

Special-Purpose Financial Statements

Board of County Commissioners
Leon County, Florida

*Year Ended September 30, 2024
with Report of Independent Auditors*

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

Board of County Commissioners
Leon County, Florida

Special-Purpose Financial Statements
Year Ended September 30, 2024

Board of County Commissioners

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

COUNTY ADMINISTRATOR
Vincent S. Long

CLERK OF THE CIRCUIT COURT
AND
COMPTROLLER
Gwen Knight

Board of County Commissioners
Leon County, Florida

Special - Purpose Financial Statements
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 Special-Purpose Financial Statements

Opinions

We have audited the accompanying special-purpose financial statements of the major governmental funds, the proprietary funds, and the aggregate remaining fund information of the Board of County Commissioners of Leon County, Florida (the Board) as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Board's special-purpose financial statements as listed in the table of contents.

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

We did not audit the financial statements of the Housing Finance Authority of Leon County, a discretely presented component unit of Leon County, which represent 0.8%, 1.3%, and 0.1% of total assets, fund balance, and total revenues of the Board 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Special-Purpose Financial Statements section of our report. We are required to be independent of the Board and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 1, the accompanying special-purpose financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida (Rules). In conformity with the Rules, the accompanying special-purpose financial statements are intended to present the financial position and changes in financial position of the governmental funds, the proprietary funds, and the discretely presented component unit of the Board, and only that portion that is attributable to the transactions of the Board. They do not purport to, and do not, present fairly the financial position of Leon County, Florida, as of September 30, 2024, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

As discussed in Note 1 to the special-purpose financial statements, during the fiscal year ended September 30, 2024, the Board adopted Governmental Accounting Standards Board Statement No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*. Our opinion is not modified with respect to this matter.

As discussed in Note 15 to the special-purpose financial statements, October 1, 2023 fund balances for the discretely presented component unit have been restated to correct previously reported misstatements. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Special-Purpose Financial Statements

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

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

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

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

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

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

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

The Honorable Board of County Commissioners

Leon County, Florida

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Supplementary Information

Our audit was conducted for the purpose of forming opinions on the special-purpose financial statements that collectively comprise the Board's special-purpose financial statements. The Schedule of Receipts and Expenditures of Funds Related to the Deepwater Horizon Oil Spill (the Schedule), pursuant to the *Rules of the Auditor General*, Chapter 10.550, is presented for purposes of additional analysis and is not a required part of the special-purpose financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the special-purpose financial statements. The information has been subjected to the auditing procedures applied in the audit of the special-purpose financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the special-purpose financial statements or to the special-purpose financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule is fairly stated, in all material respects, in relation to the special-purpose financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 29, 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 the Board's internal control over financial reporting and compliance.



Thomas Howell Ferguson P.A.

Tallahassee, Florida

May 29, 2025

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

Board of County Commissioners
Leon County, Florida

Balance Sheet - Governmental Funds

September 30, 2024

	General Fund	Fine and Forfeiture Fund	Grants Fund	Emergency Medical Services Fund
Assets				
Cash	\$ 14,156,389	\$ -	\$ 666,507	\$ -
Investments	23,232,084	8,885,635	8,718,105	9,036,362
Receivables (net of allowances for uncollectibles):				
Accounts	1,711,330	12,898	-	7,034,963
Lease receivables	1,071,009	-	-	-
Special assessments	-	-	-	-
Due from other governments	3,317,471	-	13,501,861	-
Due from other funds	3,266,060	-	1,519,674	173,512
Due from other county units	2,205,831	4,069,276	17,928	2,777
Inventories	621,282	-	-	-
Prepays	374,028	-	92,958	33,455
Total assets	<u>\$ 49,955,484</u>	<u>\$ 12,967,809</u>	<u>\$ 24,517,033</u>	<u>\$ 16,281,069</u>
Liabilities, deferred inflows, and fund balances				
Liabilities:				
Accounts payable	\$ 3,770,454	\$ 4,924	\$ 5,000,214	\$ 298,581
Accrued liabilities	1,878,592	-	5,791	456,249
Due to other governments	917,705	3,588	-	1,386
Due to other funds	1,218,711	1,519,674	2,183,213	-
Due to other county units	20,701	-	-	-
Deposits	12,992	147,988	-	-
Revenue received in advance	-	-	12,000,930	-
Total liabilities	<u>7,819,155</u>	<u>1,676,174</u>	<u>19,190,148</u>	<u>756,216</u>
Deferred inflows				
Deferred inflow of resources	1,059,327	-	-	-
Total deferred inflows	<u>1,059,327</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Nonspendable	995,310	-	92,958	33,455
Restricted	-	225,998	4,567,420	-
Committed	6,141,795	1,693,745	666,507	15,491,398
Assigned	6,085,157	9,371,892	-	-
Unassigned	27,854,740	-	-	-
Total fund balances	<u>41,077,002</u>	<u>11,291,635</u>	<u>5,326,885</u>	<u>15,524,853</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 49,955,484</u>	<u>\$ 12,967,809</u>	<u>\$ 24,517,033</u>	<u>\$ 16,281,069</u>

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

Local Provider Participation Fund	Capital Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 26,429	\$ 1,234,576	\$ 16,083,901
1,307,579	37,808,184	81,913,091	170,901,040
-	54,882	1,275,184	10,089,257
-	-	5,935,449	7,006,458
26,115,055	-	881,514	26,996,569
-	-	2,905,322	19,724,654
-	-	-	4,959,246
-	282,527	855,460	7,433,799
-	-	-	621,282
-	190,749	128,098	819,288
<u>\$ 27,422,634</u>	<u>\$ 38,362,771</u>	<u>\$ 95,128,694</u>	<u>\$ 264,635,494</u>
\$ -	\$ 1,202,738	\$ 3,371,587	\$ 13,648,498
-	-	342,697	2,683,329
25,382,908	-	1,935,489	28,241,076
-	-	401,246	5,322,844
-	13,854	168	34,723
-	-	33,042	194,022
-	100,000	1,674,335	13,775,265
<u>25,382,908</u>	<u>1,316,592</u>	<u>7,758,564</u>	<u>63,899,757</u>
-	-	6,509,899	7,569,226
-	-	6,509,899	7,569,226
-	190,749	128,098	1,440,570
2,039,726	36,855,430	66,517,873	110,206,447
-	-	14,290,012	38,283,457
-	-	-	15,457,049
-	-	(75,752)	27,778,988
<u>2,039,726</u>	<u>37,046,179</u>	<u>80,860,231</u>	<u>193,166,511</u>
<u>\$ 27,422,634</u>	<u>\$ 38,362,771</u>	<u>\$ 95,128,694</u>	<u>\$ 264,635,494</u>

