

2022

Gadsden County, Florida

Financial Statements and
Independent Auditor's Report

September 30, 2022

PURVIS GRAY
CERTIFIED PUBLIC ACCOUNTANTS

2022

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

GADSDEN COUNTY, FLORIDA

SEPTEMBER 30, 2022

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AND
INDEPENDENT AUDITOR'S REPORTS**

GADSDEN COUNTY, FLORIDA

SEPTEMBER 30, 2022

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INTRODUCTORY SECTION

GADSDEN COUNTY, FLORIDA

LIST OF ELECTED AND APPOINTED OFFICIALS

SERVING AS OF SEPTEMBER 30, 2022

ELECTED OFFICIALS

Commissioner – District 4, Chairperson	Brenda Holt
Commissioner – District 2, Vice-Chairperson	Open
Commissioner – District 1	Eric Hinson
Commissioner – District 3	Kimblin NeSmith
Commissioner – District 5	Ronterious Green
Clerk of the Circuit Court/Comptroller	Nicholas Thomas
Tax Collector	W. Dale Summerford
Sheriff	Morris A. Young
Property Appraiser	Reginald A. Cunningham
Supervisor of Elections	Shirley Green Knight

APPOINTED OFFICIALS

County Administrator	Edward Dixon
County Attorney	Clayton Knowles

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

The Honorable Board of County Commissioners
and Constitutional Officers
Gadsden County, Florida

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and aggregate remaining fund information of Gadsden County, Florida, (the County) as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the County as of September 30, 2022, the respective changes in financial position, thereof, and the respective budgetary comparison of the general fund, the capital projects fund, and each major special revenue fund, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS 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, individually or in the aggregate, they could reasonably be expected to influence the judgment made by a reasonable user made on the basis of these financial statements.

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

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

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

Emphasis of Matter

As described in Note 2 to the financial statements, the County adopted Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases* (the Statement), implemented with an effective date of October 1, 2021, for the year ended September 30, 2022. The principal objective of the Statement is to enhance the consistency and comparability of reporting and disclosure of lease agreements by state and local governments. The Statement also is intended to improve the usefulness of information regarding governmental entities' liabilities under contractual lease agreements, primarily for assessing the ability of governments to meet all long-term financial obligations. Our opinion is not modified with respect to this matter.

INDEPENDENT AUDITOR'S REPORT

Required Supplementary Information

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

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and the combining non-major fund statements but does not include the basic financial statements and our auditor's report thereon. The accompanying schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and Chapter 10.550, *Rules of the Auditor General* of the State of Florida, is also not a required part of the basic financial statements. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

The combining non-major fund statements and the schedule of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the financial statements. This information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining individual non-major fund statements and the schedule of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the financial statements as a whole.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and accordingly, we do not express an opinion or provide any assurance on it.

The Honorable Board of County Commissioners
and Constitutional Officers
Gadsden County, Florida

INDEPENDENT AUDITOR'S REPORT

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated June 22, 2023, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. The purpose of that report is 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 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 County's internal control over financial reporting and compliance.



June 22, 2023
Tallahassee, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Gadsden County, Florida (the County), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended September 30, 2022. We encourage readers to consider the information presented here in conjunction with the County's basic financial statements.

FINANCIAL HIGHLIGHTS

Government-Wide Statements

The government-wide assets (and deferred outflows of resources) of the County exceeded liabilities (and deferred inflows of resources) at the close of the 2021-2022 fiscal year by \$64,164,589 (*net position*). Of this amount, (\$9,386,677) is considered unrestricted, \$15,422,567 is restricted for specific purposes (*restricted net position*), and \$58,128,699 is *net investment in capital assets*.

Fund Statements

At September 30, 2022, the County's governmental funds reported combined ending fund balances of \$26,890,176 an increase of \$3,359,455 in comparison with the \$23,530,721 ending fund balances on September 30, 2021. This increase is partly due to the County not spending as much money on projects that are taking longer to complete.

The general fund's unassigned fund balance at September 30, 2022, was \$4,959,184, or 23.12% of total general fund expenditures excluding transfers. This indicates a 4.38% increase from the prior fiscal year, where unassigned fund balance was 18.74% of the total general fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Management's Discussion and Analysis (MD&A) is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements include three components:

- (1) Government-wide financial statements
- (2) Fund financial statements
- (3) Notes to the basic financial statements

A brief description of the different financial statements follows.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Government-Wide Financial Statements

The government-wide financial statements (statement of net position and statement of activities found on pages 15-16 concentrate on the County as a whole and do not emphasize fund types. The governmental activities comprise the primary government. Fiduciary funds are not included in the government-wide financial statements. The County does not have any business-type activities.

General governmental and intergovernmental revenues support the governmental activities, along with user fees and charges for services. The purpose of the government-wide financial statements is to allow the user to be able to analyze the County's total financial position. Over time, increases or decreases in net position are indicators of whether the County's financial health is improving or deteriorating.

The statement of activities reflects the expenses of a given function or program, which are offset by program revenues. In order to better understand the County's operations, governmental activities expenses include, among others, general government services, public safety, culture and recreation, transportation, and economic environment. Program revenues are defined as charges for services, operating grants and contributions, and capital grants and contributions directly associated with a given function. Taxes, state shared revenues, and investment earnings are reported under general revenue. The effect of the interfund activity has been removed from the government-wide financial statements.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific purposes or objectives. Individual funds have been established by the County to account for revenues that are restricted to certain uses, to comply with legal requirements, or to account for the use of Federal and State grants. The three major categories of funds found in the County's fund financial statements include: governmental funds, proprietary funds, and fiduciary funds. The County's major funds are presented in separate columns on the fund financial statements. The definition of a major fund is one that meets the certain criteria set forth in Governmental Accounting Standards Board Statement No. 34. The funds that do not meet the criteria of a major fund are considered non-major funds and are combined into a single column on the fund financial statements.

Fund financial statements for all governmental funds include a **balance sheet** and a **statement of revenues, expenditures, and changes in fund balance**. The County's general fund and major special revenue funds include a **statement of revenues, expenditures, and changes in fund balance-budget and actual**. A **statement of fiduciary net position** is presented for the County's agency fund.

Governmental Fund Financial Statements

Governmental fund financial statements are prepared on the modified accrual basis using the current financial resources measurement focus. Under the modified accrual basis, revenues are recognized when they become measurable and available as net current assets.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The fund financial statements provide a presentation of the County's major funds, along with a column for all non-major funds. In the case of governmental activities, outlays for long lived assets are reported as expenditures, and long-term liabilities - such as general obligation bonds - are not included in the fund financial statements. To facilitate a comparison between the fund financial statements and the government-wide financial statements, a reconciliation of the balance sheet to the statement of net position and a reconciliation of the statement of revenues, expenditures, and changes in fund balances to the statement of activities are presented on pages 18 and 21, respectively.

Fiduciary Fund Financial Statements

The fiduciary fund financial statement is not included in the government-wide financial statements because the resources of these funds are not available to support the County's programs. Agency funds, the only type of fiduciary funds the County maintains, are used to account for assets held by the County as an agent for individuals and other governments.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data presented in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 28-57 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following schedule provides a summary of assets, liabilities, and net position of the County for fiscal years ending September 30, 2022 and 2021.

The largest portion of the County's net position, 91%, reflects its investment in capital assets (land, buildings, improvements, equipment, furniture, vehicles, construction in progress, and infrastructure) less any related debt to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

MANAGEMENT'S DISCUSSION AND ANALYSIS

**Gadsden County Florida
Summary of Net Position**

	Governmental	
	Activities	
	2022	2021
Assets		
Current Assets	\$ 36,276,281	\$ 34,026,045
Non-Current Assets	<u>75,159,493</u>	<u>72,798,251</u>
Total Assets	<u>111,435,774</u>	<u>106,824,296</u>
Deferred Outflows of Resources:		
Pension Related	6,545,849	5,395,317
OPEB Related	<u>151,500</u>	<u>150,400</u>
Total Deferred Outflows of Resources	<u>6,697,349</u>	<u>5,545,717</u>
Liabilities		
Current Liabilities	10,109,304	11,293,117
Non-Current Liabilities	<u>38,670,914</u>	<u>24,610,963</u>
Total Liabilities	<u>48,780,218</u>	<u>35,904,080</u>
Deferred Inflows of Resources:		
Pension Related	2,693,838	16,557,202
OPEB Related	148,000	159,300
Lease Related	<u>2,346,478</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>5,188,316</u>	<u>16,716,502</u>
Net Position		
Net Investment in Capital Assets	58,128,699	56,765,674
Restricted	15,422,567	13,884,944
Unrestricted	<u>(9,386,677)</u>	<u>(10,901,187)</u>
Total Net Position	<u>\$ 64,164,589</u>	<u>\$ 59,749,431</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following schedule provides a summary of the changes in Net Position.

Gadsden County Florida Summary of Changes in Net Position

	Governmental Activities	
	2022	2021
Revenues		
Program Revenues:		
Charges for Services	\$ 5,927,456	\$ 6,185,908
Operating Grants and Contributions	4,557,311	10,089,016
Capital Grants and Contributions	5,291,197	4,154,517
Total Program Revenues	15,775,964	20,429,441
General Revenues		
Property Taxes	13,676,654	12,746,830
Sales Tax and State Shared Revenue	8,819,575	7,621,033
Local Option Taxes	8,111,417	7,089,377
Motor Fuel Tax	2,539,500	2,390,709
Other	1,550,992	1,758,198
Total General Revenues	34,698,138	31,606,147
Total Revenues	50,474,102	52,035,588
Expenses		
Program Expenses:		
General Government	10,780,084	9,745,288
Public Safety	16,843,195	15,279,339
Physical Environment	563,350	468,848
Transportation	8,198,284	7,169,597
Economic Environment	2,449,055	1,954,548
Human Services	3,588,541	8,144,437
Court Related	1,889,881	1,594,603
Culture/Recreation	1,369,505	1,090,927
Interest on Long-Term Debt	377,049	432,362
Total Expenses	46,058,944	45,879,949
Increase (Decrease) in Net Position	4,415,158	6,155,639
Net Position, Beginning of Year	59,749,431	53,593,792
Net Position, End of Year	\$ 64,164,589	\$ 59,749,431

MANAGEMENT'S DISCUSSION AND ANALYSIS

FUND FINANCIAL ANALYSIS

Governmental Funds

The County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. Unassigned fund balance may serve as a useful measure of the County's net resources available for spending at the close of a fiscal year.

As of the end of fiscal year 2022, the County's governmental funds reported combined ending fund balances of \$26,890,176, an increase of \$3,359,455 in comparison with the prior year. Of the approximately \$26.8 million total fund balance, unassigned fund balance is \$4.9 million and is available for spending at the County's discretion.

The General Fund is the chief operating fund of the County and had an increase in fund balance of \$473,548. The total general fund balance was \$6,256,457 of which \$4,959,184 is unassigned. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total general fund expenditures. Unassigned fund balance represents 23.12% of total general fund expenditures, excluding transfers.

GENERAL FUND BUDGETARY HIGHLIGHTS

The General Fund's budgeted expenditures plus transfers increased during fiscal year 2021-2022 in the amount of \$135,921 from the original budget. A major portion of the increase of \$74,026 were for transfers that were not ultimately needed.

CAPITAL ASSETS AND DEBT MANAGEMENT

Capital Assets

The County's investment in capital assets for its governmental activities as of September 30, 2022, amounts to \$72.9 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment, and infrastructure, net of depreciation.

Capital asset events during the current fiscal year included the following:

- The EMS Department acquired Medical Equipment (\$769k) and an Ambulance (\$218k) under installment purchase agreements.
- Public works equipment totaling \$639k.
- The Sheriff's Office leased new vehicles totaling \$190k.
- Construction on various road projects within the County continued during the year. The most significant projects were Point Milligan Road (\$1.6m), Potter Woodberry Road (\$751k), Cochran Road (\$567k), Point Milligan Road Bridge (\$110k) and Hardaway Highway (\$189k).

MANAGEMENT'S DISCUSSION AND ANALYSIS

CAPITAL ASSETS AND DEBT MANAGEMENT

Capital Assets

Additional information regarding the County's capital assets is contained in Note 6 of the Financial Statements.

Capital assets at September 30, 2022 and 2021, are as follows:

**Gadsden County Florida
Capital Assets
(Net of Depreciation)**

	Governmental Activities	
	2022	2021
Land	\$ 2,054,225	\$ 2,054,225
Construction in Progress	3,598,144	5,110,365
Buildings	24,608,916	25,224,946
Improvements Other than Buildings	6,382,424	4,051,869
Machinery and Equipment	9,578,523	9,366,071
Leased Assets	396,750	-
Infrastructure	26,296,344	26,990,775
Total	<u>\$ 72,915,326</u>	<u>\$ 72,798,251</u>

Debt Management

During fiscal year 2022, the County incurred new debt obligations as previously described.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Additional information regarding the County's Long-Term Debt is contained in Note 7 to the Financial Statements.

Gadsden County Florida			
Outstanding Debt			
	<u>2022</u>	<u>2021</u>	<u>Increase (Decrease)</u>
Revenue Bonds	\$ 9,525,223	\$ 10,881,171	\$ (1,355,948)
Notes, Loans and Leases Payable	4,973,490	5,647,967	(674,477)
Compensated Absences	1,352,134	1,332,054	20,080
Other Post Employment Benefits	844,300	800,500	43,800
Net Pension Liability	<u>24,016,376</u>	<u>8,902,602</u>	<u>15,113,774</u>
Total	<u>\$ 40,711,523</u>	<u>\$ 27,564,294</u>	<u>\$ 13,147,229</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Gadsden County is Florida's 43rd most populous County and is home to 2% of Florida's population. The unemployment rate at September 30, 2022, was 3.5% as compared to the state's percentage of 2.7% (Information provided by the Florida Legislature Office of Economic and Demographic Research). Gadsden County is once again designated as a fiscally constrained County in the State of Florida and is included in the governor's designated Northwest Florida Rural Area of Economic Concern.

Gadsden County millage rate for the 2023 budget was adopted at 9.0000 mills, which is the same as the millage rate for 2022. The total adopted budget for 2023 of \$57,446,834 was an increase over 2022's budget in the amount of \$3,377,998.

MANAGEMENT'S DISCUSSION AND ANALYSIS

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives and manages. If you have questions about this report or need additional financial information, contact the Gadsden County Finance Office, 10 E. Jefferson Street, Quincy, FL 32351.

BASIC FINANCIAL STATEMENTS

**GADSDEN COUNTY, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2022**

	Governmental Activities
Assets	
Current Assets:	
Cash and Cash Equivalents	\$ 29,339,550
Accounts Receivable, Net	827,385
Due from Agency Funds	38,608
Due from Other Governments	4,810,107
Prepaid Items	215,145
Inventories	148,757
Leases Receivable	147,695
Total Current Assets	36,276,281
Non-Current Assets:	
Leases Receivable	2,244,167
Capital Assets:	
Non-Depreciable	5,652,369
Depreciable, Net	66,866,207
Leased Assets, Net	396,750
Total Non-Current Assets	75,159,493
Total Assets	111,435,774
Deferred Outflows of Resources	
Pension Related	6,545,849
OPEB Related	151,500
Total Deferred Outflows of Resources	6,697,349
Liabilities	
Current Liabilities:	
Accounts Payable and Accrued Expenses	3,731,801
Due to Agency Funds	4,347
Due to Other Governments	301,340
Accrued Wages Payable	464,881
Unearned Revenue	2,777,625
Bonds and Notes Payable	2,018,241
Leases Payable	197,660
Accrued Compensated Absences	613,409
Total Current Liabilities	10,109,304
Non-Current Liabilities:	
Accrued Compensated Absences	738,725
Other Postemployment Benefits Obligation	844,300
Bonds and Notes Payable	12,858,757
Leases Payable	212,756
Net Pension Liability	24,016,376
Total Non-Current Liabilities	38,670,914
Total Liabilities	48,780,218
Deferred Inflows of Resources	
Pension Related	2,693,838
OPEB Related	148,000
Lease Related	2,346,478
Total Deferred Inflows of Resources	5,188,316
Net Position	
Net Investment in Capital Assets	58,128,699
Restricted	15,422,567
Unrestricted	(9,386,677)
Total Net Position	\$ 64,164,589

The notes to the financial statements are an integral part of this statement.

**GADSDEN COUNTY, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position in Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
General Government	\$ 10,780,084	\$ 1,240,579	\$ 16,007	\$ 52,000	\$ (9,471,498)
Public Safety	16,843,195	3,451,757	1,856,791	-	(11,534,647)
Physical Environment	563,350	-	170,750	-	(392,600)
Transportation	8,198,284	112,423	46,841	3,267,195	(4,771,825)
Economic Environment	2,449,055	-	397,925	1,748,818	(302,312)
Human Services	3,588,541	13,661	957,415	168,309	(2,449,156)
Court-Related	1,889,881	1,069,123	700,537	-	(120,221)
Culture and Recreation	1,369,505	39,913	411,045	54,875	(863,672)
Interest on Long-Term Debt	377,049	-	-	-	(377,049)
Total Primary Government	\$ 46,058,944	\$ 5,927,456	\$ 4,557,311	\$ 5,291,197	(30,282,980)
		General Revenues			
		Taxes:			
					13,676,654
					194,278
					6,539,861
					1,377,278
					2,539,500
					321,110
					8,819,575
					181,670
					1,048,212
		Total General Revenues			34,698,138
		Change in Net Position			4,415,158
		Net Position, Beginning of Year			59,749,431
		Net Position, End of Year			\$ 64,164,589

The notes to the financial statements are an integral part of this statement.

GADSDEN COUNTY, FLORIDA
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022

	<u>General Fund</u>	<u>County Transportation</u>	<u>Capital Projects Public Works</u>	<u>American Rescue Plan</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets						
Cash and Cash Equivalents	\$ 5,774,398	\$ 3,193,725	\$ 500,787	\$ 1,746,751	\$ 18,123,889	\$ 29,339,550
Accounts Receivable (Net of Allowance for Uncollectibles)	162,110	-	-	-	665,275	827,385
Leases Receivable	2,391,862	-	-	-	-	2,391,862
Due from Other Funds	1,019,829	-	-	-	406,822	1,426,651
Due from Other Governments	941,893	560,814	1,413,402	7,237	1,886,761	4,810,107
Prepaid Expenses	107,549	753	-	-	106,843	215,145
Inventories, at Cost	128,896	19,861	-	-	-	148,757
Total Assets	<u>11,275,571</u>	<u>3,775,153</u>	<u>1,914,189</u>	<u>1,753,988</u>	<u>21,189,590</u>	<u>39,908,491</u>
Liabilities						
Accounts Payable and Accrued Expenses	1,420,152	132,683	1,413,402	70,001	695,563	3,731,801
Due to Other Funds	426,536	-	-	13,296	952,558	1,392,390
Due to Other Governments	25,963	-	-	-	275,377	301,340
Accrued Wages Payable	216,493	77,984	-	-	170,404	464,881
Unearned Revenues	213,364	-	-	1,670,691	893,570	2,777,625
Total Liabilities	<u>2,302,508</u>	<u>210,667</u>	<u>1,413,402</u>	<u>1,753,988</u>	<u>2,987,472</u>	<u>8,668,037</u>
Deferred Inflows of Resources						
Unavailable Revenues	370,128	351,967	-	-	1,281,705	2,003,800
Lease Related	2,346,478	-	-	-	-	2,346,478
Total Deferred Inflows of Resources	<u>2,716,606</u>	<u>351,967</u>	<u>-</u>	<u>-</u>	<u>1,281,705</u>	<u>4,350,278</u>
Fund Balances						
Non-Spendable	236,445	20,614	-	-	106,843	363,902
Restricted	226,020	3,191,905	500,787	-	12,004,642	15,923,354
Committed	-	-	-	-	27,910	27,910
Assigned	834,808	-	-	-	4,781,018	5,615,826
Unassigned	4,959,184	-	-	-	-	4,959,184
Total Fund Balances	<u>6,256,457</u>	<u>3,212,519</u>	<u>500,787</u>	<u>-</u>	<u>16,920,413</u>	<u>26,890,176</u>
Total Liabilities and Fund Balances	<u>\$ 11,275,571</u>	<u>\$ 3,775,153</u>	<u>\$ 1,914,189</u>	<u>\$ 1,753,988</u>	<u>\$ 21,189,590</u>	<u>\$ 39,908,491</u>

The notes to the financial statements are an integral part of this statement.

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

Total Fund Balances of Governmental Funds \$ 26,890,176

**Amounts Reported for Governmental Activities in the Statement
of Net Position are Different Because:**

Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds. 72,915,326

Receivables that do not provide current financial resources are reported as deferred inflows of resources in the governmental funds. 2,003,800

Certain pension related amounts are being deferred and amortized over a period of years or are being deferred as contributions to the plan made after the measurement date:

Deferred Outflows Related to Pensions	\$ 6,545,849	
Deferred Inflows Related to Pensions	(2,693,838)	
Deferred Outflows Related to OPEB	151,500	
Deferred Inflows Related to OPEB	<u>(148,000)</u>	3,855,511

Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.
Long-term liabilities at year-end consist of:

Bonds and Installment Notes Payable	(14,876,998)	
Lease Payable	(410,416)	
Accrued Compensated Absences	(1,352,134)	
Accrued OPEB Obligation	(844,300)	
Net Pension Liability	<u>(24,016,376)</u>	<u>(41,500,224)</u>

Total Net Position of Governmental Activities **\$ 64,164,589**

The notes to the financial statements are an integral part of this statement.

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

	General Fund	County Transportation	Capital Projects Public Works
Revenues			
Taxes	\$ 13,810,671	\$ 4,094,188	\$ -
Licenses and Permits	194,278	-	-
Intergovernmental Revenues	7,214,503	-	3,267,195
Charges for Services	1,322,840	112,424	-
Fines and Forfeitures	-	-	-
Miscellaneous Revenues	588,934	152,269	4,226
Total Revenues	23,131,226	4,358,881	3,271,421
Expenditures			
Current:			
General Government	10,091,275	-	-
Public Safety	8,309,484	-	-
Physical Environment	351,051	-	-
Transportation	-	4,369,368	-
Economic Environment	216,890	-	-
Human Services	1,534,061	-	-
Court-Related	213,380	-	-
Culture and Recreation	167,630	-	-
Debt Service:			
Principal	243,890	67,038	-
Interest	20,921	6,282	-
Capital Outlay:			
General Government	53,404	-	-
Public Safety	252,311	-	-
Transportation	-	647,595	3,267,195
Human Services	-	-	-
Culture and Recreation	-	-	-
(Total Expenditures)	(21,454,297)	(5,090,283)	(3,267,195)
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,676,929	(731,402)	4,226
Other Financing Sources (Uses)			
Transfers in	9,060,137	861,231	-
Transfers (out)	(10,453,809)	(339,921)	-
Installment Purchases	-	-	-
Lease Obligation	190,291	-	-
Total Other Financing Sources (Uses)	(1,203,381)	521,310	-
Net Change in Fund Balances	473,548	(210,092)	4,226
Fund Balances at Beginning of Year	5,782,909	3,422,611	496,561
Fund Balances at End of Year	\$ 6,256,457	\$ 3,212,519	\$ 500,787

The notes to the financial statements are an integral part of this statement.

American Rescue Plan	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 4,753,523	\$ 22,658,382
-	553,684	747,962
568,922	9,096,389	20,147,009
-	4,051,597	5,486,861
-	187,434	187,434
-	484,454	1,229,883
568,922	19,127,081	50,457,531
-	246,973	10,338,248
-	7,573,417	15,882,901
-	112,538	463,589
-	203,579	4,572,947
-	2,218,401	2,435,291
392,559	1,108,321	3,034,941
-	1,593,817	1,807,197
82,760	987,963	1,238,353
-	2,108,436	2,419,364
-	349,846	377,049
-	58,353	111,757
-	1,222,971	1,475,282
-	-	3,914,790
45,817	62,304	108,121
34,490	61,396	95,886
(555,626)	(17,908,315)	(48,275,716)
13,296	1,218,766	2,181,815
-	11,804,552	21,725,920
(13,296)	(10,918,894)	(21,725,920)
-	987,349	987,349
-	-	190,291
(13,296)	1,873,007	1,177,640
-	3,091,773	3,359,455
-	13,828,640	23,530,721
\$ -	\$ 16,920,413	\$ 26,890,176

The notes to the financial statements are an integral part of this statement.

GADSDEN COUNTY, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

Net Change in Fund Balances - Total Governmental Funds \$ 3,359,455

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those activities is allocated over their estimated useful lives as depreciation expense:

Expenditures for Capital Outlays	\$ 5,705,836	
Contributed Assets	168,309	
(Loss)/Gain on Disposal	(114,130)	
(Current Year Depreciation)	<u>(5,642,940)</u>	117,075

Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 2,419,364

The issuance of long-term debt provides current financial resources to governmental funds, while it has no effect on the statement of activities. (1,177,640)

Certain pension related amounts are being deferred and amortized over a period of years or are being deferred as contributions to the pension and OPEB plans made after the measurement date:

Deferred Inflows Related to Pensions	1,150,532	
Deferred Outflows Related to Pensions	13,863,364	
Deferred Inflows Related to OPEB	11,300	
Deferred Outflows Related to OPEB	<u>1,100</u>	15,026,296

Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:

Compensated Absences	(20,080)	
OPEB	(43,800)	
Net Pension Liability	<u>(15,113,774)</u>	(15,177,654)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds. (151,738)

Change in Net Position - Governmental Activities \$ 4,415,158

The notes to the financial statements are an integral part of this statement.

GADSDEN COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts		Actual	Variance With
	Original	Final		Final Budget
				Positive
				(Negative)
Revenues				
Taxes	\$ 13,474,538	\$ 13,474,538	\$ 13,810,671	\$ 336,133
Licenses and Permits	120,000	120,000	194,278	74,278
Intergovernmental Revenues	6,602,889	6,620,559	7,214,503	593,944
Charges for Services	1,492,926	1,528,586	1,322,840	(205,746)
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenues	582,365	590,930	588,934	(1,996)
Total Revenues	22,272,718	22,334,613	23,131,226	796,613
Expenditures				
Current:				
General Government	11,121,657	10,855,897	10,091,275	764,622
Public Safety	8,596,575	8,579,575	8,309,484	270,091
Physical Environment	412,619	412,619	351,051	61,568
Economic Environment	307,489	307,489	216,890	90,599
Human Services	1,707,979	1,687,979	1,534,061	153,918
Court-Related	524,148	524,148	213,380	310,768
Culture and Recreation	289,477	300,873	167,630	133,243
Debt Service:				
Principal	20,473	20,473	243,890	(223,417)
Interest	2,782	2,782	20,921	(18,139)
Capital Outlay:				
General Government	848,703	833,358	53,404	779,954
Public Safety	-	-	252,311	(252,311)
Culture and Recreation	306,895	95,499	-	95,499
Contingency	158,575	18,575	-	18,575
(Total Expenditures)	(24,297,372)	(23,639,267)	(21,454,297)	2,184,970
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(2,024,654)	(1,304,654)	1,676,929	2,981,583
Other Financing Sources (Uses)				
Transfers in	10,429,591	10,429,591	9,060,137	(1,369,454)
Transfers (out)	(8,847,645)	(9,641,671)	(10,453,809)	(812,138)
Lease Obligation	-	-	190,291	190,291
Total Other Financing Sources (Uses)	1,581,946	787,920	(1,203,381)	(1,991,301)
Net Change in Fund Balance	(442,708)	(516,734)	473,548	990,282
Fund Balance, Beginning of Year	442,708	516,734	5,782,909	5,266,175
Fund Balance, End of Year	\$ -	\$ -	\$ 6,256,457	\$ 6,256,457

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

GADSDEN COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
COUNTY TRANSPORTATION
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues				
Taxes	\$ 1,941,388	\$ 3,549,604	\$ 4,094,188	\$ 544,584
Intergovernmental Revenues	2,000	2,000	-	(2,000)
Charges for Services	87,000	87,000	112,424	25,424
Miscellaneous Revenues	35,000	35,000	152,269	117,269
Total Revenues	<u>2,065,388</u>	<u>3,673,604</u>	<u>4,358,881</u>	<u>685,277</u>
Expenditures				
Current:				
Transportation	4,521,033	4,521,033	4,369,368	151,665
Debt Service:				
Principal	66,660	66,660	67,038	(378)
Interest	6,668	6,668	6,282	386
Capital Outlay:				
Transportation	596,000	596,000	647,595	(51,595)
(Total Expenditures)	<u>(5,190,361)</u>	<u>(5,190,361)</u>	<u>(5,090,283)</u>	<u>100,078</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>(3,124,973)</u>	<u>(1,516,757)</u>	<u>(731,402)</u>	<u>785,355</u>
Other Financing Sources (Uses)				
Transfers in	2,469,447	861,231	861,231	-
Transfers (out)	(339,921)	(339,921)	(339,921)	-
Total Other Financing Sources (Uses)	<u>2,129,526</u>	<u>521,310</u>	<u>521,310</u>	<u>-</u>
Net Change in Fund Balance	(995,447)	(995,447)	(210,092)	785,355
Fund Balance, Beginning of Year	<u>995,447</u>	<u>995,447</u>	<u>3,422,611</u>	<u>2,427,164</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,212,519</u>	<u>\$ 3,212,519</u>

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

GADSDEN COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL PROJECTS - PUBLIC WORKS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental Revenues	\$ -	\$ 13,865,246	\$ 3,267,195	\$ (10,598,051)
Miscellaneous Revenues	-	-	4,226	4,226
Total Revenues	<u>-</u>	<u>13,865,246</u>	<u>3,271,421</u>	<u>(10,593,825)</u>
Expenditures				
Capital Outlay:				
Transportation	-	13,865,246	3,267,195	10,598,051
(Total Expenditures)	<u>-</u>	<u>(13,865,246)</u>	<u>(3,267,195)</u>	<u>10,598,051</u>
Net Change in Fund Balance	-	-	4,226	4,226
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>496,561</u>	<u>496,561</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 500,787</u>	<u>\$ 500,787</u>

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

GADSDEN COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
AMERICAN RESCUE PLAN
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental Revenues	\$ -	\$ 2,245,242	\$ 568,922	\$ (1,676,320)
Total Revenues	<u>-</u>	<u>2,245,242</u>	<u>568,922</u>	<u>(1,676,320)</u>
Expenditures				
Current:				
Human Services	-	1,522,966	392,559	1,130,407
Culture and Recreation	-	24,250	82,760	(58,510)
Capital Outlay:				
Human Services	-	582,100	45,817	536,283
Culture and Recreation	-	93,000	34,490	58,510
(Total Expenditures)	<u>-</u>	<u>(2,222,316)</u>	<u>(555,626)</u>	<u>1,666,690</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>22,926</u>	<u>13,296</u>	<u>(9,630)</u>
Other Financing Sources (Uses)				
Transfers (out)	-	(22,926)	(13,296)	9,630
Total Other Financing Sources (Uses)	<u>-</u>	<u>(22,926)</u>	<u>(13,296)</u>	<u>9,630</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The notes to the financial statements are an integral part of this statement.

GADSDEN COUNTY, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2022

	Private Purpose Trust Fund	Custodial Funds	Total
Assets			
Cash and Cash Equivalents	\$ 2,036,288	\$ 1,297,205	\$ 3,333,493
Investments	9,554,652	-	9,554,652
Accounts Receivable	-	26,076	26,076
Due from Other Governments	-	771	771
Due from Other Funds	-	4,347	4,347
Total Assets	11,590,940	1,328,399	12,919,339
Liabilities			
Accounts Payable	-	408	408
Due to Other Funds	-	38,608	38,608
Due to Individuals	-	40,942	40,942
Due to Other Governments	-	114,905	114,905
Assets Held for Others	-	18,693	18,693
Installment Tax Deposits	-	209,684	209,684
Total Liabilities	-	423,240	423,240
Net Position, Held in a Custodial Capacity to be Disbursed	\$ 11,590,940	\$ 905,159	\$ 12,496,099

The notes to the financial statements are an integral part of this statement.

GADSDEN COUNTY, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
SEPTEMBER 30, 2022

	Private Purpose	
	Trust Fund	Funds
Additions		
Investment Earnings:		
Interest and Dividends	\$ 215,936	\$ -
Fines, Forfeitures, and Fees Collected	-	5,545,536
Tax Deeds and Fees Collected	-	493,729
Support and Fees Collected	-	544,424
Registry of the Court and Fees Collected	-	1,619,317
Recording Fees Collected	-	2,728,833
Bail Bonds and Fees Collected	-	91,221
Inmate Funds Collected	-	472,187
Licenses and Tag Fees Collected	-	5,633,184
Property Taxes and Fees Collected	-	28,895,749
Hunting and Fishing Licenses Collected	-	14,095
Total Additions	215,936	46,038,275
Deductions		
Investment Losses:		
Net Depreciation in Fair Value of Investments	1,257,118	
Administrative Fees	38,538	-
Fines, Forfeitures, and Fees Distributed	-	5,494,060
Tax Deeds and Fees Distributed	-	455,094
Support and Fees Distributed	-	544,424
Registry of the Court and Fees Distributed	-	1,590,696
Recording Fees Distributed	-	2,782,217
Bail Bonds and Fees Distributed	-	70,071
Inmate Funds Disbursed	-	462,796
Licenses and Tag Fees Disbursed	-	5,633,169
Property Taxes and Fees Disbursed	-	28,889,266
Hunting and Fishing Licenses Disbursed	-	14,095
Total Deductions	(1,295,656)	(45,935,888)
Net Increase	(1,079,720)	102,387
Net Position Held in Trust, Beginning of Year	12,670,660	802,772
Net Position Held in Trust, End of Year	\$ 11,590,940	\$ 905,159

The notes to the financial statements are an integral part of this statement.

