

GLADES COUNTY, FLORIDA
BASIC FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2022



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**GLADES COUNTY, FLORIDA
TABLE OF CONTENTS
YEAR ENDED SEPTEMBER 30, 2022**

INDEPENDENT AUDITORS' REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)	4
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	14
STATEMENT OF ACTIVITIES	15
FUND FINANCIAL STATEMENTS	
BALANCE SHEET – GOVERNMENTAL FUNDS	16
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION	17
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – GOVERNMENTAL FUNDS	18
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES	19
STATEMENT OF NET POSITION – PROPRIETARY FUNDS	20
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – PROPRIETARY FUNDS	21
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS	22
STATEMENT OF FIDUCIARY NET POSITION – CUSTODIAL FUNDS	24
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – CUSTODIAL FUNDS	25
NOTES TO FINANCIAL STATEMENTS	26
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)	
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND (NON-GAAP BUDGETARY BASIS)	67
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – TRANSPORTATION TRUST FUND	69
NOTE TO SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET TO ACTUAL	70

**GLADES COUNTY, FLORIDA
TABLE OF CONTENTS
YEAR ENDED SEPTEMBER 30, 2022**

SCHEDULE OF CHANGES IN THE COUNTY'S TOTAL OPEB LIABILITY AND RELATED RATIOS	71
SCHEDULE OF COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY – FLORIDA RETIREMENT SYSTEM PENSION PLAN	72
SCHEDULE OF COUNTY CONTRIBUTIONS – FLORIDA RETIREMENT SYSTEM PENSION PLAN	73
SCHEDULE OF COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY – HEALTH INSURANCE SUBSIDIARY PENSION PLAN	74
SCHEDULE OF COUNTY CONTRIBUTIONS – HEALTH INSURANCE SUBSIDIARY PENSION PLAN	75
COMBINING FUND FINANCIAL STATEMENTS	
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS	77
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS	78
<i>GOVERNMENT AUDITING STANDARDS AND FEDERAL AND STATE SINGLE AUDIT</i>	
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE	79
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE	82
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	83
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND CHAPTER 10.550, RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA	85
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – FEDERAL PROGRAMS AND STATE FINANCIAL ASSISTANCE PROJECTS	88
MANAGEMENT LETTER	92
INDEPENDENT ACCOUNTANTS' REPORT	96



INDEPENDENT AUDITORS' REPORT

Honorable Board of County Commissioners
Glades County, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Glades 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, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County, as of September 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, the schedule of changes in the County's total OPEB liability and related ratios, the schedules of County's proportionate share of net pension liability, and the schedules of County contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance 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.

Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2023, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Fort Myers, Florida
June 27, 2023

GLADES COUNTY, FLORIDA

Management's Discussion and Analysis (Unaudited)

This section of the report presents our discussion and analysis of the County's performance during the fiscal year that ended September 30, 2022. Please read it in conjunction with the County's financial statements, which follow this section.