Board of County Commissioners
Leon County, Florida

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

Year ended September 30, 2024

	<u>General Fund</u>	<u>Fine and Forfeiture Fund</u>	<u>Grants Fund</u>	<u>Emergency Medical Services Fund</u>
Revenues				
Taxes	\$ 91,879,191	\$ 111,879,896	\$ -	\$ 16,721,496
Licenses and permits	-	-	-	-
Intergovernmental	11,828,434	13,847	17,484,527	218,400
Charges for services	1,577,805	608,377	83,526	21,030,237
Fines and forfeitures	-	60,608	-	-
Interest	3,031,093	1,300,326	679,806	693,999
Net increase (decrease) in fair value of investments	478,187	59,389	-	72,437
Miscellaneous	731,229	-	65,261	87,384
Total revenues	<u>109,525,939</u>	<u>113,922,443</u>	<u>18,313,120</u>	<u>38,823,953</u>
Expenditures				
Current:				
General government	34,605,573	-	-	-
Public safety	3,113,177	3,742,860	3,197,654	31,475,294
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	4,342,791	2,285,700	2,328	-
Debt service:				
Principal retirement	1,381,806	-	-	-
Interest and fiscal charges	146,104	-	-	-
Capital outlay	4,966,618	-	26,433,692	1,987,436
Total expenditures	<u>70,115,089</u>	<u>6,028,560</u>	<u>31,175,098</u>	<u>33,462,730</u>
Excess (deficiency) of revenues over (under) expenditures	<u>39,410,850</u>	<u>107,893,883</u>	<u>(12,861,978)</u>	<u>5,361,223</u>
Other financing sources (uses):				
Transfers in	2,976,884	3,833,994	792,695	-
Subscription financing	4,295,472	-	-	-
Lease financing	-	-	-	-
Transfers out	(54,831,914)	(107,674,927)	(66,416)	(21,438)
Total other financing sources (uses)	<u>(47,559,558)</u>	<u>(103,840,933)</u>	<u>726,279</u>	<u>(21,438)</u>
Net changes in fund balances	(8,148,708)	4,052,950	(12,135,699)	5,339,785
Fund balances at beginning of year	49,225,710	7,238,685	17,462,584	10,185,068
Fund balances at end of year	<u>\$ 41,077,002</u>	<u>\$ 11,291,635</u>	<u>\$ 5,326,885</u>	<u>\$ 15,524,853</u>

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

Local Provider Participation Fund	Capital Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 26,115,055	\$ -	\$ 38,861,398	\$ 285,457,036
-	-	4,030,791	4,030,791
-	-	10,658,716	40,203,924
-	-	13,377,262	36,677,207
-	-	82,930	143,538
157,624	1,841,067	4,056,006	11,759,921
-	519,806	933,468	2,063,287
-	8,373	5,115,372	6,007,619
<u>26,272,679</u>	<u>2,369,246</u>	<u>77,115,943</u>	<u>386,343,323</u>
-	2,990,645	704,154	38,300,372
-	-	19,600,099	61,129,084
-	641,338	8,608,221	12,845,560
-	-	14,673,958	14,841,860
-	-	8,299,989	11,989,422
26,414,490	-	3,087,804	38,765,186
-	17,237	7,986,113	14,387,566
-	34,561	322,959	6,988,339
-	426,244	5,200,149	7,008,199
-	18,626	517,040	681,770
-	5,765,936	18,158,700	57,312,382
<u>26,414,490</u>	<u>9,894,587</u>	<u>87,159,186</u>	<u>264,249,740</u>
<u>(141,811)</u>	<u>(7,525,341)</u>	<u>(10,043,243)</u>	<u>122,093,583</u>
-	-	-	-
-	6,705,022	21,453,240	35,761,835
-	-	-	4,295,472
-	279,905	-	279,905
-	(400,000)	(5,402,570)	(168,397,265)
<u>-</u>	<u>6,584,927</u>	<u>16,050,670</u>	<u>(128,060,053)</u>
(141,811)	(940,414)	6,007,427	(5,966,470)
2,181,537	37,986,593	74,852,804	199,132,981
<u>\$ 2,039,726</u>	<u>\$ 37,046,179</u>	<u>\$ 80,860,231</u>	<u>\$ 193,166,511</u>

Board of County Commissioners
Leon County, Florida

Statement of Net Position - Proprietary Funds

September 30, 2024

	Business-type Activities - Landfill Fund	Business-type Activities - Internal Service Funds	Component Unit - Housing Finance Authority
Assets			
Current assets:			
Cash	\$ 400	\$ -	\$ 2,300,517
Cash with fiscal agent	-	300,000	-
Investments	1,634,017	10,231,418	-
Accounts receivable	1,616,493	577,330	29,971
Due from other funds	365,917	-	-
Due from other governments	-	26,957	969
Due from other county units	1,412	368,457	18,400
Inventories	1,733	94,971	-
Prepays	-	102,746	-
Total current assets	<u>3,619,972</u>	<u>11,701,879</u>	<u>2,349,857</u>
Noncurrent assets:			
Restricted investments	19,924,585	-	-
Mortgage loans receivable, net of allowance	-	-	278,092
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>	<u>278,092</u>
Total assets	<u>\$ 31,410,495</u>	<u>\$ 11,796,000</u>	<u>\$ 2,627,949</u>
Liabilities			
Current liabilities			
Accounts payable	\$ 2,644,468	\$ 600,147	\$ 1,710
Accrued liabilities	27,421	16,075	-
Due to other governments	10,115	7,385	-
Due to other funds	-	2,319	-
Claims payable	-	4,868,084	-
Revenue received in advance	2,711	-	-
Compensated absences	81,566	34,394	-
Liability for closure costs	6,900,000	-	-
Good faith deposits	-	-	50,000
Total current liabilities	<u>9,666,281</u>	<u>5,528,404</u>	<u>51,710</u>
Noncurrent liabilities			
Liability for closure costs	20,666,344	-	-
Liability for compensation absences	127,488	48,657	-
Other post employment benefits	231,230	96,829	-
Total noncurrent liabilities	<u>21,025,062</u>	<u>145,486</u>	<u>-</u>
Total liabilities	<u>30,691,343</u>	<u>5,673,890</u>	<u>51,710</u>
Net position			
Net investment in capital assets	7,865,938	94,121	-
Unrestricted	(7,146,786)	6,027,989	2,576,239
Total net position	<u>719,152</u>	<u>6,122,110</u>	<u>2,576,239</u>
Total liabilities and net position	<u>\$ 31,410,495</u>	<u>\$ 11,796,000</u>	<u>\$ 2,627,949</u>