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

Note 1 - Reporting Entity

Gadsden County, Florida, (the County) is a political subdivision of the State of Florida and provides services to its residents in many areas including general government, public safety, physical environment, transportation, economic environment, human services, and culture and recreation. It is governed by a five-member elected Board of County Commissioners (the Board), which derives its authority by Florida Statutes and regulations. In addition to the members of the Board, there are five Constitutional Officers: the Clerk of the Circuit Court (the Clerk), Tax Collector, Sheriff, Property Appraiser, and Supervisor of Elections. The Constitutional Officers, with the exception of the Supervisor of Elections and the Property Appraiser, maintain separate accounting records and budgets.

The accompanying financial statements include the operations of the Board and the Constitutional Officers. In addition, each Constitutional Officer has separately issued financial statements.

The Board funds a portion, or in certain instances, all of the operating budgets of the County's Constitutional Officers. Florida Statutes require the applicable budget excess of the Constitutional Officers to be remitted back to the Board at the close of the fiscal year.

The accompanying financial statements present the primary government, and its component units, for which the primary government is considered to be financially accountable. Also included are other entities whose exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Each potential component unit is individually evaluated using specific criteria to determine whether the entity is: (a) part of the primary government; (b) a component unit which should be included in the reporting entity (blended or discretely presented); or (c) an organization which should be excluded from the reporting entity entirely. The principal criteria for classifying a potential component unit include the legal separateness of the organization, the financial accountability of the primary government for the potential component unit resulting from either the primary government's ability to impose its will on the potential component unit, or the potential component unit's fiscal dependency on the primary government. Based upon the application of these criteria, the following is a brief review of each potential component unit addressed in defining the reporting entity:

- **Gadsden County Hospital (the Hospital)**—The Hospital was created pursuant to Chapter 24534, *Laws of Florida 1947*. In evaluating this potential component unit, it was determined that the Hospital is not a separate legal entity as it generally cannot transact business in its own name and, therefore, should be included as part of the primary government for reporting purposes. The Hospital does not function as an operating hospital but provides the facilities and the maintenance and repair of such facilities for a provider who contracts with the County to operate the Hospital. The assets, liabilities, and results of operations of the Hospital are presented in the financial statements of the County as a non-major special revenue fund.
- **Gadsden County Industrial Development Authority (the Development Authority)**—The Development Authority was created by resolution of the Board pursuant to Chapter 159, Part III, Florida Statutes. The Development Authority members are appointed by the Board; however, the Board's accountability for the Development Authority does not extend beyond making the appointments. Accordingly, the Development Authority is considered to be a related organization only and is not included in the financial reporting entity.

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

- **Quincy-Gadsden Airport Authority (the Airport Authority)**—The Airport Authority was created by Chapter 88-439, *Laws of Florida*. The Authority is composed of five members. Two members are appointed by the City of Quincy, Florida, two members are appointed by the Board, and one member is appointed by these four members. The Airport Authority is a local unit of special purpose government and is not considered a component unit of the County and is not included in the financial reporting entity.
- **Gadsden County Enterprise Zone Development Agency (the Agency)**—The Agency was created by ordinance of the Board pursuant to Chapter 290, Florida Statutes, to carry out economic development and redevelopment activities. The Agency Board members are appointed by the Board and the Board retains various powers including approving expenditures, borrowing funds, investing funds, and approving assistance to businesses within the enterprise zone. Accordingly, the activities of the Agency are included as a blended component unit in the County’s financial statements. The Agency did not have any activity in fiscal year 2022.
- **Gadsden Hospital, Inc.**—The Gadsden Hospital, Inc. is a not-for-profit corporation established to assist with the operation of the Hospital and other health care facilities in Gadsden County. The Gadsden Hospital, Inc. members are appointed by the Board and the Board approves its funding and operations. Accordingly, the activities of Gadsden Hospital, Inc. have been included as a blended component unit in the County’s financial statements and has been included as a special revenue fund in the accompanying financial statements. The Gadsden Hospital, Inc. did not have financial activity in fiscal year 2022.

Note 2 - Summary of Significant Accounting Policies

The accounting policies of the County conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies:

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (a) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

Taxes and other items not properly included among program revenues are reported instead as general revenues.

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Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter is excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

The County reports the following major governmental funds:

- **General Fund**—The General Fund is the County’s primary operating fund. It accounts for all resources traditionally associated with governments except those required to be accounted for in another fund.
- **County Transportation**—The County Transportation fund accounts for the operation of the Public Works Department of the County. Funding is provided principally from gas taxes and other charges for services.
- **Capital Projects Public Works**—The Capital Project Public Works fund was set up to provide funds for road building and resurfacing projects and to track those funds separate from operating expenses, which is the source of revenue for this fund.
- **American Rescue Plan**—The American Rescue Plan is funded by the U.S. Department of Treasury. The program funds are not subject to any spending plan agreement or other controls through any State Agency. The County has broad flexibility to help disproportionately impacted by the COVID-19 pandemic. The County must demonstrate the funds supported public health response or that recipients of the Recovery Funds experienced economic harm from the pandemic.

The County also reports two types of fiduciary funds: agency funds, which are used to account for the collection and disbursement of monies by the County on behalf of other governments and individuals, and a private purpose trust fund to account for the Gadsden County Hospital Trust.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

Governmental fund financial statements are reported using *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within thirty days of the end of the current fiscal period and ninety days for grants. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and other postemployment benefits are recorded only when payment is due.

Budgets and Budgetary Accounting

The County follows the procedures provided by Florida Statutes in establishing final budget balances reported on the financial statements.

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- Budgets are generally prepared for the governmental funds on a basis consistent with generally accepted accounting principles.
- Budgets are prepared, public hearings are held, and original budgets are adopted annually for all governmental funds in accordance with procedures and time intervals prescribed by law.
- Appropriations lapse at year-end to the extent that they have not been expended. Budget appropriations may not be legally exceeded on a fund basis.

The County-wide General Fund is comprised of the following six sub-funds: Board of County Commissioners, Clerk of the Circuit Court, Property Appraiser, Sheriff, Supervisor of Elections, and Tax Collector. In order to comply with the generally accepted accounting principles, the actual intra-fund activity has been consolidated in order to eliminate inflated amounts in the aggregate financial statements of the County-wide General Fund.

Cash and Cash Equivalents

Cash and Cash Equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquisition. This includes funds invested with the State Board of Administration in the Florida PRIME investment pool. Funds held in Florida PRIME are measured at amortized cost.

Investments

Investments are generally measured at fair value, except for certificates of deposit which are measured at cost.

Receivables

Accounts receivable are shown at their net realizable value and reduced by an allowance for uncollectible accounts. Leases receivable are shown at the net present value of expected future cash flows over the contractual non-cancellable term of the lease.

Due from (to) Other Funds

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds".

Prepaid Items

Certain payments to vendors are made in advance of the accounting period to which the cost related. These payments are reported under the allocation method, i.e., an asset is established at the date of the payment and subsequently amortized over the account periods that are expected to benefit from the initial payment. The prepaid balances reported on the governmental funds balance sheet are offset by a non-spendable fund balance classification, which indicates these balances do not constitute "available spendable resources".

Inventories

Inventories shown in the General Fund consist of fuel and office supplies valued at cost. General Fund inventory is recorded under the consumption method. Inventories shown in the County transportation fund consists predominately of repair parts and are valued at cost. On the governmental fund balance

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sheet, the inventory balances are offset by a non-spendable fund balance classification which indicates these balances do not constitute “available spendable resources” even though it is a component of net current assets. The costs of governmental fund type inventories are recorded as expenditure when consumed; therefore, the inventory is not available for appropriation.

Capital Assets

Capital assets, which include property, equipment, and infrastructure assets (e.g., roads, right-of-ways, stormwater systems, sidewalks, and similar items) are reported in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Land and buildings acquired prior to October 1, 1980, were recorded at the values stated on the 1979 Gadsden County Property Appraiser’s assessment roll. Acquisitions of land and buildings since October 1, 1980, have been recorded at cost. Roads, bridges, and other infrastructure assets constructed prior to October 1, 2002, are reported at estimated historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are expensed as incurred.

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

Assets	Years
Buildings	50
Improvements Other than Buildings	50
Machinery and Equipment	5-20
Infrastructure	15-25

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position.

Deferred Inflows/Outflows of Resources

Deferred inflows of resources reported on applicable governmental fund types represent revenues which are measurable but not available in accordance with the modified accrual basis of accounting. The deferred inflows will be recognized as revenue in the fiscal year they are earned or become available. Deferred outflows of resources represent consumption of net position that is applicable to a future reporting period. Deferred outflows have a positive effect on net position, similar to assets.

- **Pension Related**—Pension Related Deferred Inflows and Outflows represent the difference between expected and actual experience with regard to economic or demographic factors and changes to assumptions in the measurement of total pension liability, and the differences between expected and actual earnings on pension plan investments, and changes in the County’s proportionate share of pension contributions. These amounts are reported as deferred inflows or outflows of resources, to be recognized in expense over time. Also included in deferred outflows are amounts contributed to the pension plans subsequent to the measurement date. See Note 10 for more information on Pension Related Deferred Inflows and Outflows.

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- **Lease Related**—Lease related deferred inflows represent the unamortized portion of lease payments expected to be received under leasing arrangements where the County is a lessor. This amount is being amortized on a straight-line basis over the expected lease term. See Note 9 for more information on the County’s leasing arrangements.
- **Unavailable Revenues**—Unavailable revenues are revenues which are measurable, but not available because they have not been received within the County’s period of availability. These revenues are deferred and recorded as deferred inflows of resources in governmental fund financial statements.

Compensated Absences

Upon retirement or resignation, employees may be paid a cash benefit equal to the number of vacation hours accrued up to a maximum amount, based upon the employee’s current wage rate. Upon retirement or resignation in good standing, employees are paid a portion of accumulated sick leave. The portion is payable at various percentages depending on years of service and the governmental office in which the employee worked.

Postemployment Benefits Other than Pension Benefits (OPEB)

The County participates and administers a single-employer plan under which qualified retired employees are permitted to participate in the health, dental, vision, and life insurance benefits program. Additional information on the County’s OPEB liability can be found in Note 14.

Property Taxes

Under Florida law, the assessment of all properties and the collection of all County municipal and school board property taxes are consolidated in the offices of the Property Appraiser and Tax Collector. The laws of the state regulating tax assessment are also designed to assure a consistent property valuation method state-wide. Florida Statutes permit counties to levy property taxes at a rate of up to 10 mills for general operations.

The tax levy of the County is established by the Board prior to October 1, of each year and the Property Appraiser incorporates the County millages into the total tax levy, which includes the various municipalities, the County School Board, and other taxing authorities.

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

All taxes become 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. Taxes paid in March are without discount.

On or prior to June 1, following the tax year, tax certificates are sold for all delinquent taxes on real property. 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. Unsold tax certificates are held by the County.

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Fund Balance

Fund balance is reported in five components – non-spendable, restricted, committed, assigned, and unassigned:

- **Non-Spendable**—This component of fund balance consists of amounts that cannot be spent because: (a) they are not expected to be converted to cash; or (b) they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an endowment fund.
- **Restricted**—This component of fund balance consists of amounts that are constrained either: (a) externally by third parties (creditors, grantors, contributors, or laws or regulations of other governments); or (b) by law through constitutional provisions or enabling legislation.
- **Committed**—This component of fund balance consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (e.g., ordinance) of the organization’s governing authority (the Board). These committed amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (e.g., ordinance) employed to constrain those amounts.
- **Assigned**—This component of fund balance consists of amounts that are constrained by a less-than-formal action of the organization’s governing authority, or by an individual or body to whom the governing authority has delegated this responsibility. In addition, residual balances in capital projects and debt service funds are considered assigned for the general purpose of the respective fund.
- **Unassigned**—This classification is used for: (a) negative unrestricted fund balances in any governmental fund; or (b) fund balances within the General Fund that are not restricted, committed, or assigned.
- **Flow Assumption**—When both restricted and unrestricted resources are available for use, it is the Board’s policy to use restricted resources first, then unrestricted resources (committed, assigned, and unassigned) as they are needed. When unrestricted resources (committed, assigned, and unassigned) are available for use in any governmental fund, it is the Board’s policy to use committed resources first, then assigned, and then unassigned as needed.

Adoption of New Accounting

During the year ended September 30, 2022, the County adopted new accounting guidance by implementing the provisions of Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. This statement increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under 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, thereby enhancing the relevance and consistency of information about governments’ leasing activities. GASB Statement No. 87 implementation required assessment of leases as of October 1, 2021. Therefore, no restatement of prior periods was required as a result of implementation.

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Recent GASB Standards

The County is currently evaluating the effects that the following GASB Statements, which will be implemented in future financial statements, will have on its financial statements for subsequent fiscal years:

- The GASB has issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, which will be effective for the year ending September 30, 2023. This statement provides guidance on the accounting and financial reporting for *Subscription-Based Information Technology Arrangements* (SBITAs) for government end users (governments). This statement: (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in GASB Statement No. 87, *Leases*, as amended.

Note 3 - Cash and Investments

The County maintains cash and investments in two separate areas: those which support the County's public purpose and programs of the County, and the Hospital Endowment Trust Fund, for which funds are held in trust for the benefit of the Hospital.

Public Purpose

As of September 30, 2022, the County's public purpose programs had the following in cash, cash equivalents and investments:

	Carrying Amount
Cash on Hand	\$ 4,500
Deposits in Qualified Public Depositories (Including Repurchase Agreement)	23,139,479
Money Market	1,377,774
Certificates of Deposit	749,034
SBA Florida PRIME	6,115,002
Total Cash and Cash Equivalents	\$ 31,385,789

These amounts are presented in the accompanying financial statements as follows:

Statement of Net Position	
Cash and Cash Equivalents	\$ 29,339,550
Investments	749,034
Statement of Fiduciary Net Position – Custodial Funds	
Cash and Cash Equivalents	1,297,205
Total Cash and Cash Equivalents	\$ 31,385,789

In accordance with Florida Statutes, Section 218.415(1-16), the County adopted a written investment policy for public purpose programs on October 1, 1995. The policy includes the objectives of safety, liquidity, and investment income, in order of priority. Authorized investments included in the policy are:

1. The Florida PRIME (formerly the Local Government Surplus Trust Funds Investment Pool) administered by the State Board of Administration (SBA).

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2. Negotiable direct obligations of, or obligations of the principal and interest of which are unconditionally guaranteed by the United States Government, which include, but are not limited to: treasury bills, treasury notes, treasury bonds, and treasury strips.
3. Bonds, debentures, notes or other evidence of indebtedness, issued or guaranteed by United States agencies provided such obligations are backed by the full faith and credit of the United States Government, which include, but are not limited to: Farmers Home Administration, Federal Financing Bank, Federal Housing Administration Debentures, and Government National Mortgage Association.
4. Bonds, debentures, notes or other evidence of indebtedness, issued or guaranteed by United States government agencies (federal instrumentalities), which are not full-faith and credit agencies limited to the following: Federal Farm Credit Bank, Federal Home Land Bank or its district banks, Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, and Student Loan Marketing Association.
5. Non-Negotiable interest-bearing time certificates of deposit, money market accounts, or savings accounts in banks/savings and loan associations organized under the laws of the United States.
6. Repurchase agreements (for purchase and subsequent sale) for any of the investments authorized above in items 3 and 4.

Florida PRIME is administered by the Florida SBA. Florida PRIME is an external investment pool that is not a registrant with the Securities and Exchange Commission (SEC). Florida PRIME is governed by Chapter 19-7 of the Florida Administrative Code, which identifies the Rules of the SBA. These rules provide guidance and establish the general operating procedures for the administration of Florida PRIME.

Additionally, the State of Florida, Office of the Auditor General performs the operational audit of the activities and investments of the SBA. The County's fair value of their position in Florida PRIME approximates their value of the pool shares. Investments in Florida PRIME are not evidenced by securities that exist in physical or book entry form.

The SBA's interpretation of GASB Statement No. 79 is that the Florida PRIME investment pool currently meets all necessary criteria to measure its investments at amortized cost. Therefore, as a participant in the SBA's Florida PRIME investment pool, the County's investments in Florida PRIME were also measured at amortized cost for fiscal year 2021-22. There were no limitations or restrictions on participant withdrawals including items such as redemption notices, maximum transaction amounts, and the pool's authority to impose liquidity fees or redemption gates, however, the fund may on the occurrence of an event that has a material impact on liquidity or operations, impose restrictions on withdrawals for up to 48 hours.

The following disclosures describe the County's public purpose investment exposure to various risks:

Credit Risk—Public Purpose Funds

The current rating for the Florida PRIME is AAAM by Standards & Poor's.

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The securities utilized by the financial institution to pledge against the County’s overnight repurchase agreement at September 30, 2022, consist primarily of treasury notes and agency securities from the Federal National Mortgage Association and Government National Mortgage Association. The treasury notes are triple A-rated by a nationally recognized statistical rating organization. The agency securities are not fully rated. Certificates of Deposit are not rated.

Custodial Credit Risk—Public Purpose Funds

Custodial credit risk is the risk that, in the event of a bank failure, or the failure of the counterparty, the government’s deposits may not be returned to it, or the government 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 County’s cash deposits in these qualified depositories are considered fully insured or collateralized.

Interest Rate Risk—Public Purpose Funds

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County limits interest rate risk for the repurchase agreement by utilizing an overnight sweep agreement to invest excess cash balances. The weighted-average investment maturity for Florida PRIME is 21 days. Certificates of deposit have maturities of one year or less.

Hospital Endowment Trust Fund

As of September 30, 2022, the Hospital Endowment Trust Fund had the following balances in cash and investments:

	Fair Value
Cash in Bank	\$ 527,655
Repurchase Agreement	257,870
SBA Florida PRIME	1,250,763
Mutual Funds - (Fixed Income)	4,378,986
Equities	5,175,666
Total Cash and Investments	\$ 11,590,940

As of September 30, 2022, the Hospital Endowment Trust Fund had cash deposits of \$527,655 in a qualified public depository.

The following disclosures describe the Hospital Endowment Trust Fund’s investment exposure to various risks:

Credit Risk—Hospital Endowment Trust Fund

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. Investing activities for the Hospital Endowment Trust Fund are performed strictly by the members of the Trust committee.

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The U.S. Treasury Bonds and Notes, and the U.S. Government Agency holdings of the Hospital Endowment Trust Fund are triple A-rated by a nationally recognized statistical rating organization.

Custodial Credit Risk—Hospital Endowment Trust Fund

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the government may not be able to recover the value of its investments that are in the possession of the outside party. Custody of the Hospital Endowment Trust Fund’s investments is maintained in the County’s name by Capital City Trust Company, the fiduciary of the account.

Concentration of Credit Risk—Hospital Endowment Trust Fund

Concentration of credit risk is the risk of loss attributed to the investments of the Hospital Endowment Trust Fund in any one issuer that represents 5% or more of the total investment. There were no individual investments that represented more than 5% of the investment balance.

Interest Rate Risk—Hospital Endowment Trust Fund

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Hospital Endowment Trust Fund includes the following investments on a time-segmented basis:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less Than One Year</u>	<u>1-5 Years</u>
U.S. Treasury Notes	\$ 1,944,385	\$ 246,300	\$ 1,698,085
Mutual Funds - Fixed	2,434,601	2,434,601	-
Equities	5,175,666	5,175,666	-
Total	<u>\$ 9,554,652</u>	<u>\$ 7,856,567</u>	<u>\$ 1,698,085</u>

Fair Value Measurements—Hospital Endowment Trust Fund

Fair value measurements assume a transaction takes place in a government’s principal market, or a government’s most advantageous market in the absence of a principal market. The fair value also should be measured assuming that general market participants would act in their economic best interest.

The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels:

- **Level 1 Inputs**—are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.
- **Level 2 Inputs**—are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.
- **Level 3 Inputs**—are unobservable inputs for an asset or liability. The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset or liability is not observable, a government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs.

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Fair value measurements for the Hospital Endowment Trust are as follows at September 30, 2022:

Investments by Fair Value Level	Amount	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
U.S. Treasury Notes	\$ 1,944,385	\$ 1,944,385	\$ -	\$ -
Equities	5,175,666	5,175,666	-	-
Total Investments Measured at Fair Value	\$ 7,120,051	\$ 7,120,051	\$ -	\$ -

Investments Measured at the Net Asset Value (NAV)	Amount	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Mutual Funds - Fixed	\$ 2,434,601	\$ -	Daily	None
Total Investments	\$ 9,554,652			

Note 4 - Receivables

Accounts Receivable at September 30, 2022, consist of the following:

	Gross Accounts Receivable	Allowance for Uncollectibles	Net Receivables
General	\$ 162,110	\$ -	\$ 162,110
Other Governmental Funds:			
Emergency Medical Services	1,899,328	(1,234,053)	665,275
Fiduciary Funds:			
Agency Funds - Tax	26,076	-	26,076
Total Receivables	\$ 2,087,514	\$ (1,234,053)	\$ 853,461

Leases Receivable at September 30, 2022, consist of the following:

	Gross Leases Receivable	Allowance for Uncollectibles	Net Leases Receivable
General	\$ 2,391,862	\$ -	\$ 2,391,862
Total Receivables	\$ 2,391,862	\$ -	\$ 2,391,862

Note 5 - Interfund Receivables, Payables, and Transfers

Interfund balances at September 30, 2022, consisted of the following:

	Due From	Due To
General Fund	\$ 1,019,829	\$ 426,536
American Rescue	-	13,296
Other Governmental Funds	406,822	952,558
Fiduciary Funds:		
Agency Funds	4,347	38,608
Total	\$ 1,430,998	\$ 1,430,998

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The purpose for each of these interfund receivables and payables is to provide temporary loans for cash flow needs, primarily associated with the time lag between the dates that: (a) interfund goods and services are provided or reimbursable expenditures occur; (b) transactions are recorded in the accounting system; and (c) payments between funds are made.

Interfund transfers for the year ended September 30, 2022, consisted of the following:

	Interfund	
	Transfers In	Transfers (Out)
General Fund	\$ 9,060,137	\$ 10,453,809
County Transportation	861,231	339,921
American Rescue Plan	-	13,296
Other Governmental Funds	11,804,552	10,918,894
Total Interfund Transfers	\$ 21,725,920	\$ 21,725,920

The purposes of these interfund transfers were to: (a) fund budgetary requirements of other funds or Constitutional Officers; (b) meet grant match requirements; or (c) meet state or other budgetary requirements to expend revenues that were collected in another fund.

Note 6 - Capital Assets

Capital asset activity for the year ended September 30, 2022, was as follows:

	Beginning Balance	Increases	(Decreases)	Ending Balance
Governmental Activities				
Capital Assets Not Being Depreciated:				
Land	\$ 2,054,225	\$ -	\$ -	\$ 2,054,225
Construction Work in Progress	5,110,365	1,957,187	(3,469,408)	3,598,144
Total Capital Assets Not Being Depreciated	7,164,590	1,957,187	(3,469,408)	5,652,369
Capital Assets Being Depreciated:				
Buildings	41,351,985	211,812	-	41,563,797
Improvements Other Than Buildings	5,742,960	2,503,316	-	8,246,276
Machinery and Equipment:				
Board and Clerk	19,316,779	1,923,904	(345,539)	20,895,144
Sheriff	3,204,344	41,183	(623,082)	2,622,445
Total Machinery and Equipment	22,521,123	1,965,087	(968,621)	23,517,589
Leased Assets	747,544	190,291	-	937,835
Infrastructure	82,453,883	2,515,860	-	84,969,743
Total Capital Assets Being Depreciated	152,817,495	7,386,366	(968,621)	159,235,240
Less Accumulated Depreciation:				
Buildings	(16,127,039)	(827,842)	-	(16,954,881)
Improvements Other Than Buildings	(1,691,091)	(172,761)	-	(1,863,852)
Machinery and Equipment	(13,564,693)	(1,228,864)	854,491	(13,939,066)
Leased Assets	(337,903)	(203,182)	-	(541,085)
Infrastructure	(55,463,108)	(3,210,291)	-	(58,673,399)
Total Accumulated Depreciation	(87,183,834)	(5,642,940)	854,491	(91,972,283)
Total Capital Assets Being Depreciated, Net	65,633,661	1,743,426	(114,130)	67,262,957
Total Governmental Activities Capital Assets, Net	\$ 72,798,251	\$ 3,700,613	\$ (3,583,538)	\$ 72,915,326

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

General Government	\$	250,676
Public Safety		905,194
Physical Environment		98,824
Transportation		3,617,240
Economic Environment		13,202
Human Services		553,179
Court-Related		76,011
Culture and Recreation		128,614
Total Depreciation Expense		5,642,940
Governmental Activities	\$	5,642,940

Note 7 - Long-Term Debt

Summary of Changes in Long-Term Debt

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

	Balance 10/1/21	Additions	Deductions	Balance 9/30/22	Due Within One Year
Employee Compensated Absences Payable	\$ 1,332,054	\$ 1,260,231	\$ (1,240,151)	\$ 1,352,134	\$ 613,409
Other Postemployment Benefits	800,500	43,800	-	844,300	-
Net Pension Liability	8,902,602	15,113,774	-	24,016,376	-
Loan with BB&T for 2016 Sales Tax Revenue Refunding Bond, Monthly Principal and Interest Payment of \$53,819 commencing August 2016 through March 2030, Interest at 2.00%, Funds Used for Refunding of 2013 Hospital Bond.	5,044,487	-	(549,969)	4,494,518	561,070
Gas Tax Revenue and Refunding Bond, Series 2015, Monthly Principal and Interest Payments of \$60,588, Commencing June 2015, Interest at 2.43%, Funds Used for Refunding the 2013 Gas Tax Revenue Refunding Bond and for Construction and Improvement of Certain Roads in Gadsden County.	5,627,631	-	(596,926)	5,030,705	611,594
Loan with BB&T for 2016 Local Government Half-Cent Revenue Bonds, Semiannual Interest and Principal Payments of \$105,728 in April and October, Interest Rate of 1.53% Funds Used for Refinancing Costs of 2006 Library Bond.	209,053	-	(209,053)	-	-
Installment Purchase with Santander Bank N.A. for one Frazer Diesel Ambulance. Annual principal and interest payments of \$40,076 including interest of 3.30%.	-	218,447	(36,455)	181,992	34,076
Financed with Stryker for EMS equipment. Annual principal and interest payment of \$78,993 including interest of 1.135 %.	-	768,902	(57,241)	711,661	70,876
Purchase of Vehicles for Board of County Commissioners Annual principal and interest payments of \$102,558 commencing on March 1, 2019 through March 1, 2023. Interest rate of 4.58%.	191,839	-	(93,772)	98,067	98,067
Lease-Purchase with Santander Bank N.A for 4 Frazer Diesel Ambulances. Annual principal and interest payments of \$ 166,885.44 including interest of 3.94%.	352,691	-	(117,210)	235,481	115,436
Motorola Loan - Cell Tower & Radio Communications Annual principal and interest payments of \$274,026 commencing November 2021 through November 15, 2027. Interest rate of 2.62%. Funds used for building new cell tower and updating radio communications.	1,756,015	-	(252,684)	1,503,331	234,639
Lease-Purchase with Ring Investments Public Works equipment. Principal and interest payment of \$339,921 commencing January 2021 through January 2026 interest of 3.25%.	2,230,086	-	(267,443)	1,962,643	276,135
USDA Loan for Agriculture Center Annual principal and interest payment of \$31,166 April 2022 - April 2051, Interest rate of 2.25%.	674,588	-	(15,988)	658,600	16,348
Vehicle Leases for the Sheriff, Payable in monthly installments from 29-48 months at interest rates ranging from 3.85% to 6.83%.	442,748	190,291	(222,623)	410,416	197,660
Total	\$ 27,564,294	\$ 17,595,445	\$ (3,659,515)	\$ 41,500,224	\$ 2,829,310

Interest expense and other debt-related charges during 2022 on long-term debt totaled \$377,049.

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Maturities of Long-Term Debt

Maturities of long-term debt for years ending September 30 are as follows:

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 2,215,901	\$ 365,287
2024	2,083,660	303,095
2025	1,942,751	248,827
2026	2,790,781	79,971
2027	1,672,764	32,920
2028-2031	4,581,557	503,973
Other Years (Including Compensated Absences, Other Postemployment Benefits, Net Pension Liability)	26,212,810	-
Total	<u>\$ 41,500,224</u>	<u>\$ 1,534,073</u>

Note 8 - Pledged Revenues

The County has pledged certain revenues to repay bonds outstanding as of September 30, 2022. The following table reports the revenues pledged for each debt issue, the amounts of such revenues received in the current year principal and interest paid on the debt, the approximated percentage of each revenue which is pledged to meet the debt obligation, the date through which the revenue is pledged under the debt agreement, and the total pledged future revenues for each debt, which is the amount of the remaining principal and interest on the bonds and notes at September 30, 2022.

<u>Pledged Revenue</u>	<u>Description of Bonds</u>	<u>Revenue Received</u>	<u>Principal and Interest Paid</u>	<u>Estimated Percentage Pledged</u>	<u>Outstanding Principal and Interest</u>	<u>Pledged Through</u>
County Fuel Tax	Revenue Bond for Infrastructure Revenue Bond, Series 2015	\$ <u>1,641,229</u>	\$ <u>727,058</u>	44.30%	\$ <u>5,513,528</u>	2030
Local Half-Cent Tax	Revenue Bond for Library Revenue Bond, Series 2016	\$ <u>2,042,908</u>	\$ <u>211,456</u>	10.35%	\$ -	2022
Indigent Surtax Revenues	Sales Tax and Revenue Refund Bond, Series 2016	\$ <u>2,716,861</u>	\$ <u>645,836</u>	23.77%	\$ <u>4,843,767</u>	2030

Note 9 - Leases

County as Lessee - Vehicle Leases

The Sheriff has entered into a Master Equity Lease Agreement with Enterprise Fleet Management for its fleet of vehicles. The lease agreement calls for monthly payments ranging from 29 to 48 months of varying amounts totaling \$22,811 per month, including interest, with varying terms beginning in January of 2019 and ending in August of 2026. The net present value of the capital lease payments were computed utilizing interest rates ranging from 3.85% to 6.83%. There are no variable payment components, escalation provisions, or residual value guarantees by the lessee associated with this agreement. The County's leased assets and accumulated amortization are included in Note 6 Capital Assets.

**GADSDEN COUNTY, FLORIDA
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Principal and Interest requirements to maturity on the vehicle leases are as follows:

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Payments</u>
2023	\$ 197,660	\$ 19,057	\$ 216,717
2024	115,103	9,739	124,842
2025	49,358	5,144	54,502
2026	48,295	1,665	49,960
Total	<u>\$ 410,416</u>	<u>\$ 35,605</u>	<u>\$ 446,021</u>

County as Lessor - Hospital Lease

Pursuant to the County’s amended agreement entered into on February 24, 2020, to lease the Hospital to a third-party operator, the County has agreed to pay the operator \$200,000 a year from March – February each year from the proceeds of the one-half cent sales surtax for health care not otherwise committed to repayment of the County’s Sales Tax Revenue Refunding Bonds, Series 2013. This amended lease shall have an initial term of fifteen years beginning on the commencement date and ending on the last day of the month, fifteen years after the commencement date. The term of this amended lease shall automatically be renewed for up to two additional consecutive terms of five years; unless, either party delivers written notice to the other party that it will not renew at least 12 months prior to the end of the term then in effect.

During each lease year of the Amended Lease terms, the operator shall pay rent to the County at the rate of \$200,000 per annum, payable in equal monthly installments of \$16,667 each on the first day of each calendar month during the balance of the Lease Term along with the sales or privilege tax required under applicable law. The base rent shall be increased by 5% over the then-current rate every three years beginning on the first day of the first month following the 3rd anniversary of the effective date of the amended lease. The County calculated the present value of the lease payments expected to be received under the lease agreement using an imputed interest rate of 2.5%.

As of September 30, 2022, the Lease Receivable balance was \$2,391,862, of which \$147,695 is expected to be recognized in the next fiscal year. The deferred inflow related to the lease totaled \$2,346,478 at September 30, 2022.

The County received rental payments of \$200,000 during the fiscal year and recognized the following inflows of resources related to the lease:

Lease Revenue (Amortization of Deferred Inflow)	\$ 188,978
Interest Revenue	<u>56,406</u>
Total Lease Revenue Recognized	<u>\$ 245,384</u>

Note 10 - Employee Retirement Plan

General Information about the Florida Retirement System (FRS)

The FRS was created in Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program (DROP) under the defined benefit plan and amended in 2000 to provide a defined contribution

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plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, Florida Statutes, established the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing multiple-employer defined benefit pension plan, to assist retired members of any state-administered retirement system in paying the costs of health insurance.

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

FRS Pension Plan

Plan Description. The FRS Pension Plan (the Plan) is a cost-sharing multiple-employer qualified defined benefit pension plan, with a DROP available for eligible employees. The general classes of membership applicable to the County are as follows:

- *Regular Class*—Members of the FRS who do not qualify for membership in the other classes.
- *Elected County Officer Class*—Members who hold specified elective offices in local government.
- *Senior Management Service Class (SMSC)*—Members in senior management level positions.
- *Special Risk Class*—Members who are employed as law enforcement officers and meet the criteria to qualify for this class.

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

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

Benefits Provided. Benefits under the Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits. The following chart shows the percentage value for each year of service credit earned.