Financial Highlights

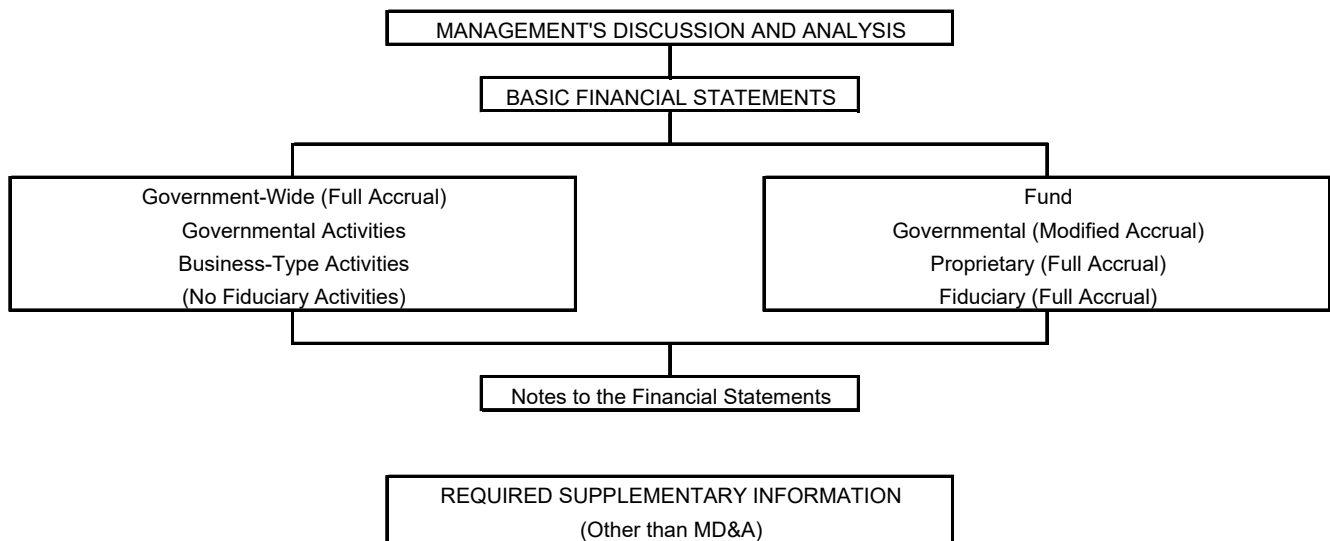
The County's total net position increased by approximately \$5.9 million over the course of this year's operations. The net position of our business-type activities increased by approximately \$200,000 and net position of our governmental activities increased by approximately \$5.7 million.

At the end of the current fiscal year, unassigned fund balance for the general fund was approximately \$9.0 million, or 42.9% of total general fund expenditures.

Overview of the Financial Statements

The financial section of this annual report consists of four parts-management's discussion and analysis (this section), the basic financial statements, notes to the financial statements, and required supplementary information.

Financial Section



GLADES COUNTY, FLORIDA

Management’s Discussion and Analysis (Unaudited)

Major Features of the Basic Financial Statements

	Government-Wide	Fund Financial Statements		
	Financial Statements	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire County government (except fiduciary activities)	Activities of the County that are not proprietary or fiduciary	Activities of the County that are operated similar to private business	Instances in which the County is the trustee or agent for someone else’s resources
Required financial statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenue, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of net position • Statement of revenue, expenses, and changes in net position • Statement of cash flows 	<ul style="list-style-type: none"> • Statement of fiduciary net position • Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter, no capital assets and long-term liabilities included	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term

Basic Financial Statements

Government-wide financial statements – The focus of the *government-wide financial statements* is on the overall financial position and activities of the County. Reporting is similar to that of a private-sector business. The government-wide financial statements report information about the County as a whole and about its activities in a way that helps answer questions about the financial health of the County and whether the activities of the year contributed positively or negatively to that health.

The County’s government-wide financial statements include the statement of net position and statement of activities. As described below, these statements do not include the County’s fiduciary activities because resources of these funds cannot be used to finance the County’s activities. However, the statement of fiduciary net position is included in the County’s fund financial statements, because the County is financially accountable for those resources, even though they belong to other parties.

- The *Statement of Net Position* presents information on the assets held and liabilities owed by the County, both long term and short term. Assets are reported when acquired by the County and liabilities are reported when they are incurred, regardless of the timing of the related cash flows to acquire these assets or liquidate such liabilities. For example, the County reports buildings and infrastructure as assets, even though they are not available to pay the obligations incurred by the County. On the other hand, the County reports liabilities, such as notes payable or litigation claims, even though these liabilities might not be paid until several years into the future.

GLADES COUNTY, FLORIDA

Management's Discussion and Analysis (Unaudited)

The difference between the County's total assets and total liabilities is *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating. Although the purpose of the County is not to accumulate net position in general, as this amount increases it indicates that the financial position of the County is improving over time.

- The *Statement of Activities* presents the revenues and expenses of the County. The items presented on the statement of activities are measured in a manner similar to the approach used in the private sector in that revenues are recognized when earned and expenses are reported when incurred. Accordingly, revenues are reported even when they may not be collected for several months after the end of the accounting period and expenses are recorded even though they may not have used cash during the current period.

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenue (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, public safety, physical environment, transportation, culture and recreation, human services, economic environment, and court-related costs. The business-type activities include solid waste.