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

Board of County Commissioners
Leon County, Florida

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

Year ended September 30, 2024

	Business-type Activities - Landfill Fund	Business-type Activities - Internal Service Funds	Component Unit - Housing Finance Authority
Operating revenues			
Charges for services	\$ 13,608,566	\$ 12,053,434	\$ 162,118
TBA program income	-	-	1,950
Other income	-	-	35,500
Sale of surplus land properties	-	-	143,975
Total operating revenues	<u>13,608,566</u>	<u>12,053,434</u>	<u>343,543</u>
Operating expenses			
Personnel services	2,220,492	771,102	-
Contractual services	12,958,792	166,767	76,195
Supplies	425,641	2,230,478	951
Communications services	38,497	702,264	-
Insurance	51,606	2,684,039	3,965
Utility services	85,522	-	-
Depreciation	502,807	10,458	-
Other services and charges	6,290,805	2,288,477	97,084
Allowance for loan losses	-	-	9,145
Total operating expenses	<u>22,574,162</u>	<u>8,853,585</u>	<u>187,340</u>
Operating (loss) income	<u>(8,965,596)</u>	<u>3,199,849</u>	<u>156,203</u>
Nonoperating revenues:			
Taxes	1,866,243	-	-
Interest	297,882	420,536	105,402
Net increase (decrease) in fair value of investments	26,626	-	-
Miscellaneous	422,763	-	-
Total nonoperating revenues	<u>2,613,514</u>	<u>420,536</u>	<u>105,402</u>
Income (loss) before contributions and transfers	(6,352,082)	3,620,385	261,605
Transfers in	7,684,757	58,100	-
Transfers out	(93,185)	-	-
Change in net position	1,239,490	3,678,485	261,605
Net position at beginning of year	(520,338)	2,443,625	2,263,634
Prior period adjustments	-	-	51,000
Net position at beginning of year, as restated	<u>(520,338)</u>	<u>2,443,625</u>	<u>2,314,634</u>
Net position at end of year	<u>\$ 719,152</u>	<u>\$ 6,122,110</u>	<u>\$ 2,576,239</u>

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

Board of County Commissioners
Leon County, Florida

Statement of Cash Flows - Proprietary Funds

Year ended September 30, 2024

	Business-type Activities - Landfill Fund	Business-type Activities - Internal Service Funds	Component Unit - Housing Finance Authority
Cash flows from operating activities:			
Receipts from customers fees and other income	\$ 14,923,406	\$ -	\$ 468,964
Payments to suppliers	(14,231,500)	(8,081,873)	(98,340)
Payments to employees	(2,221,847)	(775,754)	-
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)	-
Cash payments for program services	-	-	(78,145)
Net cash provided by (used in) operating activities	<u>(1,594,049)</u>	<u>756,043</u>	<u>292,479</u>
Cash flows from noncapital financing activities:			
Tax proceeds	1,866,243	-	-
Receipts (payments) on interfund loans	(190,043)	20,346	-
Transfers received from other funds	7,684,757	58,100	-
Transfers to other funds	(93,185)	-	-
Net cash provided by (used in) noncapital financing activities	<u>9,267,772</u>	<u>78,446</u>	<u>-</u>
Cash flows from capital and related financing activities:			
Acquisition and/or construction of capital assets	(1,606,222)	(104,579)	-
Net cash provided by (used in) capital and related financing activities	<u>(1,606,222)</u>	<u>(104,579)</u>	<u>-</u>
Cash flows from investing activities:			
Net proceeds (purchases) from sales and maturities of investments	(20,662,849)	(1,883,879)	-
Interest and dividends received	299,610	-	105,402
Increase (decrease) in fair value of investments	26,626	420,536	-
Net cash provided by (used in) investing activities	<u>(20,336,613)</u>	<u>(1,463,343)</u>	<u>105,402</u>
Net cash increase (decrease) in cash	(14,269,112)	(733,433)	397,881
Cash at beginning of year (including \$13,709,521 included in restricted cash and investments)	14,269,512	1,033,433	1,902,636
Cash at end of year	<u>\$ 400</u>	<u>\$ 300,000</u>	<u>\$ 2,300,517</u>

(continued)

Board of County Commissioners
Leon County, Florida

Statement of Cash Flows - Proprietary Funds (continued)

Year ended September 30, 2024

	Business-type Activities - Landfill Fund	Business-type Activities - Internal Service Funds	Component Unit - Housing Finance Authority
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities			
Operating income (loss)	\$ (8,965,596)	\$ 3,199,849	\$ 156,203
Adjustments to reconcile operating income (loss) to net cash provided by (used) in operating activities:			
Depreciation expense	502,807	10,458	-
Miscellaneous	422,763	-	-
Allowances for loan losses	-	-	9,145
Changes in assets and liabilities:			
Receivables	902,572	(322,760)	51,177
Prepays	-	13,445	-
Due from other governments	(12,502)	(369,071)	24,244
Accounts payable and other liabilities	77,631	207,837	1,710
Accrued expenses	(1,355)	(4,652)	-
Other current liabilities	-	(1,979,063)	-
Revenues received in advance	(10,495)	-	-
Good faith deposits	-	-	50,000
Estimated liability for closure costs/maintenance	5,490,126	-	-
Net cash provided by (used in) operating activities:	<u>\$ (1,594,049)</u>	<u>\$ 756,043</u>	<u>\$ 292,479</u>

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

Board of County Commissioners
Leon County, Florida

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

Year ended September 30, 2024

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 91,438,108	\$ 91,438,108	\$ 91,879,191	\$ 441,083
Intergovernmental	10,674,597	10,674,597	11,828,434	1,153,837
Charges for services	1,641,963	1,641,963	1,577,805	(64,158)
Interest	2,112,100	2,112,100	3,031,093	918,993
Net increase (decrease) in fair value of investments	-	-	478,187	478,187
Miscellaneous	235,600	235,600	731,229	495,629
Total revenues	<u>106,102,368</u>	<u>106,102,368</u>	<u>109,525,939</u>	<u>3,423,571</u>
Expenditures				
Current:				
General government	30,995,870	44,571,008	34,605,573	9,965,435
Public safety	3,491,433	3,526,189	3,113,177	413,012
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	537,626	480,626	4,342,791	(3,862,165)
Debt service:				
Principal retirement	-	-	1,381,806	(1,381,806)
Interest and fiscal charges	-	-	146,104	(146,104)
Capital outlay	521,193	641,920	4,966,618	(4,324,698)
Total expenditures	<u>58,413,526</u>	<u>72,181,820</u>	<u>70,115,089</u>	<u>2,066,731</u>
Excess (deficiency) of revenues over (under) expenditures	<u>47,688,842</u>	<u>33,920,548</u>	<u>39,410,850</u>	<u>5,490,302</u>
Other financing sources (uses):				
Transfers in	10,605,938	10,672,354	2,976,884	(7,695,470)
Subscription financing	-	-	4,295,472	4,295,472
Transfers out	(58,866,070)	(63,951,287)	(54,831,914)	9,119,373
Total other financing sources (uses)	<u>(48,260,132)</u>	<u>(53,278,933)</u>	<u>(47,559,558)</u>	<u>5,719,375</u>
Net change in fund balances	(571,290)	(19,358,385)	(8,148,708)	11,209,677
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>\$ 29,867,325</u>	<u>\$ 41,077,002</u>	<u>\$ 11,209,677</u>

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

Board of County Commissioners
Leon County, Florida

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

Year ended September 30, 2024

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
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>
Expenditures				
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>
Other financing sources (uses):				
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	7,238,685	7,238,685	7,238,685	-
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 special-purpose financial statements.