Class, Initial Enrollment, and Retirement Age/Years of Service	Percent Value
<i>Regular Class Members Initially Enrolled Before July 1, 2011:</i>	
Retirement up to age 62 or up to 30 years of service	1.60
Retirement at age 63 or with 31 years of service	1.63
Retirement at age 64 or with 32 years of service	1.65
Retirement at age 65 or with 33 or more years of service	1.68
<i>Regular Class Members Initially Enrolled on or After July 1, 2011:</i>	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement at age 66 or with 34 years of service	1.63
Retirement at age 67 or with 35 years of service	1.65
Retirement at age 68 or with 36 or more years of service	1.68
<i>Elected County Officers</i>	3.00
<i>County Court Judges</i>	3.33
<i>Senior Management Service Class</i>	2.00
<i>Special Risk Regular</i>	
Service from December 1, 1970 through September 30, 1974	2.00
Service on and after October 1, 1974	3.00

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

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Contributions. The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the County’s 2021-22 fiscal year were as follows:

<u>Class</u>	<u>Year Ended June 30, 2022</u>		<u>Year Ended June 30, 2023</u>	
	<u>Percent of Gross Salary</u>		<u>Percent of Gross Salary</u>	
	<u>Employee</u>	<u>Employer (2)</u>	<u>Employee</u>	<u>Employer (2)</u>
FRS, Regular	3.00	9.10	3.00	10.19
FRS, Elected County Officers	3.00	49.70	3.00	55.28
FRS, Senior Management Service	3.00	27.29	3.00	29.85
FRS, Special Risk Regular	3.00	24.17	3.00	26.11
DROP – Applicable to Members from All of the Above Classes	0.00	16.68	0.00	16.94
FRS, Reemployment Retiree	(1)	(1)	(1)	(1)

Notes: (1) Contribution rates are dependent upon retirement class in which reemployed.
(2) These rates include the normal cost and unfunded actuarial liability contributions but do not include the contribution for Retiree Health Insurance Subsidy of 1.66% and the fee of 0.06% for administration of the FRS Investment Plan and provision of education tools for both plans.

The County’s contributions (employer) to the FRS Plan totaled \$2,272,818 for the fiscal year ended September 30, 2022. This excludes the HIS defined benefit pension plan contributions.

Pension Liabilities and Pension Expense. At September 30, 2022, the County reported a liability of \$19,835,046 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The County’s proportionate share of the net pension liability was based on the County’s 2021-22 fiscal year contributions of all participating members. At June 30, 2022, the County’s proportion was .053308499%, which was a decrease of .000656565% from its proportion measured as of June 30, 2021.

For the year ended September 30, 2022, the County recognized pension expense of \$2,417,070 related to the Plan.

Actuarial Assumptions. The total pension liability in the June 30, 2022 actuarial valuation, was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Salary Increases	3.25% Average, Including Inflation
Discount Rate	6.70%
Long-Term Expected Rate of Rate of Return, Net of Investment Expense	6.70%

Mortality rates were based on PUB2010. The base table varies by member category and sex, projected generationally with scale MP-2018.

The actuarial assumptions used in the June 30, 2022 valuation, were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

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

Asset Class	Annual Target Allocation ⁽¹⁾	Annual Arithmetic Return	Geometric Return	Standard Deviation
Cash	1.0%	2.6%	2.6%	1.1%
Fixed Income	19.8%	4.4%	4.4%	3.2%
Global Equity	54.0%	8.8%	7.3%	17.8%
Real Estate	10.3%	7.4%	6.3%	15.7%
Private Equity	11.1%	12.0%	8.9%	26.3%
Strategic Investments	3.8%	6.2%	5.9%	7.8%
Total	100%			
Assumed Inflation – Mean			2.4%	1.3%

Note: (1) As outlined in the Plan's Investment Policy.

Discount Rate. The discount rate used to measure the total pension liability was 6.70%. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. The discount rate was 6.70% in the July 1, 2022 valuation.

Sensitivity of the County's Proportionate Share of the Net Position Liability to Changes in the Discount Rate. The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 6.70%, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.70%) or 1-percentage-point higher (7.70%) than the current rate:

FRS – County:

	1% Decrease (5.70%)	Current Discount Rate (6.70%)	1% Increase (7.70%)
County's Proportionate Share of the Net Pension Liability	\$ 34,303,348	\$ 19,835,046	\$ 7,737,824

Pension Plan Fiduciary Net Position. Detailed information about the Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Systems Annual Comprehensive Financial Report.

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HIS Pension Plan

Plan Description. The HIS Pension Plan (HIS Plan) is a cost-sharing multiple-employer defined benefit pension plan established and administered in accordance with Section 112.363, Florida Statutes. The Florida Legislature established and amends the contribution requirements and benefit terms of the HIS program. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs.

Benefits Provided. For the Plan fiscal year ended June 30, 2022, eligible retirees and beneficiaries received a monthly HIS payment equal to the years of service credited at retirement multiplied by \$5. The minimum HIS payment is \$30 and a maximum payment is \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under the State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions. The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the Plan fiscal years ended June 30, 2022 and 2021, the contribution rate was 1.66% of payroll, pursuant to Section 112.363, Florida Statutes. The County contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The County's contributions to the HIS Plan totaled \$234,538 for the fiscal year ended September 30, 2022.

Pension Liabilities and Pension Expense. At September 30, 2022, the County reported a net pension liability of \$4,181,330 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The County's proportionate share of the net pension liability was based on the County's contributions relative to the total contributions of all participating members. At June 30, 2022, the County's proportionate share was .039477805%, which was an increase of .000133622% from its proportionate share measured as of June 30, 2021.

For the fiscal year ended September 30, 2022, the County recognized pension expense of \$190,164 related to the HIS Plan.

Actuarial Assumptions. The total pension liability for the HIS Pension Plan was determined by an actuarial valuation as of July 1, 2022. The following actuarial assumptions, applied to all periods included in the measurement, were used to determine the total pension liability:

Inflation	2.40%
Salary Increases	3.25% Average, Including Inflation
Discount Rate	3.54%
Long-Term Expected Rate of Rate of Return, Net of Investment Expense	N/A
Municipal Bond Index	3.54%

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Mortality rates were based on the PUB-2010 base table varying by member category and sex, projected generationally with Scale MP-2018.

The actuarial assumptions used to determine the total pension liability as of June 30, 2022, were based on certain results of an actuarial experience study of the FRS for the period July 1, 2013 through June 30, 2018.

Discount Rate. The discount rate used to measure the total pension liability was 3.54%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 3.54%, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.54%) or 1-percentage-point higher (4.54%) than the current rate:

	1% Decrease (2.54%)	Current Discount Rate (3.54%)	1% Increase (4.54%)
County's Proportionate Share of the Net Pension Liability	\$ 4,783,785	\$ 4,181,330	\$ 3,682,811

Pension Plan Fiduciary Net Position. Detailed information about the HIS Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Systems Annual Comprehensive Financial Report.

Additional Disclosures – Defined Benefit Plans

Net Pension Liability

	FRS	HIS	Total
Net Pension Liability	\$ 19,835,046	\$ 4,181,330	\$ 24,016,376

Deferred Outflows of Resources

	FRS	HIS	Total
Employer Contributions After Measurement Date	\$ 570,557	\$ 55,540	\$ 626,097
Difference Between Expected and Actual Experience	942,050	126,913	1,068,963
Changes in Assumptions	2,442,769	239,677	2,682,446
Changes in Proportion	575,596	276,988	852,584
Net Difference Between Projected and Actual Earnings on Investments	1,309,705	6,054	1,315,759
Total Deferred Outflows of Resources	\$ 5,840,677	\$ 705,172	\$ 6,545,849

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Deferred Inflows of Resources

	<u>FRS</u>	<u>HIS</u>	<u>Total</u>
Difference Between Expected and Actual Experience	\$ -	\$ 18,398	\$ 18,398
Changes in Assumptions	-	646,849	646,849
Changes in Proportion	1,691,143	337,448	2,028,591
Net Difference Between Projected and Actual Earnings on Investments	<u>-</u>	<u>-</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>\$ 1,691,143</u>	<u>\$ 1,002,695</u>	<u>\$ 2,693,838</u>

Deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date totaling \$626,097 will be recognized as a reduction of the net pension liability in the year ending September 30, 2023. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year</u> <u>Ending</u>	<u>FRS</u>	<u>HIS</u>	<u>Total</u>
2023	\$ 752,279	\$ (101,122)	\$ 651,157
2024	103,955	(65,428)	38,527
2025	(656,986)	(11,524)	(668,510)
2026	3,217,731	(56,909)	3,160,822
2027	161,999	(79,064)	82,935
Thereafter	<u>-</u>	<u>(39,017)</u>	<u>(39,017)</u>
Total	<u>\$ 3,578,978</u>	<u>\$ (353,064)</u>	<u>\$ 3,225,914</u>

Pension Expense

For the year ended September 30, 2022, the County recognized pension expense from the defined benefit pension plans as follows:

	<u>FRS</u>	<u>HIS</u>	<u>Total</u>
Board of County Commissioners, Supervisor of Elections, Property Appraiser	\$ 1,467,320	\$ 121,577	\$ 1,588,897
Clerk of the Circuit Court/Comptroller	261,116	21,959	283,075
Tax Collector	2,634	5,899	8,533
Sheriff	<u>686,000</u>	<u>40,729</u>	<u>726,729</u>
Total Pension Expense	<u>\$ 2,417,070</u>	<u>\$ 190,164</u>	<u>\$ 2,607,234</u>

There were certain changes in assumptions from the previous valuation related to the two plans described above. The assumption changes include the following:

- **FRS**—In the July 1, 2022 actuarial valuation, the discount rate used to determine total pension liability decreased from 6.80% at 6.70%.
- **HIS**—In the July 1, 2022 actuarial valuation, the municipal rate used to determine total pension liability increased from 2.16% to 3.54%.

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FRS – Defined Contribution Pension Plan

The County contributes to the FRS Investment Plan (Investment Plan), a defined contribution pension plan, for its eligible employees electing to participate in the Investment Plan. The Investment Plan is administered by the SBA and is reported in the SBA’s annual financial statements and in the State of Florida Annual Comprehensive Financial Report. Service retirement benefits are based upon the value of the member’s account upon retirement.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined-benefit plan. County employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member’s accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Allocations to the investment member’s accounts during the 2021-2022 fiscal year were as follows:

Class	Year Ended June 30, 2022		Year Ended June 30, 2023	
	Percent of Gross Compensation		Percent of Gross Compensation	
	Employee	Employer	Employee	Employer
FRS, Regular Class	3.00	3.30	3.00	6.30
FRS, Special Risk Class	3.00	11.00	3.00	14.00
FRS, Senior Management Service Class	3.00	4.67	3.00	7.67
FRS, Elected County Officers	3.00	8.34	3.00	11.34

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% of payroll and by forfeited benefits of Investment Plan members. For the fiscal year ended September 30, 2022, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the County.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is

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

provided; the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan or remain in the Investment Plan and rely upon that account balance for retirement income.

The County's Investment Plan pension expense totaled \$519,648 for the fiscal year ended September 30, 2022.

Note 11 - Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors or omissions; injuries to employees and the public, or damage to property of others. The County obtained commercial insurance against losses for the following types of risk:

- Real and Personal Property Damage
- Public Employees' Bond
- Workers' Compensation
- Automobile Liability

The County participates in the Florida Association of Counties Trust (FACT), a public entity risk pool for risks related to comprehensive general liability. The agreement provides that the financial liability of each participating county is limited to premiums and surplus contributions paid or obligations made to FACT. Aggregate coverage provided is limited to \$1,000,000 for each claim.

Note 12 - Hospital Endowment Trust Fund

On July 7, 1952, a trust was established with Quincy State Bank (now Capital City Bank) as trustee to accept gifts and bequests for the benefit of the Hospital. The corpus of the trust is unavailable for use except in an emergency, and then only upon the approval of the parties to the trust agreement and the Circuit Court of the County. The trust is accounted for as a private purpose trust fund in the fiduciary fund financial statements.

Note 13 - Commitments and Contingencies

Litigation

The County is contingently liable with respect to various lawsuits and other claims incidental to the ordinary course of its operations. In the opinion of the County's management, the ultimate disposition of these lawsuits and claims will not have a material adverse effect on the financial position of the County.

Construction Commitments

The following is a summary of major commitments of the County and contracts in progress as of September 30, 2022:

**GADSDEN COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

<u>Project</u>	<u>Fund</u>	<u>Contract Amount</u>	<u>Expended as of September 30, 2022</u>
Attapulcus Highway	Capital Projects – SCOP	\$ 304,968	\$ 22,447
Attapulcus Highway	Capital Projects – SCOP	3,598,310	-
Pt. Milligan Rd	Capital Projects – SCOP	3,282,302	1,589,807
Pt. Milligan Rd	Capital Projects – SCOP	121,011	110,211
Fairbanks Rd	Capital Projects – SCOP	1,773,880	-
Hardaway Hwy	Capital Projects – SCOP	352,256	188,875
Spooner Rd	Capital Projects – SCOP	1,459,825	31,250
Havana School Sidewalk	Capital Projects – LAPA	376,975	-
Adam’s St Sidewalk	Capital Projects – LAPA	544,967	7,228
Ralph Strong Rd	Capital Projects – LAPA	1,001,847	-
Iron Bridge RD	Capital Projects - LAPA	655,311	-
Dover/Scotland Guardrails	Capital Projects - LAPA	862,753	-
Pat Thomas Park	Capital Projects – FRDAP	50,000	4,875
East Gadsden Rec Facility	Capital Projects – FRDAP	50,000	50,000
CDBG – DR	Capital Projects – DEO	2,500,000	-
Total		<u>\$ 16,934,405</u>	<u>\$ 2,004,693</u>

Note 14 - Postemployment Benefits Other than Pension Benefits (OPEB)

Plan Description

The OPEB Plan is a single-employer defined benefit plan administered by the County. Retirees are charged whatever the insurance company charges for the type of coverage elected. However, the premiums charged by the insurance company are based on a blending of the experience among younger active employees and older retired employees.

Retirees and their dependents (except for life insurance) are permitted to remain covered under the County’s respective medical and insurance plans as long as they pay a full premium applicable to coverage elected. This conforms to the minimum required of Florida governmental employers per Chapter 112.08, Florida Statutes. The OPEB Plan does not issue a stand-alone report.

Participant data as of the most recent actuarial valuation date of October 1, 2020 is shown below:

Retiree and Beneficiaries Currently Receiving	
Benefits	6
Active Employees	<u>300</u>
Total	<u><u>306</u></u>

Funding Policy

For the OPEB Plan, contribution requirements of the County are established and may be amended through action from either the Board of County Commissioners or Constitutional Officers. Currently the County’s OPEB Benefits are unfunded. The required contributions are based on pay-as-you-go financing requirements. There is no separate Trust Fund or equivalent arrangement into which the County would make contributions to advance-fund the obligation, as it does for its pension plan, the FRS. Therefore, ultimate subsidies which are provided over time are financed directly by general assets of the County, which are invested in very short-term income instruments.

**GADSDEN COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

Actuarial Methods and Assumptions

In any long-term actuarial valuation, certain demographic, economic, and behavioral assumptions are made concerning the population, the investment discount rates and the benefits provided. These actuarial assumptions form the basis for the actuarial model which is used to project the future population, the future benefits provided, and the contributions collected. Then the investment discount rate assumption is used to discount those projected net OPEB benefits to a present value. This and other related present values are used to calculate the annual OPEB cost.

Actuarial Assumptions:

Salary Increases	2.75%
Discount Rate	2.19%
Investment Rate of Return	0.0%
Healthcare Cost Trend Rates	6.75% for fiscal year end 2022, decreasing 0.25% per year to an ultimate rate of 5.00%
Mortality	RP-2014 Mortality Table, fully generational with base year 2006, projected using two-dimensional mortality improvement scale MP-2021
Actuarial Cost Method	Entry Age Actuarial Cost Method

The discount rate as of the actuarial measurement date has been updated to be based on a yield for 20-year tax-exempt general obligation municipal bonds with an average rating of AA or higher. The discount rate will be updated annually to reflect market conditions as of the Measurement Date.

Total OPEB Liability

The County’s total OPEB liability was measured as of October 1, 2021.

Changes in the Total OPEB Liability include the following:

	<u>Total OPEB Liability</u>
Balance at October 1, 2021	\$ 800,500
Changes for the Year:	
Service Cost	65,300
Interest	20,400
Differences Between Expected and Actual Experience	(23,900)
Assumption Changes	17,000
Benefit Payments	<u>(35,000)</u>
Net Changes	<u>43,800</u>
Balance at September 30, 2022	<u>\$ 844,300</u>

Sensitivity of the total OPEB liability to changes in the discount rate:

The following presents the total OPEB liability of the County, as well as what the County’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.19%) or 1-percentage-point higher (3.19%) than the current discount rate:

	1% Decrease <u>(1.19%)</u>	Discount Rate <u>(2.19%)</u>	1% Increase <u>(3.19%)</u>
Total OPEB Liability	\$ 924,600	\$ 844,300	\$ 769,900

**GADSDEN COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

Sensitivity of the total OPEB liability to changes in healthcare cost trend rates:

The following presents the total OPEB liability for the County, as well as what the County's total OPEB liability would be if it were calculated using healthcare trend rates that are 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates 6.75%</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 725,800	\$ 844,300	\$ 989,300

For the year ended September 30, 2022, the employer OPEB expense is \$86,800. Deferred inflows and outflows related to the OPEB plan at the measurement date are as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 6,900	\$ 138,800
Changes in Assumptions	109,600	9,200
Employer Contributions After Measurement Date	<u>35,000</u>	<u>-</u>
Total	<u>\$ 151,500</u>	<u>\$ 148,000</u>

Of the total amount reported as deferred inflows of resources related to OPEB, \$35,000 resulting from benefits paid subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the total OPEB liability in the fiscal year ended September 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Fiscal Year Ending</u>	<u>Amount</u>
2023	\$ (6,400)
2024	(6,400)
2025	(6,300)
2026	(7,200)
2027	(4,900)
2028	<u>(300)</u>
Total	<u>\$ (31,500)</u>

Note 15 - Other Disclosures

Fund Balance Classifications

The following is a summary of the County's fund balance classifications and the purpose of each as of September 30, 2022:

**GADSDEN COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

Non-Spendable Fund Balance	
Prepaid Expenses	\$ 215,145
Inventory	<u>148,757</u>
Total Non-Spendable Fund Balance	<u>363,902</u>
Restricted Fund Balance	
Transportation	4,745,884
Public Safety	2,549,316
Cares Act	2,865,471
Capital Projects – Roads	500,787
Federal and State Grants	454,723
Indigent Surtax	2,036,465
Court Facilities	38,944
Debt Service USDA	31,207
Debt Service Hospital	860,181
Judicial Services	358,860
Library Donation	8,676
Tourist Development	493,010
Boating Improvements	93,259
Building Inspection	456,427
Public Records Modernization	297,383
Drivers Education	<u>132,761</u>
Total Restricted Fund Balance	<u>15,923,354</u>
Committed Fund Balance	
Teen Court	<u>27,910</u>
Total Committed Fund Balance	<u>27,910</u>
Assigned Fund Balance	
Capital Projects	502,888
Subsequent Year’s Budget	834,808
Public Safety	1,247,052
Landfill	128,826
Library Services	375,901
Debt Service	<u>2,526,351</u>
Total Assigned Fund Balance	<u>5,615,826</u>
Unassigned Fund Balance	<u>4,959,184</u>
Total Fund Balance	<u>\$ 26,890,176</u>

(Deficit) Unrestricted Net Position

At September 30, 2022, there was a deficit in unrestricted net position of (\$9,386,677). This deficit primarily resulted from the recording of the unfunded pension liabilities related to the Florida Retirement System in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*.

Budget Over - Expenditures

Actual expenditures exceeded the respective amounts budgeted in the following funds:

**GADSDEN COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

Fund	Expenditures in Excess of Appropriations
Court Facilities Fund	\$ 14,718
Fine and Forfeiture Fund	88,669
E-911 Surcharges	76,007
Grant Funds:	
SHIP Cares	22,279
Emergency Management Prepared	908
FEMA	272,565

Note 16 - Tax Abatements

In March of 2012, the County established a tax abatement program by adopting Ordinance 2012-003, which was later amended by Ordinance 2015-005. These ordinances allow the Board to grant ad valorem tax exemptions for new and expanding businesses within the unincorporated and incorporated area of the County if the businesses meet certain criteria. The ordinance provides for exemption of only those ad valorem taxes levied by the Board of County Commissioners. The authority to grant the tax exemptions under this ordinance expires ten years after it was adopted. For the fiscal year ended September 30, 2022, there were no businesses who had received tax abatements under the program.

REQUIRED SUPPLEMENTARY INFORMATION

GADSDEN COUNTY, FLORIDA
FRS PENSION PLAN
SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
County's Proportion of the Net Pension Liability	0.053308499%	0.053965064%	0.056188618%	0.059231450%	0.059283048%	0.062579916%	0.062937069%	0.060673599%
County's Proportionate Share of the Net Pension Liability	\$ 19,835,046	\$ 4,076,447	\$ 24,352,975	\$ 20,398,487	\$ 17,856,359	\$ 18,510,719	\$ 15,891,659	\$ 7,836,809
County's Covered-Employee Payroll (FYE 06/30)	\$ 14,389,940	\$ 13,931,627	\$ 13,291,566	\$ 13,547,892	\$ 12,893,614	\$ 13,157,048	\$ 12,902,289	\$ 12,782,607
County's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	137.84%	29.26%	183.22%	150.57%	138.49%	140.69%	123.17%	61.31%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%

Notes to Schedule:

The amounts presented above were determined using a measurement date of June 30.

This schedule will build to 10 years as information becomes available.

**GADSDEN COUNTY, FLORIDA
FRS PENSION PLAN
SCHEDULE OF THE COUNTY'S CONTRIBUTIONS**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contributions	\$ 2,272,818	\$ 2,130,641	\$ 1,892,770	\$ 1,825,024	\$ 1,728,563	\$ 1,630,549	\$ 1,606,989	\$ 1,493,376
Contributions in Relation to the Contractually Required Contribution	<u>(2,272,818)</u>	<u>(2,130,641)</u>	<u>(1,892,770)</u>	<u>(1,825,024)</u>	<u>(1,728,563)</u>	<u>(1,630,549)</u>	<u>(1,606,989)</u>	<u>(1,493,376)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's Covered-Employee Payroll (09/30)	\$ 14,128,795	\$ 14,116,145	\$ 13,366,807	\$ 13,443,554	\$ 12,961,265	\$ 13,075,873	\$ 13,324,993	\$ 12,782,607
Contributions as a Percentage of Covered-Employee Payroll	16.09%	15.09%	14.16%	13.58%	13.34%	12.47%	12.06%	11.68%

Note to Schedule:

The amounts presented above were determined using the County's fiscal year (09/30).

This schedule will build to 10 years as information becomes available.

**GADSDEN COUNTY, FLORIDA
HIS PENSION PLAN
SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
County's Proportion of the Net Pension Liability	0.0394778%	0.0393442%	0.0382889%	0.0405003%	0.0394677%	0.0412691%	0.0417857%	0.0415987%
County's Proportionate Share of the Net Pension Liability	\$ 4,181,330	\$ 4,826,156	\$ 4,675,014	\$ 4,531,579	\$ 4,177,302	\$ 4,412,678	\$ 4,869,952	\$ 4,242,418
County's Covered-Employee Payroll (FYE 06/30)	\$ 14,389,940	\$ 13,931,627	\$ 13,291,566	\$ 13,547,892	\$ 12,893,614	\$ 13,157,048	\$ 12,902,289	\$ 12,782,607
County's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	29.06%	34.64%	35.17%	33.45%	32.40%	33.54%	37.74%	33.19%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%

Notes to Schedule:

The amounts presented above were determined using a measurement date of June 30.

This schedule will build to 10 years as information becomes available.

**GADSDEN COUNTY, FLORIDA
HIS PENSION PLAN
SCHEDULE OF THE COUNTY'S CONTRIBUTIONS**

	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contributions	\$ 234,538	\$ 234,328	\$ 221,391	\$ 223,163	\$ 215,157	\$ 217,059	\$ 221,017	\$ 172,438
Contributions in Relation to the Contractually Required Contribution	(234,538)	(234,328)	(221,391)	(223,163)	(215,157)	(217,059)	(221,017)	(172,438)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's Covered-Employee Payroll (09/30)	\$ 14,128,795	\$ 14,116,145	\$ 13,435,380	\$ 13,563,263	\$ 12,961,265	\$ 13,075,843	\$ 13,324,993	\$ 12,782,607
Contributions as a Percentage of Covered-Employee Payroll	1.66%	1.66%	1.65%	1.65%	1.66%	1.66%	1.66%	1.35%

Note to Schedule:

The amounts presented above were determined using the County's fiscal year (09/30).

This schedule will build to 10 years as information becomes available.

GADSDEN COUNTY, FLORIDA
OTHER POSTEMPLOYMENT BENEFITS PLAN (OPEB)
SCHEDULE OF CHANGES IN TOTAL OTHER POSTEMPLOYMENT BENEFITS
AND RELATED RATIOS

Actuarial Valuation Date	9/30/2020	9/30/2020	9/30/2018	9/30/2018	9/30/2016
Measurement Date	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017
Reporting Date	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018
Total OPEB Liability					
Service Cost	\$ 65,300	\$ 59,800	\$ 49,800	\$ 41,600	\$ 40,500
Interest on the Total OPEB Liability	20,400	23,600	28,500	24,200	22,300
Changes of Benefit Terms					
Difference Between Expected and Actual					
Experience of the Total OPEB Liability	(23,900)	(150,800)	(28,000)	17,300	-
Changes in Assumptions and Other Inputs	17,000	79,200	74,000	(22,800)	-
Benefit Payments	(35,000)	(22,100)	(15,800)	(15,800)	(4,400)
Net Change in Total OPEB Liability	43,800	(10,300)	108,500	44,500	58,400
Total OPEB Liability - Beginning of Year	800,500	810,800	702,300	657,800	599,400
Total OPEB Liability - End of Year	844,300	800,500	810,800	702,300	657,800
Plan Fiduciary Net Position					
Contributions - Employer	35,000	22,100	15,800	15,800	4,400
Benefit Payments	(35,000)	(22,100)	(15,800)	(15,800)	(4,400)
Net Change in Plan Fiduciary Net Position	-	-	-	-	-
Plan Fiduciary Net Position -					
Beginning of Year	-	-	-	-	-
Plan Fiduciary Net Position - End of Year	-	-	-	-	-
Net OPEB Liability	\$ 844,300	\$ 800,500	\$ 810,800	\$ 702,300	\$ 657,800
Estimated Covered-Employee Payroll	\$ 13,190,500	\$ 13,190,500	\$ 11,236,000	\$ 11,236,000	\$ 10,505,400
Total OPEB Liability as a percentage of					
Covered-Employee Payroll	6.40%	6.07%	7.22%	6.25%	6.26%

Note to Schedule:

10 years of data will be displayed as information becomes available.

**GADSDEN COUNTY, FLORIDA
OTHER POSTEMPLOYMENT BENEFITS PLAN (OPEB)
SCHEDULE OF EMPLOYER CONTRIBUTIONS**

	<u>September 30, 2022</u>	<u>September 30, 2021</u>	<u>September 30, 2020</u>	<u>September 30, 2019</u>	<u>September 30, 2018</u>
Actuarially Determined Contribution	\$ 35,000	\$ 22,100	\$ 15,800	\$ 15,800	\$ 4,400
Contributions in Relation to the Actuarially Determined Contribution	<u>(35,000)</u>	<u>(22,100)</u>	<u>(15,800)</u>	<u>(15,800)</u>	<u>(4,400)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Expected Covered-Employee Payroll	\$ 13,190,500	\$ 13,190,500	\$ 11,236,000	\$ 11,236,000	\$ 10,505,400
Contributions as a Percentage of Covered-Employee Payroll	0.27%	0.17%	0.14%	0.14%	0.04%

Notes to Schedule:

The County has elected to make an annual contribution equal to the benefit payments. The County's share of net benefits is the difference between the expected benefit payments and the retiree contributions. It is sometimes referred to as "pay-as-you-go".

The expected benefit payments are actuarially determined to reflect the age difference between the overall covered group and the retiree group.

Actuarially determined contributions, which are based on the expected "pay-as-you-go" cost, and actual contributions are from the measurement periods ending September 30 of the year prior to the year-end of the reporting periods shown. This is the first valuation under Governmental Accounting Standards Board Statement No. 75 for the reported plan.

10 years of data will be displayed as information becomes available.

COMBINING NON-MAJOR FUND STATEMENTS

**GADSDEN COUNTY, FLORIDA
COMBINING BALANCE SHEET
ALL NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022**

	<u>Special Revenue</u>		
	<u>Landfill</u>	<u>Cares Act</u>	<u>Emergency Medical Services</u>
Assets			
Cash and Cash Equivalents	\$ 119,372	\$ 2,925,209	\$ 568,957
Accounts Receivable (Net of Allowance for Uncollectible)	-	-	665,275
Due from Other Funds	-	-	-
Due from Other Governments	9,505	-	-
Prepaid Expenses	-	-	65
Total Assets	<u>128,877</u>	<u>2,925,209</u>	<u>1,234,297</u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable and Accrued Expenses	51	59,738	21,381
Due to Other Funds	-	-	-
Due to Other Governments	-	-	-
Accrued Wages	-	-	81,087
Unearned Revenue	-	-	-
Total Liabilities	<u>51</u>	<u>59,738</u>	<u>102,468</u>
Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>362,970</u>
Fund Balances			
Non-Spendable	-	-	65
Restricted	-	2,865,471	-
Committed	-	-	-
Assigned	128,826	-	768,794
Total Fund Balances	<u>128,826</u>	<u>2,865,471</u>	<u>768,859</u>
Total Liabilities and Fund Balances (Deficits)	<u>\$ 128,877</u>	<u>\$ 2,925,209</u>	<u>\$ 1,234,297</u>

Special Revenue

Library Services	Judicial Services Fund	Fire Assessment	Court Facilities	Tourist Development	General Grants
\$ 420,703	\$ 363,425	\$ 2,224,205	\$ 46,591	\$ 498,994	\$ 804,649
-	-	-	-	-	-
-	-	347,837	-	29,801	163,009
-	-	-	-	-	-
<u>420,703</u>	<u>363,425</u>	<u>2,572,042</u>	<u>46,591</u>	<u>528,795</u>	<u>967,658</u>
16,325	4,565	208,962	7,647	20,864	83,846
-	-	-	-	-	215,903
-	-	275,375	-	-	2
19,801	-	3,645	-	524	1,512
-	-	-	-	-	278,492
<u>36,126</u>	<u>4,565</u>	<u>487,982</u>	<u>7,647</u>	<u>21,388</u>	<u>579,755</u>
-	-	245,855	-	14,397	-
-	-	-	-	-	-
8,676	358,860	1,838,205	38,944	493,010	387,903
-	-	-	-	-	-
375,901	-	-	-	-	-
<u>384,577</u>	<u>358,860</u>	<u>1,838,205</u>	<u>38,944</u>	<u>493,010</u>	<u>387,903</u>
<u>\$ 420,703</u>	<u>\$ 363,425</u>	<u>\$ 2,572,042</u>	<u>\$ 46,591</u>	<u>\$ 528,795</u>	<u>\$ 967,658</u>

**GADSDEN COUNTY, FLORIDA
COMBINING BALANCE SHEET
ALL NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022**

	Special Revenue		
	E-911	Building Inspection Fund	Fines & Forfeitures
Assets			
Cash and Cash Equivalents	\$ 218,563	\$ 447,233	\$ 539,357
Accounts Receivables (Net of Allowance for Uncollectible)	-	-	-
Due from Other Funds	-	-	50,138
Due from Other Governments	18,091	25,400	42,162
Prepaid Expenses	-	-	-
Total Assets	236,654	472,633	631,657
Liabilities and Fund Balances			
Liabilities			
Accounts Payable and Accrued Expenses	-	4,108	16,751
Due to Other Funds	123,533	-	-
Due to Other Governments	-	-	-
Accrued Wages	-	12,098	-
Unearned Revenue	46,301	-	-
Total Liabilities	169,834	16,206	16,751
Deferred Inflows of Resources	-	-	-
Fund Balances			
Non-Spendable			
Restricted	66,820	456,427	136,648
Committed	-	-	-
Assigned	-	-	478,258
Total Fund Balances	66,820	456,427	614,906
Total Liabilities and Fund Balances (Deficits)	\$ 236,654	\$ 472,633	\$ 631,657

Special Revenue			Debt Service		
Indigent Surtax	SHIP	SHIP CARES	Debt Service Hospital	Debt Service Library	Debt Service USDA Agr Center
\$ 1,965,703	\$ 359,313	\$ -	\$ 860,181	\$ 2,052,765	\$ 31,207
-	-	-	-	-	-
-	-	-	-	-	-
512,310	-	-	-	340,486	-
-	-	-	-	-	-
<u>2,478,013</u>	<u>359,313</u>	<u>-</u>	<u>860,181</u>	<u>2,393,251</u>	<u>31,207</u>
79,443	37,970	-	-	105,728	-
-	-	-	-	-	-
-	-	-	-	-	-
-	665	-	-	-	-
-	320,678	-	-	-	-
<u>79,443</u>	<u>359,313</u>	<u>-</u>	<u>-</u>	<u>105,728</u>	<u>-</u>
362,105	-	-	-	168,168	-
2,036,465	-	-	860,181	-	31,207
-	-	-	-	-	-
-	-	-	-	2,119,355	-
<u>2,036,465</u>	<u>-</u>	<u>-</u>	<u>860,181</u>	<u>2,119,355</u>	<u>31,207</u>
<u>\$ 2,478,013</u>	<u>\$ 359,313</u>	<u>\$ -</u>	<u>\$ 860,181</u>	<u>\$ 2,393,251</u>	<u>\$ 31,207</u>

**GADSDEN COUNTY, FLORIDA
COMBINING BALANCE SHEET
ALL NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022**

	<u>Debt Service</u>		<u>Capital Projects</u>
	<u>Debt Service Public Works</u>	<u>Debt Service General</u>	<u>Capital Projects General/Parks</u>
Assets			
Cash and Cash Equivalents	\$ 1,417,389	\$ 406,996	\$ 456,616
Accounts Receivables (Net of Allowance for Uncollectible)	-	-	-
Due from Other Funds	-	-	-
Due from Other Governments	264,800	-	54,875
Prepaid Expenses	-	-	-
Total Assets	<u>1,682,189</u>	<u>406,996</u>	<u>511,491</u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable and Accrued Expenses	-	-	4,874
Due to Other Funds	-	-	3,729
Due to Other Governments	-	-	-
Accrued Wages	-	-	-
Unearned Revenue	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>8,603</u>
Deferred Inflows of Resources	<u>128,210</u>	<u>-</u>	<u>-</u>
Fund Balances			
Non-Spendable			
Restricted	1,553,979	-	-
Committed	-	-	-
Assigned	-	406,996	502,888
Total Fund Balances	<u>1,553,979</u>	<u>406,996</u>	<u>502,888</u>
Total Liabilities and Fund Balances (Deficits)	<u>\$ 1,682,189</u>	<u>\$ 406,996</u>	<u>\$ 511,491</u>