Fund Financial Statements – Unlike government-wide financial statements, the focus of fund financial statements is directed to specific activities of the County rather than the County as a whole. Except for the general fund, separate funds are established to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Fund – Financial statements consist of a balance sheet and a statement of revenues, expenditures, and changes in fund balances. These statements are prepared on an accounting basis that is significantly different from that used to prepare the government-wide financial statements.

In general, these financial statements have a short-term emphasis and, for the most part, measure and account for cash and other assets that can easily be converted to cash. For example, amounts reported on the balance sheet include items such as cash and receivables but do not include capital assets such as land and buildings. The fund balance is the difference between a fund's total assets and total liabilities, and generally indicates the amount that can be used to finance the next fiscal year's activities. The operating statement for governmental funds reports only those revenues that were collected during the current period or very shortly after the end of the year. Expenditures generally are recorded when incurred.

GLADES COUNTY, FLORIDA

Management's Discussion and Analysis (Unaudited)

For the most part, the balances and activities accounted for in governmental funds are also reported in the governmental activities columns of the government-wide financial statements. However, because different accounting bases are used to prepare governmental fund financial statements and government-wide financial statements, there are often significant differences between the totals presented. For this reason, there is an analysis after the governmental fund balance sheet that reconciles the total fund balances for all governmental funds to the amount of net position presented in the governmental activities column on the statement of net position. Also, there is an analysis after the statement of revenues, expenditures, and changes in fund balances that reconciles the total change in fund balances for all governmental funds to the change in net position as reported in the governmental activities column in the statement of activities.

Proprietary Fund – Financial statements consist of a statement of net position, statement of revenues, expenses, and changes in fund net position and statement of cash flows. These statements are prepared on an accounting basis that is similar to the basis used to prepare the government-wide financial statements. For financial reporting purposes, proprietary funds are grouped into Enterprise Funds.

The County uses Enterprise Funds to account for business-type activities that charge fees to customers for the use of specific goods or services. These funds are used to report the same functions presented as business-type activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The County presents a separate column for its major enterprise fund, Solid Waste. A statement of cash flows is presented at the fund financial statement level for proprietary funds, but no equivalent statement is presented in the government-wide financial statements for either governmental activities or business-type activities.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the County's own programs. Fiduciary financial statements consist of a statement of fiduciary net position and a statement of changes in fiduciary net position.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning various issues such as a comparison between the County's adopted and final budget and actual financial results for its general fund and major special revenue funds. The County adopts an annual appropriated budget for its governmental funds. A budgetary comparison schedule has been provided for the general fund and major special revenue funds to demonstrate compliance with this budget.

GLADES COUNTY, FLORIDA

Management’s Discussion and Analysis (Unaudited)

Government-Wide Financial Analysis

The table below presents a summary of net position as of September 30, 2022 and 2021, derived from the government-wide statement of net position:

	Net Position (in thousands)					
	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and Other Assets	\$ 29,042	\$ 24,983	\$ 1,970	\$ 1,725	\$ 31,012	\$ 26,708
Capital Assets	54,356	51,457	339	348	54,695	51,805
Total Assets	<u>83,398</u>	<u>76,440</u>	<u>2,309</u>	<u>2,073</u>	<u>85,707</u>	<u>78,513</u>
Deferred Outflows of Resources	5,135	5,004	9	8	5,144	5,012
Other Liabilities	4,987	3,641	77	41	5,064	3,682
Noncurrent Liabilities Outstanding	19,013	10,236	296	281	19,309	10,517
Total Liabilities	<u>24,000</u>	<u>13,877</u>	<u>373</u>	<u>322</u>	<u>24,373</u>	<u>14,199</u>
Deferred Inflows of Resources	<u>5,392</u>	<u>14,112</u>	<u>9</u>	<u>22</u>	<u>5,401</u>	<u>14,134</u>
Net Position:						
Net Investment in Capital Assets	53,224	50,843	339	348	53,563	51,191
Restricted	14,774	12,143	-	-	14,774	12,143
Unrestricted	(8,857)	(9,531)	1,597	1,389	(7,260)	(8,142)
Total Net Position	<u>\$ 59,141</u>	<u>\$ 53,455</u>	<u>\$ 1,936</u>	<u>\$ 1,737</u>	<u>\$ 61,077</u>	<u>\$ 55,192</u>

