital assets for governmental activities and \$7,960,059 in capital assets for business-type activities at September 30, 2024, versus \$313,969,372 for governmental and \$6,762,523 for business-type activities at September 30, 2023. Please refer to Note V in the Notes to the Financial Statements for additional information on capital assets and Note XVI in the Notes to the Financial Statements for additional information on construction commitments.

#### **Debt Administration Activity**

At September 30, 2024, the County had \$10,462,967 of outstanding bonded debt, as compared to \$14,653,116 at September 30, 2023. All of the County's debt is secured by specific general fund revenues, including sales tax, state revenue sharing, and specific other general fund revenues. The County has no general obligation bonds, which would be backed by the full faith and credit of the County. Leon County will finish paying off debt in 2036. There are no plans for financing any future infrastructure projects over the next five years. For more information on long-term debt activity, please see Note IX on Long-term Obligations in the Notes to the Financial Statements.

## **Economic Factors**

Economic activity was mixed in 2024 within Leon County as interest rate and inflation concerns affected construction, housing, and other sectors, but were offset by relatively strong employment numbers and continued post-pandemic tourism growth.

- Leon County's unemployment rate increased to 3.1% in FY 2024, which was slightly higher compared to the State of Florida's unemployment rate of 2.9%.
- Visitors to Leon County had an economic impact of \$1.32 billion in 2024, an increase of \$75.9 million or 6% compared to 2023.
- The Florida Price Index Level for Leon County decreased from 94.08 in 2023 to 91.05 in 2024.
- The total fair value of parcels with homestead exemption in Leon County increased from \$16.58 billion in 2023 to \$17.59 billion in 2024.
- Total employment in Leon County increased by 2.7% compared to the prior year.
- The estimated population in Leon County increased from 299,130 to 301,724 during FY 2024.
- Residential building permits issued in Leon County increased by 18% in 2024, from 5392 to 6,338.
- Mortgage foreclosure cases in Leon County decreased by 21% in 2024 when compared to 2023.

## **Request for Information**

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

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Leon County, Florida  
Statement of Net Position  
September 30, 2024

	Governmental Activities	Business-type Activities - Landfill Fund	Total	Component Unit - Housing Finance Authority
<b>Assets</b>				
Current assets:				
Cash	\$ 32,301,402	\$ 400	\$ 32,301,802	\$ 2,300,517
Investments	185,223,608	1,634,017	186,857,625	-
Accounts receivable	12,099,660	1,616,493	13,716,153	29,971
Lease receivables	1,594,522	-	1,594,522	-
Receivables from other governments	20,066,622	-	20,066,622	19,369
Special assessments receivable	26,996,569	-	26,996,569	-
Inventories	1,401,527	1,733	1,403,260	-
Prepays	1,289,537	-	1,289,537	-
Total current assets	<u>280,973,447</u>	<u>3,252,643</u>	<u>284,226,090</u>	<u>2,349,857</u>
Noncurrent assets:				
Restricted assets:				
Investments	-	19,924,585	19,924,585	-
Lease receivables	5,411,936	-	5,411,936	-
Mortgage loans, net of allowance	-	-	-	278,092
Capital assets:				
Land and construction in progress, nondepreciable	104,340,354	3,354,203	107,694,557	-
Capital assets (net)	232,875,483	4,605,856	237,481,339	-
Total noncurrent assets	<u>342,627,773</u>	<u>27,884,644</u>	<u>370,512,417</u>	<u>278,092</u>
Total assets	<u>623,601,220</u>	<u>31,137,287</u>	<u>654,738,507</u>	<u>2,627,949</u>
<b>Deferred outflows of resources:</b>				
Deferred outflows of resources	69,035,897	-	69,035,897	-
Total deferred outflows of resources	<u>69,035,897</u>	<u>-</u>	<u>69,035,897</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 692,637,117</u>	<u>\$ 31,137,287</u>	<u>\$ 723,774,404</u>	<u>\$ 2,627,949</u>

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

	<b>Governmental Activities</b>	<b>Business-type Activities - Landfill Fund</b>	<b>Total</b>	<b>Component Unit - Housing Finance Authority</b>
<b>Liabilities</b>				
Current liabilities:				
Accounts payable and accrued liabilities	\$ 25,177,261	\$ 2,671,889	\$ 27,849,150	\$ 1,710
Payable to other governments	29,815,770	10,115	29,825,885	-
Internal balances	854,067	(854,067)	-	-
Accrued compensated absences	6,496,445	81,566	6,578,011	-
Unearned revenues	14,020,523	2,711	14,023,234	-
Bonds payable	4,271,858	-	4,271,858	-
Notes payable	1,025,000	-	1,025,000	-
Other post employment benefits obligations	5,056,516	-	5,056,516	-
Claims payable	4,868,084	-	4,868,084	-
Good faith deposits	-	-	-	50,000
Lease liability	2,314,167	-	2,314,167	-
Subscription liability	2,032,810	-	2,032,810	-
Total current liabilities	<u>95,932,501</u>	<u>1,912,214</u>	<u>97,844,715</u>	<u>51,710</u>
Noncurrent liabilities:				
Deposits	227,828	-	227,828	-
Estimated liability for landfill closure and postclosure care costs	-	27,566,344	27,566,344	-
Arbitrage rebate liability	25,000	-	25,000	-
Accrued compensated absences	13,975,582	127,488	14,103,070	-
Other postemployment benefits obligation	32,807,844	231,230	33,039,074	-
Net pension liability	189,305,702	-	189,305,702	-
Bonds payable	6,238,501	-	6,238,501	-
Notes payable	12,555,000	-	12,555,000	-
Lease liability	10,320,860	-	10,320,860	-
Subscription liability	2,596,725	-	2,596,725	-
Total noncurrent liabilities	<u>268,053,042</u>	<u>27,925,062</u>	<u>295,978,104</u>	<u>-</u>
Total liabilities	<u>363,985,543</u>	<u>29,837,276</u>	<u>393,822,819</u>	<u>51,710</u>
<b>Deferred inflows of resources:</b>				
Deferred inflows of resources	46,576,847	-	46,576,847	-
Total deferred inflows of resources	<u>46,576,847</u>	<u>-</u>	<u>46,576,847</u>	<u>-</u>
<b>Net position</b>				
Net investment in capital assets	295,860,916	7,960,059	303,820,975	-
Restricted for:				
Federal and state grants and other purpose	7,106,526	-	7,106,526	-
Major non-transportation related capital projects and facilities	72,310,645	-	72,310,645	-
Public improvement revenue bond projects	17,376,677	-	17,376,677	-
Enabling legislation	14,102,182	-	14,102,182	-
User restricted	808,928	-	808,928	-
Unrestricted	(125,491,147)	(6,660,048)	(132,151,195)	2,576,239
Total net position	<u>282,074,727</u>	<u>1,300,011</u>	<u>283,374,738</u>	<u>2,576,239</u>
Total liabilities and net position	<u>\$ 692,637,117</u>	<u>\$ 31,137,287</u>	<u>\$ 723,774,404</u>	<u>\$ 2,627,949</u>

Leon County, Florida

Statement of Activities

September 30, 2024

Function/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	
<b>Primary Government</b>				
Governmental activities:				
General government	\$ 83,612,776	\$ 7,755,364	\$ 518,367	\$ -
Public safety	169,620,351	37,228,287	13,714,314	-
Physical environment	20,756,312	2,019,076	12,178,396	-
Transportation	17,062,589	380,468	-	-
Economic environment	12,116,334	641,660	845,036	-
Human services	39,157,399	-	103,847	-
Culture and recreation	14,898,780	190,631	546,147	-
Judicial	19,619,643	6,886,105	3,160,119	-
Interest on long-term debt	1,090,738	-	-	-
Total governmental activities	<u>377,934,922</u>	<u>55,101,591</u>	<u>31,066,226</u>	<u>-</u>
<b>Business-type activities:</b>				
Landfill	22,480,040	13,774,698	-	-
Total business-type activities	<u>22,480,040</u>	<u>13,774,698</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 400,414,962</u>	<u>\$ 68,876,289</u>	<u>\$ 31,066,226</u>	<u>\$ -</u>
<b>Component Unit:</b>				
Economic environment	187,340	162,118	-	-
Total component unit	<u>\$ 187,340</u>	<u>\$ 162,118</u>	<u>\$ -</u>	<u>\$ -</u>

**General Revenues:**

Property taxes  
 Local option taxes  
 Communication services taxes  
 Motor fuel taxes  
 Utility services taxes  
 Other taxes  
 State shared revenues  
 Net increase (decrease) in fair value of investments  
 Miscellaneous revenues  
 Transfers and contributions  
 Total general revenues and transfers  
 Change in net position  
 Net position - beginning  
 Prior period adjustments  
 Net position - beginning, as restated  
 Net position - ending

**Net (Expenses) Revenues and Changes in Net Position**

<b>Primary Government</b>			<b>Component Unit</b>
<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	<b>Housing Finance Authority</b>
\$ (75,339,045)	\$ -	\$ (75,339,045)	\$ -
(118,677,750)	-	(118,677,750)	-
(6,558,840)	-	(6,558,840)	-
(16,682,121)	-	(16,682,121)	-
(10,629,638)	-	(10,629,638)	-
(39,053,552)	-	(39,053,552)	-
(14,162,002)	-	(14,162,002)	-
(9,573,419)	-	(9,573,419)	-
(1,090,738)	-	(1,090,738)	-
<u>(291,767,105)</u>	<u>-</u>	<u>(291,767,105)</u>	<u>-</u>
-	(8,705,342)	(8,705,342)	-
-	(8,705,342)	(8,705,342)	-
<u>\$ (291,767,105)</u>	<u>\$ (8,705,342)</u>	<u>\$ (300,472,447)</u>	<u>\$ -</u>
-	-	-	(25,222)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (25,222)</u>
\$ 205,793,049	\$ -	\$ 205,793,049	\$ -
65,005,763	-	65,005,763	-
2,422,603	-	2,422,603	-
1,401,129	-	1,401,129	-
10,834,492	-	10,834,492	-
-	1,866,243	1,866,243	-
13,086,118	-	13,086,118	-
14,454,377	324,508	14,778,885	105,402
6,687,885	422,763	7,110,648	181,425
(7,591,572)	7,591,572	-	-
<u>312,093,844</u>	<u>10,205,086</u>	<u>322,298,930</u>	<u>286,827</u>
20,326,739	1,499,744	21,826,483	261,605
261,747,988	(199,733)	261,548,255	2,263,634
-	-	-	51,000
<u>261,747,988</u>	<u>(199,733)</u>	<u>261,548,255</u>	<u>2,314,634</u>
<u>\$ 282,074,727</u>	<u>\$ 1,300,011</u>	<u>\$ 283,374,738</u>	<u>\$ 2,576,239</u>

Leon County, Florida

Balance Sheet - Governmental Funds

September 30, 2024

	<u>General Fund</u>	<u>Fine and Forfeiture Fund</u>	<u>Grants Fund</u>	<u>Emergency Medical Services Fund</u>	<u>Local Provider Participation Fund</u>
<b>Assets</b>					
Cash	\$ 25,577,085	\$ 76,132	\$ 666,507	\$ -	\$ -
Investments	23,875,851	8,885,635	8,718,105	9,036,362	1,307,579
Receivables:					
Accounts	2,117,433	12,898	-	7,034,963	-
Lease receivables	1,071,009	-	-	-	-
Due from other governments	3,323,551	-	13,501,861	-	-
Special assessments	-	-	-	-	26,115,055
Due from other funds	4,704,074	3,993,144	1,537,602	176,289	-
Inventories	1,304,193	-	-	-	-
Prepays	694,552	-	92,958	33,455	-
Total assets	<u>\$ 62,667,748</u>	<u>\$ 12,967,809</u>	<u>\$ 24,517,033</u>	<u>\$ 16,281,069</u>	<u>\$ 27,422,634</u>
<b>Liabilities, deferred inflows of resources, and fund balances</b>					
Liabilities:					
Accounts payable	\$ 5,983,464	\$ 4,924	\$ 5,000,214	\$ 298,581	\$ -
Accrued liabilities	6,862,106	-	5,791	456,249	-
Due to other governments	1,179,575	3,588	-	1,386	25,382,908
Due to other funds	6,470,298	1,519,674	2,183,213	-	-
Deposits	35,976	147,988	-	-	-
Unearned revenues	-	-	12,000,930	-	-
Total liabilities	<u>20,531,419</u>	<u>1,676,174</u>	<u>19,190,148</u>	<u>756,216</u>	<u>25,382,908</u>
Deferred inflows of resources:					
Deferred inflow of resources	<u>1,059,327</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows	<u>1,059,327</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:					
Nonspendable	1,998,745	-	92,958	33,455	-
Restricted	-	225,998	4,567,420	-	2,039,726
Committed	6,141,795	1,693,745	666,507	15,491,398	-
Assigned	6,085,157	9,371,892	-	-	-
Unassigned	26,851,305	-	-	-	-
Total fund balances	<u>41,077,002</u>	<u>11,291,635</u>	<u>5,326,885</u>	<u>15,524,853</u>	<u>2,039,726</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 62,667,748</u>	<u>\$ 12,967,809</u>	<u>\$ 24,517,033</u>	<u>\$ 16,281,069</u>	<u>\$ 27,422,634</u>

<b>Capital Improvement Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 26,429	\$ 5,421,088	\$ 31,767,241
37,808,184	85,187,183	174,818,899
54,882	2,302,155	11,522,331
-	5,935,449	7,006,458
-	3,214,253	20,039,665
-	881,514	26,996,569
282,527	1,607,955	12,301,591
-	2,363	1,306,556
190,749	175,077	1,186,791
<u>\$ 38,362,771</u>	<u>\$ 104,727,037</u>	<u>\$ 286,946,101</u>

\$ 1,202,738	\$ 4,280,551	\$ 16,770,472
-	466,421	7,790,567
-	3,240,928	29,808,385
13,854	2,848,019	13,035,058
-	43,864	227,828
100,000	1,919,593	14,020,523
<u>1,316,592</u>	<u>12,799,376</u>	<u>81,652,833</u>

-	6,509,899	7,569,226
-	6,509,899	7,569,226

190,749	177,440	2,493,347
36,855,430	68,016,384	111,704,958
-	14,290,012	38,283,457
-	3,016,398	18,473,447
-	(82,472)	26,768,833
<u>37,046,179</u>	<u>85,417,762</u>	<u>197,724,042</u>
<u>\$ 38,362,771</u>	<u>\$ 104,727,037</u>	<u>\$ 286,946,101</u>

Leon County, Florida

Reconciliation of the Balance Sheet of Governmental Funds  
to the Statement of Net Position

Year ended September 30, 2024

Total fund balances of governmental funds \$ 197,724,042

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources, and therefore are not reported as assets in governmental funds.

Governmental capital assets	857,522,022	
Less accumulated depreciation/amortization	<u>(520,306,185)</u>	337,215,837

Long-term liabilities and deferred outflows/inflows of resources including bonds payable are not due or payable in the current period and, therefore, are not reported in the governmental funds.

Bonds and notes payable	(24,042,967)	
Unamortized premium on bonds payable	(47,392)	
Lease liability	(12,635,027)	
Subscription liability	(4,629,535)	
OPEB related deferred inflows	(17,830,153)	
OPEB related deferred outflows	18,223,143	
Pension related deferred outflows	50,812,754	
Pension related deferred inflows	(21,177,468)	
Net pension liability	(189,305,702)	
Compensated absences, net of internal service amount	(19,981,525)	
Other postemployment benefits, net of internal service amount	(37,767,531)	
Arbitrage rebate liability	<u>(25,000)</u>	(258,406,403)

Internal service funds are used by management to charge the costs of gasoline, vehicle repair, risk management, and telephone services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.

	<u>5,541,251</u>	
Total net position of governmental activities		<u><u>\$ 282,074,727</u></u>

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

Leon County, Florida

Statement of Revenues, Expenditures, and Changes in Fund Balances -  
Governmental Funds

Year ended September 30, 2024

	<b>General Fund</b>	<b>Fine and Forfeiture Fund</b>	<b>Grants Fund</b>	<b>Emergency Medical Services Fund</b>
<b>Revenues</b>				
Taxes	\$ 91,879,191	\$ 111,879,896	\$ -	\$ 16,721,496
Licenses and permits	-	-	-	-
Intergovernmental	11,833,366	13,847	17,484,527	218,400
Charges for services	7,765,764	608,377	83,526	21,030,237
Fines and forfeitures	-	60,608	-	-
Interest	3,516,189	1,300,326	679,806	693,999
Net increase (decrease) in fair value of investments	478,187	59,389	-	72,437
Miscellaneous	1,120,395	-	65,261	87,384
<b>Total revenues</b>	<b>116,593,092</b>	<b>113,922,443</b>	<b>18,313,120</b>	<b>38,823,953</b>
<b>Expenditures</b>				
Current:				
General government	58,873,689	-	-	-
Public safety	98,683,206	3,742,860	3,197,654	31,475,292
Physical environment	2,495,321	-	1,100,680	-
Transportation	630	-	167,272	-
Economic environment	3,653,408	-	36,025	-
Human services	9,232,659	-	30,233	-
Culture and recreation	6,177,002	-	207,214	-
Judicial	9,805,864	2,285,700	2,328	-
Debt service:				
Principal retirement	5,303,300	-	-	-
Interest and fiscal charges	602,462	-	-	-
Capital outlay	9,265,862	-	26,433,692	1,987,438
<b>Total expenditures</b>	<b>204,093,403</b>	<b>6,028,560</b>	<b>31,175,098</b>	<b>33,462,730</b>
Excess (deficiency) of revenues over (under) expenditures	(87,500,311)	107,893,883	(12,861,978)	5,361,223
<b>Other financing sources (uses)</b>				
Transfers in	107,351,214	3,833,994	792,695	-
Lease financing	1,816,132	-	-	-
Subscription financing	4,380,052	-	-	-
Transfers out	(34,195,795)	(107,674,927)	(66,416)	(21,438)
<b>Total other financing sources (uses)</b>	<b>79,351,603</b>	<b>(103,840,933)</b>	<b>726,279</b>	<b>(21,438)</b>
Net change in fund balances	(8,148,708)	4,052,950	(12,135,699)	5,339,785
Fund balances, October 1	49,225,710	7,238,685	17,462,584	10,185,068
<b>Fund balances, September 30</b>	<b>\$ 41,077,002</b>	<b>\$ 11,291,635</b>	<b>\$ 5,326,885</b>	<b>\$ 15,524,853</b>

<b>Local Provider Participation Fund</b>	<b>Capital Improvement Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 26,115,055	\$ -	\$ 38,861,398	\$ 285,457,036
-	-	4,030,791	4,030,791
-	-	14,602,170	44,152,310
-	-	21,289,769	50,777,673
-	-	232,519	293,127
157,624	1,841,067	4,187,471	12,376,482
-	519,806	935,225	2,065,044
-	8,373	5,274,255	6,555,668
<u>26,272,679</u>	<u>2,369,246</u>	<u>89,413,598</u>	<u>405,708,131</u>
-	2,990,645	943,179	62,807,513
-	-	24,215,769	161,314,781
-	641,338	8,608,215	12,845,554
-	-	14,673,964	14,841,866
-	-	8,299,989	11,989,422
26,414,490	-	3,087,805	38,765,187
-	17,237	7,986,113	14,387,566
-	34,561	7,521,025	19,649,478
-	426,244	5,511,372	11,240,916
-	18,626	517,040	1,138,128
-	5,765,936	18,904,166	62,357,094
<u>26,414,490</u>	<u>9,894,587</u>	<u>100,268,637</u>	<u>411,337,505</u>
<u>(141,811)</u>	<u>(7,525,341)</u>	<u>(10,855,039)</u>	<u>(5,629,374)</u>
-	6,705,022	23,166,886	141,849,811
-	279,905	-	2,096,037
-	-	311,223	4,691,275
-	(400,000)	(7,070,586)	(149,429,162)
-	6,584,927	16,407,523	(792,039)
(141,811)	(940,414)	5,552,484	(6,421,413)
2,181,537	37,986,593	79,865,278	204,145,455
<u>\$ 2,039,726</u>	<u>\$ 37,046,179</u>	<u>\$ 85,417,762</u>	<u>\$ 197,724,042</u>

Leon County, Florida

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of  
Governmental Funds to the to the Statement of Activities

Year ended September 30, 2024

Net change in fund balances - total governmental funds		\$	(6,421,413)
Amounts reported for governmental activities in the Statement of Activities are different because:			
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.			
Expenditures for capital assets/leases	54,592,202		
Less current year depreciation and amortization	<u>(31,166,734)</u>		23,425,468
Repayment of leases/subscription liabilities/bond/loan principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.			
			11,240,916
Lease financings and debt issuances provide current financial resources to governmental funds, but increase long-term liabilities in the Statement of Net Position.			
			(6,787,312)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.			
Amortization of current year bond discount/premium	47,390		
Change in other postemployment benefits	(3,325,211)		
Change in compensated absences	(2,498,631)		
Change in net pension liability	<u>1,227,301</u>		(4,549,151)
Internal service funds are used by management to charge the costs of gasoline, vehicle repair, risk management, and telephone services to individual funds.			
			<u>3,418,231</u>
Change in net position of governmental activities		\$	<u><u>20,326,739</u></u>