Constitutional Officer Sheriff Special Revenues	Constitutional Officer Clerk of the Circuit Court	Total Non-Major Governmental Funds
\$ 875,849	\$ 520,612	\$ 18,123,889
-	-	665,275
356,155	529	406,822
-	78,485	1,886,761
106,778	-	106,843
<u>1,338,782</u>	<u>599,626</u>	<u>21,189,590</u>
2,403	20,907	695,563
609,393	-	952,558
-	-	275,377
-	51,072	170,404
17,835	230,264	893,570
<u>629,631</u>	<u>302,243</u>	<u>2,987,472</u>
-	-	1,281,705
106,778		106,843
574,463	297,383	12,004,642
27,910	-	27,910
-	-	4,781,018
<u>709,151</u>	<u>297,383</u>	<u>16,920,413</u>
<u>\$ 1,338,782</u>	<u>\$ 599,626</u>	<u>\$ 21,189,590</u>

**GADSDEN COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	<u>Special Revenue</u>		
	<u>Landfill</u>	<u>Cares Act</u>	<u>Emergency Medical Services</u>
Revenues			
Taxes	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-
Intergovernmental	38,025	258,509	-
Charges for Services	-	-	3,035,253
Fines and Forfeitures	-	-	-
Miscellaneous	462	-	1,890
Total Revenues	<u>38,487</u>	<u>258,509</u>	<u>3,037,143</u>
Expenditures			
Current:			
General Government	-	-	-
Public Safety	-	-	3,735,824
Physical Environment	61,220	-	-
Transportation	-	-	-
Economic Environment	-	-	-
Human Services	-	57,632	-
Court-Related	-	-	-
Culture and Recreation	-	-	-
Debt Service:			
Principal Payments	-	-	-
Interest	-	-	-
Capital Outlay:			
General Government	-	-	-
Public Safety	-	-	992,699
Human Services	-	62,304	-
Culture and Recreation	-	-	-
(Total Expenditures)	<u>(61,220)</u>	<u>(119,936)</u>	<u>(4,728,523)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(22,733)</u>	<u>138,573</u>	<u>(1,691,380)</u>
Other Financing Sources (Uses)			
Transfers in	52,712	-	1,417,388
Transfers (out)	-	-	(18,396)
Installment Purchases	-	-	987,349
Total Other Financing Sources (Uses)	<u>52,712</u>	<u>-</u>	<u>2,386,341</u>
Net Change in Fund Balances	29,979	138,573	694,961
Fund Balances, Beginning of Year	98,847	2,726,898	73,898
Fund Balances, End of Year	<u>\$ 128,826</u>	<u>\$ 2,865,471</u>	<u>\$ 768,859</u>

Special Revenue

Library Services	Judicial Services Fund	Fire Assessment	Court Facilities	Tourist Development	General Grants
\$ -	\$ -	\$ 1,851,930	\$ -	\$ 184,732	\$ -
-	-	-	-	-	-
293,795	-	-	-	-	2,221,466
8,586	80,597	-	153,070	-	-
-	-	-	-	-	16
25,366	-	99,257	557	3,634	54
<u>327,747</u>	<u>80,597</u>	<u>1,951,187</u>	<u>153,627</u>	<u>188,366</u>	<u>2,221,536</u>
-	-	-	204,062	-	-
-	-	1,132,172	-	-	164,294
-	-	-	-	-	51,318
-	-	-	-	-	203,579
-	-	-	-	67,396	1,748,819
-	-	-	-	-	-
-	184,898	-	-	-	-
983,088	-	-	-	-	-
-	-	5,466	-	-	-
-	-	512	-	-	-
-	-	-	6,353	-	52,000
-	-	24,321	-	-	144,170
-	-	-	-	-	-
-	-	-	-	-	-
<u>(983,088)</u>	<u>(184,898)</u>	<u>(1,162,471)</u>	<u>(210,415)</u>	<u>(67,396)</u>	<u>(2,364,180)</u>
<u>(655,341)</u>	<u>(104,301)</u>	<u>788,716</u>	<u>(56,788)</u>	<u>120,970</u>	<u>(142,644)</u>
723,761	-	-	-	-	219,716
-	-	-	-	-	(278,716)
-	-	-	-	-	-
<u>723,761</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(59,000)</u>
68,420	(104,301)	788,716	(56,788)	120,970	(201,644)
316,157	463,161	1,049,489	95,732	372,040	589,547
<u>\$ 384,577</u>	<u>\$ 358,860</u>	<u>\$ 1,838,205</u>	<u>\$ 38,944</u>	<u>\$ 493,010</u>	<u>\$ 387,903</u>

GADSDEN COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Special Revenue		
	E-911	Building Inspection Fund	Fines & Forfeitures
Revenues			
Taxes	\$ -	\$ -	\$ -
Licenses and Permits	-	553,684	-
Intergovernmental	355,123	-	227,813
Charges for Services	-	58,900	42,211
Fines and Forfeitures	-	-	6,477
Miscellaneous	1,264	1,529	7,594
Total Revenues	356,387	614,113	284,095
Expenditures			
Current:			
General Government	-	-	-
Public Safety	193,241	478,122	246,070
Physical Environment	-	-	-
Transportation	-	-	-
Economic Environment	-	-	-
Human Services	-	-	-
Court-Related	-	-	-
Culture and Recreation	-	-	-
Debt Service:			
Principal Payments	-	-	-
Interest	-	-	-
Capital Outlay:			
General Government	-	-	-
Public Safety	-	-	20,598
Human Services	-	-	-
Culture and Recreation	-	-	-
(Total Expenditures)	(193,241)	(478,122)	(266,668)
Excess (Deficiency) of Revenues Over (Under) Expenditures	163,146	135,991	17,427
Other Financing Sources (Uses)			
Transfers in	-	-	7,575,154
Transfers (out)	(166,337)	-	(7,708,737)
Installment Purchases	-	-	-
Total Other Financing Sources (Uses)	(166,337)	-	(133,583)
Net Change in Fund Balances	(3,191)	135,991	(116,156)
Fund Balances, Beginning of Year	70,011	320,436	731,062
Fund Balances, End of Year	\$ 66,820	\$ 456,427	\$ 614,906

Special Revenue			Debt Service		
Indigent Surtax	SHIP	SHIP CARES	Debt Service Hospital	Debt Service Library	Debt Service USDA Agr Center
\$ 2,716,861	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	397,925	-	-	2,042,908	-
-	-	-	-	-	-
-	-	-	-	-	-
-	4,261	-	6,648	21,995	-
<u>2,716,861</u>	<u>402,186</u>	<u>-</u>	<u>6,648</u>	<u>2,064,903</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	402,186	-	-	-	-
1,028,410	-	22,279	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	549,969	209,053	15,988
-	-	-	95,867	2,402	15,137
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>(1,028,410)</u>	<u>(402,186)</u>	<u>(22,279)</u>	<u>(645,836)</u>	<u>(211,455)</u>	<u>(31,125)</u>
<u>1,688,451</u>	<u>-</u>	<u>(22,279)</u>	<u>(639,188)</u>	<u>1,853,448</u>	<u>(31,125)</u>
-	-	-	645,836	-	31,166
(645,836)	-	-	-	(1,239,641)	-
-	-	-	-	-	-
<u>(645,836)</u>	<u>-</u>	<u>-</u>	<u>645,836</u>	<u>(1,239,641)</u>	<u>31,166</u>
1,042,615	-	(22,279)	6,648	613,807	41
993,850	-	22,279	853,533	1,505,548	31,166
<u>\$ 2,036,465</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 860,181</u>	<u>\$ 2,119,355</u>	<u>\$ 31,207</u>

GADSDEN COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Debt Service		Capital Projects
	Debt Service Public Works	Debt Service General & Radio Comm	Capital Projects General/Parks
Revenues			
Taxes	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-
Intergovernmental	1,641,229	-	54,875
Charges for Services	-	-	-
Fines and Forfeitures	-	-	-
Miscellaneous	14,085	-	2,885
Total Revenues	<u>1,655,314</u>	<u>-</u>	<u>57,760</u>
Expenditures			
Current:			
General Government	-	-	-
Public Safety	-	-	-
Physical Environment	-	-	-
Transportation	-	-	-
Economic Environment	-	-	-
Human Services	-	-	-
Court-Related	-	-	-
Culture and Recreation	-	-	4,875
Debt Service:			
Principal Payments	864,370	463,590	-
Interest	202,610	33,318	-
Capital Outlay:			
General Government	-	-	-
Public Safety	-	-	-
Human Services	-	-	-
Culture and Recreation	-	-	61,396
(Total Expenditures)	<u>(1,066,980)</u>	<u>(496,908)</u>	<u>(66,271)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>588,334</u>	<u>(496,908)</u>	<u>(8,511)</u>
Other Financing Sources (Uses)			
Transfers in	339,921	440,912	11,396
Transfers (out)	(861,231)	-	-
Installment Purchases	-	-	-
Total Other Financing Sources (Uses)	<u>(521,310)</u>	<u>440,912</u>	<u>11,396</u>
Net Change in Fund Balances	67,024	(55,996)	2,885
Fund Balances, Beginning of Year	1,486,955	462,992	500,003
Fund Balances, End of Year	<u>\$ 1,553,979</u>	<u>\$ 406,996</u>	<u>\$ 502,888</u>

Constitutional Officer Sheriff Special Revenues	Constitutional Officer Clerk of the Circuit Court	Total Non-Major Governmental Funds
\$ -	\$ -	\$ 4,753,523
-	-	553,684
864,185	700,536	9,096,389
70,713	602,267	4,051,597
-	180,941	187,434
291,519	1,454	484,454
<u>1,226,417</u>	<u>1,485,198</u>	<u>19,127,081</u>
-	42,911	246,973
1,623,694	-	7,573,417
-	-	112,538
-	-	203,579
-	-	2,218,401
-	-	1,108,321
-	1,408,919	1,593,817
-	-	987,963
-	-	2,108,436
-	-	349,846
-	-	58,353
41,183	-	1,222,971
-	-	62,304
-	-	61,396
<u>(1,664,877)</u>	<u>(1,451,830)</u>	<u>(17,908,315)</u>
<u>(438,460)</u>	<u>33,368</u>	<u>1,218,766</u>
346,590	-	11,804,552
-	-	(10,918,894)
-	-	987,349
<u>346,590</u>	<u>-</u>	<u>1,873,007</u>
(91,870)	33,368	3,091,773
801,021	264,015	13,828,640
<u>\$ 709,151</u>	<u>\$ 297,383</u>	<u>\$ 16,920,413</u>

GADSDEN COUNTY, FLORIDA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
SEPTEMBER 30, 2022

	Clerk of the Courts		
	Clerk Trust	Cash Bond	Child Support
Assets			
Cash	\$ 770,142	\$ 185,992	\$ 2,853
Accounts Receivable	-	-	-
Due from Other Governments	-	-	-
Due from Other Funds	-	-	-
Total Assets	<u>770,142</u>	<u>185,992</u>	<u>2,853</u>
Liabilities			
Accounts Payable	-	-	-
Due to Other Funds	1,928	529	1,011
Due to Individuals	38,928	-	630
Due to Other Governments	47,872	-	1,212
Installment Tax Deposits	-	-	-
Tag Renewal Deposits	-	-	-
Total Liabilities	<u>88,728</u>	<u>529</u>	<u>2,853</u>
Net Position, Held in a Custodial Capacity to be Disbursed	<u>\$ 681,414</u>	<u>\$ 185,463</u>	<u>\$ -</u>

Civil Account	Sheriff		Tax Collector		Totals
	Confiscated Funds	Inmate Commissary	Tax		
\$ 33,107	\$ 305	\$ 25,653	\$ 279,153	\$ 1,297,205	
-	-	2,371	23,705	26,076	
-	-	-	771	771	
-	-	-	4,347	4,347	
<u>33,107</u>	<u>305</u>	<u>28,024</u>	<u>307,976</u>	<u>1,328,399</u>	
103	305	-	-	408	
33,004	-	-	2,136	38,608	
-	-	-	1,384	40,942	
-	-	-	65,821	114,905	
-	-	-	209,684	209,684	
-	-	-	18,693	18,693	
<u>33,107</u>	<u>305</u>	<u>-</u>	<u>297,718</u>	<u>423,240</u>	
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,024</u>	<u>\$ 10,258</u>	<u>\$ 905,159</u>	

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

	<u>Clerk Trust</u>	<u>Cash Bond</u>	<u>Child Support</u>
Additions			
Fines, Forfeitures, and Fees Collected	\$ 5,512,314	\$ -	\$ -
Tax Deeds and Fees Collected	493,729	-	-
Support and Fees Collected	-	-	544,424
Registry of the Court and Fees Collected	1,619,317	-	-
Recording Fees Collected	2,728,833	-	-
Bail Bonds and Fees Collected	-	91,221	-
Inmate Funds Collected	-	-	-
Licenses and Tag Fees Collected	-	-	-
Property Taxes and Fees Collected	-	-	-
Hunting and Fishing Licenses Collected	-	-	-
Total Additions	<u>10,354,193</u>	<u>91,221</u>	<u>544,424</u>
Deductions			
Fines, Forfeitures, and Fees Distributed	5,460,838	-	-
Tax Deeds and Fees Distributed	455,094	-	-
Support and Fees Distributed	-	-	544,424
Registry of the Court and Fees Distributed	1,590,696	-	-
Recording Fees Distributed	2,782,217	-	-
Bail Bonds and Fees Distributed	-	70,071	-
Inmate Funds Disbursed	-	-	-
Licenses and Tag Fees Disbursed	-	-	-
Property Taxes and Fees Disbursed	-	-	-
Hunting and Fishing Licenses Disbursed	-	-	-
Total Deductions	<u>(10,288,845)</u>	<u>(70,071)</u>	<u>(544,424)</u>
Change in Net Position	65,348	21,150	-
Net Position, Beginning of Year	<u>616,066</u>	<u>164,313</u>	<u>-</u>
Net Position, Ending	<u>\$ 681,414</u>	<u>\$ 185,463</u>	<u>\$ -</u>

<u>Civil Account</u>	<u>Confiscated Funds</u>	<u>Inmate Commissary</u>	<u>Tax Fund</u>	<u>Total</u>
\$ 33,222	\$ -	\$ -	\$ -	\$ 5,545,536
-	-	-	-	493,729
-	-	-	-	544,424
-	-	-	-	1,619,317
-	-	-	-	2,728,833
-	-	-	-	91,221
-	-	472,187	-	472,187
-	-	-	5,633,184	5,633,184
-	-	-	28,895,749	28,895,749
-	-	-	14,095	14,095
<u>33,222</u>	<u>-</u>	<u>472,187</u>	<u>34,543,028</u>	<u>46,038,275</u>
33,222	-	-	-	5,494,060
-	-	-	-	455,094
-	-	-	-	544,424
-	-	-	-	1,590,696
-	-	-	-	2,782,217
-	-	-	-	70,071
-	-	462,796	-	462,796
-	-	-	5,633,169	5,633,169
-	-	-	28,889,266	28,889,266
-	-	-	14,095	14,095
<u>(33,222)</u>	<u>-</u>	<u>(462,796)</u>	<u>(34,536,530)</u>	<u>(45,935,888)</u>
-	-	9,391	6,498	102,387
-	-	18,633	3,760	802,772
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,024</u>	<u>\$ 10,258</u>	<u>\$ 905,159</u>

OTHER INFORMATION

**ADDITIONAL ELEMENTS OF REPORT PREPARED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*,
ISSUED BY THE COMPTROLLER GENERAL OF THE UNITED STATES;
THE *RULES OF THE AUDITOR GENERAL* OF THE STATE OF
FLORIDA; AND OTHER CONTRACT REQUIREMENTS**

GADSDEN COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2022

Federal Grantor/Pass-Through Grantor/ Grant Program	Assistance Listing Number	Grant ID Number	Amount Passed Through to Subrecipients	Federal Expenditures
U.S. Department of Justice				
Passed Through the State of Florida Department of Juvenile Justice:				
Gadsden County Restoring Families Grant	16.540	Grant # 10624	\$ -	\$ 183,721
Gadsden County Teen Success Academy	16.540	Grant # 10643	-	144,481
Gadsden County Civil Citation Grant	16.540	Grant # 10712	-	23,717
Subtotal Expenditures - Assistance Listing No. 16.540			<u>-</u>	<u>351,919</u>
Passed Through the State of Florida Office of the Attorney General:				
Victims of Crime Act	16.575	V00355	-	62,379
Total U.S. Department of Justice			<u>-</u>	<u>414,298</u>
U.S. Department of Transportation/Federal Highway Administration				
Passed Through State of Florida Department of Transportation:				
LAPA - Adams Street Sidewalk	20.205	436992-1-38-01	-	7,228
Passed Through City of Tallahassee, Florida:				
Federal Transit	20.507	Gad Express FL-COTLH-0001074495	-	51,729
Total U.S. Department of Transportation/Federal Highway Administration			<u>-</u>	<u>58,957</u>
U.S. Department of the Treasury				
Passed Through Florida Division of Emergency Management				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027		-	438,376
Passed Through Florida Department of State, Division of Libraries				
DLIS Florida American Rescue Plan Act (ARPA)	45.310	21-ARPA-09	-	117,250
Total U.S. Department of the Treasury			<u>-</u>	<u>555,626</u>
U.S. Department of Education				
Passed Through State of Florida Department of Education				
Coach Aaron Feis Guardian Program	84.425	97F-90210-2D001	-	138,340
Coach Aaron Feis Guardian Program	84.425	97F-90210-3D001	-	8,496
			<u>-</u>	<u>146,836</u>
U.S. Election Assistance Commission				
Passed Through State of Florida Department of State:				
Help America Vote Act - Election Security Grant	90.404	21.e.es.000.61	-	16,007
U.S. Department of Health and Human Services				
Passed Through State of Florida Department of Revenue:				
Child Support Reimbursement Payments	93.563	COC20	-	220,988
U.S. Department of Homeland Security				
Passed Through State of Florida Division of Emergency Management:				
Disaster Grant - Public Assistance	97.036	Z2622 Hurricane Sally	-	54,038
Passed Through State of Florida Executive Office of the Governor:				
Emergency Management Preparedness Grant	97.042	G0231	-	46,923
Emergency Management Performance Grant - (ARPA)	97.042	G0250	-	13,296
Subtotal Expenditures - Assistance Listing No. 97.042			<u>-</u>	<u>60,219</u>
Total U.S. Department of Homeland Security			<u>-</u>	<u>114,257</u>
Total Federal Expenditures			<u>\$ -</u>	<u>\$ 1,526,969</u>

GADSDEN COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR YEAR ENDING SEPTEMBER 30, 2022

State Grantor/Pass-Through Grantor/ Program Title	CSFA Number	Pass-Through/ Grantor Number	State Expenditures
Florida Office of the Governor			
Emergency Management Preparedness Grant	31.063	A0198	\$ 75,377
Emergency Management Preparedness Grant	31.063	A0268	31,337
Subtotal Expenditures - CSFA No. 31.063			<u>106,714</u>
Passed Through Florida Division of Emergency Management Small County EOC Design Initiative Grant	31.064	F0073	35,400
Total Florida Office of the Governor			<u>142,114</u>
Florida Department of Environmental Protection			
Small County Solid Waste	37.012	SC208	51,318
FRDAP - Pat Thomas Park	37.017	A21101	4,875
FRDAP - East Gadsden Recreational Facility	37.017	A21124	50,000
Subtotal Expenditures - CSFA No. 37.017			<u>54,875</u>
Total Florida Department of Environmental Protection			<u>106,193</u>
Florida Department of Economic Opportunity (DEO)			
DEO - Rural Infrastructure Fund	40.042	DL0149	2,000
DEO - Technical Assistance Grant	40.042	P0438	50,000
Subtotal Expenditures - CSFA No. 40.042			<u>52,000</u>
Total Florida Department of Economic Opportunity			<u>52,000</u>
Florida Housing Finance Corporation			
State Housing Initiatives Partnership	40.901	Unknown	402,185
HHRP Hurricane Recovery Program	40.901	Unknown	1,748,819
Subtotal Expenditures - CSFA No. 40.901			<u>2,151,004</u>
Total Florida Housing Finance Corporation			<u>2,151,004</u>
Florida Department of Agriculture and Consumer Services			
Arthropod Control/Mosquito Control	42.003	27524	38,025
Florida Department of State			
Division of Library and Information Systems: State Aid to Libraries	45.030	22-ST-11	293,795
Florida Department of Transportation			
ClGP - Potter Woodberry Road	55.008	442402-1-54-01	750,886
SCOP - Hardaway Hwy	55.009	448604-1-34-01	188,875
SCOP - Attapulgus Hwy	55.009	440622-1-34-01	22,447
SCOP - Point Milligan Road	55.009	438356-1-54-01	1,589,807
SCOP - Spooner Road	55.009	446575-1-54-01	31,250
SCOP - Point Milligan Bridge	55.009	447903-1-54-01	110,211
Subtotal Expenditures - CSFA No. 55.009			<u>1,942,590</u>
Federal Transit - Formula Grants	55.012	Havana Express	1,129
SCRAP - Cochran Road	55.016	446706-1-54-01	592,988
Total Florida Department of Transportation			<u>3,287,593</u>
Florida Department of Children and Families			
Criminal Justice Mental Health & Substance Abuse Reinvestment	60.115	LHZ96	309,613
Florida Department of Health			
EMS Matching Grant	64.003	M0008	499

**GADSDEN COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR YEAR ENDING SEPTEMBER 30, 2022**

State Grantor/Pass-Through Grantor/ Program Title	CSFA Number	Pass-Through/ Grantor Number	State Expenditures
Florida Department of Law Enforcement (FDLE)			
FDLE - Salary Assistance Grant	71.067	7G022	\$ 111,759
Florida Department of Management Services			
E911 System Maintenance	72.001	22-10-05	33,263
E911 System Maintenance	72.001	21-08-29	54,964
911 P0217/NG-911 - Text-to-911	72.001	911 P0217/NG-911 - Text-to-911	21,229
E911 System & Map Maintenance	72.001	22-04-08	53,783
E911 Recorder Maint	72.001	21-10-04	6,336
Subtotal Expenditures - CSFA No. 72.001			<u>169,575</u>
Total Florida Department of Management Services			<u>169,575</u>
Total State Financial Assistance			<u>6,662,170</u>
Total Expenditures of Federal Awards and State Financial Assistance			<u>\$ 8,189,139</u>

GADSDEN COUNTY, FLORIDA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2022

Note 1 - Significant Accounting Policies

The accounting policies and presentation of the accompanying schedule of expenditures of federal awards and state financial assistance of Gadsden County, Florida (the County) have been designed to conform with generally accepted accounting principles applicable to governmental units, including the reporting and compliance requirements of the Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) (federal awards); and Chapter 10.550, *Rules of the Auditor General* of the State of Florida.

The County reporting entity is defined in Note 1 to the County's basic financial statements for the year ended September 30, 2022. All federal awards and state financial assistance received directly from federal or state agencies, as well as federal awards and state financial assistance passed through other governmental agencies, are included in the schedule.

Note 2 - Basis of Presentation

The accompanying schedule of expenditures of federal awards and state financial assistance includes the federal and state award activity of Gadsden County, Florida, and is presented on the modified accrual basis of accounting.

Note 3 - De Minimis Indirect Cost Rate Election

The County did not elect to use the 10% de minimis indirect cost rate as covered in §200.414, Indirect (F&A) costs, of the Uniform Guidance.

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

The Honorable Board of County Commissioners and
Constitutional Officers
Gadsden County, Florida

Report on Compliance for Each Major Federal Program and State Project

Opinion on Each Major Federal Program and State Project

We have audited Gadsden County, Florida’s (the County) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and in the Florida Department of Financial Services’ *State Projects Compliance Supplement*, that could have a direct and material effect on each of the County’s major federal programs and state projects for the year ended September 30, 2022. The County’s major federal programs and state projects are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended September 30, 2022.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

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Gadsden County, Florida

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

Auditor’s Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and the Rules, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material non-compliance, 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 County’s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County’s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County’s internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, non-compliance with a type of compliance requirement of a federal program and state project on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material non-compliance with a type of compliance requirement of

The Honorable Board of County Commissioners and
Constitutional Officers
Gadsden County, Florida

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

a federal program or state project will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

Purpose

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



June 22, 2023
Tallahassee, Florida

**GADSDEN COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS -
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

Section I - Summary of Independent Auditor's Results

Financial Statements

Type of Auditor's Report Issued	Unmodified
Internal Control Over Financial Reporting:	
Material Weakness(es) Identified?	No
Significant Deficiency(ies)	No
Non-Compliance Material to Financial Statements Noted?	No

Federal Awards and State Financial Assistance

Internal Control Over Major Projects:	
Material Weakness(es) Identified?	No
Significant Deficiency(ies) Identified?	No
Type of Auditor's Report Issued on Compliance for Major Projects	Unmodified
Any Audit Findings Disclosed that are Required to be Reported in Accordance with the Uniform Guidance and Chapter 10.550, <i>Rules of the Auditor General</i> ?	No

The programs tested as major federal programs and state projects were as follows:

<u>Federal Program</u>	<u>Assistance Listing No.</u>
Coronavirus State and Local Fiscal Recovery Funds	21.027
Child Support Enforcement	93.563
<u>State Projects</u>	<u>CSFA No.</u>
State Housing Initiatives Partnership Program (SHIP)	40.901
Small County Outreach Program (SCOP)	55.009
County Incentive Grant Program	55.008
Dollar Threshold Used to Distinguish Between Type A and Type B Projects (Federal and State)	\$ 750,000

The County did not qualify as a low-risk auditee for federal grant programs.

Section II - Financial Statement Findings

Financial statement findings, if any, are reported in the individual reports of the Constitutional Officers.

**GADSDEN COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS -
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

Section III - Findings and Questioned Costs – Federal Awards and State Projects

The audit disclosed no findings for any major federal programs and state projects to be reported under the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*.

Section IV - Status of Prior Audit Findings

There were no findings for any major federal programs and state projects to be reported under the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*, for the prior audit.

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

Honorable Board of County Commissioners and
Constitutional Officers
Gadsden County, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Gadsden County, Florida (the County) as of and for the year ended September 30, 2022, which collectively comprise the County's basic financial statements and have issued our report thereon dated June 22, 2023.

Report on Internal Control Over Financial Reporting

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

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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on

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

the 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 instance of non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

This report is intended solely for the information and use of the County's management, the Florida Auditor General, and applicable federal and state agencies providing assistance and is not intended to be, and should not be, used by anyone other than these specified parties.



June 22, 2023
Tallahassee, Florida

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES – INVESTMENT OF PUBLIC FUNDS

Honorable Board of County Commissioners
and Constitutional Officers
Gadsden County, Florida

We have examined Gadsden County, Florida's (the County) compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, as of and for the year ended September 30, 2022, as required by Section 10.556(10)(a), *Rules of the Auditor General*. Management is responsible for the County's compliance with those requirements. Our responsibility is to express an opinion on the County's compliance 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 County complied, in all material respects, with the requirements referenced above. An examination involves performing procedures to obtain evidence about whether the County complied with the specified requirements. The nature, timing, and extent of procedures selected depend on our judgement, including an assessment of the risk of material non-compliance, 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 legal determination of the County's compliance with specified requirements.

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

This report 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, the Board of County Commissioners of Gadsden County, Florida, and its management, and is not intended to be, and should not be, used by anyone other than these specified parties.



June 22, 2023
Tallahassee, Florida

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**INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH
SECTION 365.172(10) AND SECTION 365.173(2)(d), FLORIDA STATUTES**

Honorable Board of County Commissioners and
Constitutional Officers
Gadsden County, Florida

We have examined Gadsden County, Florida's (the County) compliance with the requirements of Section 365.172(10), Florida Statutes, *Authorized Expenditures of E911 Fee*, and Section 365.173(2)(d), Florida Statutes, *Distribution and Use of E911 Funds*, during the year ended September 30, 2022. Management is responsible for the County's compliance with those requirements. Our responsibility is to express an opinion on the County's compliance 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 County complied, in all material respects, with the requirements referenced above. An examination involves performing procedures to obtain evidence about whether the County complied with the specified requirements. The nature, timing, and extent of procedures selected depend on our judgement, including an assessment of the risk of material non-compliance, 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 legal determination of the County's compliance with specified requirements.

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

This report 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, the Board of County Commissioners of Gadsden County, Florida, and its management, and is not intended to be, and should not be, used by anyone other than these specified parties.



June 22, 2023
Tallahassee, Florida

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MANAGEMENT LETTER

Honorable Board of County Commissioners and
Constitutional Officers
Gadsden County, Florida

Report on the Financial Statements

We have audited the financial statements of Gadsden County, Florida (the County) as of and for the fiscal year ended September 30, 2022, and have issued our report thereon dated June 22, 2023.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control Over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major Federal Program and State Project and on Internal Control Over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Reports on an examination conducted in accordance with American Institute of Certified Public Accountants *Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated June 22, 2023, should be considered in conjunction with this management letter. This management letter applies to the County as a whole. Other management letter comments are described in the audit reports of the constitutional officers.

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. The findings noted in the previous year's audit report (2021-01 – OPEB Census Data and 2021-02 – Budget Transfers) were considered to be resolved.

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 County was established by the Constitution of the State of Florida, Article VIII, Section 1(d). The County includes component units as described in Note 1 of the financial statements.

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Honorable Board of County Commissioners and
Constitutional Officers
Gadsden County, Florida

MANAGEMENT LETTER

Financial Condition and Management

- Sections 10.554(1)(i)5.a. and 10.556(7), *Rules of the Auditor General*, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the County has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the County did not meet any of the conditions described in Section 218.503(1), Florida Statutes.
- Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), *Rules of the Auditor General*, we applied financial condition assessment procedures for the County. It is management's responsibility to monitor the County's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by the same.
- Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we communicate any recommendations to improve financial management. In connection with our audit, we identified the following matter.

2022-01 Capital Assets

Condition

Florida Administrative Code Rule 69I-73.006, implemented within the rulemaking authority of Florida Statutes, Section 274, provides guidance related to the proper acquisition, recording, supervision, and disposal of tangible personal property owned by local governments. Among other requirements, the codification and related statute require:

- 1) Requirements for recording and periodic review of property is to be established by rule by the Chief Financial Officer.
- 2) The governmental unit is primarily responsible for the supervision and control of its property.

As such, the County has established policies and procedures related to the acquisition, recording, supervision, and disposal of tangible personal property and is expected to adhere to these internally developed policies.

For the fiscal year ended September 30, 2022, it was noted that no comprehensive physical inventory of the County's capital assets occurred as required by the County's internal policies, and no reconciliation of fixed assets in the custody of the County to the related control accounts was performed. Inventory performed consisted of inquiries related only to vehicles, responses from all affected departments were not received, and no follow-up was performed on non-responses.

Additionally, it was noted that multiple capital asset additions acquired during the fiscal year ended September 30, 2022, were either not properly recorded or were not acquired in full compliance with County policies.

MANAGEMENT LETTER

Effect

Annual physical inventory and reconciliation procedures as required by County policies and internal policies related to the acquisition of capital assets are not being consistently performed and/or applied. As a result, various capital asset acquisitions which occurred during the fiscal year ended September 30, 2022, were not in full compliance with County policies or were not properly accounted for in the County's financial records. Lack of reconciliation of assets held to the financial records for significant account balances could result in unreconciled differences between the balances, which could cause a material misstatement of the financial statements as a whole if not detected and corrected in a timely manner.

Recommendation

We recommend that management perform periodic (at least annual) physical inventories of all owned and leased capital assets on hand and reconcile the results of the physical inventory to the underlying accounting records, as required by the internally generated policies of the County related to capital assets.

Special District Component Units

- Section 10.554(1)(i)5.c., *Rules of the Auditor General*, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

Specific Information

The specific information below has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it. As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, *Rules of the Auditor General*, the Gadsden County Hospital reported:

- a. The total number of Board employees compensated in the last pay period of the Board's fiscal year as 0.
- b. The total number of independent contractors to whom non-employee compensation was paid in the last month of the Board's fiscal year was 0.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as \$0.
- d. All compensation earned by or awarded to non-employee independent contractors, whether paid or accrued, regardless of contingency as \$0.
- e. Each construction project with a total cost of at least \$65,000 approved by the Board that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as \$0.
- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the Board amends a final adopted budget under Section 189.016(6), Florida Statutes is \$0.

Honorable Board of County Commissioners and
Constitutional Officers
Gadsden County, Florida

MANAGEMENT LETTER

Additional Matters

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

Purpose of this Letter

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



June 22, 2023
Tallahassee, Florida



June 16, 2023

Honorable Sherill F. Norman, CPA
Auditor General, State of Florida
Local Government Audits
Claude Pepper Building, Room 401
11 West Madison Street
Tallahassee, FL 32399-1450

Re: Management's Response to the Independent Auditor's Report for the year ended September 30, 2022

Dear Ms. Norman,

This letter is in response to the finding contained in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards, The report disclosed a finding, (2022-01 Capital Assets); stating:

For the fiscal year ended September 30, 2022, no comprehensive physical inventory of the County's capital assets occurred as required by the County's internal policies, and no reconciliation of fixed assets in the custody of the County to the related control accounts was performed.

Audit Finding Response

Due to staff changes in key department position, a physical inventory of all fixed assets was not completed during the fiscal year ending September 30, 2022. To prevent this from happening in the future, the County will assign a single designated staff person to coordinate with all BOCC departments to ensure the physical inventory of fixed assets is completed annually. Assigning a single designated person will also ensure that the physical inventory will be performed for all BOCC departments in a timely manner this fiscal year and going forward.