Board of County Commissioners
Leon County, Florida

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

Year ended September 30, 2024

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
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>
Expenditures				
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>
Other financing sources (uses):				
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 special-purpose financial statements.

Board of County Commissioners
Leon County, Florida

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

Year ended September 30, 2024

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
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>
Expenditures				
Current:				
Public safety	30,265,406	32,868,500	31,475,294	1,393,206
Capital outlay	2,528,000	5,281,001	1,987,436	3,293,565
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>
Other financing sources (uses):				
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 special-purpose financial statements.

Board of County Commissioners
Leon County, Florida

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

Year ended September 30, 2024

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ -	\$ 26,115,055	\$ 26,115,055	\$ -
Interest	-	-	157,624	157,624
Total revenues	<u>-</u>	<u>26,115,055</u>	<u>26,272,679</u>	<u>157,624</u>
Expenditures				
Current:				
Human services	-	26,115,055	26,414,490	(299,435)
Total expenditures	<u>-</u>	<u>26,115,055</u>	<u>26,414,490</u>	<u>(299,435)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(141,811)</u>	<u>(141,811)</u>
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 special-purpose financial statements.

Board of County Commissioners
Leon County, Florida

Notes to Special-Purpose Financial Statements

Year Ended September 30, 2024

1. Accounting Policies

Reporting Entity

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

Component Unit

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

Specific criteria used to determine financial accountability are:

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

Board of County Commissioners
Leon County, Florida

Notes to Special-Purpose Financial Statements

1. Accounting Policies (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 Board is the Housing Finance Authority of Leon County (the Authority) which is discretely presented in a separate column on the Board financial statements.

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

The Authority's governing board is appointed by the Board; the budget is reviewed by the Board; all bonds issued and contracts entered into must be approved by the Board; the Board may, at its sole discretion, and at 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 Board. Separate financial information for the Housing Finance 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 Board include municipalities and the following independent taxing districts authorized and established by the Laws of Florida:

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

Board of County Commissioners
Leon County, Florida

Notes to Special-Purpose Financial Statements

1. Accounting Policies (continued)

Excluded from the Reporting Entity: (continued)

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

Consolidated Dispatch Agency

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

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

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.

Board of County Commissioners
Leon County, Florida

Notes to Special-Purpose Financial Statements

1. Accounting Policies (continued)

Capital Region Transportation Planning Agency (continued)

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 Intergovernmental Agency, 315 S. Calhoun Street, Suite 450, Tallahassee, Florida 32301.

Basis of Presentation

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

Board of County Commissioners
Leon County, Florida

Notes to Special-Purpose Financial Statements

1. Accounting Policies (continued)

Description of Funds

Governmental Major Funds:

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

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

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

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

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

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

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

Proprietary Major Fund:

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

Board of County Commissioners
Leon County, Florida

Notes to Special-Purpose Financial Statements

1. Accounting Policies (continued)

Description of Funds (continued)

Other Fund Types:

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

Basis of Accounting

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

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

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

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

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

Board of County Commissioners
Leon County, Florida

Notes to Special-Purpose Financial Statements

1. Accounting Policies (continued)

Budgets and Budgetary Accounting

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

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

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

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

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

1. On a date determined by the Board annually, the designated budget officer submits to the Board a tentative budget for the ensuing fiscal year. The tentative budget includes proposed expenditures and funding sources.
2. The Board requires such changes to be made as it shall deem necessary, provided the budget remains in balance and subject to the notice and hearing requirements of Section 200.065, *Florida Statutes* and the budget preparation and adoption procedures, as defined in Section 129.03, *Florida Statutes*. The legal level of budgetary control is at the fund level.
3. Public hearings are held pursuant to Section 200.065, *Florida Statutes* in order for the Board to adopt the tentative and final budgets.

Board of County Commissioners
Leon County, Florida

Notes to Special-Purpose Financial Statements

1. Accounting Policies (continued)

Budgets and Budgetary Accounting (continued)

4. Prior to October 1, the budget is legally enacted through passage of a resolution.
5. All changes to the final budget must be approved by the Board in accordance with Section 129.06, Florida Statutes.
6. Formal budgetary integration is used as a management control device during the year for all governmental funds of the Board.
7. Budgets for the governmental fund types are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

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

Cash and Investments

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

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

During the 2023-2024 fiscal year, the Board invested in three different investment pools: the Special Purpose Investment Account (SPIA) within the Florida Treasury Investment Pool (the Pool) administered by the Florida Department of Financial Services, as authorized by Section 17.61(1), Florida Statutes; The Florida Local Government Investment Trust (FLGIT), a local government investment pool developed through the joint efforts of the Florida Court Clerks and Comptrollers (FCCC) and the Florida Association of Counties (FAC); and the Local Government Surplus Funds Trust Fund (Florida PRIME), administered by the Florida State Board of Administration (SBA) as authorized by Section 218.415 (17), Florida Statutes. Florida PRIME is not a registrant with the SEC; however, the SBA has adopted operating procedures consistent with the requirements for the SEC Rule 2a-7 fund.

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

Board of County Commissioners
Leon County, Florida

Notes to Special-Purpose Financial Statements

1. Accounting Policies (continued)

Receivables

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

Short-Term Interfund Receivables/Payables

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

Inventories

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

Restricted Assets

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

Capital Assets

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

Board of County Commissioners
Leon County, Florida

Notes to Special-Purpose Financial Statements

1. Accounting Policies (continued)

Leases

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

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

Board of County Commissioners
Leon County, Florida

Notes to Special-Purpose Financial Statements

1. Accounting Policies (continued)

Subscription Based Information Technology Arrangements

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

Fixed Assets

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

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

Board of County Commissioners
Leon County, Florida

Notes to Special-Purpose Financial Statements

1. Accounting Policies (continued)

Liability for Compensated Absences

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

Other Post Employment Benefits

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

Executive Service Plan

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

Net Position and Fund Balances

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

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

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

Board of County Commissioners
Leon County, Florida

Notes to Special-Purpose Financial Statements

1. Accounting Policies (continued)

Net Position and Fund Balances (continued)

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

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

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

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

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

Common Expenses

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

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

Board of County Commissioners
Leon County, Florida

Notes to Special-Purpose Financial Statements

1. Accounting Policies (continued)

Operating Transfers

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

Use of Estimates

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

New accounting pronouncements

In June 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 Board implemented GASB Statement No. 100 as of October 1, 2023. There was no impact to the Board's beginning net position upon adoption of the new accounting standard.