Leon County, Florida

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
General Fund

Year ended September 30, 2024

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$ 91,438,108	\$ 91,438,108	\$ 91,879,191	\$ 441,083
Intergovernmental	10,677,097	10,677,097	11,833,366	1,156,269
Charges for services	7,909,116	7,955,874	7,765,764	(190,110)
Interest	2,112,100	2,112,100	3,516,189	1,404,089
Net increase (decrease) in fair value of investments	-	-	478,187	478,187
Miscellaneous	242,600	242,600	1,120,395	877,795
Total revenues	<u>112,379,021</u>	<u>112,425,779</u>	<u>116,593,092</u>	<u>4,167,313</u>
<b>Expenditures</b>				
Current:				
General government	57,973,637	71,337,032	58,873,689	12,463,343
Public safety	101,503,477	101,825,063	98,683,206	3,141,857
Physical environment	2,902,784	2,702,784	2,495,321	207,463
Transportation	-	-	630	(630)
Economic environment	3,501,920	3,723,441	3,653,408	70,033
Human services	9,875,746	10,133,864	9,232,659	901,205
Culture and recreation	6,586,954	6,401,988	6,177,002	224,986
Judicial	6,164,894	6,056,024	9,805,864	(3,749,840)
Debt service:				
Principal retirement	-	-	5,303,300	(5,303,300)
Interest and fiscal charges	-	-	602,462	(602,462)
Capital outlay	2,860,355	5,126,108	9,265,862	(4,139,754)
Total expenditures	<u>191,369,767</u>	<u>207,306,304</u>	<u>204,093,403</u>	<u>3,212,901</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(78,990,746)</u>	<u>(94,880,525)</u>	<u>(87,500,311)</u>	<u>7,380,214</u>
<b>Other financing sources (uses)</b>				
Transfers in	137,285,526	139,473,419	107,351,214	(32,122,205)
Lease financing	-	-	1,816,132	1,816,132
Subscription financing	-	-	4,380,052	4,380,052
Transfers out	(58,866,070)	(63,951,287)	(34,195,795)	29,755,492
Total other financing sources (uses)	<u>78,419,456</u>	<u>75,522,132</u>	<u>79,351,603</u>	<u>3,829,471</u>
Net change in fund balances	(571,290)	(19,358,393)	(8,148,708)	11,209,685
Fund balances at October 1	49,225,710	49,225,710	49,225,710	-
Fund balances at September 30	<u>\$ 48,654,420</u>	<u>\$ 29,867,317</u>	<u>\$ 41,077,002</u>	<u>\$ 11,209,685</u>

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

Leon County, Florida

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
Fine & Forfeiture Fund

Year ended September 30, 2024

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$ 109,367,368	\$ 109,367,368	\$ 111,879,896	\$ 2,512,528
Intergovernmental	16,245	16,245	13,847	(2,398)
Charges for services	622,022	622,022	608,377	(13,645)
Fines and forfeitures	101,935	101,935	60,608	(41,327)
Interest	532,565	532,565	1,300,326	767,761
Net increase (decrease) in fair value of investments	-	-	59,389	59,389
Miscellaneous	-	70,000	-	(70,000)
Total revenues	<u>110,640,135</u>	<u>110,710,135</u>	<u>113,922,443</u>	<u>3,212,308</u>
<b>Expenditures</b>				
Current:				
Public safety	3,904,347	4,004,347	3,742,860	261,487
Judicial	2,648,795	2,648,795	2,285,700	363,095
Total expenditures	<u>6,553,142</u>	<u>6,653,142</u>	<u>6,028,560</u>	<u>624,582</u>
Excess (deficiency) of revenues over (under) expenditures	<u>104,086,993</u>	<u>104,056,993</u>	<u>107,893,883</u>	<u>3,836,890</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	1,519,674	3,833,994	2,314,320
Transfers out	<u>(104,086,993)</u>	<u>(107,674,927)</u>	<u>(107,674,927)</u>	-
Total other financing sources (uses)	<u>(104,086,993)</u>	<u>(106,155,253)</u>	<u>(103,840,933)</u>	<u>2,314,320</u>
Net change in fund balances	-	(2,098,260)	4,052,950	6,151,210
Fund balances at October 1	<u>7,238,685</u>	<u>7,238,685</u>	<u>7,238,685</u>	-
Fund balances at September 30	<u>\$ 7,238,685</u>	<u>\$ 5,140,425</u>	<u>\$ 11,291,635</u>	<u>\$ 6,151,210</u>

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

Leon County, Florida

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
Grants Fund

Year ended September 30, 2024

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
<b>Revenues</b>				
Intergovernmental	\$ 547,720	\$ 50,800,376	\$ 17,484,527	\$ (33,315,849)
Charges for services	80,000	242,815	83,526	(159,289)
Interest	-	1,178,750	679,806	(498,944)
Miscellaneous	-	875,945	65,261	(810,684)
Total revenues	<u>627,720</u>	<u>53,097,886</u>	<u>18,313,120</u>	<u>(34,784,766)</u>
<b>Expenditures</b>				
Current:				
Public safety	743,623	6,979,610	3,197,654	3,781,956
Physical environment	-	2,810,247	1,100,680	1,709,567
Transportation	-	488,897	167,272	321,625
Economic environment	50,000	1,420,695	36,025	1,384,670
Human services	38,026	53,571	30,233	23,338
Culture and recreation	5,500	368,997	207,214	161,783
Judicial	92,328	130,828	2,328	128,500
Capital outlay	69,500	60,601,814	26,433,692	34,168,122
Total expenditures	<u>998,977</u>	<u>72,854,659</u>	<u>31,175,098</u>	<u>41,679,561</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(371,257)</u>	<u>(19,756,773)</u>	<u>(12,861,978)</u>	<u>6,894,795</u>
<b>Other financing sources (uses)</b>				
Transfers in	371,257	792,695	792,695	-
Transfers out	-	(1,586,090)	(66,416)	1,519,674
Total other financing sources (uses)	<u>371,257</u>	<u>(793,395)</u>	<u>726,279</u>	<u>1,519,674</u>
Net change in fund balances	-	(20,550,168)	(12,135,699)	8,414,469
Fund balances at October 1	17,462,584	17,462,584	17,462,584	-
Fund balances at September 30	<u>\$ 17,462,584</u>	<u>\$ (3,087,584)</u>	<u>\$ 5,326,885</u>	<u>\$ 8,414,469</u>

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

Leon County, Florida

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
Emergency Medical Services Fund

Year ended September 30, 2024

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$ 16,430,008	\$ 16,430,008	\$ 16,721,496	\$ 291,488
Intergovernmental	-	218,400	218,400	-
Charges for services	16,205,279	18,553,279	21,030,237	2,476,958
Interest	270,560	270,560	693,999	423,439
Net increase (decrease) in fair value of investments	-	-	72,437	72,437
Miscellaneous	77,900	77,900	87,384	9,484
Total revenues	<u>32,983,747</u>	<u>35,550,147</u>	<u>38,823,953</u>	<u>3,273,806</u>
<b>Expenditures</b>				
Current:				
Public safety	30,265,406	32,868,500	31,475,292	1,393,208
Capital outlay	2,528,000	5,281,001	1,987,438	3,293,563
Total expenditures	<u>32,793,406</u>	<u>38,149,501</u>	<u>33,462,730</u>	<u>4,686,771</u>
Excess (deficiency) of revenues over (under) expenditures	<u>190,341</u>	<u>(2,599,354)</u>	<u>5,361,223</u>	<u>7,960,577</u>
<b>Other financing sources (uses)</b>				
Transfers out	<u>(329,100)</u>	<u>(350,538)</u>	<u>(21,438)</u>	<u>329,100</u>
Total other financing sources (uses)	<u>(329,100)</u>	<u>(350,538)</u>	<u>(21,438)</u>	<u>329,100</u>
Net change in fund balances	(138,759)	(2,949,892)	5,339,785	8,289,677
Fund balances at October 1	10,185,068	10,185,068	10,185,068	-
Fund balances at September 30	<u>\$ 10,046,309</u>	<u>\$ 7,235,176</u>	<u>\$ 15,524,853</u>	<u>\$ 8,289,677</u>

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

Leon County, Florida

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
Local Provider Participation Fund

Year ended September 30, 2024

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$ -	\$ 26,115,055	\$ 26,115,055	\$ -
Interest	-	-	157,624	157,624
Total revenues	-	26,115,055	26,272,679	157,624
<b>Expenditures</b>				
Current:				
Human services	-	26,115,055	26,414,490	(299,435)
Total expenditures	-	26,115,055	26,414,490	(299,435)
Net change in fund balances	-	-	(141,811)	(141,811)
Fund balances at October 1	2,181,537	2,181,537	2,181,537	-
Fund balances at September 30	<u>\$ 2,181,537</u>	<u>\$ 2,181,537</u>	<u>\$ 2,039,726</u>	<u>\$ (141,811)</u>

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

Leon County, Florida

Statement of Net Position - Proprietary Funds

September 30, 2024

	<b>Business-type Activities - Landfill Fund</b>	<b>Business-type Activities - Internal Service Funds</b>
<b>Assets</b>		
Current assets:		
Cash	\$ 400	\$ 234,160
Cash with fiscal agent	-	300,000
Investments	1,634,017	10,404,709
Accounts receivable	1,616,493	577,330
Due from other funds	367,329	368,457
Due from other governments	-	26,957
Inventories	1,733	94,971
Prepays	-	102,746
Total current assets	<u>3,619,972</u>	<u>12,109,330</u>
Noncurrent assets:		
Restricted investments	19,924,585	-
Capital assets:		
Nondepreciable capital assets	3,354,203	-
Depreciable capital assets, net	4,511,735	94,121
Total noncurrent assets	<u>27,790,523</u>	<u>94,121</u>
Total assets	<u>\$ 31,410,495</u>	<u>\$ 12,203,451</u>
<b>Liabilities</b>		
Current liabilities:		
Accounts payable	\$ 2,644,468	\$ 600,147
Accrued liabilities	27,421	16,075
Due to other governments	10,115	7,385
Due to other funds	-	2,319
Compensated absences	81,566	292,727
Claims payable	-	4,868,084
Deferred revenue	2,711	-
Liability for closure costs	6,900,000	-
Total current liabilities	<u>9,666,281</u>	<u>5,786,737</u>
Noncurrent liabilities:		
Liability for closure costs	20,666,344	-
Liability for compensation absences	127,488	197,775
Other post employment benefits	231,230	96,829
Total noncurrent liabilities	<u>21,025,062</u>	<u>294,604</u>
Total liabilities	<u>30,691,343</u>	<u>6,081,341</u>
<b>Net position</b>		
Net investment in capital assets	7,865,938	94,121
Unrestricted	(7,146,786)	6,027,989
Total net position	<u>719,152</u>	<u>6,122,110</u>
Total liabilities and net position	<u>\$ 31,410,495</u>	<u>\$ 12,203,451</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds		
	580,859	
Net position of business-type activities	<u>1,300,011</u>	

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

Leon County, Florida

Statement of Revenues, Expenses, and Changes in  
Fund Net Position - Proprietary Funds

Year ended September 30, 2024

	<b>Business-type Activities - Landfill Fund</b>	<b>Business-type Activities - Internal Service Funds</b>
<b>Operating revenues</b>		
Charges for services	\$ 13,608,566	\$ 12,053,434
Total operating revenues	<u>13,608,566</u>	<u>12,053,434</u>
<b>Operating expenses</b>		
Personnel services	2,220,492	845,847
Contractual services	12,958,792	166,766
Supplies	425,641	2,230,478
Communications services	38,497	702,265
Insurance	51,606	2,684,038
Utility services	85,522	-
Depreciation	502,807	10,457
Other services and charges	6,290,805	2,288,479
Total operating expenses	<u>22,574,162</u>	<u>8,928,330</u>
Operating (loss) income	<u>(8,965,596)</u>	<u>3,125,104</u>
<b>Nonoperating revenues</b>		
Taxes	1,866,243	-
Interest	297,882	433,387
Net increase (decrease) in fair value of investments	26,626	-
Miscellaneous	422,763	-
Total nonoperating revenues	<u>2,613,514</u>	<u>433,387</u>
Income (loss) before transfers	(6,352,082)	3,558,491
Transfers in	7,684,757	132,845
Transfers out	(93,185)	(12,851)
Change in net position	<u>1,239,490</u>	<u>3,678,485</u>
Net position, October 1	(520,338)	2,443,625
Net position, September 30	<u>\$ 719,152</u>	<u>\$ 6,122,110</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	260,254	
Change in net position of business-type activities	<u>1,499,744</u>	

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

Leon County, Florida

Statement of Cash Flows - Proprietary Funds

Year ended September 30, 2024

	<b>Business-type Activities - Landfill Fund</b>	<b>Business-type Activities - Internal Service Funds</b>
<b>Cash flows from operating activities</b>		
Receipts from customers fees and other income	\$ 14,923,406	\$ -
Payments to suppliers	(14,231,500)	(8,081,873)
Payments to employees	(2,221,847)	(804,866)
Internal activity - payments to other funds	(64,108)	(381,021)
Internal activity - cash received from other funds	-	11,752,347
Claims paid	-	(1,757,656)
Net cash provided by (used in) operating activities	<u>(1,594,049)</u>	<u>726,931</u>
<b>Cash flows from noncapital financing activities</b>		
Tax proceeds	1,866,243	-
Receipts (payments) on interfund loans	(190,043)	20,346
Transfers received from other funds	7,684,757	255,070
Transfers to other funds	(93,185)	(12,851)
Net cash provided by (used in) noncapital financing activities	<u>9,267,772</u>	<u>262,565</u>
<b>Cash flows from capital and related financing activities</b>		
Acquisition and/or construction of capital assets	<u>(1,606,222)</u>	<u>(104,579)</u>
Net cash provided by (used in) capital and related financing activities	<u>(1,606,222)</u>	<u>(104,579)</u>
<b>Cash flows from investing activities</b>		
Net (purchases) proceeds from sales and maturities of investments	(20,662,849)	(2,057,170)
Interest and dividends received	299,610	433,387
Increase (decrease) in fair value of investments	26,626	-
Net cash provided by (used in) investing activities	<u>(20,336,613)</u>	<u>(1,623,783)</u>
Net cash increase (decrease) in cash	(14,269,112)	(738,866)
Cash at beginning of year (including \$13,709,521 included in restricted cash and investments)	14,269,512	1,273,026
Cash at end of year	<u>\$ 400</u>	<u>\$ 534,160</u>

(continued)

Leon County, Florida

Statement of Cash Flows - Proprietary Funds (continued)

Year ended September 30, 2024

	<b>Business-type Activities - Landfill Fund</b>	<b>Business-type Activities - Internal Service Funds</b>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities</b>		
Operating income (loss)	\$ (8,965,596)	\$ 3,125,104
Adjustments to reconcile operating income (loss) to net cash provided by (used) in operating activities:		
Other income	422,763	-
Depreciation expense	502,807	10,457
Changes in assets and liabilities:		
Receivables	902,572	(322,759)
Prepays	-	13,445
Due from other funds	-	32,296
Due from other governments	(12,502)	-
Accounts payable and other liabilities	77,631	207,837
Due to other funds	-	(401,367)
Accrued expenses	(1,355)	(4,652)
Other current liabilities	-	(1,979,063)
Revenues received in advance	(10,495)	-
Estimated liability for closure costs/maintenance	5,490,126	-
Other accrued liabilities	-	45,633
Net cash provided by (used in) operating activities:	<u>\$ (1,594,049)</u>	<u>\$ 726,931</u>

Leon County, Florida

Statement of Fiduciary Net Position  
Custodial Funds

September 30, 2024

	<b>Total Custodial Funds</b>
<b>Assets</b>	
Cash	\$ 7,339,377
Investments	3,431,688
Accounts receivable	443,394
Due from other governments	2,587
Total assets	<u>\$ 11,217,046</u>
<b>Liabilities</b>	
Accounts payable	\$ 476,438
Due to other governments	1,895,999
Installment tax deposits	2,360,873
Total liabilities	<u>4,733,310</u>
<b>Net position</b>	
Restricted for:	
Individuals, organizations, and other governments	<u>6,483,736</u>
Total net position	<u>6,483,736</u>
Total liabilities and net position	<u>\$ 11,217,046</u>

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

Leon County, Florida

Statement of Changes in Fiduciary Net Position  
Custodial Funds

Year ended September 30, 2024

	<b>Total Custodial Funds</b>
<b>Additions</b>	
Property taxes and fees collected	\$ 425,149,942
Fees and other amounts collected on behalf of other governments	740,076
Tourist development taxes collected	9,013,754
License, registrations, and vessel fees collected	23,477,479
Receipt of registry for court from citizens	4,914,715
Sales taxes collected	6,274,820
Bonds, deposits, and other court related collections	3,497,074
Other taxes and fees collected	78,293
Interest earnings	1,242,583
Inmate funds collected	769,423
Contracts and other miscellaneous collected	355,881
Evidence monies collected	103,057
Fines and forfeitures fees collected	572,634
Total additions	<u>476,189,731</u>
<b>Deductions</b>	
Property taxes and fees distributed	425,149,942
Fees and other amounts distributed to other governments	853,733
Tourist development taxes distributed	9,013,754
License, registrations, and vessel fees distributed	23,477,479
Disbursement of registry for court from citizens	3,933,621
Sales taxes distributed	6,274,820
Bonds, deposits, and other court related distributions	3,469,049
Other taxes and fees distributed	78,293
Interest earnings	1,110,368
Inmate funds disbursed	770,260
Contracts and other miscellaneous disbursed	357,456
Evidence monies disbursed	88,633
Fines and forfeitures and fees disbursed	572,634
Transfers out	132,215
Total deductions	<u>475,282,257</u>
Net increase (decrease) in fiduciary net position	<u>907,474</u>
Net position at beginning of year	5,576,262
Net position at end of year	<u>\$ 6,483,736</u>

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

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LEON COUNTY, FLORIDA  
NOTES TO FINANCIAL  
STATEMENTS SEPTEMBER 30, 2024

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Leon County, Florida  
Notes to Financial Statements

Year Ended September 30, 2024

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

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

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

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

**Component Unit**

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

Specific criteria used to determine financial accountability are:

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

Leon County, Florida  
Notes to Financial Statements

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**A. Reporting Entity (continued)**

**Component Unit (continued)**

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, 2024, the only component unit of the County is the Housing Finance Authority of Leon County (the Authority) which is discretely presented in a separate column on the County's financial statements.

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

The Authority's governing board is appointed by the Board of County Commissioners; the budget is reviewed by the County; all bonds issued and contracts entered into must be approved by the County; the County may, at its sole discretion, and at any time, 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 County. Separate financial information for the Authority is available at 615 Paul Russell Road, Tallahassee, Florida 32301.

**Excluded from the Reporting Entity**

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

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

Children's Service Council of Leon County

Leon County School Board District

Fallschase Special Taxing District

Northwest Florida Water Management District

Tallahassee-Leon County Civic Center Authority

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

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**A. Reporting Entity (continued)**

**Consolidated Dispatch Agency**

In May 2012, the City of Tallahassee, Leon County, Florida, and the Leon County Sheriff's Office entered into an inter-local agreement authorized by Section 163.01, Florida Statutes. This agreement created 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 the County shall fund the CDA budget proportionately based upon the per capita population within the corporate limits of the City of Tallahassee for the City, and the per capita population within the unincorporated area of Leon County for the County, and a service cost allocation shall be included in the CDA's annual budget. Current audited financial statements may be obtained from the Consolidated Dispatch Agency, 300 S. Adams Street, Box A-19, Tallahassee, Florida 32301.

**Capital Region Transportation Planning Agency**

In December 2004, the Capital Region Transportation Planning Agency (CRTPA) was created through an inter-local agreement between the Florida Department of Transportation; the Counties of Leon, Gadsden, Jefferson and Wakulla; the Cities of Tallahassee, Chattahoochee, Gretna, Midway, Monticello, Quincy, St. Marks, Sopchoppy, Greensboro and 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 Tallahassee, Gretna, Midway, Quincy, Greensboro and Havana; and the Leon County School Board. The Gadsden County representative also represents the City of Chattahoochee; the Jefferson County representative also represents the City of Monticello; and the Wakulla representative also represents the Cities of St. Marks and Sopchoppy. There is one nonvoting representative from the Florida Department of Transportation.

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 to their weighted votes. As a participating member of CRTPA, Leon County has a limited share of financial responsibility for any such deficits. Current audited financial statements may be obtained from the Capital Region Transportation Planning Agency, 300 S. Adams Street, Box A-19, Tallahassee, Florida 32301.

**Blueprint Intergovernmental Agency**

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

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

Leon County, Florida  
Notes to Financial Statements

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**B. Measurement Focus and Basis of Accounting**

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

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

**Government-wide Financial Statements**

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

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

Leon County, Florida  
Notes to Financial Statements

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**B. Measurement Focus and Basis of Accounting (continued)**

**Fund Financial Statements**

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

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

**Governmental Funds**

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

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

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

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

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

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**B. Measurement Focus and Basis of Accounting (continued)**

**Fund Financial Statements (continued)**

Proprietary Funds

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

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

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

**C. Basis of Presentation**

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

**Governmental Major Funds:**

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

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

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

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

Emergency Medical Services — This fund is used to account for and report the financial resources committed to the costs of providing emergency medical and transport services. The major revenue sources are transport fees paid primarily by medical insurance and Medicare and the EMS Municipal Services Taxing Unit.

Local Provider Participation — This fund is used to account for and report the financial resources restricted to non-ad valorem special assessment revenue pursuant to the Directed Payment Program (DPP). The DPP is a local option that allows the establishment of non-ad valorem assessments to be charged solely to hospitals. Revenue generated is matched with federal funds to provide hospitals with supplemental Medicaid reimbursements.