Sincerely,

Edward J. Dixon, Administrator
Gadsden County Board of County Commissioners

2022

Gadsden County Clerk of the Circuit Court

Financial Statements and
Independent Auditor's Report

September 30, 2022

PURVIS GRAY
CERTIFIED PUBLIC ACCOUNTANTS

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

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

SEPTEMBER 30, 2022

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INDEPENDENT AUDITOR'S REPORT

The Honorable Nicholas Thomas
Gadsden County Clerk of the Circuit Court
Gadsden County, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of each major fund and the aggregate remaining fund information of the Gadsden County, Florida Clerk of the Circuit Court (the Clerk), as of and for the fiscal year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Clerk's financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and aggregate remaining fund information for the Clerk as of September 30, 2022, and the respective changes in financial position thereof and the respective budgetary comparisons for the general fund and each major fund for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

Incomplete Presentation

As discussed in Note 1 to the financial statements, the 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 (the Rules). In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of the major funds and aggregate remaining fund information, only for that portion of the major funds and aggregate remaining fund information, of Gadsden County that is attributable to the Clerk. They do not purport to, and do not, present fairly the financial position of Gadsden County as of September 30, 2022, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Lakeland | Tampa

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Members of American and Florida Institutes of Certified Public Accountants

An Independent Member of the BDO Alliance USA

The Honorable Nicholas Thomas
Gadsden County Clerk of the Circuit Court
Gadsden County, Florida

INDEPENDENT AUDITOR'S REPORT

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS 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, individually or in the aggregate, they could reasonably be expected to influence the judgment made by a reasonable user made on the basis of these financial statements.

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

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

The Honorable Nicholas Thomas
Gadsden County Clerk of the Circuit Court
Gadsden County, Florida

INDEPENDENT AUDITOR'S REPORT

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2023, on our consideration of the Clerk's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Clerk's internal control over financial reporting and compliance.

Other Financial Information

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



June 20, 2023
Tallahassee, Florida

FINANCIAL STATEMENTS

**BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022
GADSDEN COUNTY CLERK OF THE CIRCUIT COURT**

	Major					Total Governmental Funds
	General Fund	Court Fund	Jury Fund	Additional State Funding	Public Records Trust Fund	
Assets						
Cash	\$ 33,211	\$ 218,827	\$ -	\$ 4,402	\$ 297,383	\$ 553,823
Due from Other Funds	2,939	14,230	-	-	-	17,169
Due from Other Governments	32,229	61,090	17,395	-	-	110,714
Total Assets	<u>68,379</u>	<u>294,147</u>	<u>17,395</u>	<u>4,402</u>	<u>297,383</u>	<u>681,706</u>
Liabilities and Fund Balance						
Liabilities						
Accounts Payable	21,917	19,497	1,410	-	-	42,824
Due to Other Funds	-	-	13,701	-	-	13,701
Accrued Wages and Benefits	44,062	48,788	2,284	-	-	95,134
Unearned Revenue	2,400	225,862	-	4,402	-	232,664
Total Liabilities	<u>68,379</u>	<u>294,147</u>	<u>17,395</u>	<u>4,402</u>	<u>-</u>	<u>384,323</u>
Fund Balances						
Restricted for Records						
Modernization	-	-	-	-	297,383	297,383
Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>297,383</u>	<u>297,383</u>
Total Liabilities and Fund Equity	<u>\$ 68,379</u>	<u>\$ 294,147</u>	<u>\$ 17,395</u>	<u>\$ 4,402</u>	<u>\$ 297,383</u>	<u>\$ 681,706</u>

See accompanying notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022
GADSDEN COUNTY CLERK OF THE CIRCUIT COURT**

	Major					Total Governmental Funds
	General Fund	Court Fund	Jury Fund	Additional State Funding	Public Records Trust Fund	
Revenues						
Intergovernmental Revenues	\$ 220,988	\$ 626,445	\$ 56,483	\$ 17,608	\$ -	\$ 921,524
Charges for Services	233,572	526,828	-	-	75,439	835,839
Fines and Forfeitures	-	180,941	-	-	-	180,941
Interest	2,743	614	-	-	840	4,197
Miscellaneous	18,666	-	-	-	-	18,666
Total Revenues	475,969	1,334,828	56,483	17,608	76,279	1,961,167
Expenditures						
General Government:						
Personnel Services	1,114,149	-	-	-	3,133	1,117,282
Operating Expenditures	322,142	-	-	-	39,778	361,920
Capital Outlay	8,241	-	-	-	-	8,241
Court-Related:						
Personnel Services	-	1,292,646	36,125	17,608	-	1,346,379
Operating Expenditures	-	42,182	20,358	-	-	62,540
(Total Expenditures)	1,444,532	1,334,828	56,483	17,608	42,911	2,896,362
(Deficiency) Excess of Revenues (Under) Over Expenditures	(968,563)	-	-	-	33,368	(935,195)
Other Financing Sources						
Transfers from Board of County Commissioners	968,563	-	-	-	-	968,563
Total Other Financing Sources	968,563	-	-	-	-	968,563
Net Change in Fund Balances	-	-	-	-	33,368	33,368
Fund Balances, Beginning of Year	-	-	-	-	264,015	264,015
Fund Balances, End of Year	\$ -	\$ -	\$ -	\$ -	\$ 297,383	\$ 297,383

See accompanying notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022
GADSDEN COUNTY CLERK OF THE CIRCUIT COURT**

	General Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental Revenues	\$ 220,000	\$ 220,988	\$ 220,988	\$ -
Charges for Services	197,912	233,572	233,572	-
Interest	450	2,743	2,743	-
Miscellaneous	12,394	18,666	18,666	-
Total Revenues	<u>430,756</u>	<u>475,969</u>	<u>475,969</u>	<u>-</u>
Expenditures				
General Government:				
Personnel Services	1,148,610	1,114,149	1,114,149	-
Operating Expenditures	250,709	322,142	322,142	-
Capital Outlay	-	8,241	8,241	-
(Total Expenditures)	<u>(1,399,319)</u>	<u>(1,444,532)</u>	<u>(1,444,532)</u>	<u>-</u>
(Deficiency) Excess of Revenues (Under) Over Expenditures	<u>(968,563)</u>	<u>(968,563)</u>	<u>(968,563)</u>	<u>-</u>
Other Financing Sources				
Transfers from Board of County Commissioners	968,563	968,563	968,563	-
Total Other Financing Sources	<u>968,563</u>	<u>968,563</u>	<u>968,563</u>	<u>-</u>
Net Change in Fund Balances	-	-	-	-
Fund Balances, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022
GADSDEN COUNTY CLERK OF THE CIRCUIT COURT**

	Court Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental Revenues	\$ 651,486	\$ 626,445	\$ 626,445	\$ -
Charges for Services	529,547	526,828	526,828	-
Fines and Forfeitures	152,616	180,941	180,941	-
Interest	1,179	614	614	-
Total Revenues	<u>1,334,828</u>	<u>1,334,828</u>	<u>1,334,828</u>	<u>-</u>
Expenditures				
Court-Related:				
Personnel Services	1,300,713	1,292,646	1,292,646	-
Operating Expenditures	34,115	42,182	42,182	-
(Total Expenditures)	<u>(1,334,828)</u>	<u>(1,334,828)</u>	<u>(1,334,828)</u>	<u>-</u>
Net Change in Fund Balances	-	-	-	-
Fund Balances, Beginning of Year	-	-	-	-
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022
GADSDEN COUNTY CLERK OF THE CIRCUIT COURT**

	Jury Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental Revenues	\$ 61,356	\$ 56,483	\$ 56,483	\$ -
Total Revenues	<u>61,356</u>	<u>56,483</u>	<u>56,483</u>	<u>-</u>
Expenditures				
Court-Related:				
Personnel Services	44,152	36,125	36,125	-
Operating Expenditures	17,204	20,358	20,358	-
(Total Expenditures)	<u>(61,356)</u>	<u>(56,483)</u>	<u>(56,483)</u>	<u>-</u>
Net Change in Fund Balances	-	-	-	-
Fund Balances, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCES - BUDGET AND ACTUAL - MAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2022
 GADSDEN COUNTY CLERK OF THE CIRCUIT COURT**

	Additional State Funding			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental Revenues	\$ -	\$ 17,608	\$ 17,608	\$ -
Total Revenues	-	17,608	17,608	-
Expenditures				
Court-Related:				
Personnel Services	-	17,608	17,608	-
(Total Expenditures)	-	(17,608)	(17,608)	-
Net Change in Fund Balances	-	-	-	-
Fund Balances, Beginning of Year	-	-	-	-
Fund Balances, End of Year	\$ -	\$ -	\$ -	\$ -

See accompanying notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022
GADSDEN COUNTY CLERK OF THE CIRCUIT COURT**

	Public Records Trust Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Charges for Services	\$ -	\$ 75,439	\$ 75,439	\$ -
Interest	-	840	840	-
Total Revenues	<u>-</u>	<u>76,279</u>	<u>76,279</u>	<u>-</u>
Expenditures				
General Government:				
Personnel Services	-	3,133	3,133	-
Operating Expenditures	-	39,778	39,778	-
(Total Expenditures)	<u>-</u>	<u>(42,911)</u>	<u>(42,911)</u>	<u>-</u>
Net Change in Fund Balances	-	33,368	33,368	-
Fund Balances, Beginning of Year	<u>264,015</u>	<u>264,015</u>	<u>264,015</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 264,015</u>	<u>\$ 297,383</u>	<u>\$ 297,383</u>	<u>\$ -</u>

See accompanying notes to financial statements.

**STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
SEPTEMBER 30, 2022
GADSDEN COUNTY CLERK OF THE CIRCUIT COURT**

Assets	
Cash	\$ 958,987
Total Assets	<u>958,987</u>
Liabilities	
Due to Other Funds	3,468
Due to Other Governments	49,084
Due to Individuals	39,558
Total Liabilities	<u>92,110</u>
Fiduciary Net Position	<u><u>\$ 866,877</u></u>

See accompanying notes to financial statements.

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022
GADSDEN COUNTY CLERK OF THE CIRCUIT COURT**

Additions	
Fines, Forfeitures, and Fees Collected	\$ 5,512,314
Tax Deeds and Fees Collected	493,729
Support and Fees Collected	544,424
Registry of the Court and Fees Collected	1,619,317
Recording Fees Collected	2,728,833
Bail Bonds and Fees Collected	91,221
Total Additions	<u>10,989,838</u>
 Deductions	
Fines, Forfeitures, and Fees Distributed	5,460,838
Tax Deeds and Fees Distributed	455,094
Support and Fees Distributed	544,424
Registry of the Court and Fees Distributed	1,590,696
Recording Fees Distributed	2,782,217
Bail Bonds and Fees Distributed	70,071
Total Deductions	<u>10,903,340</u>
 Change in Fiduciary Net Position	 86,498
 Fiduciary Net Position, Beginning of Year	 <u>780,379</u>
 Fiduciary Net Position, End of Year	 <u>\$ 866,877</u>

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS
GADSDEN COUNTY CLERK OF THE CIRCUIT COURT

Note 1 - Summary of Significant Accounting Policies

Reporting Entity

Gadsden County, Florida, (the County), is a political subdivision of the State of Florida located in the panhandle of the state. The County was established under Article VIII, Section 1(d), Constitution of the State of Florida.

The Clerk of the Circuit Court (the Clerk) is an elected Constitutional Officer of the County pursuant to Article VIII, Section (1) of the Constitution of the State of Florida. For financial statement and reporting purposes, the Clerk is a separate Constitutional Officer as provided by Chapter 218, Florida Statutes. However, the Clerk does not meet the definition of a legally separate organization and is not considered to be a component unit. Accordingly, the Clerk is considered to be a part of the primary government of the County, and the financial activities of the Clerk are included as such in the County's annual financial report, along with the other Constitutional Officers and the Gadsden County Board of County Commissioners (the Board). The financial statements contained herein represent the financial transactions of the Clerk only. There are no component units for the Clerk to consider for inclusion in these financial statements.

The Clerk funds his non-court operations as a Budget Officer and a Fee Officer pursuant to Florida Statutes, Chapters 28, 129, and 218, respectively. As a Budget Officer, the operations of the Clerk are funded by the County General Fund. The receipts from the County General Fund are recorded as other financing sources on the Clerk's general fund financial statements. Any excess of revenues and other financing sources received over expenditures of the general fund are remitted to the County General Fund at year-end. The court-related operations of the Clerk are funded from fees and charges authorized under Chapter 2013-44, Laws of Florida and are reported in the Court Fund. At year-end, any excess of revenues over court-related expenditures of the Court Fund are remitted to the State of Florida pursuant to Florida Statute 28.37.

Basis of Presentation

The accompanying financial statements include all the funds and accounts of the Clerk's office, but are not a complete presentation of the County as a whole. Except for this matter, they are otherwise in conformity with accounting principles generally accepted in the United States of America (GAAP). The accompanying financial statements were prepared for the purpose of complying with Section 218.39, Florida Statutes, and Section 10.557, *Rules of the Auditor General—Local Governmental Audits*.

Fund Accounting

The financial activities of the Clerk are recorded in separate funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Government resources are allocated to, and accounted for, in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

**NOTES TO FINANCIAL STATEMENTS
GADSDEN COUNTY CLERK OF THE CIRCUIT COURT**

The purposes of the Clerk's various funds are categorized and described as follows:

■ **Governmental Fund Types**

● **Major Funds**

▶ **General Fund**

The General Fund is used to account for all revenues and expenditures applicable to the general operations of the Clerk that are not required either legally or by accounting principles generally accepted in the United States of America to be accounted for in another fund.

▶ **Court Fund**

The Court Fund was established to account for court-related revenues and expenditures and are required to be reported separately from the Clerk's General Fund activities.

▶ **Jury Fund**

The Jury Fund is used to account for costs associated with all operational aspects of jury management. Revenue is received in advance from the Justice Administrative Commission (JAC) and quarterly reports of expenses are submitted to the Florida Clerks of Court Operations Corporation, (CCOC). Unused funds are deferred at year end to be used in the following year.

▶ **Additional State Funding**

The Additional State Funding Fund is used to account for revenues and expenditures related to state grants for pandemic recovery.

▶ **Public Records Trust Fund**

The Public Records Trust Fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for the public records system of the Clerk's office and additional court-related operational needs and program enhancements.

■ **Fiduciary Fund Type**

● **Custodial Funds**

The Custodial Funds are used to account for assets held by the Clerk in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units. These are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Basis of Accounting

Basis of accounting refers to the method by which revenues and expenditures are recognized in the accounts and reported in the fund financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The modified accrual basis of accounting is followed by the governmental funds and custodial funds. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available to finance expenditures of the current period. The Clerk considers revenues to be available if they are collected within 30 days of the end of the current fiscal period. Expenditures are recorded when the liability is incurred, except for accumulated sick and vacation pay, which are not recorded until paid. Charges for services and investment revenue are recorded as earned.

NOTES TO FINANCIAL STATEMENTS
GADSDEN COUNTY CLERK OF THE CIRCUIT COURT

The Custodial Funds are accounted for using an economic resource measurement focus and accrual basis of accounting requiring a resource flow statement. Liabilities are recognized when an event occurs that compels the Clerk to disburse fiduciary resources, which is when a demand for resources has been made or when no further action, approval, or condition is required to be taken or not by the beneficiary to release the assets.

Measurement Focus

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

Budgets and Budgetary Accounting

Governmental fund revenues and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with the Florida Statutes. An annual budget was adopted for the General Fund, Public Records Trust Fund, Jury Fund, and Additional State Funding Fund. All budget amounts presented in the accompanying financial statements have been adjusted for legally authorized amendments of the annual budget for the year. A budget was adopted for the Court Fund and approved by the Florida CCOC. Budgets are prepared on the modified accrual basis of accounting.

The Clerk’s annual budgets are monitored at varying levels of classification detail. However, for purposes of budgetary control, expenditures cannot legally exceed the total annual budget appropriations at the individual fund level. All appropriations lapse at year-end.

Capital Assets

Capital assets purchased in the Governmental Fund type are recorded as expenditures (capital outlay) at the time of purchase. The tangible personal property used by the Clerk is recorded by the Board as capital assets, at cost, in the statement of net position in the government-wide financial statements of the County. The Clerk maintains custodial responsibility for the capital assets used by the Clerk.

Compensated Absences

Employees accrue vacation leave based on their length of employment. They may accrue from 13 to 20 days of vacation leave per year. A minimum of five consecutive days of vacation leave must be taken by each employee every year. Vacation leave in excess of 240 hours is transferred to sick leave on December 31 following the end of the fiscal year. Employees are not paid for vacation leave in lieu of taking vacation. An employee is paid for earned vacation leave only upon separation or by authorization of the Clerk. Upon retirement or resignation, employees may be paid a cash benefit equal to the number of vacation hours accumulated, based upon the employee’s current wage rate.

Employees earn four hours of sick leave for each two weeks of employment. Upon separation, employees of the Clerk, with three years or more of consecutive service, are paid twenty-five percent of their sick leave balance.

NOTES TO FINANCIAL STATEMENTS
GADSDEN COUNTY CLERK OF THE CIRCUIT COURT

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 16, *Accounting for Compensated Absences*, the Clerk uses the vesting method to calculate the liability for compensated absences. The Clerk does not, nor is he legally required to, accumulate expendable available financial resources to liquidate these obligations. Accordingly, the liability for compensated absences is not reported in the General Fund but is included in the statement of net position in the government-wide financial statements of the County.

Unearned Revenue

In accordance with requirements of the CCOC, the Clerk reports unearned revenue for court-related fines and fees collected in September of 2022, which are to be used as advance funding for the Clerk's Court operations in the following fiscal year. Additionally, the Jury Fund reports unearned revenue for proceeds received from the JAC that were not spent in the current year and can carry forward to the following year.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make use of estimates that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amount of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Transfers In and Out

The Clerk is a fee officer whose operating budget is funded from fees, fines, and service charges relating to various statutory court and non-court services provided by the office. The Clerk also receives appropriations from the Board to fund the Clerk's functions as auditor and custodian of County funds. The payments by the Board to fund these services are recorded as transfers out on the financial statements of the Board and as transfers in on the financial statements of the Clerk.

In accordance with Section 218.36, Florida Statutes, all General Fund non-court-related revenues in excess of non-court-related expenditures during the fiscal year are distributed to the Board within 31 days following the end of the fiscal year. In accordance with Section 28.37, Florida Statutes, the excess of court-related fees, service charges, court costs, and fines retained by the Clerk in excess of approved court-related expenditures, are distributed to the Florida Department of Revenue by January 1 following the Clerk's fiscal year-end.

Fund Balance Reporting

The Clerk has implemented the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54), as required. The purpose of GASB 54 is to improve the consistency and usefulness of fund balance information to the financial statement user. The statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which the organization is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components: non-spendable, restricted, committed, assigned, and unassigned.

- **Non-Spendable**—This component of fund balance consists of amounts that cannot be spent because: (a) they are not expected to be converted to cash, or (b) they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an endowment fund. The Clerk does not have any non-spendable funds.

**NOTES TO FINANCIAL STATEMENTS
GADSDEN COUNTY CLERK OF THE CIRCUIT COURT**

- **Restricted**—This component of fund balance consists of amounts that are constrained either: (a) externally by third parties (creditors, grantors, contributors, laws, or regulations of other governments), or (b) by law through constitutional provisions or enabling legislation.
- **Committed**—This component of fund balance consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (e.g., ordinance or resolution) of the County’s governing body. These committed amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (e.g., ordinance or resolution) it employed previously to constrain those amounts.
- **Assigned**—This component of fund balance consists of amounts that are constrained by a less-than-formal action of the organization’s governing authority, or by an individual or body to whom the governing authority has delegated this responsibility. The Clerk has not delegated the responsibility to assign fund balances to any individual or body.
- **Unassigned**—This classification is used for: (a) negative unrestricted fund balances in any governmental fund, or (b) fund balances within the General Fund that are not restricted, committed, or assigned.

When both restricted and unrestricted resources are available for use, it is the Clerk’s policy to use restricted resources first, then unrestricted resources (committed, assigned, and unassigned) as they are needed. When unrestricted resources (committed, assigned, and unassigned) are available for use, it is the Clerk’s policy to use committed resources first, then assigned, and then unassigned as needed.

Adoption of New Accounting Standard

During the year ended September 30, 2022, the Clerk adopted new accounting guidance by implementing the provisions of GASB Statement No. 87, *Leases*, which established criteria for identifying and reporting leases. Leases with an initial term of one year or less are recorded in Operating Expenses when incurred. Leases with non-cancellable terms greater than one year are evaluated for applicability under the standard based on materiality levels established by the County. Leases that qualify for reporting under the new standard are initially recognized as a Capital Outlay Expense and Other Financing Source in the year of inception of the lease. Subsequent payments on the lease are reported as debt service expenditures. A right-to-use asset and associated lease liability are recorded on the County-wide financial statements at the present value of the future lease payments including any residual value guarantees that are reasonably certain of being required or purchase options that are reasonably certain of being exercised. For the fiscal year ended September 30, 2022, the aggregate financial impact of the implementation of this standard was not deemed to be material to the Clerk’s financial statements.

Note 2 - Cash

As of September 30, 2022, the Clerk had the following in cash:

	Carrying Amount
Cash on Hand	\$ 1,900
Deposits in Qualified Public Depositories	1,510,910
Total Cash	\$ 1,512,810

**NOTES TO FINANCIAL STATEMENTS
GADSDEN COUNTY CLERK OF THE CIRCUIT COURT**

Credit Risk

The Clerk’s investment practices are governed by Section 218.415(17), Florida Statutes, which provides for the following authorized investments:

- The Florida PRIME (formerly the Local Government Surplus Trust Funds Investment Pool) or any authorized intergovernmental investment pool.
- Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency.
- Interest-bearing time deposits or savings accounts in qualified public depositories.
- Direct obligations of the U.S. Treasury.

The Clerk has no investment policy that would further limit its investment choices.

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the government’s deposits may not be returned to it.

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 Clerk’s deposits are therefore considered fully insured or collateralized. Bank deposit balances at September 30, 2022, were \$2,092,497.

Note 3 - Pension and Postemployment Benefits Other Than Pension Benefits

Florida Retirement System (FRS) Pension Benefits

The Clerk participates in FRS to provide benefits to his employees. A detailed plan description and any liability for employees of the Clerk are included in the financial statements of the County.

Postemployment Benefits Other than Pensions

The Clerk participates in the plan established by the Board to provide other postemployment benefits to retirees of the Board and Constitutional Officers. A detailed plan description and any liability for employees of the Clerk are included in the financial statements of the County.

Note 4 - Long-Term Liabilities

A summary of the changes in long-term liabilities is a follows:

	Balance			Balance
	<u>October 1, 2021</u>	<u>Additions</u>	<u>Retirements</u>	<u>September 30, 2022</u>
Liability for Compensated Absences	\$ 155,562	\$ 230,069	\$ (236,413)	\$ 149,218
Total	\$ 155,562	\$ 230,069	\$ (236,413)	\$ 149,218

**NOTES TO FINANCIAL STATEMENTS
GADSDEN COUNTY CLERK OF THE CIRCUIT COURT**

Of the \$149,218 liability for accrued compensated absences, management estimates that \$83,001 will be due and payable within one year. The long-term liabilities are not reported in the financial statements of the Clerk since it is not payable from available resources at September 30, 2022. As discussed in Note 1, they are reported in the statement of net position in the government-wide financial statements of the County.

Note 5 - Risk Management

The Clerk is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors or omissions; injuries to employees and the public; or damage to property of others. The Clerk participates in the risk management program through the Board, which uses commercial insurance and a public entity risk pool to cover certain risks from loss.

The Board participates in the Florida Association of Counties Trust (FACT), a public entity risk pool for risks related to comprehensive general liability. The agreement provides that the financial liability of each participating county is limited to premiums and surplus contributions paid or obligations made to FACT. Aggregate coverage provided is limited to \$1,000,000 for each claim.

Note 6 - Interfund Receivables and Payables

Interfund receivables and payables at September 30, 2022, are as follow:

	Due from Other Funds	Due to Other Funds
General Fund	\$ 2,939	\$ -
Special Revenue Funds:		
Court Fund	14,230	-
Jury Fund	-	13,701
Custodial Funds:		
Clerk Trust	-	1,928
Cash Bonds	-	529
Child Support	-	1,011
Total	\$ 17,169	\$ 17,169

Interfund balances generally result from funds being deposited in one fund but not remitted to another fund until the subsequent month. All interfund balances are expected to be liquidated within three months.

OTHER FINANCIAL INFORMATION

**COMBINING STATEMENT OF FIDUCIARY NET POSITION
ALL CUSTODIAL FUNDS
SEPTEMBER 30, 2022
GADSDEN COUNTY CLERK OF THE CIRCUIT COURT**

	<u>Clerk Trust</u>	<u>Cash Bonds</u>	<u>Child Support</u>	<u>Total of All Agency Funds</u>
Assets				
Cash	\$ 770,142	\$ 185,992	\$ 2,853	\$ 958,987
Total Assets	<u>770,142</u>	<u>185,992</u>	<u>2,853</u>	<u>958,987</u>
Liabilities				
Due to Other Funds	1,928	529	1,011	3,468
Due to Other Governments	47,872	-	1,212	49,084
Due to Individuals	38,928	-	630	39,558
Total Liabilities	<u>88,728</u>	<u>529</u>	<u>2,853</u>	<u>92,110</u>
Fiduciary Net Position	<u>\$ 681,414</u>	<u>\$ 185,463</u>	<u>\$ -</u>	<u>\$ 866,877</u>

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
ALL CUSTODIAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022
GADSDEN COUNTY CLERK OF THE CIRCUIT COURT**

	Clerk Trust	Cash Bonds	Child Support	Total
Additions				
Fines, Forfeitures, and Fees Collected	\$ 5,512,314	\$ -	\$ -	\$ 5,512,314
Tax Deeds and Fees Collected	493,729	-	-	493,729
Support and Fees Collected	-	-	544,424	544,424
Registry of the Court and Fees Collected	1,619,317	-	-	1,619,317
Recording Fees Collected	2,728,833	-	-	2,728,833
Bail Bonds and Fees Collected	-	91,221	-	91,221
Total Additions	10,354,193	91,221	544,424	10,989,838
Deductions				
Fines, Forfeitures, and Fees Distributed	5,460,838	-	-	5,460,838
Tax Deeds and Fees Distributed	455,094	-	-	455,094
Support and Fees Distributed	-	-	544,424	544,424
Registry of the Court and Fees Distributed	1,590,696	-	-	1,590,696
Recording Fees Distributed	2,782,217	-	-	2,782,217
Bail Bonds and Fees Distributed	-	70,071	-	70,071
Total Deductions	10,288,845	70,071	544,424	10,903,340
Change in Fiduciary Net Position	65,348	21,150	-	86,498
Fiduciary Net Position, Beginning of Year	616,066	164,313	-	780,379
Fiduciary Net Position, End of Year	\$ 681,414	\$ 185,463	\$ -	\$ 866,877

OTHER REPORTS

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

The Honorable Nicholas Thomas
Gadsden County Clerk of the Circuit Court
Gadsden County, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of each major fund and the aggregate remaining fund information of the Clerk of the Circuit Court of Gadsden County, Florida (the Clerk) as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Clerk's basic financial statements, and have issued our report thereon dated June 20, 2023.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

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The Honorable Nicholas Thomas
Gadsden County Clerk of the Circuit Court
Gadsden County, Florida

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

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Clerk'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 Clerk's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



June 20, 2023
Tallahassee, Florida

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 218.415 – INVESTMENT OF PUBLIC FUNDS

The Honorable Nicholas Thomas
Gadsden County Clerk of the Circuit Court
Gadsden County, Florida

We have examined Gadsden County, Florida, Clerk of the Circuit Court's (the Clerk) compliance with the requirements of Section 218.415, Florida Statutes, as of and for the year ended September 30, 2022, as required by Section 10.556(10)(a), *Rules of the Auditor General*. Management is responsible for the Clerk's compliance with those requirements. Our responsibility is to express an opinion on the Clerk's compliance based on our examination.

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

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

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

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

This report 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, the Clerk, its management, and the Board of County Commissioners of Gadsden County, Florida and is not intended to be, and should not be, used by anyone other than these specified parties.



June 20, 2023
Tallahassee, Florida

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INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTIONS 28.35 AND 28.36, FLORIDA STATUTES

The Honorable Nicholas Thomas
Gadsden County Clerk of the Circuit Court
Gadsden County, Florida

We have examined Gadsden County, Florida, Clerk of the Circuit Court's (the Clerk) compliance with the requirements of Sections 28.35, Florida Statutes, *Florida Clerks of Court Operations Corporation*, and Section 28.36, Florida Statutes, *Budget Procedure*, during the year ended September 30, 2022, as required by Section 10.556(10)(b), *Rules of the Auditor General*. Management is responsible for the Clerk's compliance with those requirements. Our responsibility is to express an opinion on the Clerk's compliance based on our examination.

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

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

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

In our opinion, the Clerk complied, in all material respects, with the requirements of Section 28.35, Florida Statutes, *Florida Clerks of Court Operations Corporation*, and Section 28.36, Florida Statutes, *Budget Procedure*, for the year ended September 30, 2022.

This report 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, the Clerk, its management, and the Board of County Commissioners of Gadsden County, Florida, and is not intended to be, and should not be, used by anyone other than these specified parties.



June 20, 2023
Tallahassee, Florida

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INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 61.181, FLORIDA STATUTES

The Honorable Nicholas Thomas
Gadsden County Clerk of the Circuit Court
Gadsden County, Florida

We have examined Gadsden County, Florida, Clerk of the Circuit Court's (the Clerk) compliance with the requirements of Section 61.181, Florida Statutes, *Depository for Alimony Transactions, Support, Maintenance, and Support Payments; Fees*, during the year ended September 30, 2022, as required by Section 10.556(10)(d), *Rules of the Auditor General*. Management is responsible for the Clerk's compliance with those requirements. Our responsibility is to express an opinion on the Clerk's compliance based on our examination.

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

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

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

In our opinion, the Clerk complied, in all material respects, with the requirements of Section 61.181, Florida Statutes, *Depository for Alimony Transactions, Support, Maintenance, and Support Payments; Fees*, for the year ended September 30, 2022.

This report 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, the Clerk, its management, and the Board of County Commissioners of Gadsden County, Florida, and is not intended to be, and should not be, used by anyone other than these specified parties.



June 20, 2023
Tallahassee, Florida

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MANAGEMENT LETTER

The Honorable Nicholas Thomas
Gadsden County Clerk of the Circuit Court
Gadsden County, Florida

Report on the Financial Statements

We have audited the financial statements of each major fund and the aggregate remaining fund information of the Gadsden County, Florida, Clerk of the Circuit Court (the Clerk) as of and for the fiscal year ended September 30, 2022, and have issued our report thereon dated June 20, 2023.

Auditor's 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 Florida Auditor General*.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Reports on examinations conducted in accordance with American Institute of Certified Public Accountants *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 June 20, 2023, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings or recommendations made in the preceding annual financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The Clerk was established by the Constitution of the State of Florida, Article VIII, Section 1(d). There were no component units related to the Clerk.

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The Honorable Nicholas Thomas
Gadsden County Clerk of the Circuit Court
Gadsden County, Florida

MANAGEMENT LETTER

Financial Management

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

Additional Matters

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

Purpose of this Letter

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

We wish to take this opportunity to thank you and your staff for the cooperation and courtesies extended to us during the course of our audit. Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.



June 20, 2023
Tallahassee, Florida

2022

Gadsden County Sheriff

Financial Statements and
Independent Auditor's Report

September 30, 2022

PURVIS GRAY
CERTIFIED PUBLIC ACCOUNTANTS

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

**GADSDEN COUNTY SHERIFF
GADSDEN COUNTY, FLORIDA**

SEPTEMBER 30, 2022

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INDEPENDENT AUDITOR'S REPORT

The Honorable Morris A. Young
Gadsden County Sheriff
Gadsden County, Florida

Opinions

We have audited the financial statements of each major fund and the aggregate remaining fund information of the Gadsden County, Florida Sheriff (the Sheriff) as of and for the fiscal year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the Sheriff as of September 30, 2022, and the respective changes in financial position thereof, and the respective budgetary comparison for each major fund for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

Incomplete Presentation

As discussed in Note 1 to the financial statements, the 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 (the Rules). In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of each major fund, and the aggregate remaining fund information, only for that portion of the major funds, and the aggregate remaining fund information, of Gadsden County, Florida that is attributable to the Sheriff. They do not purport to, and do not, present fairly the financial position of Gadsden County, Florida as of September 30, 2022, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

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The Honorable Morris A. Young
Gadsden County Sheriff
Gadsden County, Florida

INDEPENDENT AUDITOR'S REPORT

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS 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, individually or in the aggregate, they could reasonably be expected to influence the judgment made by a reasonable user made on the basis of these financial statements.

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

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

The Honorable Morris A. Young
Gadsden County Sheriff
Gadsden County, Florida

INDEPENDENT AUDITOR'S REPORT

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

Other Financial Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Sheriff's basic financial statements. The other financial information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the other financial information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2023, on our consideration of the Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Sheriff's internal control over financial reporting and compliance.