2. Property Taxes

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

Board of County Commissioners
Leon County, Florida

Notes to Special-Purpose Financial Statements

2. Property Taxes (continued)

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

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

3. Cash and Investments

Credit Risk

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

Board of County Commissioners
Leon County, Florida

Notes to Special-Purpose Financial Statements

3. Cash and Investments (continued)

Credit Risk (continued)

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.

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)."

Board of County Commissioners
Leon County, Florida

Notes to Special-Purpose Financial Statements

3. Cash and Investments (continued)

Credit Risk (continued)

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 the longer maturities and lower credit quality. The financial details and disclosures for the Treasury Investment Pool are made in Note 2 to the State of Florida Annual Comprehensive Financial Report (ACFR). The rating as of September 30, 2024 was AA-f by Standard and Poor's. A copy of SPIA's most recent financial statements can be found at <http://www.myfloridacfo.com/Division/Treasury/>. Investments in this pool are limited to a maximum of 100% of the portfolio. At September 30, 2024, the Board had \$875,581 invested with SPIA.

The Florida Local Government Investment Trust (FLGIT) is a local government investment pool developed through the joint efforts of the Florida Court Clerks and Comptrollers (FCCC) and the Florida Association of Counties (FAC) for providing opportunities for the investment of excess public funds. FLGIT offers two investment funds to its participants, the Short Term Bond Fund and the Day to Day Fund. The Short Term Bond Fund is a longer term higher yielding fund, which is accounted for as a fluctuating Net Asset Value (NAV) pool. At September 30, 2024 the Board did not have any balances in the Short Term Bond Fund. The Day to Day Fund is a highly liquid fund with underlying investments having a weighted average maturity of less than 90 days. The Day to Day Fund does meet the criteria and has adopted operating procedures consistent with the requirements for a SEC Rule 2a-7 fund. The Day to Day Fund maintained a credit rating of AAAM by Fitch as of September 30, 2024. At September 30, 2024, the Board had \$60,034,390 with the FLGIT Day to Day Fund. A copy of FLGIT's most recent financial statements can be found at <http://www.floridatrusionline.com/funds-reports/day-to-day/>. Investments with FLGIT are limited to a maximum of 45% of the portfolio.

Board of County Commissioners
Leon County, Florida

Notes to Special-Purpose Financial Statements

3. Cash and Investments (continued)

Credit Risk (continued)

The Board also invests in Florida PRIME administered by the Florida State Board of Administration (SBA). Florida PRIME is an external investment pool that is not a registrant with the SEC; however, the SBA has adopted operating procedures consistent with the requirements for a SEC Rule 2a-7 fund. Florida PRIME is governed by Chapter 19-7 of the Florida Administrative Code, which identifies the Rules of the SBA. These rules provide guidance and establish the general operating procedures for the administration of Florida PRIME. Additionally, the State of Florida, Auditor General performs the operational audit of the activities and investments of the SBA. On September 30, 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 days to maturity of the Florida PRIME at September 30, 2024 is 39 days. The fair value of the Board's position in the pool approximates the value of the pool shares. At September 30, 2024, the Board had \$83,236,741 invested in Florida PRIME. Florida PRIME's most recent financial statements can be found at <https://prime.sbafla.com/audits/>.

Custodial Credit Risk

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

Qualified public depositories of public funds are required to provide collateral each month pursuant to Section 280.04, Florida Statutes. The collateral is held by the Florida Division of Treasury or other custodian with full legal rights maintained by the Florida Division of Treasury to transfer ownership. Any loss not covered by the pledged securities and deposit insurance would be assessed by the Florida Division of Treasury and paid by the other public depositories. The Board's deposits are therefore considered fully insured or collateralized. Bank balances at September 30, 2024, were \$16,220,467. Due to the nature of the Board's cash and investments, there is no exposure to custodial credit risk and concentration of credit risk.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of investments. The Board manages interest rate risk by setting the range of duration for the Board's portfolio at 0.5 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 following table.

Board of County Commissioners
Leon County, Florida

Notes to Special-Purpose Financial Statements

3. 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. The Board requires a minimum balance of short term investments. To meet the day-to-day operating needs of the Board and to provide the ready cash to meet unforeseen temporary cash requirements, a liquidity base of approximately three months of anticipated disbursements is kept in relatively short term investments. This includes investments in government pools with daily liquidity such as Florida PRIME, FLGIT Day to Day Fund, or money markets. The Board was in compliance with this requirement.

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

	<u>Fair Value</u>	<u>Credit Rating</u>	<u>Duration</u>
Deposits in Qualified Public Depositories	\$ 16,078,753	N/A	N/A
External Investment in Government Pools:			
State of Florida Special Purpose Investment Account (SPIA)	875,581	AA-f	3.36
Florida Local Government Investment Trust Day to Day Fund (FLGIT)	60,034,390	AAAm	.03
Florida PRIME Investment Pool	83,236,741	AAAm	.11
Externally Managed Portfolio:			
Money Market	12,173	AAA	N/A
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	<u>21,321,812</u>	AA+	0.15
 Total cash and investments	 <u>\$ 218,939,533</u>		

The amounts above exclude cash on hand and amounts held by third parties in trust for the Board, but includes accrued interest of \$169,720.

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

Board of County Commissioners
Leon County, Florida

Notes to Special-Purpose Financial Statements

3. Cash and Investments (continued)

Foreign Currency Risk

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

4. Fair Value Measurements

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

FLGIT Day to Day Fund and Florida PRIME currently meet all 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 value of the underlying securities. Therefore, any participant account balance is measured at net asset value per share and is not subject to fair value hierarchy level classification under GASB 72. The County did not have a balance with the FLGIT Short Term Bond Fund at September 30, 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 Board categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset or liability. Level 1 inputs are quoted prices in active markets for identical assets or liabilities; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Board of County Commissioners
Leon County, Florida

Notes to Special-Purpose Financial Statements

4. Fair Value Measurements (continued)

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

5. Leases

Effective October 1, 2021, the Board adopted GASB’s 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.