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**C. Basis of Presentation (continued)**

**Governmental Major Funds: (continued)**

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

**Proprietary Major Fund:**

Landfill — This fund is used to account for and report the revenues, expenses, assets, and liabilities associated with the County landfill and transfer station.

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

**Other Fund Types:**

Internal Service Funds — These funds are used to account for and report the revenues, expenses, assets, and liabilities associated with fleet management, communications, and self-insurance services provided to other departments of the County on a cost-reimbursement basis, as well as report the funded and accrued compensated absences for the Clerk of the Circuit Court and Comptroller (the Clerk) only.

Custodial Funds — These funds are used to account for and report the collection and disbursement of monies by the County on behalf of other individuals, private organizations, and/or governments, such as cash bonds, traffic fines, support payments, and ad valorem taxes.

**Noncurrent Governmental Assets/Liabilities**

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

**D. Assets, Liabilities, and Net Position**

**Cash and Cash Equivalents**

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

**Investments**

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

**Receivables and Payables**

Receivables are shown net of an allowance for uncollectibles. The emergency medical services allowance used for the year ended September 30, 2024 is equal to 58% of current year billings.

Leon County, Florida  
Notes to Financial Statements

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

**Inventories and Prepaid Items**

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

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

**Restricted Assets**

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

**Capital Assets**

Capital assets include property, plant, equipment, and infrastructure assets. Infrastructure assets are defined as public domain fixed assets such as roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, lighting systems, and similar assets that are immovable and of value only to the government unit. All qualified infrastructure assets have been capitalized and included in the September 30, 2024 financial statements. Capital assets are reported on the government-wide financial statements in the applicable governmental or business-type activities column, as well as on the proprietary fund financial statements. Capital assets are defined by Section 274.02, Florida Statutes, to include items of a nonconsumable nature with a value of at least \$1,000 and a life of one year or more. The County maintains an administrative record of these assets. However, for reporting purposes, the capitalization threshold is \$20,000 for property, plant, and equipment; \$100,000 for building improvements; \$50,000 for improvements other than buildings; and \$200,000 for infrastructure. It is the County's policy to capitalize all acquired land and buildings. Capital assets are recorded at cost or estimated historical cost. Donated capital assets, donated works of art or similar items, and capital assets received in any service concession arrangement are reported at acquisition value. Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets.

The ranges of useful lives are as follows:

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

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

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

**Leases**

Leases are defined by the general government as the right to use an underlying asset. As lessee, the County recognizes a lease liability and an intangible right-of-use lease asset at the beginning of a lease unless the lease is considered a short-term lease or transfers ownership of the underlying asset. Right-of-use lease assets are measured based on the net present value of the future lease payments at inception, using the weighted average cost of capital, which approximates the incremental borrowing rate. Remeasurement of a lease liability occurs when there is a change in the lease term and/or other changes that are likely to have a significant impact on the lease liability. The County calculates the amortization of the discount on the lease liability and reports that amount as outflows of resources. Payments are allocated first to the 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 government-wide Statement of Net Position.

As lessor, the County recognizes a lease receivable. The lease receivable is measured using the net present value of future lease payments to be received for the lease term and the deferred inflows 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 inflows of resources will be reduced and will include a gain or loss for the difference. For lease contracts that are short-term, the County recognizes short-term lease payments as inflows of resources (revenues) based on the payment provisions of the lease contract. Liabilities are only recognized if payments are received in advance and receivables are only recognized if payments are received subsequent to the reporting period. Refer to Note VI for additional information regarding leases.

**Subscription Based Information Technology Arrangements**

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

**Unearned Revenues**

On the government-wide financial statements, revenues received in advance are reported as unearned revenues. Unearned revenues are recognized as revenue in the fiscal year in which they are earned, in accordance with the accrual basis of accounting. On the governmental fund financial statements, revenues received in advance or revenues which are measurable but not available are reported as unearned revenues, in accordance with the modified accrual basis of accounting.

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

**Landfill Closure Costs**

In accordance with the County's policy, based on U.S. Environmental Protection Agency rules and in accordance with Florida Law, the County sets aside funds for costs related to the County's landfill closure and post-closure care.

Within the Landfill Fund, deposits are made to the fund's Special Purpose Investment Account (SPIA) and Florida PRIME escrow accounts for the purpose of complying with the escrow requirements of Rule 17-701.630, Florida Administrative Code. This rule requires the County to annually deposit funds in an interest-bearing escrow account for the purpose of funding the minimum estimated landfill closure cost. These amounts are reported as "restricted assets" on the government-wide Statement of Net Position.

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

**Accrued Compensated Absences**

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

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

**Net Obligation for Pension Benefits**

The County offers retiree pension benefits for qualifying employees through the Florida Retirement System (FRS) pension plan. Following the provisions of GASB Statement No. 68 *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*, the County recognizes pension expenses and the related net pension liability, and deferred inflows and outflows of resources, which are reported as reconciling items between the fund and the government-wide presentations.

**Net Obligation for Other Postemployment Benefits**

The County offers retiree medical and life insurance benefits for qualifying employees that have retired from the Florida Retirement System (FRS) pension plan. Following the provisions of GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the County recognizes OPEB expenses and the related OPEB liability, and deferred inflows and outflows of resources. The OPEB liability is the difference between the total OPEB liability and the Plan's fiduciary net position. The Plan is currently unfunded. The OPEB liability is reported as a reconciling item between the fund and the government-wide presentations.

Leon County, Florida  
Notes to Financial Statements

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

**Obligation for Bond Arbitrage Rebate**

Pursuant to Section 148(f) of the U.S. Internal Revenue Code, the County must rebate to the United States Government the excess of interest earned from the investment of certain debt proceeds and pledged revenues over the yield rate of the applicable debt. The County uses the “revenue reduction” approach in accounting for rebatable arbitrage, which treats excess earnings as a reduction of revenue. The County recognizes an arbitrage liability as of September 30, 2024.

**Due to/from Other Funds**

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

**New Accounting Pronouncements**

In June 2022, the GASB issued Statement No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*. This statement enhances accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this statement are effective for financial statements for periods beginning after June 15, 2023. The County implemented GASB Statement No. 100 as of October 1, 2023. There was no impact on the County's beginning net position upon adoption of the new accounting standard.

**Net Position/Fund Balance**

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

In order to implement GASB Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions*, a County financial policy was written to define the different fund balance classifications for governmental funds and the order in which resources are used. There are five fund balance classifications for governmental funds.

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

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

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

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

**Net Position/Fund Balance (continued)**

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

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

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

**Reserves/Designations of Net Position**

The net position of the Insurance Service Fund is reserved for anticipated future catastrophic losses pursuant to County policy and GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*.

**II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**Budgets and Budgetary Accounting**

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

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

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

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

1. On or before May 1 of each year, the Clerk, Sheriff, and Supervisor of Elections submit to the Board of County Commissioners a tentative budget for the ensuing fiscal year. The tentative budget includes proposed expenditures and funding sources.
2. Section 195.087, Florida Statutes, governs the preparation, adoption and administration of the annual budget of the Property Appraiser and Tax Collector. The proposed operating budget is presented to the Board of County Commissioners on or before June 1 of each year by the Property Appraiser and on or before August 1 of each year by the Tax Collector. Their budgets are simultaneously submitted to the State of Florida, Department of Revenue, from which the approval of the budget of the Property Appraiser and Tax Collector must emanate.

Leon County, Florida  
Notes to Financial Statements

**II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (continued)**

**Budgets and Budgetary Accounting (continued)**

3. The tentative budget must be posted on the county's official website at least 2 days before the public hearing to consider such budget and must remain on the website for at least 45 days. Pursuant to the provisions of Section 129.01, Florida Statutes, the proposed budget as submitted contains balanced statements of estimated revenues (including unexpended fund balances to be carried forward) and proposed appropriations for each fund required to be presented by law or by sound financial practices, including the general, special revenue, debt service, and capital projects funds.
4. The County shall require such changes to be made as deemed necessary, provided the budget remains in balance and subject to the notice and public hearing requirements of Section 200.065, Florida Statutes, and the budget preparation and adoption procedures, as defined in Section 129.03, Florida Statutes.
5. Following the successful completion of the above referenced public hearings, the County advertises and subsequently conducts a second public hearing to finally adopt a millage rate and budget for each of the taxing entities under their jurisdiction. These public hearings are ordinarily held prior to October 1, of each year. If, however, for some reason the County is unable to finally adopt a budget prior to October 1, state law permits the readoption by resolution of the budget of the preceding year as an interim measure. In its effort to get as much citizen input as possible, the County holds a third public hearing prior to the adoption of a tentative millage rate.
6. Pursuant to the provisions of Section 129.07, Florida Statutes, the Board of County Commissioners is prohibited from expending or contracting for the expenditure of any amount in excess of the total amount budgeted in any fund. It is, however, legally permissible at the present time for the budgets of individual departments included within a particular fund to be overexpended in total without requiring mandatory action by either the Board of County Commissioners, the Clerk of the Circuit Court and Comptroller (as Clerk to the Board of County Commissioners and finance officer), or the County Administrator (as budget officer). Transfers of appropriate amounts between funds require approval of the Board of County Commissioners.
7. Adoption and execution of the budgets of the Clerk of the Circuit Court and Comptroller, Property Appraiser, Sheriff, Supervisor of Elections, and Tax Collector are governed by applicable provisions of the Florida Statutes. Budgets for the Courts for each Clerk will be submitted by June 1 to be approved by the legislature. All court revenues will be collected monthly and available for use by the Clerks in the month following collection. By the 10th day of each month, the Clerk will submit that portion of all fines, fees, service charges, and costs collected in the previous month that exceeds one twelfth of the Clerks' total budget. The remainder of the available revenues will be appropriated for the following month's court expenditures up to the budget cap authorized by the legislature. Any revenue deficits will be certified by the Florida Clerk of the Court Operations Corporation. Any unexpended appropriation for the court's budget will be paid to the State of Florida by January 25 of the following year.
8. Formal budgetary integration at the object level is used as a management control device for all governmental funds of the County for which annual budgets are adopted, including the general, special revenue, debt service, and capital projects funds. Proforma project length budgets are provided to the County for certain capital projects for informational purposes only. Expenditures may not legally exceed appropriations at the fund level.

Leon County, Florida  
Notes to Financial Statements

**III. CASH AND INVESTMENTS**

As of September 30, 2024, the value of the County's deposits and investments, with their respective credit ratings, was as follows:

	<u>Fair Value</u>	<u>Credit Rating</u>	<u>Duration</u>
Deposits in qualified public depositories	\$ 39,328,035	NA	NA
External investment in government pools:			
Florida State Treasury Special Purpose Investment Account (SPIA)	959,057	AA-f	3.36
Florida Local Government Investment Trust Day to Day Fund (FLGIT)	60,034,390	AAAm	0.03
Florida PRIME investment pool	90,676,103	AAAm	0.11
Externally managed portfolio:			
Money market	12,173	AAA	NA
U.S. treasuries	15,087,117	AA+	1.53
Government sponsored agencies:			
Federal Home Loan Bank	2,641,764	AA+	1.60
Federal National Mortgage Association	2,265,960	AA+	1.22
Other government sponsored agencies	3,412,973	AA+	1.61
Mortgage-backed securities	5,022,882	AA+	2.49
Corporate bonds	6,247,340	BBB+	0.68
State and local obligations	1,275,808	AA-	2.00
Asset-backed securities	1,426,239	AAA	0.43
Short-term bills and notes	21,321,812	AA+	0.15
Total cash and investments	<u>\$249,711,653</u>		

\*FLGIT Day to Day Fund and the Florida PRIME Investment Pool duration are calculated using the weighted average maturity method.

The County's deposits and investments excludes cash on hand and amounts held by third parties in trust for the county, but include \$169,720 accrued interest as of September 30, 2024.

**Credit Risk**

The County 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) 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 County's risk against possible credit losses, a maximum of 3% per issuer of the total portfolio managed by the County'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; 100% may be invested in United States Federal Agencies, with a limit of 20% of the portfolio in any one issuer; and if longer than one day, 15% may be invested in Repurchase Agreements, with a limit of 5% of the portfolio in any one issuer.

Effective July 9, 2024, new investments in Mortgage-Backed Securities, Asset-Backed Securities, Commercial Mortgage-Backed Securities, Bankers' Acceptances, or Constant Net Asset Value Money Market Mutual Funds are prohibited.

Leon County, Florida  
Notes to Financial Statements

**III. CASH AND INVESTMENTS (continued)**

**Credit Risk (continued)**

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

1. The Florida PRIME (formerly the Local Government Surplus Funds Trust Fund) or any authorized intergovernmental investment pool.
2. Securities and Exchange Commission (SEC) registered money market funds with the highest credit quality rating from a nationally recognized rating agency.
3. Interest-bearing time deposits or savings accounts in qualified public depositories.
4. Direct obligations of the U.S. Treasury.
5. Federal agencies and instrumentalities.
6. Rated or unrated bonds, notes, or instruments backed by the full faith and credit of the government of Israel.
7. 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.
8. Other investments authorized by law or by ordinance for a county or a municipality.
9. Other investments authorized by law or by resolution for a school district or a special district.

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: Florida PRIME (Local Government Surplus Funds Trust Fund), 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, money market mutual funds, financial deposit instruments, 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 longer maturities and lower credit quality. The financial details and disclosures for the SPIA are made in Note 2 to the State of Florida Annual Comprehensive Financial Report (ACFR). The rating as of September 30, 2024, was AA-f. A copy of SPIA's most recent financial statements can be found at <http://www.myfloridacfo.com/Division/Treasury/>. Investments in this pool are limited to a maximum of 100% of the portfolio. At September 30, 2024, the County had \$959,057 invested in SPIA.

Leon County, Florida  
Notes to Financial Statements

**III. 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, 2024, the County did not have any balances in the Short Term Bond Fund. The Day to Day Fund is a highly liquid fund with underlying investments having a weighted average maturity of less than 90 days. The Day to Day Fund does meet the criteria and has adopted operating procedures consistent with the requirements for a SEC Rule 2a-7 fund. The Day to Day Fund maintained a credit rating of AAAM by Fitch as of September 30, 2024. At September 30, 2024, the County had \$60,034,390 invested in the FLGIT Day to Day Fund. A copy of FLGIT's most recent financial statement can be found at <http://www.floridatrustononline.com/funds-reports/day-to-day/>. Investments with FLGIT are limited to a maximum of 45% of the portfolio.

The County also invests in Florida PRIME administered by the Florida State Board of Administration (SBA). Florida PRIME is an external investment pool that is not a registrant with the SEC; however, the SBA has adopted operating procedures consistent with the requirements for a SEC Rule 2a-7 fund. Florida PRIME is governed by Chapter 19-7 of the Florida Administrative Code, which identifies the Rules of the SBA. These rules provide guidance and establish the general operating procedures for the administration of Florida PRIME. Additionally, the State of Florida's Office of the Auditor General performs the operational audit of the activities and investments of the SBA. On September 30, 2024, 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 45% of the portfolio. Investments in Florida PRIME are not evidenced by securities that exist in physical or book entry form. The current rating for the Florida PRIME is AAAM by Standard and Poor's. The weighted average of days to maturity of the Florida PRIME at September 30, 2024 is 39 days. The fair value of the County's position in the pool approximates the value of the pool shares. At September 30, 2024, the County had \$90,676,103 invested in Florida PRIME. Florida PRIME's most recent financial statements can be found at <https://prime.sbafla.com/audits/>.

**Custodial Credit Risk**

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

Qualified public depositories of public funds are required to provide collateral each month pursuant to Chapter 280.04, Florida Statutes. The collateral is held by the Florida Division of Treasury or other custodian with full legal rights maintained by the Florida Division of Treasury to transfer ownership. Any loss not covered by the pledged securities and deposit insurance would be assessed by the Florida Division of Treasury and paid by the other public depositories. The County's deposits are therefore considered fully insured or collateralized. Bank balances at September 30, 2024, were \$38,978,527. Due to the nature of the County's cash and investments, there is no exposure to custodial credit risk and concentration of credit risk.

**Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of investments. The County manages interest rate risk by setting the range of duration for the County's portfolio as 0.5 years to 2.0 years. Unusual market or economic conditions may mandate moving the portfolio outside of this range. The Investment Oversight Committee will be convened and will approve any portfolio duration outside of the range specified above. The effective duration of investments is listed in the preceding table.

Leon County, Florida  
Notes to Financial Statements

**III. CASH AND INVESTMENTS (continued)**

**Interest Rate Risk (continued)**

The externally managed portfolio totaled \$58,714,068 at September 30, 2024, and was invested for a weighted average term of approximately 364 days, as compared to a weighted average term of 622 days in fiscal year 2023. In accordance with the Policy, the County requires a minimum balance of short-term investments. To meet the day-to-day operating needs of the County and to provide the ready cash to meet unforeseen temporary cash requirements, a liquidity base of approximately at least three months of anticipated disbursements is kept in relatively short term investments. This includes investments in government pools with daily liquidity such as FLGIT Day to Day Fund, Florida PRIME, or money markets. The County was in compliance with this requirement.

**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/>.

**Fair Value Measurements**

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

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

FLGIT Short Term Bond Fund reports based on the fair market values of the underlying securities. Therefore, any participant account balance is measured at net asset value per share. Investments measured at net asset value are not subject to fair value hierarchy level classification under GASB 72. The County did not have a balance with the FLGIT Short Term Bond Fund at September 30, 2024.

The fair value factor for SPIA at September 30, 2024 was 0.9929. SPIA funds are combined with State of Florida funds and are invested in a combination of short-term liquid instruments and intermediate-term fixed income securities. SPIA is measured at net asset value per share. Investments measured at net asset value are not subject to fair value hierarchy level classification under GASB 72.

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

Leon County, Florida  
Notes to Financial Statements

**III. CASH AND INVESTMENTS (continued)**

**Fair Value Measurements (continued)**

The following table summarizes the assets and liabilities of the County for which fair values are determined on a recurring basis as of September 30, 2024:

	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	\$ 1,426,239	\$ 0	\$ 1,426,239
Corporate Bonds	0	6,247,340	0	6,247,340
Government Sponsored Agencies	0	8,320,697	0	8,320,697
US Government Obligations	15,087,117	0	0	15,087,117
Mortgage-Backed Security - US Agency Sponsored	0	5,022,882	0	5,022,882
State and Local Obligations	0	1,275,808	0	1,275,808
Short-term bills and notes	0	21,321,812	0	21,321,812
Investments at fair value	<u>\$ 15,087,117</u>	<u>\$ 43,614,778</u>	<u>\$ 0</u>	<u>\$ 58,701,895</u>

**IV. PROPERTY TAXES**

Under Florida law, the assessment of all properties and the collection of all county, municipal, special taxing districts, and school board property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector. The laws of Florida regulating tax assessment are also designed to ensure a consistent property valuation method statewide. State statutes permit counties to levy property taxes at a rate of up to 10 mills. The tax levy of Leon County is established by the County prior to October 1 of each year. The millage rate collected by the County during the current fiscal year was 8.3144 mills. County citizens were also assessed for Emergency Medical Services (EMS) and primary health care services through Municipal Services Taxing Units at a millage rate of 0.7500 mills. For County citizens charged a special assessment, the required annual payment is also included on their tax bill.

All property is reassessed according to its fair market value as of January 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 November 2024 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, 2024.