June 22, 2023
Tallahassee, Florida

FINANCIAL STATEMENTS

**BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022
GADSDEN COUNTY SHERIFF**

	<u>Major Funds</u>			<u>Total Governmental Funds</u>
	<u>General Fund</u>	<u>Inmate Welfare</u>	<u>Other Governmental Funds</u>	
Assets				
Cash	\$ 271,044	\$ 713,044	\$ 128,064	\$ 1,112,152
Prepaid Expenses	66,541	-	-	66,541
Due from Other Funds	609,393	-	175,806	785,199
Due from Board of County Commissioners	111,759	-	215,090	326,849
Due from Other Governments	18,750	-	-	18,750
Miscellaneous Receivables	99,749	-	106,778	206,527
Total Assets	<u>1,177,236</u>	<u>713,044</u>	<u>625,738</u>	<u>2,516,018</u>
Liabilities and Fund Balance				
Liabilities				
Accounts Payable and Accrued Expenses	584,538	1,728	675	586,941
Due to Board of County Commissioners	234,107	-	-	234,107
Due to Other Governments	6,562	-	-	6,562
Due to Other Funds	141,065	240,934	368,459	750,458
Unearned Revenues	210,964	-	17,835	228,799
Total Liabilities	<u>1,177,236</u>	<u>242,662</u>	<u>386,969</u>	<u>1,806,867</u>
Fund Balances				
Restricted:				
Radio Communications	-	-	210,859	210,859
Inmate Welfare	-	470,382	-	470,382
Committed:				
Teen Court	-	-	27,910	27,910
Total Fund Balances	<u>-</u>	<u>470,382</u>	<u>238,769</u>	<u>709,151</u>
Total Liabilities and Fund Balances	<u>\$ 1,177,236</u>	<u>\$ 713,044</u>	<u>\$ 625,738</u>	<u>\$ 2,516,018</u>

See accompanying notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022
GADSDEN COUNTY SHERIFF**

	<u>Major Funds</u>		<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
	<u>General Fund</u>	<u>Inmate Welfare</u>		
Revenues				
Intergovernmental Revenue	\$ -	\$ -	\$ 864,185	\$ 864,185
Charges for Services	-	-	70,713	70,713
Miscellaneous Revenue	192,067	291,519	-	483,586
Total Revenues	<u>192,067</u>	<u>291,519</u>	<u>934,898</u>	<u>1,418,484</u>
Expenditures				
Public Safety:				
Personnel Services	5,988,359	139,312	457,328	6,584,999
Operating	1,770,166	276,828	776,233	2,823,227
Capital Outlay	190,291	-	15,176	205,467
Debt Service:				
Principal	222,623	-	-	222,623
Interest	18,928	-	-	18,928
(Total Expenditures)	<u>(8,190,367)</u>	<u>(416,140)</u>	<u>(1,248,737)</u>	<u>(9,855,244)</u>
Excess (Deficiency) of Expenditures Over (Under) Revenues	<u>(7,998,300)</u>	<u>(124,621)</u>	<u>(313,839)</u>	<u>(8,436,760)</u>
Other Financing Sources				
Transfers from Board of County Commissioners	7,820,496	-	346,590	8,167,086
Transfers to Board of County Commissioners	(12,487)	-	-	(12,487)
Lease Obligations	190,291	-	-	190,291
Total Other Financing Sources	<u>7,998,300</u>	<u>-</u>	<u>346,590</u>	<u>8,344,890</u>
Net Change in Fund Balances	-	(124,621)	32,751	(91,870)
Fund Balances, Beginning of Year	<u>-</u>	<u>595,003</u>	<u>206,018</u>	<u>801,021</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ 470,382</u>	<u>\$ 238,769</u>	<u>\$ 709,151</u>

See accompanying notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022
GADSDEN COUNTY SHERIFF**

	General Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
Intergovernmental Revenue	\$ -	\$ -	\$ -	\$ -
Miscellaneous Revenue	92,500	92,500	192,067	99,567
Total Revenues	<u>92,500</u>	<u>92,500</u>	<u>192,067</u>	<u>99,567</u>
Expenditures				
Public Safety:				
Personnel Services	5,990,200	5,990,200	5,988,359	1,841
Operating	1,922,837	1,922,837	1,770,166	152,671
Capital Outlay	-	-	190,291	(190,291)
Debt Service:				
Principal	-	-	222,623	(222,623)
Interest	-	-	18,928	(18,928)
(Total Expenditures)	<u>(7,913,037)</u>	<u>(7,913,037)</u>	<u>(8,190,367)</u>	<u>(277,330)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(7,820,537)</u>	<u>(7,820,537)</u>	<u>(7,998,300)</u>	<u>(177,763)</u>
Other Financing Sources				
Transfers from Board of County Commissioners	7,820,537	7,820,537	7,820,496	(41)
Transfers to Board of County Commissioners	-	-	(12,487)	(12,487)
Lease Obligations	-	-	190,291	190,291
Total Other Financing Sources	<u>7,820,537</u>	<u>7,820,537</u>	<u>7,998,300</u>	<u>177,763</u>
Net Change in Fund Balances	-	-	-	-
Fund Balances, Beginning of Year	-	-	-	\$ -
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - INMATE WELFARE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022
GADSDEN COUNTY SHERIFF**

	Inmate Welfare Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
Miscellaneous Revenue	\$ 420,000	\$ 420,000	\$ 291,519	\$ (128,481)
Total Revenues	<u>420,000</u>	<u>420,000</u>	<u>291,519</u>	<u>(128,481)</u>
Expenditures				
Public Safety:				
Personnel Services	143,150	143,150	139,312	3,838
Operating	276,850	276,850	276,828	22
(Total Expenditures)	<u>(420,000)</u>	<u>(420,000)</u>	<u>(416,140)</u>	<u>3,860</u>
Net Change in Fund Balances	-	-	(124,621)	(124,621)
Fund Balances, Beginning of Year	<u>595,003</u>	<u>595,003</u>	<u>595,003</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 595,003</u>	<u>\$ 595,003</u>	<u>\$ 470,382</u>	<u>\$ (124,621)</u>

See accompanying notes to financial statements.

**GADSDEN COUNTY SHERIFF
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2022**

	Custodial Funds
Assets	
Cash	\$ 59,065
Miscellaneous Receivables	2,371
Total Assets	61,436
 Liabilities	
Unremitted Collections	408
Due to Board of County Commissioners	33,004
Total Liabilities	33,412
 Net Position	\$ 28,024

See accompanying notes to financial statements.

**GADSDEN COUNTY SHERIFF
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	Custodial Funds
Additions	
Inmate Funds Collected	\$ 472,187
Fines, Forfeitures, and Fees Collected	33,222
Total Additions	505,409
 Deductions	
Inmate Funds Disbursed	462,796
Fines, Forfeitures, and Fees Disbursed	33,222
Total Deductions	496,018
 Change in Net Position	9,391
 Net Position, Beginning of Year	18,633
 Net Position, End of Year	\$ 28,024

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

**NOTES TO FINANCIAL STATEMENTS
GADSDEN COUNTY SHERIFF**

Note 1 - Summary of Significant Accounting Policies

Reporting Entity

Gadsden County, Florida (the County) is a political subdivision of the State of Florida located in the northern portion of the state. The County was established under Article VIII, Section 1(d), *Constitution of the State of Florida*.

The Gadsden County, Florida, Sheriff (the Sheriff) is an elected Constitutional Officer of the County. For financial statement and reporting purposes, the Sheriff is a separate Constitutional Officer as provided by Chapter 218, Florida Statutes. However, the Sheriff does not meet the definition of a legally separate organization and is not considered to be a component unit. Accordingly, the Sheriff is considered to be a part of the primary government of the County, and the financial activities of the Sheriff are included as such in the annual comprehensive financial report, along with the other Constitutional Officers and the Gadsden County Board of County Commissioners (the Board). The financial statements contained herein represent the financial transactions of the Sheriff only. There are no component units for the Sheriff to consider for inclusion in its financial statements.

The accounting policies of the Sheriff conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of the more significant policies.

Basis of Presentation

The accompanying financial statements include all the funds and accounts of the Sheriff's office but are not a complete presentation of the County as a whole. Except for this matter, they are otherwise in conformity with GAAP. The accompanying financial statements were prepared for the purpose of complying with Section 218.39, Florida Statutes, and Section 10.557, *Rules of the Auditor General Local Governmental Entity Audits*.

The financial transactions of the Sheriff are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. These funds are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. GAAP sets forth minimum criteria (percentage of assets, liabilities, revenues, and expenditures of each fund category) for the determination of major funds. Major funds are reported separately in the basic financial statements of the Sheriff.

Fund Accounting

The financial activities of the Sheriff are recorded in separate funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

NOTES TO FINANCIAL STATEMENTS
GADSDEN COUNTY SHERIFF

The Sheriff reports the following major and non-major governmental funds:

■ **Major Governmental Funds**

- **General Fund**—The General Fund is used to account for all revenues and expenditures applicable to the general operations of the Sheriff that are not required either legally or by GAAP to be accounted for in another fund.
- **Inmate Welfare**—A Special Revenue Fund, which accounts for commissions received from pay telephones and commissary profits restricted for the benefit of inmates.

■ **Non-Major Governmental Funds**

- **Special Revenue Funds**—Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. The Sheriff reports the following special revenue funds in the financial statements under the title “Other Governmental Funds”:
 - ▶ **VOCA**—Accounts for the activities related to funds received from the Florida Attorney General for use related to the *Victims Crime Act*.
 - ▶ **Emergency Management**—Accounts for the activities related to establishing and maintaining disaster assistance services.
 - ▶ **E-911**—Accounts for the activities related to funds received from the Florida Department of Management Services for the prorated share of E-911 cell phone tax.
 - ▶ **Teen Court**—Accounts for the activities related to establishing and maintaining a teen court pursuant to the County ordinance Section 26-1.
 - ▶ **Civil Citations**—Accounts for the activities related to funds received from the State of Florida Department of Juvenile Justice under the Civil Citations/Restoring Families Grant.
 - ▶ **Victims Special**—Accounts for the activities related to funds received from the State of Florida for the Victim Advocates’ Assistance Emergency Fund.
 - ▶ **Guardian Training**—A Special Revenue Fund, which accounts for the activities related to providing training and certification of individuals seeking to become or maintain active status as “Guardians” within the Coach Aaron Feis Guardian Program, in accordance with the *Marjory Stoneman Douglas High School Public Safety Act*.
 - ▶ **Radio Communications**—A Special Revenue Fund, which accounts for activities related to moving violation fines restricted for use for the radio communications program and local law enforcement automation.
 - ▶ **DEM Federal**—Accounts for the activities related to the emergency management preparedness grant funded by the U.S. Department of Homeland Security passed through the Board.

NOTES TO FINANCIAL STATEMENTS
GADSDEN COUNTY SHERIFF

- ▶ **Towing and Impound**—Accounts for the activities related to funds received from program generated income for narcotic-related activities from the Justice Assistance Grant.
 - ▶ **DJJ Teen Success Academy**—Accounts for the activities related to the youth-centered program grant funded by the Florida Department of Juvenile Justice.
 - ▶ **DJJ Restoring Families**—Accounts for the activities related to the family unit continuity assistance grant funded by the Florida Department of Juvenile Justice.
 - ▶ **DCF Mental Health**—Accounts for the activities related to the Criminal Justice, Mental Health, and Substance Abuse (CJMHS) Reinvestment Grant funded by the Florida Department of Children and Families.
- **Fiduciary Funds**
- **Custodial Funds**—The Custodial Funds account for the assets held by the Sheriff in a trustee capacity as an agent for individuals, private organizations, and/or governmental units.

Measurement Focus/Basis of Accounting

All governmental funds are accounted for on a current financial resources measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of “available spendable resources.” Their operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets and, accordingly, are said to present a summary of sources and uses of “available spendable resources” during a period. Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Revenues are recognized when they become measurable and available as net current assets. Revenues are considered to be available when they are collectable within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considered revenues to be available if they are collected within 31 days of the end of the current fiscal period, except for grant revenues, which are considered to be available if collected within 60 days. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. However, principal and interest on long-term debt are recognized when due.

The custodial funds are accounted for using an economic resource measurement focus and accrual basis of accounting requiring a resource flow statement. Liabilities are recognized when an event occurs that compels the Sheriff to disburse fiduciary resources, which is when a demand for resources has been made or when no further action, approval, or condition is required to be taken by the beneficiary to release the assets.

Budgets and Budgetary Accounting

Expenditures are controlled by appropriations in accordance with the budget requirements set forth in the Florida Statutes. Budgets are adopted for the General Fund and for the Non-Major Governmental Funds. The Radio Communications Fund and the Inmate Welfare Fund expenditures are restricted by statute; therefore, these budgets are not approved by the Board.

**NOTES TO FINANCIAL STATEMENTS
GADSDEN COUNTY SHERIFF**

The Sheriff follows these procedures in establishing the budgetary data reflected in the fund financial statements:

Sections 129.03 and 30.49 of the Florida Statutes require the Sheriff to establish an annual budget reflecting resources available and functions for which funds are to be expended.

- The proposed budget is filed with the Board by May 1 preceding the fiscal year of the budget. Prior to October 1, the budget is legally enacted by approval of the Board subject to the notice and hearing requirements of Section 200.065 of the Florida Statutes.
- The Sheriff's budget can be amended by the Board as necessary during the year. Line item expenditures in excess of appropriations are authorized to the extent that total expenditures by category do not exceed total appropriations by category.
- Formal budgetary integration is employed as a management control device during the year for the Sheriff's General Fund. Appropriations lapse at the close of the fiscal year to the extent they have not been expended.
- The budget for the Sheriff's General Fund is adopted on a basis consistent with GAAP.

The budgeted revenues and expenditures in the accompanying statement of revenues, expenditures, and changes in fund balances - budget and actual reflect the Sheriff's original adopted budget and the final budget with all amendments approved by the Sheriff and the Board.

Capital Assets

The Sheriff is accountable for, and thus maintains, capital asset records pertaining to the equipment used in his operations. Real property used by the Sheriff is accounted for by the Board, as the Board holds legal title and is accountable for such assets under Florida law.

Capital assets purchased in the Governmental Funds costing \$5,000 or more and having a useful life in excess of one year are recorded as expenditures (capital outlay) at the time of purchase.

Capital assets acquired under leases are recorded at the net present value of future minimum lease payments as capital outlay expenditures and other financing sources at inception of the capital lease. The tangible personal property used by the Sheriff is reported as capital assets, at cost, in the statement of net position as part of the government-wide financial statements of the County. Donated and confiscated fixed assets are recorded in the County's statement of net position at fair value at the time received. Capital assets are depreciated using the straight-line method over three to seven years. The depreciation expense is recorded in the statement of activities as part of the government-wide financial statements of the County.

Liability for Compensated Absences

Employees accrue vacation leave based on their employment date and length of employment. They may accrue from 12 to 18 days of vacation per year. Annual leave in excess of 30 days is forfeited on December 31. Employees are generally not paid for vacation leave in lieu of taking a vacation except that

**NOTES TO FINANCIAL STATEMENTS
GADSDEN COUNTY SHERIFF**

an employee may be paid for earned vacation leave upon separation, and annual additional benefit payments of accumulated annual leave in excess of 240 hours (at a designated, across-the-board percentage of hourly pay) can be paid prior to the end of each fiscal year as declared by general order in the event of funds availability.

Employees earn one day of sick leave for each month of employment. Sick leave can be carried forward from year-to-year. An employee with five years of service or more may be paid for 25% of accrued sick leave upon separation. An employee with twenty years of service or more who is retiring under the Florida Retirement System may be paid for 50% of accrued sick leave.

The Sheriff uses the vesting method to calculate the liability for compensated absences. The Sheriff does not, nor is he legally required to, accumulate expendable available financial resources to liquidate these obligations. Accordingly, the liability for compensated absences is not reported in the General Fund but is included in the statement of net position in the government-wide financial statements of the County.

Transfers In and Out

The Board funds primarily all of the operating budget of the Sheriff's General Fund. The payments by the Board to fund the operations of the Sheriff are recorded as transfers out on the financial statements of the Board and as transfers in on the financial statements of the Sheriff. Section 218.36, Florida Statutes, requires the Sheriff to distribute all General Fund revenues in excess of expenditures to the Board within 31 days following the end of the fiscal year. Accordingly, such amounts are recorded as a liability and as transfers out on the financial statements of the Sheriff and as an asset and as transfers in on the financial statements of the Board.

Related Organizations - Service Fees and Common Expenses

Certain expenses, which are common to the Board and all Constitutional Officers, are reported as expenses of the Board and, therefore, are not budgeted by or allocated to the Sheriff. These expenses paid by the Board relating to the Sheriff's operations are:

- Occupancy Costs
- Property and Workers' Compensation Insurance
- Employees' Health and Life Insurance

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make use of estimates that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amount of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Fund Balance Reporting

Fund balance is reported in five components – non-spendable, restricted, committed, assigned, and unassigned.

- **Non-Spendable**—This component of fund balance consists of amounts that cannot be spent because: (a) they are not expected to be converted to cash, or (b) they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an endowment fund.

**NOTES TO FINANCIAL STATEMENTS
GADSDEN COUNTY SHERIFF**

- **Restricted**—This component of fund balance consists of amounts that are constrained either: (a) externally by third parties (creditors, grantors, contributors, or laws or regulations of other governments), or (b) by law through constitutional provisions or enabling legislation.
- **Committed**—This component of fund balance consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (e.g., ordinance or resolution) of the County’s Governing Board. These committed amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (e.g., ordinance or resolution) it employed previously to constrain those amounts.
- **Assigned**—This component of fund balance consists of amounts that are constrained by a less-than-formal action of the Sheriff, or by an individual or body to whom the Sheriff has delegated this responsibility. By definition, fund balances are also assigned to the extent that they are needed to finance a subsequent year’s budget deficit.
- **Unassigned**—This classification is used for: (a) negative unrestricted fund balances in any governmental fund, or (b) fund balances within the General Fund that are not restricted, committed, or assigned.

When both restricted and unrestricted resources are available for use, it is the Sheriff’s policy to use restricted resources first, then unrestricted resources (committed, assigned, and unassigned) as they are needed. When unrestricted resources (committed, assigned, and unassigned) are available for use, it is the Sheriff’s policy to use committed resources first, then assigned, and then unassigned as needed.

Implementation of Governmental Accounting Standards Board Statement No. 87, Leases (GASB 87)

During the year ended September 30, 2022, the Sheriff adopted new accounting guidance by implementing the provisions of GASB 87, which established criteria for identifying and reporting leases. Leases with an initial term of one year or less are recorded in Operating Expenses when incurred. Leases with non-cancellable terms greater than one year are evaluated based on materiality levels established by the County. Leases that qualify for reporting under the new standard are initially recognized as a Capital Outlay Expense and Other Financing Source in the year of inception of the lease. Subsequent payments on the lease are reported as debt service expenditures. A right-of-use asset and associated lease liability are recorded on the County-wide financial statements at the present value of the future lease payments including any residual value guarantees that are reasonably certain of being required or purchase options that are reasonably certain of being exercised. A description of the Sheriff’s leasing arrangements is included in Note 5. GASB 87 implementation required assessment of leases as of October 1, 2021. Therefore, no restatement of prior periods was required as a result of implementation.

Note 2 - Cash

As of September 30, 2022, the Sheriff had the following in cash:

	Carrying Amount
Cash and Cash Equivalents	\$ 1,171,217
Total Cash	\$ 1,171,217

**NOTES TO FINANCIAL STATEMENTS
GADSDEN COUNTY SHERIFF**

Credit Risk

The Sheriff’s investment practices are governed by Section 218.415 (17), Florida Statutes, and include the following investments:

- The Florida PRIME (formerly the Local Government Surplus Trust Fund) administered by the State Board of Administration.
- Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency.
- Interest-bearing time deposits or savings accounts in qualified public depositories.
- Direct obligations of the U.S. Treasury.

The Sheriff has no investment policy that would further limit its investment choices.

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the government’s deposits may not be returned to it.

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 Sheriff’s deposits are all held in a qualified public depository and are, therefore, considered fully insured or collateralized. Bank balances at September 30, 2022, were \$1,359,966.

Note 3 - Capital Assets

A summary of the changes in capital assets for the year ended September 30, 2022, as follows:

	<u>Balance, October 1, 2021</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance, September 30, 2022</u>
Vehicles, Furniture, and Equipment	\$ 3,204,343	\$ 41,183	\$ (623,082)	\$ 2,622,444
Right-of-Use Assets Under Leases - Vehicles	747,544	190,291	-	937,835
(Accumulated Depreciation)	(2,666,097)	(187,366)	623,082	(2,230,381)
(Accumulated Amortization - Leases)	<u>(337,903)</u>	<u>(203,182)</u>	-	<u>(541,085)</u>
Capital Assets, Net	<u>\$ 947,877</u>	<u>\$ (159,074)</u>	<u>\$ -</u>	<u>\$ 788,813</u>

Depreciation and amortization expense for the Sheriff’s assets and right-of-use assets under leases was recorded in the County’s government-wide financial statements in the amounts of \$187,366 and \$203,182, respectively.

Note 4 - Long-Term Liabilities

A summary of the changes in the long-term liabilities of the Sheriff as follows:

**NOTES TO FINANCIAL STATEMENTS
GADSDEN COUNTY SHERIFF**

	Balance, October 1, 2021	Additions	Retirements	Balance, September 30, 2022
Liability Under Leases	\$ 442,748	\$ 190,291	\$ (222,623)	\$ 410,416
Liability for Compensated Absences	518,362	391,863	(383,352)	526,873
Total	<u>\$ 961,110</u>	<u>\$ 582,154</u>	<u>\$ (605,975)</u>	<u>\$ 937,289</u>

Of the \$526,873 liability for accrued compensated absences, management estimates that \$223,169 will be due and payable within one year. Of the \$410,416 liability under leases, the estimated principal amount due and payable within one year totaled \$197,660. The long-term liabilities presented above are not reported in the financial statements of the Sheriff since they are not payable from expendable available resources at September 30, 2022.

The long-term liabilities shown above are reported in the statement of net position in the government-wide financial statements of the County.

Note 5 - Lease Obligations

Vehicle Leases

The Sheriff has commitments under various lease agreements as described below. Annual payments under the leases are reported as debt service principal and interest expenditures.

The Sheriff has entered into a Master Equity Lease Agreement with Enterprise Fleet Management for the purchase of vehicles. The lease agreement calls for monthly payments ranging from 29 to 48 months of varying amounts, including interest, with varying terms beginning in January of 2019 and ending in August of 2026. The net present value of the capital lease payments were computed utilizing interest rates ranging from 3.85% to 6.83%. There are no variable payment components, escalation provisions, or residual value guarantees by the lessee associated with this agreement.

Assets associated with equipment leases and related amortization for the year ended September 30, 2022, which are included in the capital assets summary at Note 3, are as follows:

	Balance, October 1, 2021	Additions	(Deletions)	Balance, September 30, 2022
Right-of-Use Assets Under Leases - Vehicles	\$ 747,544	\$ 190,291	-	\$ 937,835
Accumulated Amortization	(337,903)	(203,182)	-	(541,085)
Net Assets Under Leases - Vehicles	<u>\$ 409,641</u>	<u>\$ (12,891)</u>	<u>\$ -</u>	<u>\$ 396,750</u>

At September 30, 2022, aggregate future minimum lease payments are as follows:

Year Ending September 30,	Future Lease Payments			Total Payments
	Principal	Interest		
2023	\$ 197,660	\$ 19,057		\$ 216,717
2024	115,103	9,739		124,842
2025	49,358	5,144		54,502
2026	48,295	1,665		49,960
Total Future Minimum Lease Payments	<u>\$ 410,416</u>	<u>\$ 35,605</u>		<u>\$ 446,021</u>

**NOTES TO FINANCIAL STATEMENTS
GADSDEN COUNTY SHERIFF**

Note 6 - Interfund Receivables and Payables

Interfund receivables and payables at September 30, 2022, are as follows:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 609,393	\$ 141,065
Special Revenue Funds		
Inmate Welfare	-	240,934
Guardian Training	-	8,496
Civil Citations	-	2,960
Radio Communications	141,065	2,237
Emergency Management	-	31,337
DEM Federal	-	60,219
VOCA	-	34,741
E-911	-	123,534
Teen Court	-	9,613
DJJ Restoring Families	-	29,432
DJJ Teen Success Academy Grant	-	65,890
Total	<u>\$ 750,458</u>	<u>\$ 750,458</u>

Interfund receivables and payables result from temporary loans for cash flow needs associated with the time lag between when goods and services are provided and when they are ultimately reimbursed from granting agencies or the Board.

Note 7 - Pension and Postemployment Benefits Other than Pension Benefits

Florida Retirement System (FRS) Pension Benefits

The Sheriff participates in the FRS to provide benefits to his employees. A detailed plan description and any liability for employees of the Sheriff are included in the financial statements of the County.

Postemployment Benefits Other than Pensions

The Sheriff participates in the plan established by the Board to provide other postemployment benefits to retirees of the Board and Constitutional Officers. A detailed plan description and any liability for employees of the Sheriff are included in the financial statements of the County.

Note 8 - Risk Management

Professional Liability

The Sheriff is currently a member of the Florida Sheriff's Association and participates in the Florida Sheriffs' Self-Insurance Fund. The Self-Insurance Fund administers insurance activities related to professional liability and covers compensatory damages (except back pay), employment benefits, punitive damages, attorney fees or costs awarded to a prevailing plaintiff, and all legal fees involved in defense of the Sheriff. The contribution required for the year ended September 30, 2022, was \$137,986.

The limits of the Self-Insurance Fund for the above-mentioned damages, fees, and defense costs are \$3,200,000 per claim and \$3,500,000 in aggregate for the policy year. Settled claims did not exceed this coverage in the current year.

NOTES TO FINANCIAL STATEMENTS
GADSDEN COUNTY SHERIFF

Automobile Coverage

The Sheriff participates in the Florida Municipal Insurance Trust, which is sponsored by the Florida League of Cities for automobile coverage. The contribution required for the year ended September 30, 2022, was \$50,172.

Workers' Compensation

The Sheriff participates in the Florida Municipal Insurance Trust for workers' compensation coverage, which provides for coverage of risks of loss related to workers' compensation claims. The Sheriff makes payments to the fund based upon payroll exposure in the amounts needed to pay prior and current year claims. The net amount paid or accrued for the year ended September 30, 2022, was \$171,270.

Note 9 - Contingencies

Various claims and legal actions arising in the normal course of the Sheriff's operations were pending against the Sheriff at September 30, 2022. These claims are covered through the Sheriff's participation in the Florida Sheriff's Self-Insurance Fund. In the opinion of the Sheriff's legal counsel, the liabilities, which may arise from such actions, would be adequately covered by the Self-Insurance Fund. Accordingly, no provision has been made in the financial statements for such contingencies.

Note 10 - Other Disclosures

For the year ended September 30, 2022, the Sheriff's actual expenditures exceeded budgeted appropriations in the General Fund in the amount of \$277,330. Of this excess, \$190,291 was excess non-cash capital outlay expenditure recognized as a result of new leases reported under GASB 87, and the remaining \$87,039 was funded from additional unbudgeted settlement proceeds from terminations of Enterprise leases wherein the gross vehicle sale price exceeded the reduced book value of vehicles returned at lease termination.

OTHER FINANCIAL INFORMATION

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2022
GADSDEN COUNTY SHERIFF**

	<u>VOCA</u>	<u>Emergency Management</u>	<u>E-911</u>	<u>Teen Court</u>	<u>Civil Citations</u>	<u>Victims Special</u>
Assets						
Cash	\$ -	\$ -	\$ -	\$ 37,523	\$ -	\$ 17,699
Due from Other Funds	34,741	-	-	-	-	-
Due from Board of County Commissioners	-	31,337	123,534	-	-	-
Due from Other Governments	-	-	-	-	2,960	-
Total Assets	<u>34,741</u>	<u>31,337</u>	<u>123,534</u>	<u>37,523</u>	<u>2,960</u>	<u>17,699</u>
Liabilities and Fund Balances						
Liabilities						
Accounts Payable and Accrued Expenses	-	-	-	-	-	-
Due to Other Funds	34,741	31,337	123,534	9,613	2,960	-
Unearned Revenues	-	-	-	-	-	17,699
Total Liabilities	<u>34,741</u>	<u>31,337</u>	<u>123,534</u>	<u>9,613</u>	<u>2,960</u>	<u>17,699</u>
Fund Balances						
Committed:						
Teen Court	-	-	-	27,910	-	-
Restricted:						
Radio Communications	-	-	-	-	-	-
Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,910</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 34,741</u>	<u>\$ 31,337</u>	<u>\$ 123,534</u>	<u>\$ 37,523</u>	<u>\$ 2,960</u>	<u>\$ 17,699</u>

Guardian Training Grant Fund	Radio Communications	DEM Federal	Towing and Impound	DJJ Teen Success Academy	DJJ Restoring Families	DCF Mental Health	Total Other Governmental Funds
\$ -	\$ 72,706	\$ -	\$ 136	\$ -	\$ -	\$ -	\$ 128,064
-	141,065	-	-	-	-	-	175,806
-	-	60,219	-	-	-	-	215,090
8,496	-	-	-	65,890	29,432	-	106,778
<u>8,496</u>	<u>213,771</u>	<u>60,219</u>	<u>136</u>	<u>65,890</u>	<u>29,432</u>	<u>-</u>	<u>625,738</u>
-	675	-	-	-	-	-	675
8,496	2,237	60,219	-	65,890	29,432	-	368,459
-	-	-	136	-	-	-	17,835
<u>8,496</u>	<u>2,912</u>	<u>60,219</u>	<u>136</u>	<u>65,890</u>	<u>29,432</u>	<u>-</u>	<u>386,969</u>
-	-	-	-	-	-	-	27,910
-	210,859	-	-	-	-	-	210,859
<u>-</u>	<u>210,859</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>238,769</u>
<u>\$ 8,496</u>	<u>\$ 213,771</u>	<u>\$ 60,219</u>	<u>\$ 136</u>	<u>\$ 65,890</u>	<u>\$ 29,432</u>	<u>\$ -</u>	<u>\$ 625,738</u>

**COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022
GADSDEN COUNTY SHERIFF**

	VOCA	Emergency Management	E-911	Teen Court	Civil Citations	Victims Special
Revenues						
Intergovernmental Revenue	\$ 62,379	\$ -	\$ -	\$ -	\$ 23,717	\$ -
Charges for Services	-	-	-	14,185	-	-
Total Revenues	<u>62,379</u>	<u>-</u>	<u>-</u>	<u>14,185</u>	<u>23,717</u>	<u>-</u>
Expenditures						
Public Safety:						
Personnel Services	61,779	111,839	164,528	9,613	-	-
Operating	600	8,195	1,809	-	23,717	-
Capital Outlay	-	-	-	-	-	-
(Total Expenditures)	<u>(62,379)</u>	<u>(120,034)</u>	<u>(166,337)</u>	<u>(9,613)</u>	<u>(23,717)</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>(120,034)</u>	<u>(166,337)</u>	<u>4,572</u>	<u>-</u>	<u>-</u>
Other Financing Sources						
Transfers from Board of County Commissioners	-	120,034	166,337	-	-	-
Total Other Financing Sources	<u>-</u>	<u>120,034</u>	<u>166,337</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	-	-	4,572	-	-
Fund Balances, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,338</u>	<u>-</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,910</u>	<u>\$ -</u>	<u>\$ -</u>

Guardian Training Grant Fund	Radio Communications	DEM Federal	Towing and Impound	DJJ Teen Success Academy	DJJ Restoring Families	DCF Mental Health	Total Other Governmental Funds
\$ 146,836	\$ -	\$ -	\$ -	\$ 139,262	\$ 182,378	\$ 309,613	\$ 864,185
-	56,528	-	-	-	-	-	70,713
<u>146,836</u>	<u>56,528</u>	<u>-</u>	<u>-</u>	<u>139,262</u>	<u>182,378</u>	<u>309,613</u>	<u>934,898</u>
109,569	-	-	-	-	-	-	457,328
37,267	28,349	45,043	-	139,262	182,378	309,613	776,233
-	-	15,176	-	-	-	-	15,176
<u>(146,836)</u>	<u>(28,349)</u>	<u>(60,219)</u>	<u>-</u>	<u>(139,262)</u>	<u>(182,378)</u>	<u>(309,613)</u>	<u>(1,248,737)</u>
-	28,179	(60,219)	-	-	-	-	(313,839)
-	-	60,219	-	-	-	-	346,590
-	-	60,219	-	-	-	-	346,590
-	28,179	-	-	-	-	-	32,751
-	182,680	-	-	-	-	-	206,018
<u>\$ -</u>	<u>\$ 210,859</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 238,769</u>

**COMBINING STATEMENT OF FIDUCIARY
NET POSITION
CUSTODIAL FUNDS
SEPTEMBER 30, 2022
GADSDEN COUNTY SHERIFF**

	<u>Confiscated Funds</u>	<u>Civil Account</u>	<u>Inmate Commissary</u>	<u>Totals</u>
Assets				
Cash	\$ 305	\$ 33,107	\$ 25,653	\$ 59,065
Miscellaneous Receivables	-	-	2,371	2,371
Total Assets	<u>305</u>	<u>33,107</u>	<u>28,024</u>	<u>61,436</u>
Liabilities				
Unremitted Collections	305	103	-	408
Due to Board of County Commissioners	-	33,004	-	33,004
Total Liabilities	<u>305</u>	<u>33,107</u>	<u>-</u>	<u>33,412</u>
Net Position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,024</u>	<u>\$ 28,024</u>

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022
GADSDEN COUNTY SHERIFF**

	Confiscated Funds	Civil Account	Inmate Commissary	Total
Additions				
Inmate Funds Collected	\$ -	\$ -	\$ 472,187	\$ 472,187
Fines, Forfeitures, and Fees Collected	-	33,222	-	33,222
Total Additions	<u>-</u>	<u>33,222</u>	<u>472,187</u>	<u>505,409</u>
Deductions				
Inmate Funds Disbursed	-	-	462,796	462,796
Fines, Forfeitures, and Fees Disbursed	-	33,222	-	33,222
Total Deductions	<u>-</u>	<u>33,222</u>	<u>462,796</u>	<u>496,018</u>
Change in Net Position	-	-	9,391	9,391
Net Position, Beginning of Year	<u>-</u>	<u>-</u>	<u>18,633</u>	<u>18,633</u>
Net Position, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,024</u>	<u>\$ 28,024</u>

OTHER REPORTS

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

The Honorable Morris A. Young
Gadsden County Sheriff
Gadsden County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of each major fund and the aggregate remaining fund information of the Gadsden County, Florida, Sheriff (the Sheriff) as of and for the fiscal year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements, and have issued our report thereon dated June 22, 2023, which was modified to state that the financial statements are not intended to be a complete presentation of Gadsden County, Florida as a whole.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Sheriff's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on

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The Honorable Morris A. Young
Gadsden County Sheriff
Gadsden County, Florida

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

the 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 the following instance of non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

■ **2022-01 Expenditures in Excess of Appropriations**

Condition

In accordance with Florida Statute 129.201, the Sheriff's budget was approved by the Board of County Commissioners. As such, the Sheriff must regulate its expenditures and funds may not be expended except pursuant to the adopted budget. As of September 30, 2022, the Sheriff's expenditures in the General Fund exceeded budget by \$277,330. Of this excess, \$190,291 was excess non-cash capital outlay expenditure recognized as a result of new leases reported under Governmental Accounting Standards Board Statement No. 87, *Leases*, and the remaining \$87,039 was funded from additional unbudgeted settlement proceeds from terminations of Enterprise leases wherein the gross vehicle sale price exceeded the reduced book value of vehicles returned at lease termination.