Board of County Commissioners
Leon County, Florida

Notes to Special-Purpose Financial Statements

5. Leases (continued)

Lessee

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

Asset Class	As of September 30, 2024	
	Lease Asset Value	Accumulated Amortization
Equipment	\$ 1,049,009	\$ 687,571

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

Fiscal Year	Business-type Activities		
	Principal	Interest	Total
2025	\$ 92,362	\$ 3,685	\$ 96,047
2026	94,226	1,820	96,046
2027	47,823	199	48,022
2028-2029	0	0	0
Total	\$ 234,411	\$ 5,704	\$ 240,115

Leases Receivable

In October 2009, the Board purchased the Lake Jackson Huntington Oaks Property. There are several noncancellable lease agreements for the rental of its building. The lease agreements provide for monthly rentals, which escalate over the lease terms and expire on various dates. During the fiscal year, the Board had a total of 10 active leases as lessor for the use of commercial building space with remaining terms ranging from 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 Board 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.

Board of County Commissioners
Leon County, Florida

Notes to Special-Purpose Financial Statements

5. Leases (continued)

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

Fiscal Year	Governmental Activities		
	Principal	Interest	Total
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 Board purchased the Bank of America building. There are several noncancellable lease agreements for the rental of its building. The lease agreements provide for monthly rentals, which escalate over the lease terms and expire on various dates. During the fiscal year, the Board had a total of 9 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:

Fiscal Year	Governmental Activities		
	Principal	Interest	Total
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>

Board of County Commissioners
Leon County, Florida

Notes to Special-Purpose Financial Statements

5. Leases (continued)

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.

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>

6. Subscription Liabilities

Effective October 1, 2022, the Board adopted GASB's 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.

Board of County Commissioners
Leon County, Florida

Notes to Special-Purpose Financial Statements

6. Subscription Liabilities (continued)

The Board 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. As of October 1, 2023, the beginning balance of the subscription liability was \$691,646. As of September 30, 2024, the value of the subscription liability is \$3,386,308. The Board 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.

	As of September 30, 2024	
Asset Class	Subscription Asset Value	Accumulated Amortization
SBITAs	\$ 5,272,007	\$ 2,001,072

Total future minimum payments under SBITA agreements are as follows:

	Governmental Activities		
Fiscal Year	Principal	Interest	Total
2025	\$ 1,839,898	\$ 79,182	\$ 1,919,080
2026	1,506,376	7,341	1,513,717
2027	40,034	466	40,500
2028-2029	0	0	0
Total	\$ 3,386,308	\$ 86,989	\$ 3,473,297

Board of County Commissioners
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Notes to Special-Purpose Financial Statements

7. Fixed Assets

A summary of changes in fixed assets and depreciation for the year ended September 30, 2024, follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Governmental Funds:				
Land	\$ 22,718,690	\$ 0	\$ 0	\$ 22,718,690
Improvements other than buildings	49,872,105	1,674,014	0	51,546,119
Buildings and improvements	236,777,154	9,528,483	0	246,305,637
Equipment	90,726,592	12,102,238	(19,151,883)	83,676,947
Leasehold improvements	1,580,627	0	0	1,580,627
Construction in progress	38,917,957	39,974,888	(22,376,766)	56,516,079
Right-of-use lease asset	769,104	279,905	0	1,049,009
Subscription asset	976,535	4,295,472	0	5,272,007
Totals at historical cost	<u>\$ 442,338,764</u>	<u>\$ 67,855,000</u>	<u>\$ (41,528,649)</u>	<u>\$ 468,665,115</u>

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Business-type Activities:				
Land	\$ 1,809,844	\$ 0	\$ 0	\$ 1,809,844
Construction in progress	1,355,621	188,739	0	1,544,360
Buildings and improvements	18,983,293	0	0	18,983,293
Equipment	5,777,448	1,530,478	(1,433,387)	5,874,539
Totals at historical cost	<u>27,926,206</u>	<u>1,719,217</u>	<u>(1,433,387)</u>	<u>28,212,036</u>
Less accumulated depreciation for:				
Buildings and improvements	(16,835,043)	(78,508)	0	(16,913,551)
Equipment	(4,328,640)	(412,151)	1,402,365	(3,338,426)
Total accumulated depreciation	<u>(21,163,683)</u>	<u>(490,659)</u>	<u>1,402,365</u>	<u>(20,251,977)</u>
	<u>\$ 6,762,523</u>	<u>\$ 1,228,558</u>	<u>\$ (31,022)</u>	<u>\$ 7,960,059</u>

Board of County Commissioners
Leon County, Florida

Notes to Special-Purpose Financial Statements

8. Long-Term Liabilities

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

	<u>Balance October 1, 2023</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance September 30, 2024</u>	<u>Due within One Year</u>
Long-Term Liabilities					
Special revenue debt:					
Capital Improvement Revenue Refunding Bonds, Series 2017	\$ 6,339,000	\$ 0	\$ (3,136,000)	\$ 3,203,000	\$ 3,203,000
Capital Improvement Revenue Refunding Bonds, Series 2020	574,116	0	(249,149)	324,967	253,858
Capital Improvement Revenue Refunding Bonds, Series 2021	4,805,000	0	(330,000)	4,475,000	335,000
Capital Improvement Revenue Refunding Bonds, Series 2021B	2,935,000	0	(475,000)	2,460,000	480,000
Total special revenue debt	<u>14,653,116</u>	<u>0</u>	<u>(4,190,149)</u>	<u>10,462,967</u>	<u>4,271,858</u>
Liability for closure costs	22,076,218	5,490,126	0	27,566,344	0
Liability for compensated absences	6,339,156	4,324,664	(4,104,448)	6,559,372	2,603,956
Arbitrage rebate liability	25,000	0	0	25,000	0
Lease liability- equipment	157,386	279,905	(202,880)	234,411	92,362
Subscription liability	691,645	4,295,472	(1,600,809)	3,386,308	1,839,898
Financed purchase liability- ESCO	14,590,000	0	(1,010,000)	13,580,000	1,025,000
	<u>\$ 58,532,521</u>	<u>\$ 14,390,167</u>	<u>\$ (11,108,286)</u>	<u>\$ 61,814,402</u>	<u>\$ 9,833,074</u>

Total interest costs incurred for general long-term debt by the Board, including bond issuance costs, for the year ended September 30, 2024, was \$681,770.