**V. CAPITAL ASSETS**

Capital asset activity for the year ended September 30, 2024 was as follows:

Leon County, Florida  
Notes to Financial Statements

**V. CAPITAL ASSETS (continued)**

**Primary Government**

	<b>Beginning Balance as Restated</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>
<b>Governmental activities:</b>				
<b>Capital assets not being depreciated:</b>				
Land	\$ 22,718,691	\$ -	\$ -	\$ 22,718,691
Improvements other than buildings	25,105,583	-	-	25,105,583
Construction in progress	38,917,961	39,974,885	(22,376,766)	56,516,080
Total not being depreciated	<u>86,742,235</u>	<u>39,974,885</u>	<u>(22,376,766)</u>	<u>104,340,354</u>
<b>Capital assets being depreciated:</b>				
Buildings	240,841,713	9,528,485	-	250,370,198
Equipment	88,173,128	12,362,148	(13,282,248)	87,253,028
Library collection	2,774,434	624,984	(657,733)	2,741,685
Improvements other than buildings	24,766,521	1,674,015	-	26,440,536
Infrastructure	348,512,737	7,151,565	-	355,664,302
Leasehold Improvements	1,580,627	-	-	1,580,627
Total being depreciated	<u>706,649,160</u>	<u>31,341,197</u>	<u>(13,939,981)</u>	<u>724,050,376</u>
<b>Less accumulated depreciation:</b>				
Buildings	(150,979,477)	(6,029,379)	-	(157,008,856)
Equipment	(57,033,410)	(6,586,906)	12,145,829	(51,474,487)
Library collection	(1,682,483)	(548,336)	657,733	(1,573,086)
Improvements other than buildings	(4,561,231)	(1,142,090)	-	(5,703,321)
Infrastructure	(280,747,102)	(10,563,256)	-	(291,310,358)
Leasehold Improvements	(1,580,627)	-	-	(1,580,627)
Total accumulated depreciation	<u>(496,584,330)</u>	<u>(24,869,967)</u>	<u>12,803,562</u>	<u>(508,650,735)</u>
Total being depreciated, net	210,064,830	6,471,230	(1,136,419)	215,399,641
<b>Right-to-use assets, being amortized</b>				
Leased building	7,932,450	-	-	7,932,450
Leased equipment	13,051,238	416,430	(1,202,614)	12,265,054
Leased other	406,830	1,679,607	(226,268)	1,860,169
Subscription asset	2,449,309	4,690,253	(65,943)	7,073,619
Total right-to-use assets, being amortized	<u>23,839,827</u>	<u>6,786,290</u>	<u>(1,494,825)</u>	<u>29,131,292</u>
<b>Less accumulated amortization:</b>				
Leased building	(1,364,540)	(682,271)	-	(2,046,811)
Leased equipment	(4,725,582)	(3,446,831)	1,202,614	(6,969,799)
Leased other	(108,827)	(253,801)	50,282	(312,346)
Subscription asset	(478,573)	(1,913,864)	65,943	(2,326,494)
Total accumulated amortization	<u>(6,677,522)</u>	<u>(6,296,767)</u>	<u>1,318,839</u>	<u>(11,655,450)</u>
<b>Right-to-use assets, net</b>	<u>17,162,305</u>	<u>489,523</u>	<u>(175,986)</u>	<u>17,475,842</u>
<b>Governmental activities capital assets, net</b>	<u>\$ 313,969,370</u>	<u>\$ 46,935,638</u>	<u>\$ (23,689,171)</u>	<u>\$ 337,215,837</u>
<b>Business-type activities capital assets not being depreciated:</b>				
Land nondepreciable	\$ 1,809,844	\$ -	\$ -	\$ 1,809,844
Construction in progress	1,355,621	188,738	-	1,544,359
Total not being depreciated	<u>3,165,465</u>	<u>188,738</u>	<u>-</u>	<u>3,354,203</u>
<b>Business-type activities capital assets being depreciated:</b>				
Buildings	3,622,268	-	-	3,622,268
Improvements other than buildings	15,361,025	-	-	15,361,025
Equipment	5,777,448	1,530,478	(1,433,387)	5,874,539
Total being depreciated	<u>24,760,741</u>	<u>1,530,478</u>	<u>(1,433,387)</u>	<u>24,857,832</u>
<b>Less accumulated depreciation:</b>				
Buildings	(1,480,415)	(74,643)	-	(1,555,058)
Improvements other than buildings	(15,354,630)	(3,863)	-	(15,358,493)
Equipment	(4,328,639)	(412,151)	1,402,365	(3,338,425)
Total accumulated depreciation	<u>(21,163,684)</u>	<u>(490,657)</u>	<u>1,402,365</u>	<u>20,251,976</u>
Total being depreciated, net	3,597,057	1,039,821	(31,022)	4,605,856
<b>Business-type activities capital assets, net</b>	<u>\$ 6,762,522</u>	<u>\$ 1,228,559</u>	<u>\$ (31,022)</u>	<u>\$ 7,960,059</u>

Leon County, Florida  
Notes to Financial Statements

**V. CAPITAL ASSETS (continued)**

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

**Governmental activities:**

General government	\$ 18,822,119
Public safety	7,573,651
Physical environment	2,259,930
Transportation	2,008,827
Human services	137,103
Culture and recreation	251,104
Judicial	114,000
Total depreciation/amortization expense - governmental activities	<u>\$ 31,166,734</u>

**Business-type activities:**

Landfill Fund	502,807
Internal Service Funds	10,457
Total depreciation expense - business-type activities	<u>\$ 513,264</u>

**VI. LEASES**

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

**Lessee**

The County through the Leon County Tax Collector's office has entered into two leases as lessee for the use of office space. One lease has been extended through June 30, 2033 and the second lease has been extended through December 31, 2027 and contains provisions for one five year renewal option, with a stated increase. It is anticipated that the lease will be renewed for an additional five years at that time. An initial lease liability was recorded in the amount of \$7,932,450. As of September 30, 2024, the value of the lease liability is \$6,020,793. The Tax Collector is required to make monthly payments ranging from \$14,950 to \$46,618 through the terms of the leases. The leases have interest rates of 1.4800%. The value of the right to use asset as of September 30, 2024, of \$5,885,639, net of accumulated amortization of \$2,046,811 is included with Leased buildings on the lease class activities table found in Note V.

The County through the Leon County Board of County Commissioners has entered into two leases as lessee for the use of various pieces of equipment. The terms range from 36 to 48 months beginning on the contract commencement date. An initial lease liability was recorded in the amount of \$1,049,009. As of September 30, 2024, the value of the lease liability is \$234,411. The County is required to make annual payments of \$8,004 and \$160,029, respectively, through the terms of the leases. The leases have interest rates of 2.00%. The value of the right to use asset as of September 30, 2024, of \$361,438, net of accumulated amortization of \$687,571 is included with Leased equipment on the lease class activities table found in Note V.

The County through the Leon County Supervisor of Elections' office, has entered into nine leases as lessee for the use of various pieces of office equipment. The terms of the leases range from 24 to 60 months beginning on the contract commencement date. An initial lease liability was recorded in the amount of \$665,132. As of September 30, 2024, the value of the lease liability is \$301,047. The County is required to make monthly and quarterly payments ranging from \$566 to \$9,368 through the terms of the leases. The leases have interest rate between 2.000% and 4.0%. The value of the right to use asset as of September 30, 2024, of \$276,287, net of accumulated amortization of \$388,845 and is included with Leased equipment on the lease class activities table found in Note V.

Leon County, Florida  
Notes to Financial Statements

**VI. LEASES (continued)**

**Lessee (continued)**

The County through the Leon County Tax Collector's office, has entered into one lease as lessee for the use of office equipment. The terms are 48 months beginning on the contract commencement date. An initial lease liability was recorded in the amount of \$44,330. As of September 30, 2024, the value of the lease liability is \$37,600. The County is required to make monthly payments of \$982 through the term of the lease. The lease has an interest rate of 4.1900%. The value of the right to use asset as of September 30, 2024, of \$37,093, net of accumulated amortization of \$7,237 and is included with Leased equipment on the lease class activities table found in Note V.

The County through the Leon County Sheriff's office, has entered into two leases as a lessee for the use of office equipment. The terms of the leases range from 51 to 59 months beginning on the contract commencement date. An initial lease liability was recorded in the amount of \$109,956. As of September 30, 2024, the value of the lease liability is \$27,892. The County is required to make annual payments ranging from \$9,366 to \$18,732 through the terms of the leases. The leases have interest rate of 0.9800%. The value of the right to use assets as of September 30, 2024 of \$39,344, with accumulated amortization of \$70,612 and is included with equipment on the lease class activities table found below.

The County through the Leon County Sheriff's office, has entered into five leases as a lessee for the use of law enforcement equipment. The terms of the leases range from 36 to 64 months beginning on the contract commencement date. An initial lease liability was recorded in the amount of \$10,359,386. As of September 30, 2024, the value of the lease liability is \$4,430,754. The County is required to make annual payments ranging from \$16,724 to \$1,761,766 through the terms of the leases. The leases have interest rate ranging from 2.4400% and 5.0000%. The value of the right to use assets as of September 30, 2024, of \$4,568,679, with accumulated amortization of \$5,790,707 and is included with Leased equipment on the lease class activities table found in Note V.

The County through the Leon County Sheriff's office, has entered into three leases as lessee for the use of office and training space. The terms of the leases range from 38 to 70 months beginning on the contract commencement date. An initial lease liability was recorded in the amount of \$1,860,169. As of September 30, 2024, the value of the lease liability is \$1,569,604. The County is required to make monthly payments ranging from \$1,025 to \$32,893 or annual payments of \$42,000 through the term of the lease. The leases have interest rate of 5.0000%. The value of the right to use asset as of September 30, 2024, of \$1,547,823 net of accumulated amortization of \$312,346 is included with Leased other on the lease class activities table found in Note V.

The County through the Leon County Clerk of Courts and Comptroller's office, has entered into one lease as lessee for the use of office equipment. The terms of the lease extend through September 30, 2025. An initial lease liability was recorded in the amount of \$37,241. As of September 30, 2024, the value of the lease liability is \$12,926. The County is required to make monthly payments of \$1,098 through the term of the lease. The lease has an interest rate of 4.1200%. The value of the right to use asset as of September 30, 2024, of \$12,414, net of accumulated amortization of \$24,827 and is included with Leased equipment on the lease class activities table found in Note V.

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

<u>September 30,</u>	<b>Governmental Activities</b>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 2,314,167	\$ 330,662	\$ 2,644,829
2026	2,259,032	246,079	2,505,111
2027	2,275,791	159,839	2,435,630
2028	2,266,373	72,523	2,338,896
2029	894,783	45,588	940,371
2030-2033	2,624,881	69,615	2,694,496
Total	<u>\$ 12,635,027</u>	<u>\$ 924,306</u>	<u>\$ 13,559,333</u>

Leon County, Florida  
Notes to Financial Statements

**VI. LEASES (continued)**

**Leases Receivable**

In October 2009, the County through the Leon County Board of County Commissioners purchased the Lake Jackson Huntington Oaks Property. There are several noncancellable lease agreements for the rental of its building. The lease agreements provide for monthly rentals, which escalate over the lease terms and expire on various dates. During the fiscal year, the County had a total of 10 active leases as lessor for the use of commercial building space with remaining terms ranging from 1 to 118 months. As of September 30, 2024, the value of the lease receivable is \$991,250. The lessees are required to make monthly fixed payments ranging from \$1,013 to \$7,276. The leases have an interest rate of 2.00%. The value of the deferred inflow of resources as of September 30, 2024 was \$951,792, and the County recognized lease revenue of \$312,226 during the fiscal year. The lessees have 1 or 2 extension option(s), for a range of 12 to 60 months each.

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

<u>Fiscal year</u>	<b>Governmental Activities</b>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 268,254	\$ 16,881	\$ 285,135
2026	203,824	12,191	216,015
2027	175,908	8,396	184,304
2028	145,719	5,147	150,866
2029	99,061	2,882	101,943
2030-2034	98,484	3,823	102,307
Total	<u>\$ 991,250</u>	<u>\$ 49,320</u>	<u>\$ 1,040,570</u>

In June 2003, the County through the Leon County Board of County Commissioners purchased the Bank of America building. There are several noncancellable lease agreements for the rental of its building. The lease agreements provide for monthly rentals, which escalate over the lease terms and expire on various dates. During the fiscal year, the Board had a total of nine active leases as lessor for the use of office space with remaining terms at year end ranging from 9 to 150 months. As of September 30, 2024, the value of the lease receivable is \$4,944,199. The lessees are required to make monthly fixed payments ranging from \$5,960 to \$29,126. The lease has an interest rate of 2.00%. The value of the deferred inflow of resources as of September 30, 2024, was \$4,782,336, and the Board recognized lease revenue of 1,133,410 during the fiscal year. The lessees have 1 or 2 extension option(s), for a range of 14 to 60 months each.

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

<u>Fiscal year</u>	<b>Governmental Activities</b>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 1,257,095	\$ 85,697	\$ 1,342,792
2026	1,024,229	62,652	1,086,881
2027	655,465	45,391	700,856
2028	398,873	35,848	434,721
2029	363,368	28,480	391,848
2030-2034	911,255	68,732	979,987
2035-2039	333,914	8,696	342,610
Total	<u>\$ 4,944,199</u>	<u>\$ 335,496</u>	<u>\$ 5,279,695</u>

In January 2021, the Board purchased the Supervisor of Elections Voting Operation Center. There is one non-cancellable lease agreement for the rental of its building. The lease agreement provides for a monthly rental, which escalates over the lease term and expires on August 31, 2027. As of September 30, 2024, the value of the lease receivable is \$1,071,009. The lessee is required to make monthly fixed payments ranging from \$9,971 to \$10,273. The lease has an interest rate of 2.00%. The value of the deferred inflow of resources as of September 30, 2024, was \$1,059,327, and the Board recognized lease revenue of \$9,900 during the fiscal year. The lessee has two (2) extension options, for three (3) years each.

Leon County, Florida  
Notes to Financial Statements

**VI. LEASES (continued)**

**Leases Receivable (continued)**

Total future minimum lease payments under the lease agreement are as follows:

<u>Fiscal Year</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 69,173	\$ 20,866	\$ 90,039
2026	104,700	18,877	123,577
2027	110,491	16,724	127,215
2028	116,557	14,453	131,010
2029	123,003	12,056	135,059
2030-2034	547,085	21,625	568,710
Total	<u>\$ 1,071,009</u>	<u>\$ 104,601</u>	<u>\$ 1,175,610</u>

**VII. SUBSCRIPTION LIABILITIES**

For the year ended September 30, 2024, the financial statements include the adoption of GASB Statement No. 96, *Subscription Based Information Technology Arrangements (SBITAs)*. The primary objective of this statement is to enhance the relevance and consistency of information about governments' information technology (IT) subscription activities. This statement establishes a single model for IT Subscription accounting based on the principle that SBITAs are financings of the right to use an underlying asset. Under this Statement, a government is required to recognize a subscription liability and an intangible right-to-use subscription asset.

The County through the Leon County Board of County Commissioners has entered into nine IT Arrangements for the right to use another party's (a SBITA vendor's) information technology (IT) software. The terms of the arrangements extend through various times ranging between October 2024 and January 2028 beginning on the contract commencement date. An initial lease liability was recorded in the amount of \$5,272,007. As of September 30, 2024, the value of the subscription liability is \$3,386,308. The County is required to make annual payments ranging from \$9,500 to \$1,097,162 through the term of the leases. The leases have interest rates ranging from 3.480% to 4.880%. The value of the right to use asset as of September 30, 2024, of \$3,270,935 with accumulated amortization of \$2,001,072 and is included with the SBITA activities table found below.

The County through the Leon County Supervisor of Elections has entered into four IT Arrangements for the right to use another party's (a SBITA vendor's) information technology (IT) software. The terms of the arrangements extend through various times ranging between September 2025 and April 2035 beginning on the contract commencement date. An initial lease liability was recorded in the amount of \$1,406,831. As of September 30, 2024, the value of the subscription liability is \$1,158,647. The County is required to make annual payments ranging from \$10,100 to \$137,388 through the term of the lease. The leases have interest rates ranging from 3.670% to 4.120%. The value of the right to use asset as of September 30, 2024, of \$1,105,143 with accumulated amortization of \$301,688 and is included with the SBITA activities table found below.

The County through the Leon County Clerk of Court and Comptroller has entered into three IT Arrangements for the right to use another party's (a SBITA vendor's) information technology (IT) software. The terms of the arrangements extend through September 2027 beginning on the contract commencement date. An initial lease liability was recorded in the amount of \$395,803. As of September 30, 2024, the value of the subscription liability is \$84,580. The County is required to make annual payments ranging from \$28,074 to \$30,951 through the term of the lease. The leases have interest rates ranging from 4.200% to 4.870%. The value of the right to use asset as of September 30, 2024, of \$371,047 with accumulated amortization of \$23,734 and is included with the SBITA activities table found below.

Leon County, Florida  
Notes to Financial Statements

**VII. SUBSCRIPTION LIABILITIES (continued)**

Fiscal year	Governmental Activities		
	Principal	Interest	Total
2025	\$ 2,032,810	\$ 120,949	\$ 2,153,759
2026	1,644,345	43,582	1,687,927
2027	154,768	31,336	186,104
2028	94,482	27,514	121,996
2029	100,494	23,942	124,436
2030-2033	602,636	57,887	660,523
Total	<u>\$ 4,629,535</u>	<u>\$ 305,210</u>	<u>\$ 4,934,745</u>

**VIII. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

Interfund Balances as of September 30, 2024, consisted of the following:

	Interfund Receivables	Interfund Payables
<b>Primary Government:</b>		
<b>By major funds:</b>		
General Fund	\$ 4,704,074	\$ 6,470,298
Fine and Forfeiture Fund	3,993,144	1,519,674
Grants Fund	1,537,602	2,183,213
Emergency Medical Services Fund	176,289	-
Capital Improvement Fund	282,527	13,854
Total major funds	<u>10,693,636</u>	<u>10,187,039</u>
<b>Nonmajor Special Revenue Funds:</b>		
Probation Fund	-	168
Family Law Legal Services Fund	5,401	60,158
Drug Abuse Trust Fund	1,569	-
Local Legal Programs Fund	8,789	-
MSBU Stormwater Utility Fund	1,969	-
911 Emergency Communications Fund	-	192,954
Municipal Service Fund	19	-
Fire Rescue Services Fund	5,885	-
Tourist Development Trust Fund	831,745	-
Special Assessment Paving Fund	78	135,143
Special Assessment Sewer Fund	5	-
Huntington Oaks Plaza Fund	-	12,991
Special Grants Fund	144,835	1,836,274
Inmate Welfare Fund	-	23,042
Article V Court Operating Fund	587,607	-
Records Modernization Fund	20,053	587,289
Total Nonmajor Special Revenue Funds	<u>1,607,955</u>	<u>2,848,019</u>
Total Nonmajor Governmental Funds	<u>1,607,955</u>	<u>2,848,019</u>
Internal Service Funds	368,457	2,319
Total Governmental Funds	<u>12,670,048</u>	<u>13,037,377</u>
<b>Proprietary Funds:</b>		
Landfill Fund	367,329	-
Total Proprietary Funds	<u>367,329</u>	<u>-</u>
Total Primary Government	<u>\$ 13,037,377</u>	<u>\$ 13,037,377</u>

Leon County, Florida  
Notes to Financial Statements

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

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

Interfund Transfers represent the movement of cash for operations in funds and constitutional officers. Transfers to or from other funds are based on budgetary requirements as determined by the Office of Management and Budget. These transfers are primarily established during initial budget adoption. However, transfers may also be established through Supplemental Budget Amendments as necessary throughout the fiscal year. At year end, the balances for the year ended September 30, 2024, consisted of the following:

**Transfers to the General Fund from:**

Fine and Forfeiture Fund	\$ 106,138,253
Grants Fund	66,416
Nonmajor Governmental Funds	1,053,360
Enterprise Fund	93,185
Total transfers to the General Fund	107,351,214

**Transfers to the Fine and Forfeiture Fund from:**

General Fund	2,261,936
Nonmajor Governmental Funds	1,572,058
Total transfers to the Fine and Forfeiture Fund	3,833,994

**Transfers to the Grants Fund from:**

General Fund	371,257
Capital Improvement Fund	400,000
Emergency Medical Services Fund	21,438
Total transfers to the Grants Fund	792,695

**Transfers to the Capital Improvement Fund from:**

General Fund	6,090,400
Nonmajor Governmental Funds	614,622
Total transfers to the Capital Improvement Fund	6,705,022

**Transfers to the Nonmajor Governmental Funds from:**

General Fund	17,777,085
Fine and Forfeiture Fund	1,536,674
Nonmajor Governmental Funds	3,708,061
Internal Service Fund	12,851
Custodial Fund	132,215
Total transfers to the Nonmajor Governmental Funds	23,166,886
Total transfers to Governmental Funds	141,849,811

**Transfers to the Internal Service Funds from:**

General Fund	10,360
Nonmajor Governmental Funds	122,485
Total transfers to the Enterprise Funds	132,845

**Transfers to the Enterprise Fund from:**

General Fund	7,684,757
Total transfers to Enterprise Funds	7,684,757
Total transfers to Proprietary Funds	\$ 7,817,602
<b>Total Interfund Transfers</b>	<b>\$ 149,667,413</b>

Leon County, Florida  
Notes to Financial Statements

**IX. LONG-TERM OBLIGATIONS**

**A. Long-term Obligations**

The County has no general long-term obligations debt. The County’s special revenue long-term obligations, excluding accrued compensated absences, at September 30, 2024, are comprised of the following:

	<u>Outstanding at September 30, 2024</u>
Revenue Bonds:	
\$15,991,000 Capital Improvement Revenue Refunding Bonds, Series 2017, (i) refund a portion of the Capital Improvement Revenue Bonds, Series 2014 of which \$15,951,000 was outstanding and maturing in the years 2021 through 2025, and (ii) pay issuance costs on the Series 2017 bonds. The economic gain resulting from the refunding was \$489,076. The bonds dated June 22, 2017 and bear interest of 2.11% per annum. The interest on the bonds is payable on April 1 and October 1, beginning October 1, 2017. The bond principal matures serially on October 1 of each year through the final maturity of October 1, 2025.	\$ 3,203,000
\$1,298,120 Capital Improvement Revenue Note, Series 2020, is dated January 30, 2020, and bear interest of 1.89% per annum. The interest on the bonds is payable on June 1 and December 1, beginning June 1, 2020. The bond principal matures serially on December 1 of each year through the final maturity of December 1, 2025.	324,967
\$5,400,000 Capital Improvement Revenue note, Series 2021, is dated January 28, 2021, and bear interest of 1.85% per annum. The interest on the bonds is payable on December 1 and June 1, beginning December 1, 2021. The bond principal matures serially on December 1 of each year through the final maturity of December 1, 2036.	4,475,000
\$3,400,000 Capital Improvement Revenue note, Series 2021B, is dated November 16, 2021, and bear interest of 1.29% per annum. The interest on the bonds is payable on December 1, beginning December 1, 2022. The bond principal matures serially on December 1 of each year through the final maturity of December 1, 2028.	2,460,000
<i>The Capital Improvement Revenue Refunding Bonds Series 2017, the 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 50% of additional state revenue sharing funds received in the prior fiscal year (less the guaranteed entitlement and the second guaranteed entitlement). See schedule of pledged revenue at Note IX.I Debt Parity.</i>	
<b>Total Special Revenue Bond Obligations</b>	<u>\$ 10,462,967</u>

Leon County, Florida  
Notes to Financial Statements

**IX. LONG-TERM OBLIGATIONS (continued)**

**B. Schedule of Debt Service Requirements**

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

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 4,271,858	\$ 185,848	\$ 4,457,706
2026	901,109	102,804	1,003,913
2027	840,000	89,493	929,493
2028	855,000	76,697	931,697
2029	865,000	63,680	928,680
2030-2034	1,915,000	182,873	2,098,873
2035-2039	815,000	22,663	837,663
Total	<u>\$ 10,462,967</u>	<u>\$ 724,058</u>	<u>\$ 11,187,025</u>