Effect

The Sheriff's budget was not properly amended to adequately address the additional spending and is therefore not in compliance with Florida Statute 129.06(1), which requires that all expenditures be within the adopted budget.

Recommendation

In order to comply with Florida Statutes, we recommend the Sheriff monitor his budget throughout the fiscal year and request timely approval from the Board of County Commissioners to amend his budget in order to ensure that all expenditures are within budget.

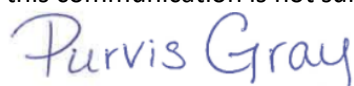
We noted a certain matter that we have reported to management of the Sheriff in a separate letter dated June 22, 2023.

Response to Finding

The Sheriff's response to the findings identified in our audit is included in the accompanying Management's Response on pages 32-35. The Sheriff's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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



June 22, 2023
Tallahassee, Florida

**INDEPENDENT ACCOUNTANT’S REPORT ON COMPLIANCE
WITH SECTION 218.415, FLORIDA STATUTES – INVESTMENT OF PUBLIC FUNDS**

The Honorable Morris A. Young
Gadsden County Sheriff
Gadsden County, Florida

We have examined the Gadsden County, Florida, Sheriff’s (the Sheriff) compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, as of and for the fiscal year ended September 30, 2022, as required by Section 10.556(10)(a), *Rules of the Auditor General*. Management is responsible for the Sheriff’s compliance with those requirements. Our responsibility is to express an opinion on the Sheriff’s compliance based on our examination.

Our examination was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Sheriff has complied with the requirements of Section 218.415, Florida Statutes, in all material respects. An examination involves performing procedures to obtain evidence about management’s compliance with the stated requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of non-compliance with the requirements, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

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

In our opinion, the Sheriff complied, in all material respects, with the aforementioned requirements during the fiscal year ended September 30, 2022.

This report 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, the Sheriff and its management, and the Board of Commissioners of Gadsden County, Florida, and is not intended to be, and should not be, used by anyone other than these specified parties.



June 22, 2023
Tallahassee, Florida

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MANAGEMENT LETTER

Honorable Morris A. Young
Gadsden County Sheriff
Gadsden County, Florida

Report on the Financial Statements

We have audited the financial statements of each major fund and the aggregate remaining fund information of the Gadsden County, Florida, Sheriff (the Sheriff) as of and for the fiscal year ended September 30, 2022, and have issued our report thereon dated June 22, 2023.

Auditor's 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 Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Report 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 June 22, 2023, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address finding 2020-1 Capital Assets, as reported in the preceding financial audit report.

The following tabulation details current financial audit report findings along with finding numbers corresponding to the findings identified in the preceding financial audit report, which are considered to be uncorrected.

Tabulation of Uncorrected Audit Findings	
Current Year Finding #	20-21 FY Audit Finding #
2022-01	2021-01
2022-02	2021-02

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Honorable Morris A. Young
Gadsden County Sheriff
Gadsden County, Florida

MANAGEMENT LETTER

Official Title and Legal Authority

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires 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 note of the financial statements. The Sheriff was established by the Constitution of the State of Florida, Article VIII, Section 1(d). There were no component units related to the Sheriff.

Financial Management

Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we communicate any recommendations to improve financial management. In connection with our audit, we offer the following recommendation.

■ **2022-02 Financial Statement Close**

Condition

Pursuant to Florida Statutes, Section 218.36, each County officer is required to make an annual report of revenues and expenditures within thirty-one days of the close of the fiscal year. While this report was submitted to the County by October 31 as required, the report was based on preliminary estimates. The accounting records of the Sheriff's office were not officially closed and ready for audit until January of 2023.

Effect

According to Sheriff personnel, the delay in the closing of the books and the preparation of year-end reconciliations was due to the lack of sufficient staffing in the Sheriff's accounting department necessary to have all transactions entered into the accounting system, prepare all year-end account balance reconciliations, and submit any required budget amendments in a timely manner. Without effective procedures in place to close the books and prepare timely reconciliation of accounts, there is an increased risk that errors or fraud will go undetected for long periods of time or that instances of non-compliance with budgetary requirements for appropriation of expenditures will occur.

Recommendation

We recommend the Sheriff's office continue to evaluate the need to hire additional accounting staff to assist with the monthly and year-end closing process. We further recommend a detailed plan be established, including scheduled completion dates for each step required in the closing process. We also recommend the Sheriff's office implement procedures to ensure that all balance sheet accounts are reconciled within 20 days of month-end.

Additional Matters

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

Honorable Morris A. Young
Gadsden County Sheriff
Gadsden County, Florida

MANAGEMENT LETTER

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, the Sheriff and its management, and the Board of County Commissioners of Gadsden County, Florida, and is not intended to be, and should not be, used by anyone other than these specified parties.

We wish to take this opportunity to thank you and your staff for the cooperation and courtesies extended to us during the course of our audit. Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.



June 22, 2023
Tallahassee, Florida

Sheriff

PHONE (850) 627-9233



Morris A. Young

Gadsden County

P.O. BOX 1709
QUINCY, FLORIDA 32353-1709

June 22, 2023

Ms. Sherrill F. Norman, CPA
Auditor General of the State of Florida
111 West Madison Street
Tallahassee, Florida 32399

Dear Ms. Norman:

After reviewing the management letter comments regarding the audit performed by Purvis, Gray & Company, LLP for the fiscal year end September 30, 2022, we would like to respond as follows:

Compliance and Internal Control

▪ **2021-01; 2022-01 Expenditures in Excess of Appropriation**

Condition:

In accordance with Florida Statute 129.201, the Sheriff's budget was approved by the Board of County Commissioners. As such, the Sheriff must regulate its expenditures and funds may not be expended except pursuant to the adopted budget. As of September 30, 2022, the Sheriff's expenditures in the General Fund exceeded budget by \$277,330. Of this excess, \$190,291 was excess non-cash capital outlay expenditure recognized as a result of new leases reported under Governmental Accounting Standards Board Statement No. 87, Leases, and the remaining \$87,039 was funded from additional unbudgeted settlement proceeds from terminations of Enterprise leases wherein the gross vehicle sale price exceeded the reduced book value of vehicles returned at lease termination.

Recommendation:

In order to comply with Florida Statutes, we recommend the Sheriff monitor his budget throughout the fiscal year and request timely approval from the Board of County Commissioners to amend his budget in order to ensure that all expenditures are within budget.

Management Response:

The Sheriff's Office submitted a request for a budget amendment to seek budgetary authority from the Board of County Commissioners to increase its budget for miscellaneous revenue. I was told the budget amendment wasn't required since the revenue came directly to the Sheriff and it

wouldn't affect the General Fund. The Sheriff's Office will continue to request budgetary authority to expend these miscellaneous funds as recommended moving forward.

Prior and Current Year Findings and Recommendations

▪ **2021-2; 2022-02– Financial Statement Close**

Condition:

Pursuant to Florida Statutes, Section 218.36, each County officer is required to make an annual report of revenues and expenditures within thirty-one days of the close of the fiscal year. While this report was submitted to the County by October 31 as required, the report was based on preliminary estimates. The accounting records of the Sheriff's office were not officially closed and ready for audit until January of 2023.

Recommendation:

We recommend the Sheriff's office continue to evaluate the need to hire additional accounting staff to assist with the monthly and year-end closing process. We further recommend a detailed plan be established, including scheduled completion dates for each step required in the closing process. We also recommend the Sheriff's office implement procedures to ensure that all balance sheet accounts are reconciled within 20 days of month-end.

Management's Response

The Gadsden County Sheriff's Office Finance Department has 2 fulltime employees and a part-time Consultant. Due to a lack of adequate staffing, staff being out on medical leave and job vacancies within the Finance Department we have experienced backlogs in our workload, especially during the month of October 2022, which caused a delay in our closing process. We communicated with the County Manager and Purvis Gray and Company to inform them of our delay.

We will continue to request funding in our budget to recruit and hire additional staff in the Finance Office. We will streamline our closing process to be completed on a monthly basis. Purvis Gray & Company discussed the financial statement close process with the Finance Director.

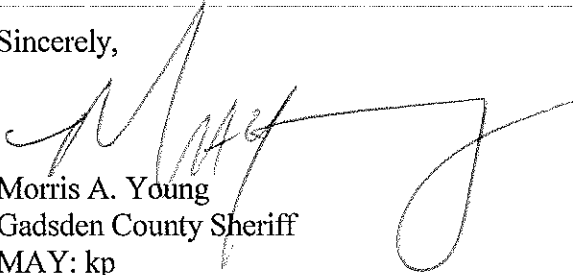
The year-end close process is generally completed by October 31st of each year in order to meet the requirement to remit excess fees to the Board. The financial statement close process is not formally documented but is summarized as follows:

-
- Reconcile all bank accounts by the 15th (approx.) of each month
 - Review September invoices received in October for recording of additional Accounts Payable.
 - Call various vendors (including BCC) that bill the GCSO monthly and get an advance copy of invoices.
 - Complete grant billings and record related receivables
 - Balance Due to/Due from across funds
 - Prepare deposit analysis to ensure proper posting and recording of deposits.
 - Ensure other fees and Civil Liabilities are paid to BCC.
 - Run budget vs. actual reports and compute excess funds Due to BCC.
 - Reconcile quarterly 941's to salaries expense per g/l.

The financial statements and note disclosures are prepared by the external auditing firm. These financial statements are reviewed by the Finance Director and the outside consultant for accuracy and agreement with the internal financial statements.

Purvis Gray and Company reviewed the closing procedures described above.

Sincerely,



Morris A. Young
Gadsden County Sheriff
MAY: kp

2022

Gadsden County Tax Collector

Financial Statements and
Independent Auditor's Report

September 30, 2022

PURVIS GRAY
CERTIFIED PUBLIC ACCOUNTANTS

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

**GADSDEN COUNTY TAX COLLECTOR
GADSDEN COUNTY, FLORIDA**

SEPTEMBER 30, 2022

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INDEPENDENT AUDITOR'S REPORT

The Honorable W. Dale Summerford
Gadsden County Tax Collector
Gadsden County, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the general fund and the aggregate remaining fund information of the Gadsden County, Florida, Tax Collector (the Tax Collector) as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Tax Collector's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the general fund and the aggregate remaining fund information of the Tax Collector as of September 30, 2022, and the respective changes in financial position thereof, and budgetary comparison for the general fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

Incomplete Presentation

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the *Rules of the Auditor General* (the Rules) of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of each major fund and the aggregate remaining fund information, only for that portion of the major funds and the aggregate remaining fund information, of Gadsden County, Florida, that is attributable to the Tax Collector. They do not purport to, and do not, present fairly the financial position of Gadsden County, Florida, as of September 30, 2022, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

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The Honorable W. Dale Summerford
Gadsden County Tax Collector
Gadsden County, Florida

INDEPENDENT AUDITOR'S REPORT

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS 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, individually or in the aggregate, they could reasonably be expected to influence the judgment made by a reasonable user made on the basis of these financial statements.

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

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

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

The Honorable W. Dale Summerford
Gadsden County Tax Collector
Gadsden County, Florida

INDEPENDENT AUDITOR'S REPORT

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated June 20, 2023, on our consideration of the Tax Collector's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Tax Collector's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Tax Collector's internal control over financial reporting and compliance.



June 20, 2023
Tallahassee, Florida

FINANCIAL STATEMENTS

**BALANCE SHEET
GENERAL FUND
SEPTEMBER 30, 2022
GADSDEN COUNTY TAX COLLECTOR**

Assets		
Cash	\$	125,712
Due from Other Governments		406
Due from Other Funds		2,136
Total Assets		<u>128,254</u>
Liabilities and Fund Balance		
Liabilities		
Accounts Payable		3,801
Due to Other Governments		228
Due to Other Funds		4,347
Due to Board of County Commissioners		119,878
Total Liabilities		<u>128,254</u>
Fund Balance		<u>-</u>
Total Liabilities and Fund Balance	\$	<u>128,254</u>

See accompanying notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022
GADSDEN COUNTY TAX COLLECTOR**

Revenues	
Charges for Services	\$ 967,538
Miscellaneous	1,729
Total Revenues	<u>969,267</u>
Expenditures	
Current:	
General Government:	
Personnel Services	664,512
Operating	184,877
(Total Expenditures)	<u>(849,389)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>119,878</u>
Other Financing Sources (Uses)	
Transfers in from Board of County Commissioners	-
Transfers (out) to Board of County Commissioners	(119,878)
Total Other Financing (Uses)	<u>(119,878)</u>
Net Change in Fund Balance	-
Fund Balance, Beginning of Year	<u>-</u>
Fund Balance, End of Year	<u><u>\$ -</u></u>

See accompanying notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022
GADSDEN COUNTY TAX COLLECTOR**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$ 861,580	\$ 861,580	\$ 967,538	\$ 105,958
Miscellaneous	2,820	2,820	1,729	(1,091)
Total Revenues	<u>864,400</u>	<u>864,400</u>	<u>969,267</u>	<u>104,867</u>
Expenditures				
Current:				
General Government:				
Personnel Services	664,888	664,888	664,512	376
Operating	197,900	197,900	184,877	13,023
(Total Expenditures)	<u>(862,788)</u>	<u>(862,788)</u>	<u>(849,389)</u>	<u>13,399</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,612</u>	<u>1,612</u>	<u>119,878</u>	<u>118,266</u>
Other Financing Sources (Uses)				
Transfers in from Board of County Commissioners	(1,612)	(1,612)	-	1,612
Transfers (out) to Board of County Commissioners	-	-	(119,878)	(119,878)
Total Other Financing Sources (Uses)	<u>(1,612)</u>	<u>(1,612)</u>	<u>(119,878)</u>	<u>(118,266)</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements.

**STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUND
 SEPTEMBER 30, 2022
 GADSDEN COUNTY TAX COLLECTOR**

	Custodial Fund
Assets	
Cash	\$ 279,153
Due from Individuals	23,705
Due from Other Governments	771
Due from Other Funds	4,347
Total Assets	307,976
 Liabilities	
Due to Others	1,384
Due to Other Funds	2,136
Due to Other Governments	65,821
Tag Renewal Deposits	18,693
Installment Tax Deposits	209,684
Total Liabilities	297,718
 Net Position	
Restricted for:	
Individuals, Organizations, and Other Governments	\$ 10,258

See accompanying notes to financial statements.

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2022
 GADSDEN COUNTY TAX COLLECTOR**

	Custodial Fund
Additions	
Licenses and Tag Fees Collected	\$ 5,633,184
Property Taxes and Fees Collected - BOCC	14,020,767
Property Taxes and Fees Collected - Other Governments	14,869,039
Hunting and Fishing Licenses Collected	14,095
Miscellaneous Collections	5,943
Total Additions	34,543,028
Deductions	
Licenses and Tag Fees Disbursed	5,633,169
Property Taxes and Fees Disbursed - BOCC	14,020,730
Property Taxes and Fees Disbursed - Other Governments	14,868,536
Hunting and Fishing Licenses Disbursed	14,095
Total Deductions	34,536,530
Change in Net Position	6,498
Net Position, Beginning	3,760
Net Position, Ending	\$ 10,258

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

**NOTES TO FINANCIAL STATEMENTS
GADSDEN COUNTY TAX COLLECTOR**

Note 1 - Summary of Significant Accounting Policies

The following is a summary of significant accounting principles and policies used in the preparation of the accompanying financial statements.

Reporting Entity

Gadsden County, Florida (the County) is a political subdivision of the State of Florida. It is governed by an elected Board of County Commissioners (the Board) and an appointed County Administrator, as provided by Section 125.73, Florida Statutes. The County Administrator is responsible for the administration of all departments of which the Board has the authority to control pursuant to the general laws of Florida.

The Gadsden County, Florida, Tax Collector (the Tax Collector) is an elected official of the County pursuant to the Constitution of the State of Florida, Article VIII, Section 1(d). The Tax Collector is a part of the primary government of the County. The Florida Department of Revenue approves the Tax Collector's operating budget, the Tax Collector is responsible for the administration and operation of the Tax Collector's office, and the Tax Collector's financial statements do not include the financial statements of the Board or the other Constitutional Officers of the County. There were no component units related to the Tax Collector.

The Tax Collector operates as a Fee Officer. Upon approval of the operating budget, revenues are collected from fees and from commissions earned for the collection of taxes for the County taxing authorities pursuant to Section 192.091(2), Florida Statutes. Any excess revenues received over expenditures made are remitted at year-end to the taxing districts.

For financial reporting purposes, the Tax Collector is deemed to be a part of the primary government of the County and, therefore, is included as such in the County's annual financial report.

Basis of Presentation

The accompanying financial statements include all funds and accounts of the Tax Collector's office but are not intended to be a complete presentation of the County as a whole. Except for this matter, they are otherwise in conformity with accounting principles generally accepted in the United States of America (GAAP). The accompanying financial statements were prepared for the purpose of complying with Section 218.39, Florida Statutes, and Section 10.557(4), *Rules of the Auditor General—Local Governmental Entity Audits*.

The financial transactions of the Tax Collector are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. These funds are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

The Tax Collector reports the following fund types:

■ **Governmental Fund Type**

● **Major Fund**

- ▶ **General Fund**—The General Fund is the general operating fund of the Tax Collector. This fund is used to account for all financial transactions not required to be accounted for in another fund.

NOTES TO FINANCIAL STATEMENTS GADSDEN COUNTY TAX COLLECTOR

■ **Fiduciary Fund Type**

- **Custodial Fund**—The Custodial Fund is used to account for assets held by the Tax Collector as an agent for individuals, private organizations, and/or other governmental units. Custodial funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds. Activities in this fund include receipts for property taxes, vehicle registrations and sales tax, hunting and fishing licenses, and the related remittances of collected funds.

Fund Balance

The Tax Collector follows the provisions of Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, to classify fund balances for governmental funds into specifically defined classifications. The classifications comprise a hierarchy based primarily on the extent to which the Tax Collector is bound to honor constraints on the specific purposes for which amounts in the funds can be spent.

The fund balance classifications specified in GASB Statement No. 54 are as follows:

Non-Spendable Fund Balance—Non-spendable fund balances are amounts that cannot be spent because they are either: (a) not in spendable form; or (b) legally or contractually required to be maintained intact.

Restricted Fund Balance—Restricted fund balances are restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance—Committed fund balances are amounts that can only be used for specific purposes as a result of constraints imposed by formal action of the Tax Collector’s highest level of decision-making authority, which is a policy of the Tax Collector. Committed amounts cannot be used for any other purpose unless the Tax Collector removes those constraints by taking the same type of action.

Assigned Fund Balance—Assigned fund balances are amounts that are constrained by the Tax Collector’s intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by: (a) the Tax Collector; or (b) a body or official to which the Tax Collector has delegated the authority to assign amounts to be used for specific purposes.

Unassigned Fund Balance—Unassigned fund balance is the residual classification for the General Fund. The Tax Collector’s policy is to expend resources in the following order: unassigned, restricted, committed, and assigned.

Measurement Focus/Basis of Accounting

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

NOTES TO FINANCIAL STATEMENTS GADSDEN COUNTY TAX COLLECTOR

All governmental funds are accounted for using the modified accrual basis of accounting. Under this method, revenues are recognized when they become both measurable and available to finance expenditures of the current period. The Tax Collector considers revenues to be available if they are collected within thirty days of the end of the current fiscal year. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for accumulated sick and vacation pay, which are not recorded until paid. Charges for services and investment revenue are recorded as earned.

The Custodial Fund is accounted for using an economic resource measurement focus and accrual basis of accounting requiring a resource flow statement. Liabilities are recognized when an event occurs that compels the Tax Collector to disburse fiduciary resources, which is when a demand for resources has been made or when no further action, approval or condition is required to be taken or not by the beneficiary to release the assets.

Budgetary Requirement

The revenues and expenditures accounted for in the budgetary fund are controlled by a formal integrated budgetary accounting system in accordance with the Florida Statutes. An annual budget is approved by the Florida Department of Revenue for the General Fund. Budget to actual comparisons are provided in the financial statements for the General Fund, where the Tax Collector has legally adopted an annual budget. All budget amounts presented in the accompanying financial statements have been adjusted for legally authorized amendments of the annual budget for the year.

Budgets are prepared on the modified accrual basis of accounting.

The Tax Collector's annual budget is monitored at varying levels of classification detail. However, for purposes of budgetary control, expenditures cannot legally exceed the total annual budget appropriations at the individual fund level. All appropriations lapse at year-end.

Capital Assets

Tangible personal property is recorded as expenditures in the General Fund at the time an asset is acquired. Assets acquired by the Tax Collector are capitalized at cost in the capital asset accounts of the County. The Tax Collector maintains custodial responsibility for the capital assets used by the office.

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

Accrued Compensated Absences

It is the Tax Collector's policy to grant all full-time employees annual and sick leave. Annual leave can be accumulated, but it is limited to an accumulation of 240 hours at the end of each calendar year. Excess annual leave at December 31 is converted to sick leave. There is no limitation on the accumulation of sick leave. Upon termination of employment, the employee can receive a cash benefit for certain balances of their annual and sick leave based upon the employee's current wage rate. After one year of employment upon termination, annual leave up to the maximum of 240 hours will be paid. After five years of employment upon termination, sick leave up to the maximum of 240 hours will be paid.

NOTES TO FINANCIAL STATEMENTS GADSDEN COUNTY TAX COLLECTOR

The liability for compensated absences is not reported in the Tax Collector's financial statements but is included in the statement of net position in the County-wide financial statements.

Property Tax Collections

Chapter 197, Florida Statutes, governs property tax collections.

- *Current Taxes*—All property taxes become due and payable on November 1, and are delinquent on April 1 of the following year. Discounts of 4%, 3%, 2%, and 1% are allowed for early payment in November through February, respectively.
- *Unpaid Taxes - Sale of Tax Certificates*—The Tax Collector advertises, as required by Florida Statutes, then sells tax certificates on all real property for unpaid taxes. Certificates not purchased are issued to the County. Any person owning real property upon which a tax certificate has been sold may reacquire the real property by paying the Tax Collector the face amount of the tax certificate plus interest and other costs.
- *Tax Deeds*—The owner of a tax certificate may, after two years when the taxes have been delinquent (after April 1), file an application for tax deed sale. The County, as a certificate owner, may exercise similar procedures two years after taxes have been delinquent (after April 1). Tax deeds are issued to the highest bidder for the property, which is sold at public auction. The Clerk of the Circuit Court administers these sales.

Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make various estimates. Actual results could differ from those estimates.

Excess Revenues

The Tax Collector is considered a fee officer because operations are funded primarily by fees for services. No funds are received from the Board other than applicable fees. In accordance with Florida Statutes, the Tax Collector distributes all General Fund revenues in excess of expenditures to the Board and other ad valorem taxing authorities on a pro-rata basis of fees collected, within 31 days following the end of the fiscal year. These excess fees are reported as a liability and as transfers out to the Board or deducted from fees earned for amounts distributed to other governments.

Implementation of GASB Statement No. 87, Leases

During the year ended September 30, 2022, the Tax Collector adopted new accounting guidance by implementing the provisions of GASB Statement No. 87, *Leases* (GASB 87), which established criteria for identifying and reporting leases. Leases with an initial term of one year or less are recorded in Operating Expenses when incurred. Leases with non-cancellable terms greater than one year are evaluated based on materiality levels established by the County. Leases that qualify for reporting under the new standard are initially recognized as a Capital Outlay Expense and Other Financing Source in the year of inception of the lease. Subsequent payments on the lease are reported as debt service expenditures. A right-to-use asset and associated lease liability are recorded on the County-wide financial statements at the present value of the future lease payments including any residual value guarantees that are reasonably certain of being required or purchase options that are reasonably certain of being exercised. GASB 87 implementation required assessment of leases as of October 1, 2021. As a result of this analysis, it was

**NOTES TO FINANCIAL STATEMENTS
GADSDEN COUNTY TAX COLLECTOR**

determined that the Tax Collector was not a party to any leases that would be considered material and reportable in accordance with GASB 87. Therefore, no restatement of prior periods was required as a result of implementation, and no changes in reporting for such agreements was required for the fiscal year ended September 30, 2022.

Related Organizations - Service Fees and Common Expenses

The Tax Collector’s charges for services included approximately \$503,970 received from the Board as fees for real and tangible property tax collections.

Certain expenses, which are common to the Board and all Constitutional Officers, are reported as expenses of the Board and, therefore, are not budgeted by or allocated to the Tax Collector.

These expenses paid by the Board relating to the Tax Collector’s operations are:

- Occupancy Costs
- Janitorial Service
- Utilities (Except Telephone)
- Property and Workers’ Compensation Insurance
- Employees’ Health and Life Insurance

Note 2 - Cash

As of September 30, 2022, the Tax Collector had the following cash on hand and on deposit:

	Carrying Amount
Cash on Hand	\$ 2,384
Deposits in Qualified Public Depositories	402,481
Total Cash	\$ 404,865

Credit Risk

Section 218.415(17), Florida Statutes, stipulates the State-approved investment policy for all governmental entities and includes the following investments:

- The Local Government Surplus Funds Trust Fund, administered by the State Board of Administration.
- Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency.
- Interest-bearing time deposits or savings accounts in qualified public depositories.
- Direct obligations of the U.S. Treasury.

The Tax Collector has no investment policy that would further limit its investment choices.

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the government’s deposits may not be returned to it.

**NOTES TO FINANCIAL STATEMENTS
GADSDEN COUNTY TAX COLLECTOR**

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 Tax Collector’s deposits are therefore considered fully insured or collateralized. Bank balances at September 30, 2022, were \$539,260.

Tax Collector funds are maintained in an interest-bearing demand deposit account, which is collateralized pursuant to Section 280.04, Florida Statutes.

Note 3 - Risk Management

The Tax Collector is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors or omissions; injuries to employees and/or the public; or damage to property of others. The Tax Collector participates in the risk management program through the Board, which uses commercial insurance and a public entity risk pool to cover certain risks from loss.

The Board obtained commercial insurance against losses for the following types of risk:

- Real and Personal Property Damage
- Public Employees’ Bond
- Workers’ Compensation
- Automobile Liability

The Board participates in the Florida Association of Counties Trust (FACT), a public entity risk pool for risks related to comprehensive general liability. The agreement provides that the financial liability for each participating county is limited to premiums and surplus contributions paid or obligations made to FACT. Aggregate coverage provided is limited to \$1,000,000 for each claim.

Note 4 - Long-Term Liability for Compensated Absences

The Tax Collector’s long-term liability for compensated absences is as follows:

	Balance October 1, 2021	Additions	Retirements	Balance September 30, 2022
Liability for Compensated Absences	\$ 57,664	\$ 20,883	\$ (23,561)	\$ 54,986

Of the \$54,986 liability for accrued compensated absences, management estimates that \$14,057 will be due and payable within one year. The liability is not reported in the financial statements of the Tax Collector since it is not payable from available resources at September 30, 2022. As discussed in Note 1, the liability is reported on the statement of net position in the County-wide financial statements.

Note 5 - Pension and Postemployment Benefits Other Than Pension Benefits

Florida Retirement System (FRS) Pension Benefits

The Tax Collector participates in the FRS to provide benefits to his employees. A detailed plan description and any liability for employees of the Tax Collector are included in the financial statements of the County.

**NOTES TO FINANCIAL STATEMENTS
GADSDEN COUNTY TAX COLLECTOR**

Postemployment Benefits Other than Pensions

The Tax Collector participates in the plan established by the Board to provide other postemployment benefits to retirees of the Board and Constitutional Officers. A detailed plan description and any liability for employees of the Tax Collector are included in the financial statements of the County.

Note 6 - Interfund Receivables and Payables

Interfund receivables and payables at September 30, 2022, are as follows:

	Due from Other Funds	Due to Other Funds
General Fund	\$ 2,136	\$ 4,347
Fiduciary:		
Custodial Fund	4,347	2,136
Totals	\$ 6,483	\$ 6,483

Interfund balances primarily comprise fees and bank interest received due from the Custodial Fund to the General Fund and bank service charges in excess of interest earned due from the General Fund to the Custodial Fund.

Note 7 - Commitments and Contingencies

From time to time, the office of the Tax Collector is involved as a defendant in certain litigation and claims arising from the ordinary course of operations. In the opinion of management, the range of potential liabilities will not materially affect the operations of the Tax Collector's office or the combined financial position of the County, which would be required to fund any claim payments.

OTHER REPORTS

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

The Honorable W. Dale Summerford
Gadsden County Tax Collector
Gadsden County, Florida

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the general fund and the aggregate remaining fund information of the Gadsden County, Florida, Tax Collector (the Tax Collector) as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Tax Collector's financial statements, and have issued our report thereon dated June 20, 2023.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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The Honorable W. Dale Summerford
Gadsden County Tax Collector
Gadsden County, Florida

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

Report on Compliance and Other Matters

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

Purpose of this Report

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



June 20, 2023
Tallahassee, Florida

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES

The Honorable W. Dale Summerford
Gadsden County Tax Collector
Gadsden County, Florida

We have examined Gadsden County Tax Collector's (the Tax Collector) compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, as of and for the year ended September 30, 2022, as required by Section 10.556(10)(a), *Rules of the Auditor General*. Management of the Tax Collector is responsible for the Tax Collector's compliance with the specified requirements. Our responsibility is to express an opinion on the Tax Collector's compliance with the specified requirements based on our examination.

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

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

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

In our opinion, the Tax Collector complied, in all material respects, with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, as of and for the year ended September 30, 2022.

This report 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, the Tax Collector, his management team, and the Board of County Commissioners of Gadsden County, Florida, and is not intended to be, and should not be, used by anyone other than these specified parties.



June 20, 2023
Tallahassee, Florida

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MANAGEMENT LETTER

The Honorable W. Dale Summerford
Gadsden County Tax Collector
Gadsden County, Florida

Report on the Financial Statements

We have audited the financial statements of the general fund and the aggregate remaining fund information of the Gadsden County, Florida Tax Collector (the Tax Collector), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Tax Collector's financial statements, and have issued our report thereon dated June 20, 2023.

Auditor's 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 Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Report on an examination conducted in accordance with American Institute of Certified Public Accountants *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 June 20, 2023, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings or recommendations made in the preceding annual financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The Tax Collector was established by the Constitution of the State of Florida, Article VIII, Section 1(d). There were no component units related to the Tax Collector.

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The Honorable W. Dale Summerford
Gadsden County Tax Collector
Gadsden County, Florida

MANAGEMENT LETTER

Financial Management

Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Additional Matters

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires us to communicate non-compliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but 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, the Tax Collector, his management team, and the Board of County Commissioners of Gadsden County, Florida and is not intended to be, and should not be, used by anyone other than these specified parties.

We wish to take this opportunity to thank you and your staff for the cooperation and courtesies extended to us during the course of our audit. Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.



June 20, 2023
Tallahassee, Florida

2022

Gadsden County Property Appraiser

Financial Statements and
Independent Auditor's Report

September 30, 2022

PURVIS GRAY
CERTIFIED PUBLIC ACCOUNTANTS

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

**GADSDEN COUNTY PROPERTY APPRAISER
GADSDEN COUNTY, FLORIDA**

SEPTEMBER 30, 2022

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INDEPENDENT AUDITOR'S REPORT

The Honorable Reginald A. Cunningham
Gadsden County Property Appraiser
Gadsden County, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the general fund of the Gadsden County, Florida Property Appraiser (the Property Appraiser), as of and for the fiscal year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Property Appraiser's financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the general fund for the Property Appraiser as of September 30, 2022, and the respective changes in financial position thereof and the respective budgetary comparison for the general fund for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Property Appraiser and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

Incomplete Presentation

As discussed in Note 1 to the financial statements, the 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 (the Rules). In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of the general fund, only for that portion of the general fund, of Gadsden County that is attributable to the Property Appraiser. They do not purport to, and do not, present fairly the financial position of Gadsden County as of September 30, 2022, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

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The Honorable Reginald A. Cunningham
Gadsden County Property Appraiser
Gadsden County, Florida

INDEPENDENT AUDITOR'S REPORT

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS 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, individually or in the aggregate, they could reasonably be expected to influence the judgment made by a reasonable user made on the basis of these financial statements.

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

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

The Honorable Reginald A. Cunningham
Gadsden County Property Appraiser
Gadsden County, Florida

INDEPENDENT AUDITOR'S REPORT

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2023, on our consideration of the Property Appraiser's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Property Appraiser's internal control over financial reporting and compliance.