Board of County Commissioners
Leon County, Florida

Notes to Special-Purpose Financial Statements

8. Long-Term Liabilities (continued)

B. A summary of each special revenue debt obligation outstanding at September 30, 2024 is as follows:

	<u>Outstanding at September 30, 2024</u>
<p>\$15,991,000 Capital Improvement Revenue Refunding Bonds, Series 2017, (i) refund the Capital Improvement Revenue Bonds, Series 2014 of which \$15,951,000 was currently outstanding and maturing in the years 2021 through 2025, and (ii) pay issuance costs on the Series 2017 bonds. The economic gain resulting from the refunding was \$489,076. The bonds dated June 22, 2017 and bear interest of 2.11% per annum. The interest on the bonds is payable on April 1 and October 1, beginning October 1, 2017. The bond principal matures serially on October 1 of each year through the final maturity of October 1, 2025</p>	\$ 3,203,000
<p>\$1,298,120 Capital Improvement Revenue note, Series 2020, is dated January 30, 2020 and bear interest of 1.89% per annum. The interest on the bonds is payable on June 1 and December 1, beginning June 1, 2020. The bond principal matures serially on December 1 of each year through the final maturity of December 1, 2025</p>	324,967
<p>\$5,400,000 Capital Improvement Revenue note, Series 2021, is dated January 28, 2021 and bear interest of 1.85% per annum. The interest on the bonds is payable on December 1 and June 1, beginning December 1, 2021. The bond principal matures serially on December 1 of each year through the final maturity of December 1, 2036.</p>	4,475,000
<p>\$3,400,000 Capital Improvement Revenue note, Series 2021B, is dated November 16, 2021 and bear interest of 1.29% per annum. The interest on the bonds is payable on December 1, beginning December 1, 2022. The bond principal matures serially on December 1 of each year through the final maturity of December 1, 2028.</p>	2,460,000
<p><i>The Capital Improvement Revenue Refunding Bonds Series 2017, Capital Improvement Revenue Refunding Bonds Series 2020, Capital Improvement Revenue Refunding Bonds Series 2021, and the Capital Improvement Revenue Note Series 2021B are parity bonds payable from and secured by a lien upon certain non-ad valorem revenue. The pledged revenues include the Local Government Half-Cent Sales Tax, Guaranteed Entitlement, Second Guaranteed Entitlement, and additional State Revenue Sharing Funds (less the Guaranteed Entitlement and the Second Guaranteed Entitlement). Total pledged revenue was \$20,001,200.</i></p>	
<p>Total Special Revenue Bond Obligations</p>	<p>\$ 10,462,967</p>

Board of County Commissioners
Leon County, Florida

Notes to Special-Purpose Financial Statements

8. Long-Term Liabilities (continued)

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

	Year ending September 30,				
	2025	2026	2027	2028	2029
Capital Improvement Revenue Refunding Bonds, Series 2017	\$ 3,270,583	\$ 0	\$ 0	\$ 0	\$ 0
Capital Improvement Revenue Bonds, Series 2020	257,601	71,781	0	0	0
Capital Improvement Revenue Bonds, Series 2021	417,788	421,590	420,208	418,733	417,165
Capital Improvement Revenue Bonds, Series 2021B	511,734	510,542	509,286	512,965	511,515
Total debt service	<u>\$ 4,457,706</u>	<u>\$ 1,003,913</u>	<u>\$ 929,494</u>	<u>\$ 931,698</u>	<u>\$ 928,680</u>

	2030-2034	2035-2037	Total Payments	Less Interest	Principal
Capital Improvement Revenue Refunding Bonds, Series 2017	\$ 0	\$ 0	\$ 3,270,583	\$ 67,583	\$ 3,203,000
Capital Improvement Revenue Bonds, Series 2020	0	0	329,382	4,415	324,967
Capital Improvement Revenue Bonds, Series 2021	2,097,873	837,663	5,031,018	556,018	4,475,000
Capital Improvement Revenue Bonds, Series 2021B	0	0	2,556,042	96,042	2,460,000
Total debt service	<u>\$ 2,097,873</u>	<u>\$ 837,663</u>	<u>\$ 11,187,025</u>	<u>\$ 724,058</u>	<u>\$ 10,462,967</u>

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 payments totaling \$15,064,523 consists of principal of \$13,580,000 and interest of \$1,484,524.

Board of County Commissioners
Leon County, Florida

Notes to Special-Purpose Financial Statements

8. Long-Term Liabilities (continued)

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

<u>Period Ending September 30,</u>	<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>

9. Employees' Retirement Plan

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

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

Board of County Commissioners
Leon County, Florida

Notes to Special-Purpose Financial Statements

9. Employees' Retirement Plan (continued)

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

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

The HIS Program is funded by required contributions from FRS participating employers as set by the State Legislature. Employer contributions are a percentage of gross compensation for all active FRS employees and are reported by employers with monthly payroll reports and included with the amount submitted for retirement contributions. For the fiscal year ended September 30, 2024, the contribution rate was 2% of payroll pursuant to Section 112.363, *Florida Statutes*.

The total employer retirement contributions for the fiscal years ended September 30, 2024, 2023, and 2022 were \$9,580,999, \$8,137,384, and \$6,764,458, respectively, which is equal to the required contribution for each year.

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

10. Other Post Employment Benefits

Plan Description

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

Board of County Commissioners
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Notes to Special-Purpose Financial Statements

11. Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; error and omissions; injuries to employees; and natural disasters. The following is a summary of the County's coverage and exposure relating to the various risks of loss retained as of September 30, 2024.

General Liability

Effective December 15, 2016, the Board 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 Board'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	\$ 0	\$ 0	\$ 0	\$ 0
September 30, 2024	\$ 0	\$ 178,369	\$ 0	\$ 178,369

Workers' Compensation

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

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

Board of County Commissioners
Leon County, Florida

Notes to Special-Purpose Financial Statements

11. Risk Management (continued)

Workers' Compensation (continued)

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 Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred as of the date of the financial statements and the amount of the loss can be reasonably estimated.

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

Automobile Liability

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

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

	<u>Beginning of Fiscal Year</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Balance at Fiscal Year End</u>
September 30, 2023	\$ 41,465	\$ 5,471	\$ 0	\$ 46,936
September 30, 2024	\$ 46,936	\$ (7,146)	\$ 0	\$ 39,790

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

Board of County Commissioners
Leon County, Florida

Notes to Special-Purpose Financial Statements

12. Other Required Individual Fund Disclosures

A. Interfund Receivables, Payables, and Transfers

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

Interfund receivable and payable balances at September 30, 2024, are as follows:

Fund	Interfund Receivables	Interfund Payable
General Fund	\$ 3,266,060	\$ 1,218,711
Nonmajor Governmental Funds	0	401,246
Internal Service Funds	0	2,319
Emergency Medical Services Fund	173,512	0
Grants Funds	1,519,674	2,183,213
Fine & Forfeiture Fund	0	1,519,674
Landfill Fund	365,917	0
	\$ 5,325,163	\$ 5,325,163

Each fund has a discrete purpose. However, often, there is a need for one fund to support a portion of another fund's activities. To accomplish this, monies are moved between funds through a process called interfund transfers. Interfund transfers, excluding transfers to other constitutional officers, for the year ended September 30, 2024, consisted of the following:

Transfers to the General Fund from:

Grants Fund	\$ 66,416
Nonmajor Governmental Funds	903,772
Enterprise Fund	62,487
Total transfers to the General Fund	1,032,675