**C. Changes in the Long-term Debt**

	<u>Balance October 1, 2023</u>	<u>Reductions</u>	<u>Additions</u>	<u>Balance September 30, 2024</u>	<u>Due within One Year</u>
<b>Governmental Activities:</b>					
Special revenue debt:					
Capital Improvement Revenue Refunding Bonds, Series 2017	\$ 6,339,000	\$ (3,136,000)	\$ –	\$ 3,203,000	\$ 3,203,000
Capital Improvement Revenue Refunding Bonds, Series 2020	574,116	(249,149)	–	324,967	253,858
Capital Improvement Revenue Refunding Bonds, Series 2021	4,805,000	(330,000)	–	4,475,000	335,000
Capital Improvement Revenue Refunding Bonds, Series 2021B	2,935,000	(475,000)	–	2,460,000	480,000
Unamortized premium on bonds Payable	94,782	(47,390)	–	47,392	47,392
Total special revenue debt	14,747,898	(4,237,539)	–	10,510,359	4,319,250
Liability for compensated absences	17,941,531	(8,230,971)	10,761,467	20,472,027	6,496,445
Net pension liability	187,331,075	(24,056,584)	26,031,211	189,305,702	–
Other postemployment benefits liability	31,346,396	(1,349,473)	7,867,437	37,864,360	5,056,516
Arbitrage rebate liability	25,000	–	–	25,000	–
Lease liability- equipment	14,717,774	(4,178,784)	2,096,037	12,635,027	2,314,167
Subscription liability	1,979,243	(2,040,983)	4,691,275	4,629,535	2,032,810
Financed purchase liability- ESCO	14,590,000	(1,010,000)	–	13,580,000	1,025,000
Governmental Activity Long-term Debt	<u>\$ 282,678,917</u>	<u>\$ (45,104,334)</u>	<u>\$ 51,447,427</u>	<u>\$ 289,022,010</u>	<u>\$ 21,244,188</u>

Leon County, Florida  
Notes to Financial Statements

**IX. LONG-TERM OBLIGATIONS (continued)**

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

	<u>Balance October 1, 2023</u>	<u>Reductions</u>	<u>Additions</u>	<u>Balance September 30, 2024</u>	<u>Due within One Year</u>
<b>Business-type activities:</b>					
Liability for compensated absences	\$ 216,376	\$ (153,279)	\$ 145,957	\$ 209,054	\$ 81,566
Other postemployment benefits liability	231,230	-	-	231,230	-
Landfill closure and post-closure costs	<u>22,076,218</u>	<u>-</u>	<u>5,490,126</u>	<u>27,566,344</u>	<u>6,900,000</u>
Business-type activity long-term liabilities	<u>\$ 22,523,824</u>	<u>\$ (153,279)</u>	<u>\$ 5,636,083</u>	<u>\$ 28,006,628</u>	<u>\$ 6,981,566</u>

The governmental activities, other postemployment benefits liability and the liability for the compensated absences is usually liquidated by the General Fund. The compensated absences liability attributable to governmental activities will be liquidated within the fund that the individual employees are paid in. Currently, the County pays approximately 70 percent of its salaries in the General Fund with the remainder being paid in the special revenue and proprietary funds.

**D. Financed Purchase Liability - ESCO**

The County has an agreement with US Bank to finance the funding of an energy savings project. The project completed by the Energy Systems Group LLC included the installation of energy, water, and wastewater efficiency and conservation measures and related upgrades at County facilities. Terms of the agreement include bi-annual payments on June 1 and December 1. The agreement expires December 1, 2035. As of September 30, 2024, future lease payments totaling \$15,064,524 consists of principal of \$13,580,000 and interest of \$1,484,524.

The future financed purchase liability and the net present value of the minimum payments related to the energy savings project as of September 30, 2024, were as follows:

	<b>ESCO - Master Tax-Exempt Lease, Series 2020</b>		
	<u>Principal</u>	<u>Interest</u>	<u>Debt Service</u>
2025	\$ 1,025,000	\$ 230,119	\$ 1,255,119
2026	1,045,000	211,892	1,256,892
2027	1,065,000	193,314	1,258,314
2028	1,080,000	174,427	1,254,427
2029	1,100,000	155,232	1,255,232
2030	1,120,000	135,685	1,255,685
2031	1,140,000	115,786	1,255,786
2032	1,160,000	95,534	1,255,534
2033	1,180,000	74,931	1,254,931
2034	1,200,000	53,975	1,253,975
2035	1,220,000	32,667	1,252,667
2036	1,245,000	10,962	1,255,962
Total	<u>\$ 13,580,000</u>	<u>\$ 1,484,524</u>	<u>\$ 15,064,524</u>

**E. Purchase Cards**

The County currently utilizes purchasing cards with a cumulative credit limit of \$2,250,000. The balance on the purchasing cards is paid within ten days of each billing cycle.

Leon County, Florida  
Notes to Financial Statements

**IX. LONG-TERM OBLIGATIONS (continued)**

**F. Special Assessment Debt**

The County has no special assessment debt.

**G. Demand Bonds**

The County has no demand bonds.

**H. Conduit Debt Obligations**

From time to time, the County has issued Industrial Development Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of health care and industrial facilities deemed to be in the public interest. These bonds are secured by the property financed and are payable solely from the payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities is transferred to the private-sector entity served by the bond issuance. Neither the County, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. The County only has a limited commitment to maintain a tax-exempt status. The County has no voluntary commitments or additional commitments regarding these bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of September 30, 2024, the unaudited conduit debts outstanding were as follows:

<u>Project Description</u>	<u>Fiscal Year Issued</u>	<u>Original Bond Issue</u>	<u>Principal Outstanding at September 30, 2024</u>
<b>Leon County, Florida</b>			
Holy Comforter Episcopal School	2023	\$ 5,379,428	\$ 5,066,970
Housing Finance Authority	2020	11,760,000	11,033,590
	2021	18,900,000	11,388,316
	2022	82,960,000	78,244,605
	2023	51,000,000	34,331,001
Total Conduit Debt Principal Balance as of September 30, 2024			<u>\$ 140,064,482</u>

**I. Debt Parity**

The Capital Improvement Revenue Refunding Bonds Series 2017, the Capital Improvement Revenue Refunding Bonds Series 2020, the Capital Improvement Revenue Refunding Bonds Series 2021, and the Capital Improvement Revenue Note Series 2021B 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 50% of additional state revenue sharing funds received in the prior fiscal year (less the guaranteed entitlement and the second guaranteed entitlement).

	<u>Actual 2021</u>	<u>Actual 2022</u>	<u>Actual 2023</u>	<u>Actual 2024</u>
Pledged revenues:				
Revenues available for debt service:				
Local government half-cent tax	\$ 13,980,522	15,415,389	15,740,767	15,806,814
Guaranteed entitlement	316,798	316,798	316,798	316,798
Second guaranteed entitlement	1,026,649	1,026,649	1,026,649	1,026,649
Additional state revenue sharing funds	1,449,335	1,938,954	2,735,722	2,850,939
Total revenues available for debt service	<u>\$ 16,773,304</u>	<u>\$ 18,697,790</u>	<u>\$ 19,819,936</u>	<u>\$ 20,001,200</u>

**X. CLOSURE AND POSTCLOSURE CARE COST**

State and federal laws and regulations require the County to place a final cover on each of its landfill cells when it stops accepting waste and to perform certain maintenance and monitoring functions on each cell for thirty years after closure. Although closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$27,566,344 reported as landfill closure and post-closure care liability at September 30, 2024, \$20,666,34 as noncurrent and \$6,900,000 as current, 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 2024 on those cells placed in use. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. The landfill is no longer accepting waste.

The County is required by state and federal laws to make annual contributions to an escrow account to finance a minimum of all closure costs and at least one year of post-closure care costs. The County is in compliance with those minimum requirements, and at September 30, 2024, held investments in the amount of \$19,924,585 for these purposes that are reported as restricted assets on the balance sheet. The County expects that future inflation costs will be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional post-closure care requirements are determined; these costs may need to be covered by charges to future landfill users or from future tax revenue.

**XI. EMPLOYEE BENEFITS**

**A. Florida Retirement System**

Plan Description - The County participates in the Florida Retirement System (FRS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of Florida, Department of Management Services, Division of Retirement. The FRS provides retirement, disability or death benefits to retirees or their designated beneficiaries along with an annual cost-of-living adjustment. Employees are classified in either the regular service class, the special risk class, or the senior management service class. Currently, the active participants in the pension plan for Leon County are 1,513 out of a total of 428,667 active FRS participants.

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

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

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

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

The FRS ACFR and actuarial valuation reports as of July 1, 2024 are available online at [https://frs.fl.gov/forms/2024\\_Valuation.pdf](https://frs.fl.gov/forms/2024_Valuation.pdf).

Leon County, Florida  
Notes to Financial Statements

**XI. EMPLOYEE BENEFITS (continued)**

**A. Florida Retirement System (continued)**

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

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

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

The FRS relies upon contributions from employees and employers, along with investment income, to meet the funding requirements of an actuarially determined accrued liability. As of July 1, 2024, the date of the latest valuation, the FRS' funded ratio was 80.7% on the valuation funding basis and 83.7% on a Fair Market Value of Assets basis.

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

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

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

The HIS Program is funded by required contributions from FRS participating employers as set by the State Legislature. Employer contributions are a percentage of gross compensation for all active FRS employees and are reported by employers with monthly payroll reports and included with the amount submitted for retirement contributions. For the fiscal year ended September 30, 2024, the contribution rate was 2.0% of payroll pursuant to Section 112.363, Florida Statutes.

The amounts contributed for the years ended September 30, 2024, 2023, and 2022, were \$24,056,584, \$19,281,057, and \$17,333,516, respectively, which is equal to 100% of the required contribution for each year.

Leon County, Florida  
Notes to Financial Statements

**XI. EMPLOYEE BENEFITS (continued)**

**A. Florida Retirement System (continued)**

The membership categories and contribution rates for 2024 and 2023 were as follows:

<u>Membership Category</u>	<u>Benefit</u>	<u>Vesting</u>	<u>Employer Contribution Rate</u>	
			<u>July 1, 2023</u>	<u>July 1, 2024</u>
Regular Class	For employees in the FRS as of June 30, 2011, normal retirement at age 62 or at least 30 years of service: 1.60% times average compensation (five highest years) times years of creditable service.  For employees joining the FRS on or after July 1, 2011, normal retirement at age 65, or at least 33 years of service: 1.6% times average compensation (eight highest years) times years of creditable service.	After six years creditable service  After eight years creditable service.	13.57%	13.63%
Senior Management Class	For employees in the FRS as of June 30, 2011, normal retirement at seven years and age 62: 2.00% times average compensation (five highest years) times years of creditable service.	After six years creditable service.	34.52%	34.52%
Special Risk (sworn employees)	For employees in the FRS as of June 30, 2011, normal retirement at age 55, or 25 years of special risk service: 2% to 3% times average compensation (five highest years) times years of creditable service.	After six years creditable service.	32.67%	32.79%
Elected County Officers' Class (ESCOC) Nonjudicial	For employees in the FRS as of June 30, 2011, normal retirement at eight years ESCOC service and age 62: 3.00% times average compensation (five highest years) times years of creditable service.  For employees joining the FRS on or after July 1, 2011, normal retirement at age 65, or at least 33 years of service: 3.00% times average compensation (eight highest years) times years of creditable service.	After six years creditable service.  After eight years creditable service.	58.68%	58.68%
Deferred Retirement Option Program (Drop)	For employees in DROP as of June 30, 2011, retirement benefit paid to DROP where it earns 6.5% interest, tax deferred, for up to five years while the member continues to work.  For employees entered in DROP on or after July 1, 2011, retirement benefit paid to DROP where it earns 1.3% interest, tax deferred, for up to five years while the member continues to work.	Available to vested members at normal retirement age or date.	21.13%	21.13%

Net Pension Liability - At September 30, 2024, the County reported for its proportionate share of the FRS and HIS plans the amount for the net pension liability as shown below:

	<u>FRS</u>	<u>Leon County HIS</u>	<u>Total</u>
Total Pension Liability	\$ 912,310,219	\$ 42,674,162	\$ 954,984,381
Fiduciary Net Position	763,629,228	2,049,451	765,678,679
Net Pension Liability	<u>\$ 148,680,991</u>	<u>\$ 40,624,711</u>	<u>\$ 189,305,702</u>

Leon County, Florida  
Notes to Financial Statements

**XI. EMPLOYEE BENEFITS (continued)**

**A. Florida Retirement System (continued)**

The net pension liability for each plan was determined by the plans' actuary and reported in the plans' valuations dated July 1, 2024 for the net pension liability as of June 30, 2024. "Plan fiduciary net position" represents cash and investment assets held to pay pension liabilities as they mature. "Net pension liability" represents the equity in the applicable pension plan. "Plan fiduciary net position" represents the portion of the total pension liability that is funded by cash and investments. Detailed information regarding the FRS Pension Plan and HIS Program fiduciary net position is available in the separately issued *FRS Pension Plan and Other State- Administered Systems Annual Comprehensive Financial Report*. To obtain this report, see contact information on page 67.

At September 30, 2024, the County reported for its proportionate share of the employer portion for the FRS and HIS net pension liability the percentages below:

	<b>FRS</b>	<b>HIS</b>
June 30, 2024	.384340527%	.270813768%
June 30, 2023	.364907814%	.264000877%
Increase (decrease) in Share for 2024	.019432713%	.006812891%

The County's proportionate share of the net pension liability was based on the County's 2023-2024 fiscal year contributions relative to the 2022-2023 fiscal year contributions of all participating members of FRS.

Actuarial Methods and Assumptions - Actuarial assumptions for both cost-sharing defined benefit plans are reviewed annually by the Florida Retirement System Actuarial Assumptions Conference. The FRS Pension Plan has a valuation performed annually. The HIS Program has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The most recent experience study for the FRS Pension Plan was completed in 2024 for the period July 1, 2018, through June 30, 2023. Because the HIS Program is funded on a pay-as-you-go basis, no experience study has been completed for that program. The actuarial assumptions that determined the total pension liability for the HIS Program were based on certain results of the most recent experience study for the FRS Pension Plan.

The total pension liability for each cost-sharing defined benefit plan was determined using the individual entry age actuarial cost method. Inflation increases for both plans is assumed at 2.40%. Payroll growth, including inflation, for both plans is assumed at 3.50%. Both the discount rate and the long-term expected rate of return used for FRS Pension Plan investments is 6.70%. The plans fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Because the HIS Program uses a pay-as-you-go funding structure, a municipal bond rate of 3.93% was used to determine the total pension liability for the program (Bond Buyer General Obligation 20-Bond Municipal Bond Index). Mortality assumptions for both plans were based on the Generational PUB-2010 with Projection Scale MP-2021 tables.

The following changes in actuarial assumptions occurred in 2024:

- FRS: The long-term expected rate of return remained at 6.70%. Payroll growth, including inflation increased from 3.25% to 3.50%.
- HIS: The municipal rate used to determine total pension liability was increased from 3.65% to 3.93%. Payroll growth, including inflation increased from 3.25% to 3.50%.
- All demographic assumptions and methods were reviewed as part of the 2024 Experience Study and changes were adopted by the 2024 FRS Actuarial Assumption Conference during its meetings in October 2024.

Leon County, Florida  
Notes to Financial Statements

**XI. EMPLOYEE BENEFITS (continued)**

**A. Florida Retirement System (continued)**

- The coverage election assumptions were updated to reflect recent and anticipated future experience and were adopted by the 2024 FRS Actuarial Assumption Conference during its October 2024 meeting.

Valuation date	July 1, 2022	July 1, 2023
Measurement date	June 30, 2023	June 30, 2024
Inflation	2.40%	2.40%
Salary increases including inflation	3.25%	3.50%
Mortality	PUB-2010 base table varies by member category and sex, projected generationally with Scale MP-2018 details in valuation report	PUB-2010 base table varies by member category and sex, projected generationally with Scale MP-2021; details in the valuation report
Actuarial cost method	Individual Entry Age	Individual Entry Age

Investments - The long-term expected rate of return assumption of 6.70 percent used in GASB discount rate calculations consists of two building block components: 1) a long-term average annual inflation assumption of 2.40 percent as adopted in October 2024 by the FRS Actuarial Assumption Conference; and 2) an inferred real (in excess of inflation) return of 4.20 percent. Geometrically combining those building blocks using the formula  $(1 + .024) \times (1 + .042) - 1$  generates an expected nominal return of 6.70 percent. In the opinion of the FRS consulting actuary, both building block components and the overall 6.70 percent return assumption were determined to be reasonable and appropriate per Actuarial Standards of Practice. The 6.70 percent reported investment return assumption is the same as the investment return assumption chosen by the 2023 FRS Actuarial Assumption Conference for funding policy purposes.

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

<u>Asset Class</u>	<u>Target Allocation (1)</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1.0%	3.3%	3.3%	1.1%
Fixed income	29.0%	5.7%	5.6%	3.9%
Global equity	45.0%	8.6%	7.0%	18.2%
Real estate (property)	12.0%	8.1%	6.8%	16.6%
Private equity	11.0%	12.4%	8.8%	28.4%
Strategic investments	2.0%	6.6%	6.2%	8.7%
	<u>100.0%</u>			
Assumed inflation - mean			2.4%	1.5%

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

Leon County, Florida  
Notes to Financial Statements

**XI. EMPLOYEE BENEFITS (continued)**

**A. Florida Retirement System (continued)**

Sensitivity Analysis - the following tables present the sensitivity of the net pension liability to changes in the discount rate of 6.70%. The sensitivity analysis shows the impact to the County's net pension liability if the discount rate shows as 1.00% higher or 1.00% lower than the current discounted rate at June 30, 2024 .

<b>FRS Net Pension Liability</b>		
<b>1% Decrease</b>	<b>Current Discount Rate</b>	<b>1% Increase</b>
<b>5.70%</b>	<b>6.70%</b>	<b>7.70%</b>
\$ 261,524,657	\$ 148,680,991	\$ 54,150,486
<b>HIS Net Pension Liability</b>		
<b>1% Decrease</b>	<b>Current Discount Rate</b>	<b>1% Increase</b>
<b>2.93%</b>	<b>3.93%</b>	<b>4.93%</b>
\$ 46,246,012	\$ 40,624,711	\$ 35,958,122

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

- Differences between expected and actual experience with regard to economic and demographic factors which are amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan, both active and inactive.
- Changes of assumptions or other inputs which are amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan, both active and inactive.
- Changes in proportion and differences between contributions and proportionate share of contributions which are amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan, both active and inactive.
- Differences between expected and actual earnings on pension plan investments are amortized over five years.