June 20, 2023
Tallahassee, Florida

FINANCIAL STATEMENTS

**BALANCE SHEET
GENERAL FUND
SEPTEMBER 30, 2022
GADSDEN COUNTY PROPERTY APPRAISER**

Assets	
Cash	\$ 16,360
Prepaid Expenses	400
Total Assets	<u>16,760</u>
Liabilities and Fund Balance	
Liabilities	
Accounts Payable	10,744
Accrued Wages Payable	26,734
Total Liabilities	<u>37,478</u>
Fund Balance (Deficit)	
Non-Spendable	400
Unassigned	<u>(21,118)</u>
Total Liabilities and Fund Balance	<u>\$ 16,760</u>

See accompanying notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022
GADSDEN COUNTY PROPERTY APPRAISER**

Revenues	
Charges for Services	\$ 34
Miscellaneous	1,716
Total Revenues	<u>1,750</u>
Expenditures	
Current:	
General Government:	
Personnel Services	878,741
Operating	236,866
Capital Outlay	7,232
(Total Expenditures)	<u>(1,122,839)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,121,089)</u>
Other Financing Sources	
Transfers in from Board of County Commissioners	1,100,371
Total Other Financing Sources	<u>1,100,371</u>
Net Change in Fund Balance	(20,718)
Fund Balance, Beginning of Year	<u>-</u>
Fund Balance (Deficit), End of Year	<u>\$ (20,718)</u>

See accompanying notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022
GADSDEN COUNTY PROPERTY APPRAISER**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$ -	\$ -	\$ 34	\$ 34
Miscellaneous	-	-	1,716	1,716
Total Revenues	<u>-</u>	<u>-</u>	<u>1,750</u>	<u>1,750</u>
Expenditures				
Current:				
General Government:				
Personnel Services	876,187	876,187	878,741	(2,554)
Operating	204,752	204,752	236,866	(32,114)
Capital Outlay	2,000	2,000	7,232	(5,232)
Contingency	17,432	17,432	-	17,432
(Total Expenditures)	<u>(1,100,371)</u>	<u>(1,100,371)</u>	<u>(1,122,839)</u>	<u>(22,468)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,100,371)</u>	<u>(1,100,371)</u>	<u>(1,121,089)</u>	<u>(20,718)</u>
Other Financing Sources				
Transfers in from Board of County Commissioners	1,100,371	1,100,371	1,100,371	-
Total Other Financing Sources	<u>1,100,371</u>	<u>1,100,371</u>	<u>1,100,371</u>	<u>-</u>
Net Change in Fund Balance	-	-	(20,718)	(20,718)
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance (Deficit), End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (20,718)</u>	<u>\$ (20,718)</u>

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

**NOTES TO FINANCIAL STATEMENTS
GADSDEN COUNTY PROPERTY APPRAISER**

Note 1 - Summary of Significant Accounting Policies

The following is a summary of significant accounting principles and policies used in the preparation of the accompanying financial statements.

Reporting Entity

Gadsden County, Florida (the County) is a political subdivision of the State of Florida. It is governed by an elected Board of County Commissioners (the Board) and an appointed County Administrator, as provided by Section 125.73, Florida Statutes. The County Administrator is responsible for the administration of all departments of which the Board has the authority to control pursuant to the general laws of Florida.

The Gadsden County, Florida Property Appraiser (the Property Appraiser) is an elected official of the County pursuant to the Constitution of the State of Florida, Article VIII, Section 1(d). The Property Appraiser is a part of the primary government of the County. The Florida Department of Revenue approves the Property Appraiser's total operating budget, and effective June 2011, the Clerk of Court was responsible for accounting for the Property Appraiser's transactions. The Property Appraiser is responsible for the administration and operation of the Property Appraiser's office, and the Property Appraiser's financial statements do not include the financial statements of the Board or the other Constitutional Officers of the County. There were no component units related to the Property Appraiser.

The operations of the Property Appraiser are funded by the Board and the Northwest Florida Water Management District. The receipts from the Board are recorded as other financing sources on the Property Appraiser's financial statements.

For financial reporting purposes, the Property Appraiser is deemed to be a part of the primary government of the County and, therefore, is included as such in the County's annual financial report.

Basis of Presentation

The accompanying financial statements include all funds and accounts of the Property Appraiser's office but are not a complete presentation of the County as a whole. Except for this matter, they are otherwise in conformity with accounting principles generally accepted in the United States of America (GAAP). The accompanying financial statements were prepared for the purpose of complying with Section 218.39, Florida Statutes, and Section 10.557(4), *Rules of the Auditor General—Local Governmental Entity Audits*.

The financial transactions of the Property Appraiser are recorded in one individual fund. This fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures.

The Property Appraiser reports the following fund type:

■ **Governmental Fund Type**

● **Major Fund**

- ▶ **General Fund**—The general fund is the general operating fund of the Property Appraiser. It is used to account for all financial resources, except for those required to be accounted for in another fund.

NOTES TO FINANCIAL STATEMENTS
GADSDEN COUNTY PROPERTY APPRAISER

Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements and refers to the timing of the measurements made, regardless of the measurement focus applied.

The modified accrual basis of accounting is followed by the general fund. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available to finance expenditures of the current period. The Property Appraiser considers revenues to be available if they are collected within thirty days of the end of the current fiscal period. Expenditures are recorded when the liability is incurred, except for accumulated sick and vacation pay, which is not recorded until paid.

Measurement Focus

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

Budgetary Requirement

General governmental revenues and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with the Florida Statutes. An annual budget is approved by the Florida Department of Revenue for the general fund. Budget to actual comparisons are provided in the financial statements for the general fund, where the Property Appraiser has legally adopted an annual budget. All budget amounts presented in the accompanying financial statements have been adjusted for legally authorized amendments of the annual budget for the year.

Budgets are prepared on the modified accrual basis of accounting.

The Property Appraiser's annual budget is monitored at varying levels of classification detail. However, for purposes of budgetary control, expenditures cannot legally exceed the total annual budget appropriations at the individual fund level. All appropriations lapse at year-end.

Capital Assets

Tangible personal property is recorded as expenditures in the general fund at the time an asset is acquired. Assets acquired by the Property Appraiser are capitalized at cost in the capital asset accounts of the County. The Property Appraiser maintains custodial responsibility for the capital assets used by his office.

Compensated Absences

Permanent full-time employees of the Property Appraiser are entitled to accrue annual leave time. At the time of termination, employees will be compensated for 100% of their accrued annual leave hours.

Sick leave is accumulated at the rate of four hours for each full calendar month of continuous employment during the first year and eight hours during each subsequent year. There is no limit on the amount of sick leave that can be accumulated. At the time of termination, employees will be compensated for 50% of their accrued sick leave hours.

**NOTES TO FINANCIAL STATEMENTS
GADSDEN COUNTY PROPERTY APPRAISER**

The liability for compensated absences is not reported in the Property Appraiser's financial statements but is included in the statement of net position in the County-wide financial statements.

Transfers In and Out

The Board funds substantially the entire operating budget of the Property Appraiser. The payments by the Board to fund the operations of the Property Appraiser are recorded as transfers in on the financial statements of the Property Appraiser. In accordance with Florida Statutes, the Property Appraiser distributes all general fund revenues in excess of expenditures to the Board within 31 days following the end of the fiscal year.

Related Organizations - Common Expenses

Certain expenses, which are common to the Board and all Constitutional Officers, are reported as expenses of the Board and, therefore, are not budgeted by or allocated to the Property Appraiser. These expenses paid by the Board relating to the Property Appraiser's operations are:

- Occupancy Costs
- Janitorial Service
- Utilities (Except Telephone)

Adoption of New Accounting Standard

During the year ended September 30, 2022, the Property Appraiser adopted new accounting guidance by implementing the provisions of Governmental Accounting Standards Board Statement No. 87, *Leases*, which established criteria for identifying and reporting leases. Leases with an initial term of one year or less are recorded in Operating Expenses when incurred. Leases with non-cancellable terms greater than one year are evaluated for applicability under the standard based on materiality levels established by the County. Leases that qualify for reporting under the new standard are initially recognized as a Capital Outlay Expense and Other Financing Source in the year of inception of the lease. Subsequent payments on the lease are reported as debt service expenditures. A right-to-use asset and associated lease liability are recorded on the County-wide financial statements at the present value of the future lease payments including any residual value guarantees that are reasonably certain of being required or purchase options that are reasonably certain of being exercised. For the fiscal year ended September 30, 2022, the aggregate financial impact of the implementation of this standard was not deemed to be material to the Property Appraiser's financial statements.

Note 2 - Cash

As of September 30, 2022, the carrying amount of the Property Appraiser's deposits was \$16,360.

Credit Risk

Section 218.415(17), Florida Statutes, stipulates the state-approved investment policy for all governmental entities and includes the following investments:

- The Florida PRIME (formerly the Local Government Surplus Trust Fund), administered by the State Board of Administration.
- Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency.

**NOTES TO FINANCIAL STATEMENTS
GADSDEN COUNTY PROPERTY APPRAISER**

- Interest-bearing time deposits or savings accounts in qualified public depositories.
- Direct obligations of the U.S. Treasury.

The Property Appraiser does not have an investment policy that would further limit its investment choices.

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the government’s deposits may not be returned to it.

Qualified public depositories of public funds are required to provide collateral each month pursuant to Section 280.04, Florida Statutes. The collateral is held by the Florida Division of Treasury or other custodian with full legal rights maintained by the Florida Division of Treasury to transfer ownership. Any loss not covered by the pledged securities and deposit insurance would be assessed by the Florida Division of Treasury and paid by the other public depositories. The Property Appraiser’s deposits are, therefore, considered fully insured or collateralized.

Note 3 - Risk Management

The Property Appraiser is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors or omissions; injuries to employees and/or the public; or damage to property of others. The Property Appraiser participates in the risk management program through the Board, which uses commercial insurance and a public entity risk pool to cover certain risks from loss.

The Board obtained commercial insurance against losses for the following types of risk:

- Real and Personal Property Damage
- Public Employees’ Bond
- Workers’ Compensation
- Automobile Liability

The Board participates in the Florida Association of Counties Trust (FACT), a public entity risk pool for risks related to comprehensive general liability. The agreement provides that the financial liability for each participating county is limited to premiums and surplus contributions paid or obligations made to FACT. Aggregate coverage provided is limited to \$1,000,000 for each claim.

Note 4 - Long-Term Liability for Compensated Absences

The Property Appraiser’s long-term liability for compensated absences is a follows:

	Balance October 1, 2021	Additions	Retirements	Balance September 30, 2022
Liability for Compensated Absences	\$ 31,424	\$ 36,302	\$ (36,929)	\$ 30,797

NOTES TO FINANCIAL STATEMENTS
GADSDEN COUNTY PROPERTY APPRAISER

Of the \$30,797 liability for accrued compensated absences, management estimates that \$15,758 will be due and payable within one year. The liability is not reported in the financial statements of the Property Appraiser since it is not payable from available resources at September 30, 2022. As discussed in Note 1, this liability is reported on the statement of net position in the County-wide financial statements.

Note 5 - Pension and Postemployment Benefits Other Than Pension Benefits

Florida Retirement System (FRS) Pension Benefits

The Property Appraiser participates in the FRS to provide benefits to his employees. A detailed plan description and any liability for employees of the Property Appraiser is included in the financial statements of the County.

Postemployment Benefits Other than Pensions

The Property Appraiser participates in the plan established by the Board of County Commissioners to provide other postemployment benefits to retirees of the Board and Constitutional Officers. A detailed plan description and any liability for employees of the Property Appraiser is included in the financial statements of the County.

Note 6 - Other Disclosures

For the year ended September 30, 2022, there was a deficit in fund balance of \$20,718 in the Property Appraiser's general fund. This resulted from the Property Appraiser incurring expenditures in excess of appropriations. The Board of County Commissioners was unable to approve a budget amendment within the statutory time frame to cure the deficit. A budget amendment has been approved in fiscal year 2022-2023 to cover the deficit.

OTHER REPORTS

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

The Honorable Reginald A. Cunningham
Gadsden County Property Appraiser
Gadsden County, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the general fund of the Gadsden County, Florida Property Appraiser (the Property Appraiser) as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Property Appraiser's basic financial statements, and have issued our report thereon dated June 20, 2023.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

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The Honorable Reginald A. Cunningham
Gadsden County Property Appraiser
Gadsden County, Florida

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Property Appraiser's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed one instance of non-compliance or other matters that is required to be reported under *Government Auditing Standards*, described below:

■ **2022-01 Expenditures in Excess of Budgeted Appropriations**

Condition—In accordance with Florida Statute 129.201, the Property Appraiser's budget, as approved by the County Commission, is included in the general county budget and is subject to the same provisions of laws as the county's annual budget. As such, the Property Appraiser's budget must regulate its expenditures, and funds may not be expended except pursuant to the adopted budget. For the year ended September 30, 2022, the Property Appraiser's expenditures exceeded budgeted expenditures by \$22,468. The Property Appraiser's budget may be increased by the Board of County Commissioners (the Board) to cover unanticipated expenditures; however, a budget amendment was not submitted to the Board for approval within 60 days of year end in accordance with Florida Statute 129.06(2).

Effect—The Property Appraiser's fiscal year 2022 budget was not properly amended, and, therefore, is not in compliance with Florida Statute 129.06(1) and (2). This resulted in expenditures exceeding appropriations and caused a deficit in fund balance at fiscal year-end.

Recommendation—We recommend that the Property Appraiser review budget versus actual reports on a regular basis to ensure actual expenditures do not exceed budget. If a budget amendment is needed, we recommend the Property Appraiser amend his budget within 60 days of fiscal year-end in accordance with Florida Statutes.

Purpose of this Report

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



June 20, 2023
Tallahassee, Florida

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES

The Honorable Reginald A. Cunningham
Gadsden County Property Appraiser
Gadsden County, Florida

We have examined Gadsden County, Florida Property Appraiser's (the Property Appraiser) compliance with the requirements of Section 218.415, Florida Statutes, as of and for the year ended September 30, 2022, as required by Section 10.556(10)(a), *Rules of the Auditor General*. Management is responsible for the Property Appraiser's compliance with those requirements. Our responsibility is to express an opinion on the Property Appraiser's compliance based on our examination.

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

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

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

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

This report 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, the Property Appraiser, its management, and the Board of County Commissioners of Gadsden County, Florida, and is not intended to be, and should not be, used by anyone other than these specified parties.



June 20, 2023
Tallahassee, Florida

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MANAGEMENT LETTER

The Honorable Reginald A. Cunningham
Gadsden County Property Appraiser
Gadsden County, Florida

Report on the Financial Statements

We have audited the financial statements of the general fund of the Gadsden County, Florida Property Appraiser (the Property Appraiser) as of and for the year ended September 30, 2022, and have issued our report thereon dated June 20, 2023.

Auditor's 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 Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Report on an examination conducted in accordance with American Institute of Certified Public Accountants *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 June 20, 2023, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings or recommendations made in the preceding annual financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The Property Appraiser was established by the Constitution of the State of Florida, Article VIII, Section 1(d). There were no component units related to the Property Appraiser.

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The Honorable Reginald A. Cunningham
Gadsden County Property Appraiser
Gadsden County, Florida

MANAGEMENT LETTER

Financial Management

Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Additional Matters

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

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, the Property Appraiser, his management team, and the Board of County Commissioners of Gadsden County, Florida, and is not intended to be, and should not be, used by anyone other than these specified parties.

We wish to take this opportunity to thank you and your staff for the cooperation and courtesies extended to us during the course of our audit. Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.



June 20, 2023
Tallahassee, Florida

GADSDEN COUNTY

Property Appraiser

Reginald A. Cunningham, CFA

June 16, 2023

Honorable Sherill F. Norman, CPA
Auditor General, State of Florida
Local Government Audits
Claude Pepper Building, Room 401
11 West Madison Street
Tallahassee, FL 32399-1450

Re: Management's Response to the Independent Auditor's Report for the year ended September 30, 2022

Dear Ms. Norman,

This letter is in response to the finding contained in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. The report disclosed a finding (2022-01) regarding expenditures exceeding budgeted appropriations.

Our office experienced additional unexpected increases in software and health insurance costs during the fiscal year. This resulted in expenditures exceeding budget. We will closely monitor budget versus actual expenditures going forward and request additional budget funding or amendments as needed within statutory requirements.

Sincerely,



Reginald Cunningham
Gadsden County Property Appraiser

2022

Gadsden County Supervisor of Elections

Financial Statements and
Independent Auditor's Report

September 30, 2022

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

**GADSDEN COUNTY SUPERVISOR OF ELECTIONS
GADSDEN COUNTY, FLORIDA**

SEPTEMBER 30, 2022

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INDEPENDENT AUDITOR'S REPORT

The Honorable Shirley Green Knight
Gadsden County Supervisor of Elections
Gadsden County, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the general fund of the Gadsden County, Florida Supervisor of Elections (the Supervisor of Elections) as of and for the fiscal year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Supervisor of Elections' financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the general fund for the Supervisor of Elections as of September 30, 2022, and the respective changes in financial position thereof and the respective budgetary comparison for the general fund for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Supervisor of Elections and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter - Incomplete Presentation

As discussed in Note 1 to the financial statements, the 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 (the Rules). In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of the general fund, only for that portion of the general fund, of Gadsden County that is attributable to the Supervisor of Elections. They do not purport to, and do not, present fairly the financial position of Gadsden County as of September 30, 2022, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

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The Honorable Shirley Green Knight
Gadsden County Supervisor of Elections
Gadsden County, Florida

INDEPENDENT AUDITOR'S REPORT

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS 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, individually or in the aggregate, they could reasonably be expected to influence the judgment made by a reasonable user made on the basis of these financial statements.

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

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

The Honorable Shirley Green Knight
Gadsden County Supervisor of Elections
Gadsden County, Florida

INDEPENDENT AUDITOR'S REPORT

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2023, on our consideration of the Supervisor of Elections' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Supervisor of Elections' internal control over financial reporting and compliance.



June 20, 2023
Tallahassee, Florida

FINANCIAL STATEMENTS

**BALANCE SHEET
GENERAL FUND
SEPTEMBER 30, 2022
GADSDEN COUNTY SUPERVISOR OF ELECTIONS**

Assets	
Cash	\$ 67,421
Total Assets	<u>67,421</u>
Liabilities and Fund Balance	
Liabilities	
Accounts Payable	65,261
Accrued Wages and Benefits	18,086
Total Liabilities	<u>83,347</u>
Fund Balance (Deficit)	<u>(15,926)</u>
Total Liabilities and Fund Balance	<u>\$ 67,421</u>

See accompanying notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022
GADSDEN COUNTY SUPERVISOR OF ELECTIONS**

Revenues	
Intergovernmental Revenue	\$ 16,007
Total Revenues	<u>16,007</u>
Expenditures	
General Government:	
Personnel Services	503,704
Operating Expenditures	401,041
(Total Expenditures)	<u>(904,745)</u>
Excess (Deficiency) of Expenditures Over (Under) Revenues	<u>(888,738)</u>
Other Financing Sources	
Transfers in from Board of County Commissioners	
	872,812
Total Other Financing Sources (Uses)	<u>872,812</u>
Net Change in Fund Balance	(15,926)
Fund Balance, Beginning of Year	<u>-</u>
Fund Balance (Deficit), End of Year	<u>\$ (15,926)</u>

See accompanying notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022
GADSDEN COUNTY SUPERVISOR OF ELECTIONS**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental Revenues	\$ -	\$ 16,682	\$ 16,007	\$ (675)
Total Revenues	<u>-</u>	<u>16,682</u>	<u>16,007</u>	<u>(675)</u>
Expenditures				
General Government:				
Personnel Services	471,185	471,185	503,704	(32,519)
Operating Expenditures	288,627	305,309	401,041	(95,732)
Capital Outlay	113,000	113,000	-	113,000
(Total Expenditures)	<u>(872,812)</u>	<u>(889,494)</u>	<u>(904,745)</u>	<u>(15,251)</u>
Excess (Deficiency) of Expenditures Over (Under) Revenues	<u>(872,812)</u>	<u>(872,812)</u>	<u>(888,738)</u>	<u>(15,926)</u>
Other Financing Sources				
Transfers in from Board of County Commissioners	872,812	872,812	872,812	-
Total Other Financing Sources	<u>872,812</u>	<u>872,812</u>	<u>872,812</u>	<u>-</u>
Net Change in Fund Balance	-	-	(15,926)	(15,926)
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance (Deficit), End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (15,926)</u>	<u>\$ (15,926)</u>

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS
GADSDEN COUNTY SUPERVISOR OF ELECTIONS

Note 1 - Summary of Significant Accounting Policies

The following is a summary of significant accounting principles and policies used in the preparation of the accompanying financial statements.

Reporting Entity

Gadsden County, Florida (the County) is a political subdivision of the State of Florida. It is governed by an elected Board of County Commissioners (the Board) and an appointed County Administrator, as provided by Section 125.73, Florida Statutes. The County Administrator is responsible for the administration of all departments of which the Board has the authority to control pursuant to the general laws of Florida.

The Gadsden County, Florida, Supervisor of Elections (the Supervisor of Elections) is an elected official of the County, pursuant to the *Constitution of the State of Florida*, Article VIII, Section 1(d) and is a part of the primary government of the County. The Board approves the Supervisor of Elections' total operating budget, and the Clerk of Court is responsible for accounting for the Supervisor of Elections' transactions. The Supervisor of Elections is responsible for the administration and operation of the Supervisor of Elections' office, and the Supervisor of Elections' financial statements do not include the financial statements of the Board or the other Constitutional Officers of the County. There were no component units related to the Supervisor of Elections.

The operations of the Supervisor of Elections are funded by the Board. The receipts from the Board are recorded as other financing sources on the Supervisor of Elections' financial statements and as other financing uses on the Board's financial statements.

For financial reporting purposes, the Supervisor of Elections is deemed to be part of the primary government of the County and, therefore, is included as such in the County's annual financial report.

Basis of Presentation

The accompanying financial statements include all funds and accounts of the Supervisor of Elections' office but are not a complete presentation of the County as a whole. Except for this matter, they are otherwise in conformity with accounting principles generally accepted in the United States of America (GAAP). The accompanying financial statements were prepared for the purpose of complying with Section 218.39, Florida Statutes, and Section 10.557(4), *Rules of the Auditor General—Local Governmental Entity Audits*.

The financial transactions of the Supervisor of Elections are recorded in one individual fund. This fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures.

The Supervisor of Elections reports the following fund type:

■ **Governmental Fund**

● **Major Fund**

- ▶ **General Fund**—The general fund is the general operating fund of the Supervisor of Elections. It is used to account for all financial resources, except for those required to be accounted for in another fund.

NOTES TO FINANCIAL STATEMENTS
GADSDEN COUNTY SUPERVISOR OF ELECTIONS

Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements and refers to the timing of the measurements made, regardless of the measurement focus applied.

The modified accrual basis of accounting is followed by the general fund. Under the modified accrual basis of accounting, revenues are recognized when they are received in cash or when they become both measurable and available to finance expenditures of the current period. Expenditures are recorded when the liability is incurred and/or will be paid from expendable available financial resources, except for accumulated sick and vacation pay, which are not recorded until paid.

The Supervisor of Elections considers receivables collected within 30 days after year-end to be available and susceptible to accrual as revenues of the current year. The following major revenue is considered susceptible to accrual: intergovernmental revenue.

Measurement Focus

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

Budgetary Requirement

General governmental revenues and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with the Florida Statutes. An annual budget is prepared by the Supervisor of Elections and adopted by the Board for the general fund.

The Supervisor of Elections’ annual budget is monitored at varying levels of classification detail. However, for purposes of budgetary control, expenditures cannot legally exceed the total annual budget appropriations at the individual fund level. All appropriations lapse at year-end.

Budget to actual comparisons are provided in the financial statements for the general fund. All budget amounts presented in the accompanying financial statements have been adjusted for legally authorized amendments of the annual budget for the year. Budgets are prepared on the modified accrual basis of accounting.

Capital Assets

Tangible personal property is recorded as expenditures in the general fund at the time an asset is acquired. Assets acquired by the Supervisor of Elections are capitalized at cost in the capital asset accounts of the Board. The Supervisor of Elections maintains custodial responsibility for the capital assets used by her office.

NOTES TO FINANCIAL STATEMENTS
GADSDEN COUNTY SUPERVISOR OF ELECTIONS

Compensated Absences

Permanent full-time employees of the Supervisor of Elections are entitled to accrue unlimited hours of sick leave and 240 hours of vacation time. Upon termination, employees can be paid up to 240 hours of vacation time and up to one-fourth of unused sick time, with the payment of one-fourth of unused sick time being subject to three years of consecutive employment.

The Supervisor of Elections' accrued compensated absences are reported in the statement of net position in the County-wide financial statements.

Transfers In and Out

The Board funds substantially the entire operating budget of the Supervisor of Elections. The payments by the Board to fund the operations of the Supervisor of Elections are recorded as transfers in on the financial statements of the Supervisor of Elections. In accordance with Florida Statutes, the Supervisor of Elections distributes all general fund revenues in excess of expenditures to the Board within 31 days following the end of the fiscal year.

Related Organizations—Common Expenses

Certain expenses, which are common to the Board and all Constitutional Officers, are reported as expenses of the Board and, therefore, are not budgeted by or allocated to the Supervisor of Elections. These expenses paid by the Board relating to the Supervisor of Elections operations are:

- Occupancy Costs
- Janitorial Service
- Utilities (Except Telephone)
- Property Insurance

Adoption of New Accounting Standard

During the year ended September 30, 2022, the Supervisor of Elections adopted new accounting guidance by implementing the provisions of Governmental Accounting Standards Board Statement No. 87, *Leases*, which established criteria for identifying and reporting leases. Leases with an initial term of one year or less are recorded in Operating Expenses when incurred. Leases with non-cancellable terms greater than one year are evaluated for applicability under the standard based on materiality levels established by the County. Leases that qualify for reporting under the new standard are initially recognized as a Capital Outlay Expense and Other Financing Source in the year of inception of the lease. Subsequent payments on the lease are reported as debt service expenditures. A right-to-use asset and associated lease liability are recorded on the County-wide financial statements at the present value of the future lease payments including any residual value guarantees that are reasonably certain of being required or purchase options that are reasonably certain of being exercised. For the fiscal year ended September 30, 2022, the aggregate financial impact of the implementation of this standard was not deemed to be material to the Supervisor of Elections' financial statements.

Note 2 - Cash

As of September 30, 2022, the carrying amount of the Supervisor of Elections' deposits was \$67,421.

Credit Risk

Section 218.415(17), Florida Statutes, stipulates the state-approved investment policy for all governmental entities and includes the following investments:

NOTES TO FINANCIAL STATEMENTS
GADSDEN COUNTY SUPERVISOR OF ELECTIONS

- The Florida PRIME (formerly the Local Government Surplus Trust Fund), administered by the State Board of Administration.
- Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency.
- Interest-bearing time deposits or savings accounts in qualified public depositories.
- Direct obligations of the U.S. Treasury.

The Supervisor of Elections does not have an investment policy that would further limit its investment choices.

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it.

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 Supervisor of Elections' deposits are therefore considered fully insured or collateralized.

Note 3 - Risk Management

The Supervisor of Elections is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors or omissions; injuries to employees and/or the public; or damage to property of others. The Supervisor of Elections participates in the risk management program through the Board, which uses commercial insurance and a public entity risk pool to cover certain risks from loss.

The Board obtained commercial insurance against losses for the following types of risk:

- Real and Personal Property Damage
- Public Employees' Bond
- Workers' Compensation
- Automobile Liability

The Board participates in the Florida Association of Counties Trust (FACT), a public entity risk pool for risks related to comprehensive general liability. The agreement provides that the financial liability for each participating county is limited to premiums and surplus contributions paid or obligations made to FACT. Aggregate coverage provided is limited to \$1,000,000 for each claim.

Note 4 - Long-Term Liability for Compensated Absences

The Supervisor of Elections' long-term liability for compensated absences is as follows:

**NOTES TO FINANCIAL STATEMENTS
GADSDEN COUNTY SUPERVISOR OF ELECTIONS**

	Balance October 1, 2021	Additions	Retirements	Balance September 30, 2022
Liability for Compensated Absences	\$ 10,194	\$ 16,227	\$ (14,309)	\$ 12,112

Of the \$12,112 liability for accrued compensated absences, management estimates that \$7,033 will be due and payable within one year. The liability is not reported in the financial statements of the Supervisor of Elections since it is not payable from available resources at September 30, 2022. As discussed in Note 1, the liability is reported on the statement of net position in the County-wide financial statements.

Note 5 - Pension and Postemployment Benefits Other Than Pension Benefits

Florida Retirement System (FRS) Pension Benefits

The Supervisor of Elections participates in the FRS to provide benefits to her employees. A detailed plan description and any liability for employees of the Supervisor of Elections are included in the financial statements of the County.

Postemployment Benefits Other than Pensions

The Supervisor of Elections participates in the plan established by the Board of County Commissioners to provide other postemployment benefits to retirees of the Board and Constitutional Officers. A detailed plan description and any liability for employees of the Supervisor of Elections is included in the financial statements of the County.

Note 6 - Other Disclosures

For the year ended September 30, 2022, there was a deficit in fund balance of \$15,926 in the Supervisor of Elections' general fund. This resulted from the Supervisor of Elections incurring expenditures in excess of appropriations. The Board of County Commissioners was unable to approve a budget amendment within the statutory time frame to cure the deficit. A budget amendment has been approved in fiscal year 2022-2023 to cover the deficit.

OTHER REPORTS

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

The Honorable Shirley Green Knight
Gadsden County Supervisor of Elections
Gadsden County, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the general fund of the Gadsden County, Florida Supervisor of Elections (the Supervisor of Elections) as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Supervisor of Elections' basic financial statements, and have issued our report thereon dated June 20, 2023.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

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The Honorable Shirley Green Knight
Gadsden County Supervisor of Elections
Gadsden County, Florida

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Supervisor of Elections' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed one instance of non-compliance or other matters that is required to be reported under *Government Auditing Standards*, described below:

■ **2022-01 Expenditures in Excess of Budgeted Appropriations**

Condition—In accordance with Florida Statute 129.201, the Supervisor of Elections' budget, as approved by the County Commission, is included in the general county budget and is subject to the same provisions of laws as the county's annual budget. As such, the Supervisor of Elections' budget must regulate its expenditures, and funds may not be expended except pursuant to the adopted budget. For the year ended September 30, 2022, the Supervisor of Elections' expenditures exceeded budgeted expenditures by \$15,251. The Supervisor of Elections' budget may be increased by the Board of County Commissioners (the Board) to cover unanticipated expenditures; however, a budget amendment was not submitted to the Board for approval within 60 days of year-end in accordance with Florida Statute 129.06(2).

Effect—The Supervisor of Elections' fiscal year 2022 budget was not properly amended and, therefore, is not in compliance with Florida Statute 129.06(1) and (2). This resulted in expenditures exceeding appropriations and caused a deficit in fund balance at fiscal year-end.

Recommendation—We recommend that the Supervisor of Elections review budget versus actual reports on a regular basis to ensure actual expenditures do not exceed budget. If a budget amendment is needed, we recommend the Supervisor of Elections amend her budget within 60 days of fiscal year-end in accordance with Florida Statutes.

Purpose of this Report

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



June 20, 2023
Tallahassee, Florida

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 218.415 – INVESTMENT OF PUBLIC FUNDS

The Honorable Shirley Green Knight
Gadsden County Supervisor of Elections
Gadsden County, Florida

We have examined Gadsden County, Florida Supervisor of Elections' (the Supervisor of Elections) compliance with the requirements of Section 218.415, Florida Statutes, as of and for the year ended September 30, 2022, as required by Section 10.556(10)(a), *Rules of the Auditor General*. Management is responsible for the Supervisor of Elections' compliance with those requirements. Our responsibility is to express an opinion on the Supervisor of Elections' compliance based on our examination.

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

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

Our examination does not provide a legal determination on the Supervisor of Elections' compliance with specified requirements.

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

This report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, the Supervisor of Elections, its management, and the Board of County Commissioners of Gadsden County, Florida and is not intended to be, and should not be, used by anyone other than these specified parties.



June 20, 2023
Tallahassee, Florida

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MANAGEMENT LETTER

The Honorable Shirley Green Knight
Gadsden County Supervisor of Elections
Gadsden County, Florida

Report on the Financial Statements

We have audited the financial statements of the general fund of the Gadsden County, Florida Supervisor of Elections (the Supervisor of Elections) as of and for the year ended September 30, 2022, and have issued our report thereon dated June 20, 2023.

Auditor's 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 Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Report on an examination conducted in accordance with American Institute of Certified Public Accountants *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 June 20, 2023, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings or recommendations made in the preceding annual financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The Supervisor of Elections was established by the Constitution of the State of Florida, Article VIII, Section 1(d). There were no component units related to the Supervisor of Elections.

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The Honorable Shirley Green Knight
Gadsden County Supervisor of Elections
Gadsden County, Florida

MANAGEMENT LETTER

Financial Management

Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Additional Matters

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

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, the Supervisor of Elections, her management team, and the Board of County Commissioners of Gadsden County, Florida, and is not intended to be, and should not be, used by anyone other than these specified parties.

We wish to take this opportunity to thank you and your staff for the cooperation and courtesies extended to us during the course of our audit. Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.



June 20, 2023
Tallahassee, Florida

SHIRLEY GREEN KNIGHT
Supervisor



16 South Madison Street
Quincy, Florida 32351

SUPERVISOR OF ELECTIONS GADSDEN COUNTY

June 12, 2023

Ms. Georgette Daniels
Assistant County Manager
Jefferson St.
Quincy, FL 32351

Dear Ms. Daniels,

This is a response to Mr. Stermer request regarding the Supervisor of Elections 2021-2022 budget overage. I have listed some unexpected incidents that happened in 2022 concerning the 2021-2022 budget.

Four Lawsuits with the City of Quincy

- Bittle vs City of Quincy, Shirley Knight, Keith Dowdell
Recall Petitions - **\$ 5,840.00**
- Anessa Candidate vs Bittle, Shirley Knight
Recall Petitions - **\$2,960.00**
- Bittle vs City of Quincy, Shirley Knight
Recall Petitions - **\$ 5,580.00**
- Harris vs Bittle, Shirley Knight
Recall Petitions - **\$1,440.00**

Storage Space

Early voting takes up half of our warehouse space and our voting equipment takes up the other half. Because there is a space issue, we have no where to store our voting booths. Therefore, we have to move all our voting booths into a rented mobile mini unit that is secured on the grounds of the Supervisor of Elections office. The space is needed for the Canvassing Board to canvass, tabulate and duplicate damaged Vote by Mail ballots. The space is also needed for the Canvassing Board Team (15 people) and for the public viewing. The rental unit costed - **\$ 1,299.**

If you have any questions, please give me a call at (850) 627-9910.

Thanks,

Shirley Knight
Supervisor of Elections

Cc: Daniel Stermer, CPA



Telephone 850-627-9910 Fax 850-627-6144 P.O. Box 186 Quincy, Florida 32353
Email: info@gadsdensoe.com Website: <http://www.gadsdensoe.com>

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