Board of County Commissioners
Leon County, Florida

Notes to Special-Purpose Financial Statements

12. Other Required Individual Fund Disclosures (continued)

A. Interfund Receivables, Payables, and Transfers (continued)

Transfers to the Grants Fund from:

General Fund	371,257
Capital Projects Fund	400,000
Emergency Medical Services Fund	21,438
Total transfers to the Grants Fund	<u>792,695</u>

Transfers to the Capital Improvement Fund from:

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

Transfers to the Nonmajor Governmental Funds:

General Fund	17,776,752
Nonmajor Governmental Funds	3,676,488
Total transfers to the Nonmajor Governmental Funds	<u>21,453,240</u>
Total transfers to Governmental Funds	<u>29,983,632</u>

Transfers to the Enterprise Fund from:

General Fund	7,684,757
Total transfers to the Enterprise Funds	<u>7,684,757</u>

Transfers to the Internal Service Funds from:

Nonmajor Governmental Funds	58,100
Total transfers to Internal Service Funds	<u>58,100</u>
Total Interfund Transfers	<u>\$ 37,726,489</u>

Board of County Commissioners
Leon County, Florida

Notes to Special-Purpose Financial Statements

13. Closure and Post-closure Care Cost

State and federal laws and regulations require the Board to place a final cover on each of its landfill cells when it stops accepting waste and to perform certain maintenance and monitoring functions on each cell for thirty years after closure. Although closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, the Board reports a portion of these costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$27,566,344 reported as landfill closure and post-closure care liability at September 30, 2024, \$20,666,344 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 Board is required by state and federal laws to make annual contributions to an escrow account to finance a minimum of all closure costs. The Board is in compliance with those minimum requirements, and at September 30, 2024, held investments in the amount of \$19,924,585 for these purposes that are reported as restricted assets on the balance sheet. The Board expects that future inflation costs will be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional post-closure care requirements are determined; these costs may need to be covered by charges to future landfill users or from future tax revenue.

14. Commitments and Contingencies

A. Contract commitments:

Grants

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

Long-Term Construction Projects

The Board is committed to various material long-term construction projects at September 30, 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 fund. Current contracts outstanding as of September 30, 2024 approximate \$21.9 million.

Board of County Commissioners
Leon County, Florida

Notes to Special-Purpose Financial Statements

14. Commitments and Contingencies (continued)

B. Potential liabilities resulting from litigation:

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

C. Encumbrances:

Encumbrances represent commitments related to unperformed contracts for goods or services. They do not constitute expenditures or liabilities. The commitments will be honored in the subsequent year. The Board had no reserved encumbrances as of September 30, 2024.

15. Fund Balance Restatement

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 opinion is not modified with respect to this matter.

16. Subsequent Event

The Board has evaluated subsequent events through May 29, 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 opinion is not modified with respect to this matter.

Other Schedules

Leon County, Florida

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

Year Ended September 30, 2024

Source	Amount Received during the 2023-24 Fiscal Year	Amount Expended during the 2023-24 Fiscal Year
British Petroleum:		
Agreement No. 134036	\$ -	\$ -

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

See report of independent auditors.

Other Reports

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

The Honorable Board of County Commissioners
Leon County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the special-purpose financial statements of the major governmental funds, the proprietary funds, and the aggregate remaining fund information of the Board of County Commissioners of Leon County, Florida (the Board), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Board's special-purpose financial statements, and have issued our report thereon dated May 29, 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 Board's special-purpose financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported separately by these auditors.

Report on Internal Control Over Financial Reporting

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

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

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

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

Report on Compliance and Other Matters

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

Board's Response to Findings

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Board'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 Board'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 May 29, 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
May 29, 2025



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

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

The Honorable Board of County Commissioners
Leon County, Florida

We have examined the Board of County Commissioners of Leon County, Florida's (the Board) compliance with local government investment policies provided in Section 218.415, *Florida Statutes*, during the year ended September 30, 2024. Management is responsible for the Board's compliance with the specified requirements. Our responsibility is to express an opinion on the Board's compliance with the specified requirements based on our examination.

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

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

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

In our opinion, the Board complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2024.

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

Thomas Howell Ferguson P.A.

Law Redd Crona & Munroe P.A.

Thomas Howell Ferguson P.A.
Tallahassee, Florida
May 29, 2025

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

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

The Honorable Board of County Commissioners
Leon County, Florida

We have examined the Board of County Commissioners of Leon County, Florida's (the Board) compliance with emergency communications number E911 system fund requirements provided in Sections 365.172 and 365.173, *Florida Statutes*, during the year ended September 30, 2024. Management of the Board is responsible for the Board's compliance with the specified requirements. Our responsibility is to express an opinion on the Board's compliance with the specified requirements based on our examination.

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

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

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

In our opinion, the Board complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2024.

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

Thomas Howell Ferguson P.A.

Law Redd Crona & Munroe P.A.

Thomas Howell Ferguson P.A.
Tallahassee, Florida
May 29, 2025

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

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

The Honorable Board of County Commissioners
Leon County, Florida

We have examined the Board of County Commissioners of Leon County, Florida's (the Board) compliance with the receipts and expenditures of funds related to the Deepwater Horizon oil spill provided in Section 288.8017, *Florida Statutes*, during the year ended September 30, 2024. Management of the Board is responsible for the Board's compliance with the specified requirements. Our responsibility is to express an opinion on the Board's compliance with the specified requirements based on our examination.

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

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

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

In our opinion, the Board complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2024.

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



Thomas Howell Ferguson P.A.
Tallahassee, Florida
May 29, 2025



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

Management Letter

The Honorable Board of County Commissioners
Leon County, Florida

Report on the Special-Purpose Financial Statements

We have audited the special-purpose financial statements of the Board of County Commissioners of Leon County, Florida (the Board), as of and for the fiscal year ended September 30, 2024, and have issued our report thereon dated May 29, 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, and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Report of Independent Auditors on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Special-Purpose Financial Statements Performed in Accordance with *Government Auditing Standards* and Report of Independent Accountants on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated May 29, 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- 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 Accounts Receivable Accruals

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

2023-004 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.

Official Title and Legal Authority

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

Financial Management

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

2024-001- Fixed Asset Disposals

Criteria: The 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 Specialist, 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 Specialist 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 were missing a signature required on the Property Control Form or the Property Control Form was completed subsequent to the disposal taking place.

Two sample items tested were identified as 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 Specialist regarding disposals, including lost or stolen items. Due to turnover at the Property Control Specialist position, errors in asset classification were made during inventory due to misunderstanding of the effect behind such classifications. Additionally, when the new Property Control Specialist 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 Specialist 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. The noted deficiencies also 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 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 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 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 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 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 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 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.

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
May 29, 2025



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