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

For the fiscal year ended September 30, 2024, the total pension expense and deferred inflows and outflows related to the FRS and HIS plans were as follows:

	<b>FRS</b>	<b>HIS</b>	<b>Total</b>
Pension expense (income)	\$ 21,428,906	\$ 1,600,066	\$ 23,028,972
Deferred outflows of resources	47,794,793	3,017,961	50,812,754
Deferred inflows of resources	(15,030,652)	(6,146,816)	(21,177,468)

Leon County, Florida  
Notes to Financial Statements

**XI. EMPLOYEE BENEFITS (continued)**

**A. Florida Retirement System (continued)**

For the fiscal year ended September 30, 2024, the County recognized pension expense of \$21,428,906 for the FRS plan. In addition the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources for the FRS Plan</b>	<b>Deferred Inflows of Resources for the FRS Plan</b>
Differences between expected and actual experience	\$ 15,020,772	\$ —
Change of assumptions	20,378,089	—
Net difference between projected and actual earnings on FRS Plan investments	—	(9,882,112)
Changes in proportion and differences between County FRS Plan contributions and proportionate share of contributions	6,578,812	(5,148,540)
County FRS Plan contributions subsequent to the measurement date	5,817,120	—
Total	<u>\$ 47,794,793</u>	<u>\$ (15,030,652)</u>

The deferred outflows of resources related to the Pension Plan, totaling \$5,817,120 and resulting from County contributions to the Plan subsequent to the measurement date, will be recognized as a reduction to net pension liability in the fiscal year ended September 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

<b>Reporting Period Ending June 30,</b>	<b>FRS Net Deferred Outflows/(Inflows)</b>
2025	\$ (3,069,775)
2026	24,463,801
2027	2,651,686
2028	1,203,119
2029	1,698,190
Thereafter	—
Total	<u>\$ 26,947,021</u>

For the fiscal year ended September 30, 2024, the County recognized pension expense of \$1,600,066 for the HIS plan. In addition the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources for the HIS Plan</b>	<b>Deferred Inflows of Resources for the HIS Plan</b>
Differences between expected and actual experience	\$ 392,259	\$ (78,005)
Change of assumptions	718,962	(4,809,445)
Net difference between projected and actual earnings on HIS Plan investments	—	(14,692)
Changes in proportion and differences between County HIS Plan contributions and proportionate share of contributions	1,288,466	(1,244,674)
County HIS Plan contributions subsequent to the measurement date	618,274	—
Total	<u>\$ 3,017,961</u>	<u>\$ (6,146,816)</u>

Leon County, Florida  
Notes to Financial Statements

**XI. EMPLOYEE BENEFITS (continued)**

**A. Florida Retirement System (continued)**

The deferred outflows of resources related to the HIS Plan, totaling \$618,274 resulting from County contributions to the HIS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2025. Other amounts reported by the County as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense as follows:

<u>Reporting Period Ending June 30,</u>	<u>FRS Net Deferred Outflows/(Inflows)</u>
2025	\$ (687,336)
2026	(865,994)
2027	(1,130,684)
2028	(727,554)
2029	(271,929)
Thereafter	(63,632)
Total	<u>\$ (3,747,129)</u>

**B. Deferred Compensation Plan**

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

**C. Liability for Compensated Absences**

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

**D. Executive Service Plan**

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

**E. Post Employment Benefits Other Than Pension Benefits**

**Plan Description**

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

Leon County, Florida  
Notes to Financial Statements

**XI. EMPLOYEE BENEFITS (continued)**

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

**Plan Description (continued)**

OPEB Plan membership at September 30, 2023, was as follows:

<u>Membership Status as of September 30, 2023</u>	<u>Life</u>	<u>Medical</u>
Active plan members	1,513	1,513
Retirees and DROP participants	422	206
Total	<u>1935</u>	<u>1,719</u>

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

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

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

**Funding Policy**

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

**Net OPEB liability**

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

Leon County, Florida  
Notes to Financial Statements

**XI. EMPLOYEE BENEFITS (continued)**

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

**Net OPEB liability (continued)**

The total OPEB liability for the year ended September 30, 2024, measured as of September 30, 2023, is \$38,095,590. The following table outlines the changes in Net OPEB Liability for the fiscal year ending September 30, 2024:

	<b>FY 2024</b>	<b>FY 2023</b>
Service cost	\$ 1,263,548	\$ 1,407,503
Interest	1,566,896	1,657,783
Change of benefit terms	961,621	-
Differences between expected and actual experience	46,230	(3,619,718)
Changes of assumptions or other input	4,029,142	(598,706)
Expected benefit payments	(1,349,473)	(1,217,979)
Net Changes	6,517,964	(2,371,117)
Net OPEB liability at beginning of year	31,577,626	33,948,743
Net OPEB liability at end of year	<u>\$ 38,095,590</u>	<u>\$ 31,577,626</u>

The total OPEB liability and contribution rates were determined by an actuarial valuation as of October 1, 2024. The total OPEB liability was rolled forward two years. The significant assumptions used were as follows:

Valuation Date	September 30, 2023
Measurement Date	September 30, 2024
Actuarial Cost Method	Entry Age Normal, Level Percent of Salary. Service Costs are attributed through all assumed ages of exit from active service.
Asset Valuation Method	Not Applicable. The plan operates on a pay-as-you-go basis and thus, has no assets.
Miscellaneous	The valuation was prepared on an on-going plan basis. This assumption does not necessarily imply that an obligation to continue the plan actually exists.
Discount Rate	The discount rate at the measurement date is 4.06%. Benefit payments are funded on a pay-as-you go basis. The discount rate is based on the S&P Municipal Bond 20 Year High Grade Rate Index as of September 30, 2024. The 4.06% rate was based on the S&P Municipal Bond 20-Year High Grade Rate Index as of September 30, 2024.
Consumer Price Index	N/A
Future Salary Increase	3.25%
Administrative Expenses	Life Insurance administrative expenses are assumed to be 5% of claims based on experience for similar plans. Medical insurance administrative expenses are assumed to be included in the premiums.
Mortality	According to the Benefit-Weighted Pub-2010 Mortality Tables with a public safety adjustment for sheriffs and the general table for all others, projected generationally with the MP-2021 Mortality Improvement scale. For disabled retirees, according to the Benefit- Weighted Pub-2010 Disabled Mortality Tables with a public safety adjustment for sheriffs and the general table for all others, projected generationally with MP-2021 Mortality Improvement scales.
Withdrawal	Same as the Florida Retirement System (FRS) pension plan.
Disability	Same as the Florida Retirement System (FRS) pension plan.
Retirement age	Same as the Florida Retirement System (FRS) pension plan.

Leon County, Florida  
Notes to Financial Statements

**XI. EMPLOYEE BENEFITS (continued)**

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

**Net OPEB liability (continued)**

Plan participation	
Life insurance:	95% and 20% of future retirees are assumed to elect Basic and Supplemental life insurance benefits at retirement, respectively, based on a mix of actual experience and experience for similar plans. For non-Senior Management employees who can elect up to 2x salary at retirement for Supplemental life insurance benefit up to a maximum of \$250,000 combined maximum for Basic and Supplemental life insurance, we have assumed that they will elect 1x salary at retirement.
Medical insurance:	45% of future retirees are assumed to elect health coverage with the County at retirement based on a mix of actual experience and experience for similar plans. Current retirees are assumed to coverage under the County's health plans if they are currently enrolled. Current retirees who are not currently enrolled in the County's health plans are not assumed to re-enroll in the future. 100% of surviving spouses are assumed to elect coverage with the County upon retirees' death.
Health care cost trends	Eligible health care costs, per capita costs, and retiree contributions, are assumed to decrease each year from 7.50% for the year ended 9/30/2024 to 4.50% for the year beginning 10/1/2032 and thereafter. The initial trend rate was established based on the influences of the health care marketplace as a whole as published in Buck's National Health Care Trend Survey The trend rates are based on the "core" trend components (i.e., medical inflation, utilization and intensity of services) but exclude the impact of the aging of the covered population and other noncore components of trend (e.g., profit margins typically included in an insurer's trend assumptions). It is assumed that over the long-term, health care costs ultimately will be constrained by the public's ability and willingness to pay the higher cost of health care services. This assumption implies that the ultimate trend rate should be related to the nominal per capita GDP. Therefore, ultimate trend is assumed to be comprised of (i) real growth in per capita GDP, (ii) long-term growth attributable to technology innovations, and (iii) assumed long-term inflation rate. We estimated that health care costs would reach the ultimate trend level in fiscal year ending in 2028, based on projections from CMS' projection of National Health Care Expenditures.
Per capita costs	Our valuation reflects the following fiscal year 2023 annual per capita plan costs for retirees and their spouses: Per Capita Plan Cost at Male Age 65- Retiree \$22,080, Spouse \$23,436, Family \$36,072. Medical per capita plan costs for retirees and spouses were developed using 2024 premium information and de-trended to a level appropriate for the fiscal year beginning October 1, 2023. The premiums are assumed to include administrative expenses. The valuation relied upon the premium information which was assumed to be suitable for this purpose. The Pre-Medicare plan costs are based upon age-adjusted rates. Post-Medicare retirees are assumed to be in a retiree-only plan and retirees pay 100% of the premium. Therefore, we assume there is no associated post-Medicare liability for the retiree medical plan.

Leon County, Florida  
Notes to Financial Statements

**XI. EMPLOYEE BENEFITS (continued)**

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

**Net OPEB liability (continued)**

Spouse assumptions	For future retirees, female spouses are assumed to be three years younger than their male spouses. For existing retirees, actual spouses age are used if available, otherwise female spouses are assumed to be three years younger than their male spouses.
Age/Gender - related morbidity	The age/gender health care cost relativities implemented in this valuation to reflect associated differences in medical costs are based on data from the recent study, "Health Care Costs - From Birth to Death" prepared by Dale H. Yamamoto and sponsored by the Society of Actuaries.

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

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

<b>Sensitivity of the Net OPEB Liability to Changes in the Discount Rate</b>	<b>1% Decrease 3.06%</b>	<b>Current Discount Rate 4.06%</b>	<b>1% Increase 5.06%</b>
Net OPEB Liability	\$ 44,163,363	\$ 38,095,590	\$ 33,217,232

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

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

<b>Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend</b>	<b>1% Decrease</b>	<b>Current Health Care Cost Trend</b>	<b>1% Increase</b>
Net OPEB Liability	\$ 36,084,729	\$ 38,095,590	\$ 40,487,033

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

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

- Differences between expected and actual experience with regard to economic and demographic factors which are amortized over the average expected remaining service life of all employees that are provided with benefits through the OPEB plan, both active and inactive.
- Changes of assumptions or other inputs which are amortized over the average expected remaining service life of all employees that are provided with benefits through the OPEB plan, both active and inactive.
- Changes in proportion and differences between contributions and proportionate share of contributions which are amortized over the average expected remaining service life of all employees that are provided with benefits through the OPEB plan, both active and inactive.

Leon County, Florida  
Notes to Financial Statements

**XI. EMPLOYEE BENEFITS (continued)**

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

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

The below table presents the OPEB expense and its components:

<u>Components of OPEB Expense</u>	<u>For the year ended September 30, 2024</u>
Service cost	\$ 1,263,548
Interest on the total OPEB liability and net cash flow	1,566,896
Effect of benefit changes	961,621
Differences between expected and actual experience	3,972
Changes of assumptions or other input	878,647
Total OPEB expense	<u>\$ 4,674,684</u>

At September 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows</u>	<u>Deferred Inflow County</u>	<u>Total County Deferred Outflow (Deferred Inflow)</u>
Differences between expected and actual experience	\$ 10,475,658	\$ (3,834,139)	\$ 6,641,519
Changes in assumptions and other inputs	7,747,485	(13,996,014)	(6,248,529)
Total	<u>\$ 18,223,143</u>	<u>\$ (17,830,153)</u>	<u>\$ 392,990</u>

The average of the expected remaining service lives of all employees that are provided with benefits through the plan (active and inactive employees) determined at October 1, 2024 is 10.1 years. The following deferred inflows of resources will be recognized in pension expense as follows:

<u>For the year ended September 30,</u>	<u>County Total Deferred Outflow (Deferred Inflow)</u>
2025	\$ 882,619
2026	934,436
2027	1,012,156
2028	1,012,156
2029	(1,366,301)
Thereafter	(2,082,076)
Total	<u>\$ 392,990</u>

**Funded Status and Funding Progress**

As of September 30, 2024, the County's actuarial accrued liability for benefits recognized in the County's financial statements was \$38,095,590, all of which was unfunded.

Leon County, Florida  
Notes to Financial Statements

**XII. DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES**

A deferred outflow of resources represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. The County's reported deferred outflows of resources are derived from \$18,223,143 from OPEB related activities and \$50,812,754 from pension related activities.

A deferred inflow of resources represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until then. The County's reported deferred inflows of resources are derived from \$17,830,153 from OPEB related activities, \$21,177,468 from pension related activities, \$6,793,455 from Lessor activities, and \$775,771 from special assessment related activities.

**XIII. RISK MANAGEMENT AND CONVENTIONALLY INSURED CLAIMS & LOSSES**

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, 2024.

**A. General Liability**

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

The actuarially determined liability determined below reflects open claims associated with this carrier.

Changes in the County's claim 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, 2023	\$ –	\$ –	\$ –	\$ –
September 30, 2024	\$ –	\$ 178,369	\$ –	\$ 178,369

**B. Workers' Compensation**

The County 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, Commercial Risk Management, Inc. (previously administered by Preferred Governmental Claims Solutions). Under this program, the County absorbs losses up to a maximum of \$500,000 for each claim. At September 30, 2024, the County had \$300,000 deposited with the third-party administrator for use against future claims. The County purchases commercial insurance for claims in excess of coverage provided by the Fund. Settled claims have not exceeded the retention level for this commercial coverage in the current year or any of the past five years.

All funds of the County participate in this program and make payments to the Fund based on payroll exposure in the amounts needed to pay prior and current year claims and to establish a reserve for catastrophic losses. The net position of the Fund is reserved for anticipated future catastrophic losses pursuant to County policy and GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*.

The actuarially-determined claims liability for workers' compensation of \$4,649,925, which includes incurred but not reported claims of \$3,067,164, reported in the Fund at September 30, 2024, is based on the requirements of GASB 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.

Leon County, Florida  
Notes to Financial Statements

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

**B. 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, 2023	\$ 6,606,825	\$ 1,750,386	\$ (1,557,000)	\$ 6,800,211
September 30, 2024	\$ 6,800,211	\$ (687,286)	\$ (1,463,000)	\$ 4,649,925

**C. Automobile Liability**

The County purchases commercial coverage for automobile liability insurance through the same provider of its general liability insurance. All vehicles are covered for physical damage with a \$1,000 deductible and for liability with a \$5,000 deductible. All funds of the County participate in this program and pay premiums to the 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, 2023	\$ 41,465	\$ 5,471	\$ -	\$ 46,936
September 30, 2024	\$ 46,936	\$ (7,146)	\$ -	\$ 39,790

The actuarially-determined claims liability for automobile liability insurance of \$39,790 includes incurred but not reported claims of \$13,534.

As a member of the Florida Sheriffs Association, the Sheriff participates in the Sheriffs Automobile Risk Program for automobile liability insurance. Coverage includes liability for bodily injury and property damage, personal injury protection, auto medical payments, and bodily injury for uninsured motorists. Coverage for physical damage is also maintained on certain vehicles. The contribution required for the year ended September 30, 2024 was \$342,185.

**D. Professional Liability**

The Sheriff is currently a member of the Florida Sheriffs Association and participates in the Florida Sheriffs Risk Management Fund. The Florida Sheriffs Risk Management Fund administers insurance activities related to professional liability and covers compensatory damages (except back pay), employment benefits, punitive damages, attorney fees or costs awarded to a prevailing plaintiff, and all legal fees involved in defense of the Sheriff. The contribution required for the year ended September 30, 2024 was \$670,937.

The limits of the Florida Sheriffs Risk Management Fund for the above-mentioned damages, fees, and defense costs are \$5,000,000 per incident or occurrence and \$10,000,000 in the aggregate for the policy year. Settled claims did not exceed this coverage in the current year or any of the past three years.

**XIV. SEGMENT INFORMATION - ENTERPRISE FUNDS**

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

**XV. OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES**

**A. Excess of Expenditures Over Budget Appropriations**

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

**B. Excess of Expenditures Over Revenues in the Budget Column**

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

**C. Deficit Fund Balances**

At fiscal year end, the Family Law Legal Service fund had a deficit of \$56,277, the SHIP Trust fund had a deficit of \$13,722, and the Special Assessment Paving fund had a deficit of \$5,753. All funds are nonmajor special revenue funds.

**D. Minimum Fund Balance Policy**

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

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

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

Leon County, Florida  
Notes to Financial Statements

**XV. OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES (continued)**

**E. Fund Balance**

	<u>General Fund</u>	<u>Major Funds</u>	<u>Other Funds</u>	<u>Total</u>
<b>Nonspendable:</b>				
Inventory	\$ 1,304,193	\$ –	\$ 2,363	\$ 1,381,974
Prepaid assets	694,552	317,162	175,077	1,111,373
Total nonspendable	<u>1,998,745</u>	<u>317,162</u>	<u>177,440</u>	<u>2,493,347</u>
<b>Restricted for:</b>				
Federal and state grants and other purpose	–	6,833,144	273,382	7,106,526
Major non-transportation related capital projects and facilities	–	36,855,430	35,455,215	72,310,645
Public improvement revenue bond projects	–	–	17,376,677	17,376,677
Enabling legislation	–	–	14,102,182	14,102,182
User restricted	–	–	808,928	808,928
Total restricted	<u>–</u>	<u>43,688,574</u>	<u>68,016,384</u>	<u>111,704,958</u>
<b>Committed for:</b>				
Minimum reserve requirements	6,141,795	1,693,745	–	7,835,540
Fire protection services	–	–	1,521,050	1,521,050
Emergency medical services	–	15,491,398	3,498,775	18,990,173
Building inspections	–	–	2,883,191	2,883,191
Unincorporated stormwater maintenance	–	–	2,931,377	2,931,377
City sewer services distribution	–	–	43,160	43,160
Environmental management	–	–	3,412,459	3,412,459
Pandemic recovery efforts	–	666,507	–	666,507
Total committed	<u>6,141,795</u>	<u>17,851,650</u>	<u>14,290,012</u>	<u>38,283,457</u>
<b>Assigned for:</b>				
General government	6,085,157	9,371,892	–	15,457,049
Public safety	–	–	3,016,398	3,016,398
Total assigned	<u>6,085,157</u>	<u>9,371,892</u>	<u>3,016,398</u>	<u>18,473,447</u>
Unassigned	<u>26,851,305</u>	<u>–</u>	<u>(82,472)</u>	<u>26,768,833</u>
Total fund balances	<u>\$ 41,077,002</u>	<u>\$ 71,229,278</u>	<u>\$ 85,417,762</u>	<u>\$ 197,724,042</u>

**XVI. COMMITMENTS AND CONTINGENCIES**

**A. Contract Commitments**

**Grants**

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

**Long-Term Construction Projects**

The County is committed to various material long-term construction projects at September 30, 2024. These commitments have been included in the 2024-2025 fiscal year budget and the five-year Capital Improvement Program and certain amounts have been reserved in the capital projects funds. Current contracts outstanding as of September 30, 2024, approximate \$21.9 million.

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

Leon County, Florida  
Notes to Financial Statements

**XVI. COMMITMENTS AND CONTINGENCIES (continued)**

**B. Potential Liabilities Resulting from Litigation**

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

**C. Subsequent Events**

The County has evaluated subsequent events through June 19, 2025, the date the financial statements were available to be issued. No subsequent events were identified that required disclosure except for the transaction described below.

In December 2024, the discretely presented component unit issued Lake Bradford Multifamily Mortgage Revenue Note Series 2024A and 2024B with total gross proceeds of \$7,327,152. Our opinions are not modified with respect to this matter.

**XVII. CONTINGENCIES - DEBT**

The County participates in federal and state assisted grant programs. These programs are subject to special compliance audits by the grantors or their representatives that may result in disallowed expense amounts. Such amounts, if any, constitute a contingent liability of the County. Accordingly, such liabilities are not reflected within these financial statements. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

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

**XVIII. NET POSITION RESTATEMENT**

Fund balances as of October 1, 2023 have been restated to reflect the following adjustments:

During the year ended September 30, 2024, the Housing Finance Authority of Leon County's management identified that the prior year issuer fees receivable was understated as the fiscal year 2023 Ridge Road mortgage revenue note issuer fees, which was received subsequent to the completion of the prior year audit, was inadvertently omitted from the budget and accrued revenues. In order to correct this error, the October 1, 2023 net position for the discretely presented component unit has been restated to correct previously reported misstatements. This correction results in an increase to the beginning net position by \$51,000. Our opinions are not modified with respect to this matter.

## Required Supplementary Information

Leon County, Florida  
Proportionate Share of Net Pension Liability  
Florida Retirement System  
Last 10 Fiscal Years\*  
(unaudited)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Leon County's proportion of the net pension liability	0.384340527%	0.36490781%	0.367963030%	0.373660617%	0.394768166%	0.405622105%	0.401636460%	0.404240284%	0.426742954%	0.381103706%
Leon County's proportionate share of the net pension liability	\$ 148,680,991	\$ 145,404,215	\$ 136,911,817	\$ 28,225,813	\$ 171,098,341	\$ 139,690,606	\$ 120,974,984	\$ 119,571,564	\$ 107,752,931	\$ 49,224,656
Leon County's covered payroll	\$ 120,271,936	\$ 110,522,187	\$ 104,064,221	\$ 101,609,419	\$ 100,077,822	\$ 95,981,978	\$ 92,298,471	\$ 89,031,824	\$ 84,165,836	\$ 82,001,002
Leon County's proportionate share of the net pension liability as a percentage of its covered payroll	123.62%	131.56%	131.56%	27.78%	170.97%	145.54%	131.07%	134.30%	128.02%	60.03%
Plan fiduciary net position as a percentage of the total pension liability	83.70%	82.38%	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%

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

*See report of independent auditors.*

Leon County, Florida  
Schedule of Contributions  
Florida Retirement System  
Last 10 Fiscal Years\*  
(unaudited)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 21,763,795	\$ 17,544,413	\$ 15,701,652	\$ 14,234,855	\$ 13,116,397	\$ 12,577,212	\$ 11,446,316	\$ 10,523,370	\$ 10,406,807	\$ 9,291,632
Actual employer contribution	(21,763,795)	(17,544,413)	(15,701,652)	(14,234,855)	(13,116,397)	(12,577,212)	(11,446,316)	(10,523,370)	(10,406,807)	(9,291,632)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Leon County's covered payroll	\$ 122,888,954	\$ 112,420,882	\$ 104,826,103	\$ 101,778,575	\$ 101,101,949	\$ 97,005,441	\$ 92,911,582	\$ 90,549,137	\$ 84,749,884	\$ 82,413,692
Contributions as a percentage of covered payroll	17.71%	15.61%	14.98%	13.99%	12.97%	12.97%	12.32%	11.62%	12.28%	11.27%

\* The amounts presented for each fiscal year were determined as of June 30 except for the covered payroll determined as of September 30.

See report of independent auditors.

Leon County, Florida  
Proportionate Share of Net Pension Liability  
Health Insurance Subsidy Program  
Last 10 Fiscal Years\*  
(unaudited)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Leon County's proportion of the net pension liability	0.270813768%	0.26400088%	0.269692073%	0.274214019%	0.274310017%	0.281605365%	0.279643167%	0.275303556%	0.286548096%	0.274123595%
Leon County's proportionate share of the net pension liability	\$ 40,624,711	\$ 41,926,860	\$ 28,564,698	\$ 33,636,472	\$ 33,492,806	\$ 31,508,822	\$ 29,597,747	\$ 29,436,726	\$ 33,395,994	\$ 27,956,296
Leon County's covered payroll	\$ 120,271,936	\$ 110,522,187	\$ 104,064,221	\$ 101,609,419	\$ 100,077,822	\$ 95,981,978	\$ 92,298,471	\$ 89,031,824	\$ 84,165,836	\$ 82,001,002
Leon County's proportionate share of the net pension liability as a percentage of its covered payroll	33.78%	37.94%	27.45%	33.10%	33.47%	32.83%	32.07%	33.06%	39.68%	34.09%
Plan fiduciary net position as a percentage of the total pension liability	4.80%	4.12%	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%

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

See report of independent auditors.

Leon County, Florida  
Schedule of Contributions  
Health Insurance Subsidy Program  
Last 10 Fiscal Years\*  
(unaudited)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 2,292,789	\$ 1,736,644	\$ 1,631,864	\$ 1,611,832	\$ 1,580,720	\$ 1,563,727	\$ 1,516,512	\$ 1,456,986	\$ 1,468,742	\$ 1,047,871
Actual employer contribution	(2,292,789)	(1,736,644)	(1,631,864)	(1,611,832)	(1,580,720)	(1,563,727)	(1,516,512)	(1,456,986)	(1,468,742)	(1,047,871)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Leon County's covered payroll	\$ 122,888,954	\$ 112,420,882	\$ 104,826,103	\$ 101,778,575	\$ 101,101,949	\$ 97,005,441	\$ 92,911,582	\$ 90,549,137	\$ 84,749,884	\$ 82,413,692
Contributions as a percentage of covered payroll	1.87%	1.54%	1.56%	1.58%	1.56%	1.61%	1.63%	1.61%	1.73%	1.27%

\* The amounts presented for each fiscal year were determined as of June 30 except for the covered payroll determined as of September 30.

See report of independent auditors.

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

	2024	2023	2022	2021	2020	2019	2018
Net OPEB Liability							
Service cost	\$ 1,263,548	\$ 1,407,503	\$ 2,333,956	\$ 2,501,300	\$ 540,572	\$ 492,162	\$ 534,336
Interest	1,566,896	1,657,783	1,141,365	934,003	607,217	666,184	621,125
Changes of benefit terms	961,621	-	-	-	1,067,856	-	-
Difference between expected & actual experience	46,230	(3,619,718)	-	5,600,923	15,714,047	(2,282,605)	-
Changes in assumptions & other inputs	4,029,142	(598,706)	(13,608,670)	(4,618,076)	7,277,059	(31,667)	(1,114,016)
Benefit payments	(1,349,473)	(1,217,979)	(1,100,812)	(753,917)	(215,848)	(249,553)	(227,947)
Net change in total OPEB liability	6,517,964	(2,371,117)	(11,234,161)	3,664,233	24,990,903	(1,405,479)	(186,502)
Net OPEB liability - beginning	31,577,626	33,948,743	45,182,904	41,518,671	16,527,768	17,933,247	18,119,749
Net OPEB liability - ending	\$ 38,095,590	\$ 31,577,626	\$ 33,948,743	\$ 45,182,904	\$ 41,518,671	\$ 16,527,768	\$ 17,933,247
Covered-employee payroll	\$ 120,271,936	\$ 110,522,187	\$ 104,826,103	\$ 101,778,576	\$ 101,101,949	\$ 97,005,441	\$ 92,911,582
Net OPEB liability as a percentage of covered employee payroll	31.67%	28.57%	32.39%	44.39%	41.07%	17.04%	19.30%

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

See report of independent auditors.

Leon County, Florida  
Notes to the Required Supplementary Information  
September 30, 2024  
(unaudited)

The following changes in actuarial assumptions occurred in 2024:

**PENSION RELATED NOTES TO SCHEDULE:**

FRS: There were no changes in benefit terms. The inflation rate assumption remained at 2.40%. Payroll growth, including inflation increased from 3.25% to 3.50%. The long-term expected rate of return remained at 6.7%.

HIS: The municipal rate used to determine total pension liability was increased from 3.65% to 3.93%. Payroll growth, including inflation, increased from 3.25% to 3.50%

All demographic assumptions and methods were reviewed as part of the 2024 Experience Study and changes were adopted by the 2024 FRS Actuarial Assumption Conference during its October 2024 meeting.

The coverage election assumptions were updated to reflect recent and anticipated future experience and were adopted by the 2024 FRS Actuarial Assumption Conference during its October 2024 meeting.

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

**OPEB RELATED NOTES TO SCHEDULE:**

The assumptions, methods, and plan provisions used were the same as those in Leon County's GASB 75 valuation report for FYE September 30, 2023 dated February 27, 2024, except for the following:

The discount rate was updated from 4.87% as of September 30, 2023 to 4.06% as of September 30, 2024. The 4.06% rate was based on the S&P Municipal Bond 20-Year High Grade Rate Index as of September 30, 2024. This caused an increase in liabilities.

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

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

The Honorable Board of County Commissioners  
Leon County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, the aggregate remaining fund information, and the budgetary comparison statements of Leon County, Florida (the County), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the County's financial statements, and have issued our report thereon dated June 19, 2025. 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 County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported separately by these auditors.

**Report on Internal Control Over Financial Reporting**

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying *Management Letter*, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying *Management Letter* as items 2024-001, 2024-002, 2024-003, 2024-005, 2024-006, 2024-014, & 2024-015 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying *Management Letter* as item 2024-004, 2024-009, & 2024-011 to be significant deficiencies.

### **Report on Compliance and Other Matters**

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

### **Leon County, Florida's Response to Findings**

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

### **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County'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 County'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 June 19, 2025, presenting certain required disclosures and comments pursuant to the *Rules of the Auditor General*, Chapter 10.550.

 

**Thomas Howell Ferguson P.A.**  
Tallahassee, Florida  
June 19, 2025

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

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

Honorable Board of County Commissioners  
Leon County, Florida

**Report on Compliance for Each Major Federal Program and State Project**

**Opinion on Each Major Federal Program and State Project**

We have audited Leon County, Florida's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* and the *Florida Department of Financial Service's State Projects Compliance Supplement*, that could have a direct and material effect on each of Leon County, Florida's major federal programs and state projects for the year ended September 30, 2024. Leon County, Florida's major federal programs and state projects are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, Leon County, Florida complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended September 30, 2024.

**Basis for Opinion on Each Major Federal Program and State Project**

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

We are required to be independent of Leon County, Florida and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program and state project. Our audit does not provide a legal determination of Leon County, Florida's compliance with the compliance requirements referred to above.

### **Responsibilities of Management for Compliance**

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

### **Auditors' Responsibilities for the Audit of Compliance**

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Leon County, Florida's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Leon County, Florida's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General* but not for the purpose of expressing an opinion on the effectiveness of Leon County, Florida's internal control over compliance. Accordingly, no such opinion is expressed.

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

### **Report on Internal Control Over Compliance**

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

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

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

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information and the budgetary comparison statements of Leon County, Florida, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise Leon County, Florida's basic financial statements. We issued our report thereon dated June 19, 2025, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and state financial assistance is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



**Thomas Howell Ferguson P.A.**  
Tallahassee, Florida  
June 19, 2025



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

**Leon County, Florida**  
**Schedule of Expenditures of Federal Awards and State Financial Assistance**  
**Year Ended September 30, 2024**

Federal / State Agency Pass-through Entity Federal Program / State Project	CFDA or CSFA Number	Grant Contract Number	Expenditures	Transfers to Subrecipients
<b>FEDERAL AWARDS</b>				
<b><u>U.S. Department of Agriculture</u></b>				
Pass through Florida Department of Financial Services Urban Forestry Grant	10.664	22-DG-11083112-001-A	\$ 18,835	\$ -
Schools and Roads - Grants to States	10.665	USFOR2023	50,760	-
<b><u>U.S. Department of Treasury</u></b>				
Direct Programs				
COVID-19 American Recovery Plan Funding	21.027	20-1982-0-1-806	12,813,237	1,514,637
Local Assistance and Tribal Consistency Fund	21.032	LATCF-3187	421,473	-
COVID-19 Emergency Rental Assistance Program	21.023	ERA2-0382	3,940	-
<b><u>U.S. Department of Interior</u></b>				
Direct Program				
Payments in Lieu of Taxes	15.226	Unknown	299,873	-
<b><u>U.S. Department of Justice</u></b>				
Direct Program				
Community Based Violence Intervention and Prevention Initiative	16.045	15PBJA-22-GG-04708-CVIP	398,320	-
Pass through State of Florida Office of the Attorney General Victims of Crime Act	16.575	VOCA-C-2023-Leon County Sheriff's Off-00122	114,336	-
Pass through National Association of VOCA Assistance Administrators National Crime Victims' Rights Week Community Awareness Project	16.582	CAP24-1473	3,183	-
Pass through Florida Department of Law Enforcement Project Safe Neighborhoods: Northern District of FL	16.609	15PBJA-21-GG-03010-GUNP B8002	57,419	-
Direct Program				
Law Enforcement Mental Health and Wellness Act (LEMHWA)	16.710	15JCOPS-22-GG-04073-LEMH	23,351	-
Law Enforcement Agency De-Escalation Grants -Community Policing	16.710	15JCOPS-23-GG-02545-PPSE	80,791	-
Pass through Florida Department of Law Enforcement North Star Multi-Jurisdictional Task Force	16.710	C2104	3,838	-
<b>Total CFDA # 16.710</b>			<u>107,980</u>	
Direct Programs				
Capital Area Real Time Crime Center Operational Research Partnership	16.738	115PBJA-21-GG-04372-SMTP	191,911	-
Edward Byrne Memorial Justice Assistance Grant (JAG)	16.738	R7175	50,000	-
Pass through City of Tallahassee, Florida Edward Byrne Memorial Justice Assistance Grant (JAG)	16.738	15PBJA-22-GG-02142-JAGX	35,011	-
Pass through Florida Department of Law Enforcement 2021 JAGC Mobile Message Board	16.738	C-8C181	33,338	-
Technology Improvement in Law Enforcement	16.738	R7207	16,297	-
<b>Total CFDA # 16.738</b>			<u>326,557</u>	
Direct Program				
Body-worn Camera Policy and Implementation Program	16.835	15PBJA-23-GG-02632-BWCX	53,112	-
<b><u>U.S. Department of Transportation</u></b>				
Pass through Florida Department of Transportation Occupant Safety Grant	20.600	SC-2024-00187 G2P61	55,901	-
<b><u>U.S. Department of Homeland Security</u></b>				
Pass through Florida Division of Emergency Management				
State Homeland Security Grants Program	97.067	R0582	171,543	-
State Homeland Security Grants Program	97.067	R0901	20,181	-
State Homeland Security Grants Program	97.067	R0933	147,739	-
<b>Total CFDA # 97.067</b>			<u>339,463</u>	
<b><u>Federal Emergency Management Agency</u></b>				
Pass through Florida Division of Emergency Management				
Emergency Management Performance Grants	97.036	Z0051	267	-
Emergency Management Performance Grants	97.036	Z3320	64,282	-
Emergency Management Performance Grants	97.036	Z3937	540,728	-
Emergency Management Performance Grants	97.036	FEMA-4399-DR-FL	320,130	-
<b>Total CFDA # 97.036</b>			<u>925,407</u>	
EMPG Base Grant	97.042	G0494	90,730	-
<b><u>U.S. Environmental Protection Agency</u></b>				
Pass through Florida Department of Environmental Protection USEPA Clean Water Campaign	66.460	NF029	3,750	-
<b><u>U.S. Department of Health and Human Services</u></b>				
Pass through Florida Department of Revenue Federal Grants Child Support Reimbursement	93.563	COC37	305,094	-
Pass through Northwest Florida Health Network Mental Health Mobile Response Team	93.958	B0230	26,421	-
<b>Total Expenditures of Federal Awards</b>			<u>\$ 16,415,791</u>	<u>\$ 1,514,637</u>

(continued)

See independent auditors' report.

**Leon County, Florida**  
**Schedule of Expenditures of Federal Awards and State Financial Assistance (continued)**  
**Year Ended September 30, 2024**

Federal / State Agency Pass-through Entity Federal Program / State Project	CFDA or CSFA Number	Grant Contract Number	Expenditures	Transfers to Subrecipients
<b>STATE FINANCIAL ASSISTANCE</b>				
<b><u>State of Florida Division of Emergency Management</u></b>				
Direct Project				
Emergency Management Programs	31.063	A0409	\$ 105,806	\$ -
<b><u>Florida Department of Environmental Protection</u></b>				
Direct Projects				
Belair/Annawood Sewer System Project	37.052	LP01108	109,288	-
FDEPA Springs Restoration	37.052	LP37113	169,413	-
Northeast Lake Munson Sewer System Project	37.052	LP0110E	4,537,210	-
FDEP Wastewater Treatment	37.052	LP37115	275,040	-
Woodville Sewer Project	37.052	LP37114	220,598	-
<b>Total CSFA # 37.052</b>			<u>5,311,549</u>	
Leon County Septic Upgrade Program	37.039	LPE3701	907,000	-
Waste Tire Amnesty Event	37.010	DEP3745DWM	7,398	-
<b><u>Florida Department of Agriculture and Consumer Services</u></b>				
Direct Project				
Mosquito Control	42.003	Unknown	30,233	-
<b><u>Florida Department of State</u></b>				
Direct Project				
State Aid to Libraries	45.030	23-ST-27	88,494	-
<b><u>Florida Department of Health</u></b>				
Direct Projects				
Emergency Medical Services County Grant	64.003	M233701	17,813	-
Emergency Medical Services County Grant	64.003	M233702	46,500	-
<b>Total CSFA # 64.003</b>			<u>64,313</u>	
Direct Projects				
State Housing Initiatives Partnership Program	40.901	SHIP21	309,908	-
State Housing Initiatives Partnership Program	40.901	SHIP22	9,018	-
State Housing Initiatives Partnership Program	40.901	SHIP23	294,069	-
<b>Total CSFA # 40.901</b>			<u>612,995</u>	
<b><u>Florida Department of Law Enforcement</u></b>				
Direct Project				
CJDT Implementation Assistance Program	71.044	2022-DTSFA-D2-006	306,336	-
Rapid DNA	71.113	J3007	250,000	-
Drone Replacement Program	71.092	3X013	14,000	-
<b><u>Florida Department of Children and Families</u></b>				
Pass through Northwest Florida Health Network				
Mental Health Mobile Response Team	60.153	B0230	45,125	-
<b><u>Florida Department of Juvenile Justice</u></b>				
Delinquency Prevention	80.029	10697	34,416	-
<b>Total Expenditures of State Financial Assistance</b>			<u>\$ 7,777,665</u>	<u>\$ -</u>

**NOTES:**

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

Community Development Block Grant-Entitlement	14,218	\$ 978,925
State Housing Initiatives Partnership Program	40,901	7,998,985
		<u>\$ 8,977,910</u>

(2) The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance (the Schedule) presents the activity of all federal programs and state projects of the Leon County Board of County Commissioners for the year ended September 30, 2024. All expenditures related to federal awards and state projects received directly from federal and state agencies, as well as federal awards and state projects passed through other governmental agencies, are included in the accompanying Schedule. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S.Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

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

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

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

**Leon County, Florida**  
**Schedule of Findings and Questioned Costs**  
**Year Ended September 30, 2024**

**Section I -- Summary of Auditors' Results**

**Financial Statements**

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? Yes

Significant deficiency(ies) identified not considered to be material weaknesses? Yes

Noncompliance material to financial statements noted? No

***Schedule of Findings and Questioned Costs Relating to Federal Awards***

**Federal Awards**

Internal control over major programs:

Material weakness(es) identified? No

Significant deficiency(ies) identified not considered to be material weaknesses? None

Type of auditor's report issued on compliance for major programs? Unmodified

Any audit findings disclosed that are required to be reported in accordance with  
 2 CFR 200.516(a)? No

Identification of major programs:	<u>CFDA Number</u>	<u>Name of Federal Program</u>
	21.027	U.S. Department of Treasury Direct - COVID-19 American Recovery Plan

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

Auditee qualified as low-risk auditee? No

**Leon County, Florida**  
**Schedule of Findings and Questioned Costs (continued)**  
**Year Ended September 30, 2024**

*Schedule of Findings and Questioned Costs Relating to State Financial Assistance*

**State Financial Assistance Awards**

Internal control over major projects:

    Significant deficiency(ies) identified? None

    Significant deficiency(ies) identified considered to be material weaknesses? No

Type of auditors' report issued on compliance for major projects? Unmodified

Any audit findings disclosed that are required to be reported in accordance with Chapter 10.554(1)(m)(4), *Rules of the Auditor General* ? No

Findings required to be reported in a management letter pursuant to Chapter 10.554(1)(i)3, *Rules of the Auditor General* ? No

Identification of major projects:	<u>CSFA Number</u>	<u>Name of State Project</u>
		Florida Department of Environmental Protection Direct Projects
	37.039	Statewide Water Quality Restoration Projects
	37.052	Florida Springs Grant Program

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

**Section II -- Financial Statement Findings**

See Findings 2024-001 through 2024-015 in the Management Letter.

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

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

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

See report of independent auditors.

## **Leon County, Florida**

### **Summary Schedule of Prior Audit Findings**

*Year ended September 30, 2024*

#### **Federal Awards and State Financial Assistance:**

##### **Financial Statements –**

###### **2023-002- BOCC Fixed Asset Disposals**

This corrective action is ongoing as of September 30, 2024. See the accompanying Management Letter for current year recommendation 2024-001 and management's planned corrective actions.

###### **2023-003 BOCC Accounts Receivable Accruals**

Corrective action for this recommendation was taken.

###### **2023-004 BOCC Manual Journal Entries Process Improvements**

This corrective action is ongoing as of September 30, 2024. See accompanying Management Letter for current year recommendation 2024-002 and management's planned corrective actions.

###### **2023-005 Sheriff Significant Adjustments**

This corrective action is ongoing as of September 30, 2024. See accompanying Management Letter for current year recommendation 2024-009 and management's planned corrective actions.

###### **2023-006 Sheriff Bank Reconciliation**

Corrective action for this recommendation was taken.

**Federal Programs** – There were no prior year findings.

**State Projects** – There were no prior year findings.

## Management Letter

The Honorable Board of County Commissioners  
Leon County, Florida

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

We have audited the financial statements of Leon County, Florida (the County), as of and for the fiscal year ended September 30, 2024, and have issued our report thereon dated June 19, 2025.

### **Auditors' Responsibility**

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

### **Other Reporting Requirements**

We have issued our Report of Independent Auditors on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Special-Purpose Financial Statements Performed in Accordance with *Government Auditing Standards*, Report of Independent Auditors on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs, and Report of Independent Accountants on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated June 19, 2025, 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.

#### **2023-001 & 2022-004 Employee Benefit Fund Receivables and Payables**

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

**2023-002- BOCC Fixed Asset Disposals**

This corrective action is ongoing as of September 30, 2024, and as a result, this is the second consecutive year this specific recommendation is reported. See current year recommendation 2024-001.

**2023-003 BOCC Accounts Receivable Accruals**

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

**2023-004 BOCC Manual Journal Entries Process Improvements**

This corrective action is ongoing as of September 30, 2024, and as a result, this is the second consecutive year this specific recommendation is reported. See current year recommendation 2024-002.

**2023-005 Sheriff Significant Adjustments**

This corrective action is ongoing as of September 30, 2024, and as a result, this is the second consecutive year this specific recommendation is reported. See current year recommendation 2024-009.

**2023-006 Sheriff Bank Reconciliation**

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

**Official Title and Legal Authority**

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

**Financial Condition and Management**

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

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), *Rules of the Auditor General*, we applied financial condition assessment procedures for Leon County, Florida as of September 30, 2024. It is management's responsibility to monitor Leon County, Florida's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same.

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

### **2024-001- BOCC Fixed Asset Disposals**

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

**Condition:** Six of nineteen samples tested had either been disposed of in a prior year but not recorded as disposed until the current year, or could not be located during inventory and were disposed of as they are believed to be lost or stolen. Five of nineteen samples tested during fixed asset disposal testing were missing a signature required on the Property Control Form or the Property Control Form was completed subsequent to the disposal taking place.

Two items were identified that had been disposed of during the current year but had not been recorded as disposed and were still on the Board's fixed asset listing. One instance was identified in which the proceeds from a disposal were recorded in the incorrect fund.

Additionally, the original disposal report and related fixed asset schedules were materially misstated due to an error in how certain assets were classified during inventory.

**Cause:** The internal controls are not operating as designed, specifically, property custodians are not properly communicating with the Property Control Clerk regarding disposals, including lost or stolen items. Due to turnover at the Property Control Clerk position, errors in asset classification were made during inventory due to misunderstanding of the effect behind such classifications. Additionally, when the new Property Control Clerk performed inventory they identified a number of assets which should have been recorded as disposed of in a prior year by the previous Property Control Clerk but had not been.

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

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

*Management's response:*

*Following a review of the current procedures for asset disposal, the Purchasing Division identified several areas where existing procedures and controls were not consistently being followed. This review coincided with the most recent external audit, which yielded similar findings. In response, the Purchasing Director initiated corrective measures to address the issues related to asset disposal.*

*A thorough assessment of the Property Custodian records revealed that the list was outdated. After collaborating with each department, Purchasing has since updated and now maintains an accurate and current index of Property Custodians.*

*To further address the audit findings, a mandatory training for all Property Custodians was conducted on 4/18/24 and 4/25/24, where attendees were apprised of the updated requirements concerning asset control. This included a focus on the proper documentation necessary for asset disposal, movement, and acquisition. At the conclusion of the training, each Property Custodian was required to certify, in writing, their understanding of these requirements through a signed acknowledgment form. Additionally, to maintain the accuracy of the Property Custodian index, this certification has been and will be required annually.*

*In addition to the group training sessions, Property Control has also conducted several one-on-one training sessions for new Property Custodians, as well as refresher training for existing Custodians to reinforce best practices and ensure ongoing compliance with asset management protocols.*

*To streamline documentation processes, the Purchasing Director has implemented a revised system that ensures assets designated for auction are not marked as disposed until the asset has been sold. Furthermore, assets will not be removed from the inventory roll until the sale documentation has been received and uploaded to the relevant property file.*

*In response to the audit's recommendations, the Property Control Specialist will continue to perform routine and impromptu inspections of fixed assets to verify the accuracy of the Tangible Personal Property Items Report.*

## **2024-002 BOCC Manual Journal Entries Process Improvements**

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

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

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

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

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

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

**Recommendation:** Management should review its internal policies and procedures and consider adding additional controls for the detection of errors in the manual journal process.

Additionally, the review should include a more rigorous review of underlying supporting schedules and documents to ensure those schedules are accurate, properly supported, and in line with applicable policy.

*Management's response:*

*During the audit, management was made aware of the instances identified by the auditors. The errors noted were the result of various factors including incorrect calculations, transposed numbers, and other typographical errors. To ensure internal controls are sufficient to detect future errors, management will implement a higher standard of review encompassing original support documentation, verification of calculations, review of accounting system details, and increased scrutiny of journal entry results after posting.*

**2024-003 BOCC 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 construction in progress is completed using input from appropriate stakeholders. Breakdowns in the information and communication lead to untimely and incomplete support for the construction 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 continues to improve upon the existing process of documentation, communication, and review. More intuitive review schedules have been developed to incorporate additional review from project managers and county stakeholders. Additional meetings will be held with those stakeholders to ensure accuracy and completeness of schedules detailing assets held by the county.*

### **2024-004 BOCC Fixed Assets Balances and Schedules**

**Criteria:** The Board sets the policies and procedures regarding the capitalization of fixed assets for financial reporting. These financial reporting policies and procedures are necessary for financial reporting in accordance with the Government Accounting Standards Board (GASB). Expenditures for assets meeting the capitalization requirements outlined in the capitalization policy should be included in the BOCC Sage Fixed Asset Listing. Additionally, the Fixed Asset Listing and related fixed asset schedules which outline balances to be reported on the trial balance should reconcile to each other and not contain errors.

**Condition:** We noted multiple expenditures for the purchase of capital assets or improvements meeting the definition of capital assets under GASB and the capitalization policy of the Board, that were not properly reported or included in the fixed asset management system. The errors were discovered during the audit process and were properly investigated and corrected by management. Additionally, adjustments were required in order to reconcile the fixed asset schedules with the Fixed Asset Listing and trial balance. Lastly, it was noted that additions to fixed assets do not properly reconcile to Capital Outlay expenses reported on the financial statements.

**Cause:** There is a lack of detailed policies and procedures for the timing and reconciliation of the amounts recorded as capital outlay expenditures to the fixed asset software and schedules. Additionally, fixed asset balances and schedules are not sufficiently reviewed to identify errors.

**Effect:** Management's risk of material misstatement over fixed assets reported on the government wide financial statements and the BOCC special-purpose financial statements is increased.

**Recommendation:** Management should update the policies and procedures to include the process for the reconciliation of capital outlay expenditures to amounts recorded as fixed assets, and the performance of this process at more frequent intervals throughout the year. Management should include a detailed review of fixed asset balances and schedules by a separate individual in the policies and procedures.

*Management's response:*

*Management has identified several areas to implement various controls including dedicating more staff time to processing and reviewing entries and schedules. Management is also developing and implementing more rigorous procedures for reconciling capital outlay expenditures to amounts recorded as fixed assets*

### **2024-005 BOCC Closing Process**

**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:** The preliminary trial balance for fiscal year 2024 included significant errors and omitted information. The errors were discovered during the audit process and were properly investigated and corrected by management.

**Cause:** The cause relates to significant turnover in management within the finance department and deficiencies in the internal controls for financial reporting.

The controls regarding the achievement of objectives for financial reporting are not properly designed and/or implemented. The components of internal control believed to be inadequate are the *Control Activities*, including incomplete policies and procedures and *Risk Assessment* of significant management turnover.

**Effect:** The impact of not having properly designed policies and procedures for the closing of the general ledger activity and review of information for accuracy and completeness have led to errors in the amounts reported prior to audit adjustment.

Additionally, these financial statement misstatements can lead to incomplete and inaccurate information to those charged with governance, other constitutional officers and other County departments.

**Recommendation:** Management should review its policies and procedures for significant transaction cycles, document the process for closing the books for its monthly and annual financial reporting, and set a timeline for the monthly and annual reconciliation of account balances and schedules.

Management should continue to evaluate the structure and staff responsibilities of the finance department to ensure an appropriate number of properly qualified employees are assigned financial reporting responsibilities.

*Management's response:*

*The Finance Department experienced significant vacancies in key roles during the fiscal year, year-end close process, and external audit time periods. Management has prioritized filling these roles and training new staff to ensure accuracy, completeness, and timeliness of reporting. Additionally, an emphasis has been placed on examining past breakdowns in the closing process and developing additional policies and procedures based on those observations.*

## **2024-006 BOCC Lease and SBITA Tracking and Recording**

**Criteria:** GASB Statement No. 87 defines how lessee and lessor transactions should be recorded for government entities. GASB Statement No. 96 defines how Subscription Based Information Technology Arrangements (SBITAs) should be recorded for government entities.

**Condition:** Lease and SBITA transactions are not being properly accounted for in the financial statements. Instances were noted in which new leases and/or SBITAs were not included on the original lease and SBITA schedules and instances were noted in which re-measurements of lease transactions and lease payments were not properly accounted for in accordance with GASB 87.

**Cause:** Internal controls for financial reporting were ineffective in identifying all leases and SBITAs that should be included in the lease and SBITA calculations. Review controls were ineffective in identifying errors in the schedules and amounts reported.

**Effect:** Management's risk of material misstatement over leases and SBITAs reported on the government wide financial statements and the BOCC special-purpose financial statements is increased.

**Recommendation:** Management should improve policies and procedures in place to identify and record leases and SBITAs. Management should also implement a more detailed review of schedules and reported balances.

*Management's response:*

*Management has identified the cause of the missing SBITA transactions and implemented new procedures to ensure all SBITA contracts are appropriately identified and recorded. Additional training on the recording of Leases and SBITA contracts will be attended by staff involved in these processes.*

#### **2024-007 BOCC Reconciliation of Balances Between Other Constitutional Officers**

**Criteria:** GASB Statement No. 34 requires that internal balances and transfers between funds and component units (including constitutional officers, where applicable) be eliminated during the preparation of government-wide financial statements. Therefore, interagency transfers and receivable/payable balances must be reconciled among all constitutional officers and the Board of County Commissioners to ensure accuracy and consistency of consolidated financial data.

**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 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 facilitating meetings between the parties prior to year end and during the year end close out process. Existing controls and procedures will be updated to ensure accuracy and completeness.*

### **2024-008 BOCC Timely Preparation and Review of Monthly Bank Reconciliations**

**Criteria:** The Board has developed policies and procedures for the bank reconciliation process to support proper financial reporting. While these internal controls are designed to provide reasonable assurance that control objectives are achieved, limitations exist, including turnover in key positions and human errors.

**Condition:** Bank reconciliations were not prepared timely during fiscal year 2024. Additionally, not all bank reconciliations had evidence of review.

**Cause:** The bank reconciliation controls were not being performed primarily due to the turnover in the Treasury Manager position.

**Effect:** Management's risk of material misstatement over cash reported on the government wide financial statements and the BOCC special-purpose financial statements is increased. Additionally, risk of misappropriation of assets is increased.

**Recommendation:** Management should implement procedures to enforce the current bank reconciliation processes and procedures to ensure the reconciliations are prepared and reviewed timely. Additionally, management should implement policies and procedures to define how key controls will be covered in the event of unexpected turnover.

*Management's response:*

*Management has reassigned Treasury responsibilities to other Finance staff as vacancies are addressed. Procedures will be updated to ensure that key controls have additional coverage should future unforeseen events occur.*

## 2024-009 –Sheriff Significant Adjustments

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

**Condition:** Subsequent to the start of our year-end audit procedures, there were two material adjusting journal entries pertaining to capital outlay and leases that were required to be made to prevent the Sheriff’s financial statements from being materially misstated.

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

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

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

### *Management’s Response:*

*We agree with the finding. Significant reporting improvements have been made. Capital outlay reconciliations are prepared regularly. The recent installation of a purchasing system has improved expense coding and consistency, reducing reconciling items and associated adjustments to the general ledger. Similarly, the new system allows for leases to be captured and consistently coded, aiding reporting. In addition, a contact management system has been implemented which further enhances our ability to track and manage lease reporting.*

### **2024-010 Clerk Bank Reconciliation Process**

**Criteria:** The Committee for Sponsoring Organizations (COSO) defines control activities as actions established through policies and procedures to help ensure that management's directives mitigate risks and achieve objectives. The Clerk has developed policies and procedures for the bank reconciliation process to support proper financial reporting. While these internal controls are designed to provide reasonable assurance that control objectives are achieved, limitations exist, including turnover in key positions and human errors.

**Condition:** Bank reconciliations were not consistently reviewed and approved by a separate individual as required by policy. Additionally, our audit identified several items on the September 2024 bank reconciliation where the control for proper cutoff was ineffective. Corrections were required to adjust the trial balance and supporting schedules.

**Cause:** The errors primarily resulted from cash-in-transit transactions. Additionally, the review control was not performed due to turnover in the treasury manager position, preventing the timely detection of these errors.

**Effect:** Bank reconciliation controls are not effectively implemented and create some additional risk for misstatement.

**Recommendation:** Management should review its internal policies and procedures and consider implementing additional controls to detect errors in the bank reconciliation process. Further, management should provide additional training to individuals responsible for preparing and reviewing reconciliations. The review process should include a more rigorous evaluation of supporting documentation to ensure reconciliations are accurate and comply with policy.

*Management's Response:*

*Management was made aware of the inconsistencies with the bank reconciliation review process and the impact of cash-in-transit transactions which were posted in the incorrect fiscal year. Treasury staff turnover has heavily contributed to the inconsistencies with the bank reconciliation process as well as year-end journal entry preparation and review.*

*To mitigate the risk of reoccurrence, we will ensure staff are adequately trained on proper bank reconciliation and year-end entry preparation. We will also review internal policies and procedures to ensure they are providing adequate controls and accuracy.*

### **2024-011 Clerk Material Adjusting Journal Entries**

**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.”

The Clerk has established policies and procedures for the manual recording of journal entries to ensure accurate financial reporting. While these internal controls are designed to provide reasonable assurance of achieving the entity's objectives, limitations exist, including breakdowns due to turnover in key positions and human errors.

**Condition:** The preliminary trial balance for fiscal year 2024 was missing material year-end journal entries. Material adjustments were subsequently provided by management after the preliminary trial balance was submitted, and additional material adjustments were identified through audit procedures. Corrections were required to adjust the trial balance and supporting schedules.

Additionally, a significant number of material journal entries were made throughout the year to correct errors in the original recording of transactions. While this indicates that controls for detecting errors are in place, the number of journal entries requiring subsequent correction highlights the need to strengthen controls over the initial posting process.

**Cause:** High turnover within the finance department contributed to a breakdown in review controls over year-end balances and journal entries. As a result, controls were ineffective, leading to undetected errors.

**Effect:** Risk for financial statement errors stemming from journal entries is increased.

**Recommendation:** Management should enhance its internal review process for journal entries and financial close procedures. Additional training should be provided to finance personnel responsible for preparing and reviewing journal entries to improve accuracy. Further, management should consider implementing stricter oversight and review protocols to ensure that journal entries are properly recorded and reviewed before financial statements are finalized.

*Management's Response:*

*During the audit, management was made aware of the instances identified by the auditors. While reviewing the transactions, it was determined that the internal controls for review were not sufficiently identifying the errors. We will further review the related policies and procedures with Clerk Finance staff to enhance this process to ensure all foreseen adjustments are timely made and incorporated into the preliminary trial balance provided to the auditors.*

## 2024-012 – Tax Collector Cash Disbursement Review Process

**Criteria:** The Committee for Sponsoring Organizations (COSO) defines internal controls as, “a process, effected by an entity’s board of directors, management, and other personnel, designed to provide reasonable assurance regarding the achievement of objectives relating to operations, reporting, and compliance.” A “control deficiency” exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions to prevent or detect misstatements of the financial statements on a timely basis. Management is responsible for the preparation and fair presentation of the financial statements in accordance with generally accepted accounting principles (GAAP). This includes the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement.

**Condition:** During testing of cash disbursements, it was noted one ACH payment was made in error, and there was no documentation of the posting, review, and approval process. The supporting documentation was a purchase order for a five-year lease of office equipment which was approved by the Chief Deputy of Administration, but the approval was for entering into the five-year lease, not for full payment. Upon review of the ACH batch, it was noted there was no documentation of the accounting personnel that uploaded the ACH batch to the bank and no documentation of the personnel that released the ACH batch. In addition, there were three invoices tested that were posted to the incorrect general ledger account.

**Cause:** The Tax Collector’s accounting staff did not review and approve the supporting documentation in detail, prior to executing the payment.

**Effect:** Cash disbursement controls are not effectively implemented and create some additional risk for financial statement misstatement and unauthorized disbursements.

**Recommendation:** Management should improve existing policies by adopting a formal, documented review process. We recommend an approval form be created for each check and ACH batch documenting the preparer, the reviewer, and the approver and each corresponding level should be initialed and dated accordingly by the respective accounting personnel and management. This will ensure the review process is documented, and all supporting documentation is available for inspection throughout the approval process.

The ACH disbursement procedure is a two-step process where one authorized user uploads the ACH batch to the bank, and a second authorized user releases the batch. We recommend these two steps also be documented on the same approval form. The approval form should be retained as supporting documentation of each transaction within the ACH batch.

*Management's Response:*

*Management acknowledges that there have been deficiencies in processes, which have been addressed through training. Procedures pertaining to the payables process have been implemented to prevent these deficiencies from occurring in the future. We have added an additional formal layer of approval for check, ACH & Electronic payables procedures. The reviewer will initial and date the coversheet for payables acknowledging accuracy, thus mitigating unauthorized disbursements. In addition to this added step, the employee creating the payment and releasing the ACH payment will initial the coversheet indicating that they reviewed the invoice and provided sufficient supporting documentation.*

**2024-013 – Tax Collector Bank Reconciliations**

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

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

**Condition:** During our testing of the general fund bank reconciliation, we noted fiscal year 2025 transactions were included in the adjusted cash balance as of September 30, 2024. These transactions were posted after the completion of the September 2024 bank reconciliation. The month of September 2024 was not closed due to year end closing procedures, annual report preparation, and these fiscal year 2025 transactions were incorrectly dated in September 2024.

During our testing of the custodial fund bank reconciliation, we noted an outstanding check listed on the September 30, 2024 bank reconciliation that cleared the bank in September 2023, of the previous fiscal year. This check cleared with an incorrect check number, but the check was identified by accounting and the correct check number was marked as cleared in the accounting system and the custodial fund reconciled to the adjusted trial balance as of September 30, 2023. During the October 2023 bank reconciliation procedures, this check was noted on the bank's positive pay listing as outstanding, although it cleared in the previous month under the incorrect check number and was unchecked as cleared and added back to the outstanding checks listing. The October 2023 reconciliation did not balance, and an adjustment was posted in October 2023 to account for the unreconciled difference. The check was shown as outstanding for the remainder of the fiscal year and thus the cash balance was misstated throughout the year. The check was material, and a journal entry was required to correct the cash balance of the custodial fund as of September 30, 2024.

**Cause:** Oversight of the accounting personnel preparing the bank reconciliation. The review and approval process did not detect the existence of the error.

**Effect:** Bank reconciliation controls are not effectively implemented and create some additional risk for misstatement. The financial statements would be materially misstated if the identified adjustment was not made.

**Recommendation:** Management should review its internal policies and procedures regarding the bank reconciliation process and make changes to procedures as necessary to detect errors in the bank reconciliation process. The review process should include a detailed evaluation of supporting documentation to ensure reconciliations are accurate and comply with policy. The bank reconciliations should be performed monthly by accounting personnel that has an understanding of the bank reconciliation process and generally accepted accounting standards (GAAP). Bank reconciliations should be prepared in a manner that is consistent with policy, and timely reviewed, approved, signed, and dated by senior level personnel to identify potential misstatements.

*Management's Response:*

*After reviewing internal procedures regarding bank reconciliations, we have implemented a file import for check matching which interfaces into our cashiering software, reducing human error marking checks cleared or outstanding. Additionally, we have created a step-by-step process to detect errors. A detailed evaluation is now done and supporting documentation is provided in each month's reconciliation folder. Bank reconciliations will be conducted in a manner consistent with policy, timely reviewed, approved, signed, and dated by senior level personnel to identify potential misstatements.*

**2024-014 – Sheriff Retirement Contributions**

**Criteria:** Internal controls are essential to ensure employee retirement contributions be accurately calculated, monitored, and remitted in a timely manner throughout the year.

**Condition:** During our audit procedures, we noted there were three significant payments made in the current year for three different employees which included retroactive retirement contributions for services dating back to March 2017, August 2021, January 2022, respectively. These employees were incorrectly classified in the Florida Retirement System (FRS) which resulted in an underpayment of retirement contributions previously paid.

**Cause:** The deficiency was primarily due to the absence of internal controls and oversight regarding retirement contributions. There is no designated individual or procedure responsible for overseeing the control environment for retirement contribution rates, and no formalized process has been established for auditing or reviewing contribution rates on a regular basis.

**Effect:** Without proper internal controls, the Sheriff is exposed to several risks, including inaccurate retirement contributions made by the Sheriff on the employee's behalf, non-compliance with regulatory requirements, and failure to accurately budget retirement contributions. This lack of control could result in errors or fraudulent activity related to an employee retirement contribution which may go undetected, leading to significant financial and operational risks.

**Recommendation:** We recommend management establish and document policies and procedures over the retirement contribution process. These procedures should ensure that employee FRS classifications and the corresponding retirement contributions rates are accurate upon initial hiring. FRS classifications and retirement contribution rates should be reevaluated when an employee transfers to a new position or when the job duties of a position change, which may result in a change in classification and the corresponding retirement contribution rate. Employee classifications should be reviewed for completeness and accuracy, and these classifications should be confirmed with FRS. Additionally, it is recommended that management establish a formal, periodic review process for retirement contribution rates. The review process should be conducted at least semi-annually, with adjustments made in response to changes in employee responsibilities or job duties and regulatory requirements. Additionally, human resources and finance should collaborate to ensure all relevant factors are considered in the internal control process. Documentation of each review should be maintained to demonstrate due diligence and facilitate future audits.

Management's Response:

*The positions noted were reclassified to include increased or diminished responsibilities which, in our opinion, would have affected the existing classifications maintained by FRS. The appropriate position documents were filed with the FRS, however, the reclassification process does take time at the FRS level. We agree that procedures over FRS reclassifications should be enhanced to include additional oversight and monitoring to ensure that position changes that may result in a change in FRS classification are reported and conducted in a timely manner. A system of controls over FRS classifications will be designed and implemented to include regular reviews of employee class codes.*

## **2024-015 – Sheriff Overtime Approval**

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

The Sheriff has developed a set of policies and procedures for overtime pay. Per Policy 1020.8, generally, no employee is authorized to work overtime without the prior approval of a supervisor. If circumstances do not permit prior approval, approval shall be sought as soon as practicable during the overtime shift and in no case later than the end of the shift in which the overtime is worked.

**Condition:** During our testing of payroll records and timekeeping reports, we noted five instances in which employees were compensated for overtime without evidence of prior approval, approval during the overtime shift, or approval before the end of the shift, as required per Policy 1020.8. The overtime was approved by a supervisor prior to being paid to the employee.

**Cause:** Lack of enforcement of the policy coupled with vacant positions which requires current employees to work extra hours to fill vacant positions. In some cases, employees proceeded with overtime work due to operational demands without seeking prior approval.

**Effect:** The lack of proper oversight and documentation may result in unauthorized or unnecessary labor costs, inconsistent application of policies, and potential exposure to disputes regarding payroll practices. It may also undermine accountability among supervisors and employees regarding budgeted labor expenditures. In addition, this may result in overtime expenditures being unallowable for federal or state grant reimbursements.

**Recommendation:** We recommend that management reinforce and reiterate the overtime policy to all employees and supervisors, emphasizing the requirement for documented pre-approval. Management should consider implementing or enhancing systems (manual or electronic) that require supervisory approval of overtime by the end of the corresponding shift, at the latest per policy. Management should also conduct periodic reviews of overtime reports to identify trends or areas where more overtime is being incurred, with follow-up action taken as needed.

*Management's Response:*

*Overtime management is complicated by the number of vacant positions and the difficulties recruiting and hiring qualified candidates while maintaining our law enforcement responsibilities to the citizens of Leon County. Certain overtime provisions of Policy 1020 have been superseded to provide additional instruction and approval requirements. In addition, regular overtime reports are distributed to supervisory staff which include both year-to-date and current period overtime cost by area and member. We expect these actions to allow us to better manage overtime hours*

**Property Assessed Clean Energy (PACE) Programs**

As required by Section 10.554(1)(i)6.a, *Rules of the Auditor General*, Leon County is required to provide a statement as to whether a PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, did or did not operate within Leon County's geographical boundaries during the fiscal year audit. We do not provide any assurance over the information below:

- There was no Property Assessed Clean Energy (PACE) program operating within the geographic boundaries of the County during the year ended September 30, 2024.

**Additional Matters**

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or fraud, waste, or abuse, that has occurred, or is likely to have occurred, that has an effect on the financial statements that is less than material but 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  
June 19, 2025



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