Current and other assets for the governmental activities increased \$4.1 million due to a \$2.5 million increase in cash and investments, both restricted and unrestricted, a \$1.2 million increase in due from other governments and \$254,000 increase in accounts receivables. Capital assets increased \$2.9 million due to additions to capital assets primarily related to wastewater and road projects in progress. Deferred outflows of resources increased \$131,000 due to changes in the actuarial valuation and the County’s share of pension related deferred outflows of resources. Overall, total liabilities increased \$10.1 million, which was due to an increase in the net pension liability of \$9.6 million, an \$831,000 increase in account payable and other accrued liabilities and an increase in unearned revenue of \$511,000. The increase was offset by a decrease of \$758,000 in OPEB liability. Deferred inflows of resources decreased \$8.7 million due to changes in the actuarial valuation and the County’s share of pension related deferred inflows of resources.

Current and other assets of the business-type activities increased by approximately \$245,000 due to an increase in cash and investments of \$267,000. Accounts Receivable increased approximately \$11,000 due to the timing of revenue received at year-end.

As noted earlier, net position may serve over time as a useful indication of a government’s financial position. At the close of the most recent fiscal year, the County’s assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$61.1 million. The largest portion of the County’s net position is net investment in capital assets and is 88.3% of total net position. This category reflects its net investment in capital assets net of any outstanding related debt used to acquire these assets. The County uses these capital assets to provide services to the citizens of the County; consequently this net position is not available for future spending. Although the capital assets are shown net of debt, it should be noted that the resources needed to repay this debt must be provided from other sources.

GLADES COUNTY, FLORIDA

Management’s Discussion and Analysis (Unaudited)

Restricted net position represents 23.1% of total net position. Restricted net position represents resources that are subject to external restrictions on how they can be used. Unrestricted net position represents -11.4% of the total net position. Unrestricted net position represents resources that are available for spending.

The net position increased by approximately \$5.9 million during the fiscal year compared to the increase of \$2.4 million in the prior fiscal year.

The table below presents a summary of changes in net position for the years ended September 30, 2022 and 2021, as derived from the government-wide statement of activities:

	Changes in Net Position (in thousands)					
	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program Revenues:						
Charges for Services	\$ 7,118	\$ 7,595	\$ 653	\$ 665	\$ 7,771	\$ 8,260
Operating Grants	2,285	2,836	129	84	2,414	2,920
Capital Grants	5,606	1,253	-	-	5,606	1,253
General Revenues:						
Property Taxes	9,944	9,101	-	-	9,944	9,101
Other Taxes	5,928	5,373	-	-	5,928	5,373
Other Revenues	153	132	9	6	162	138
Total Revenues	<u>31,034</u>	<u>26,290</u>	<u>791</u>	<u>755</u>	<u>31,825</u>	<u>27,045</u>
Expenses:						
General Government	6,438	5,616	-	-	6,438	5,616
Public Safety	14,310	14,159	-	-	14,310	14,159
Physical Environment	479	530	-	-	479	530
Transportation	2,168	1,945	-	-	2,168	1,945
Culture and Recreation	667	842	-	-	667	842
Human Services	366	348	-	-	366	348
Economic Environment	829	762	-	-	829	762
Court-Related Costs	44	35	-	-	44	35
Interest on Long-Term Debt	47	46	-	-	47	46
Solid Waste	-	-	592	404	592	404
Total Expenses	<u>25,348</u>	<u>24,283</u>	<u>592</u>	<u>404</u>	<u>25,940</u>	<u>24,687</u>
Change in Net Position	5,686	2,007	199	351	5,885	2,358
Net Position - Beginning	53,455	51,448	1,737	1,386	55,192	52,834
Net Position - Ending	<u>\$ 59,141</u>	<u>\$ 53,455</u>	<u>\$ 1,936</u>	<u>\$ 1,737</u>	<u>\$ 61,077</u>	<u>\$ 55,192</u>

Over time, increases and decreases in net position measure whether the County’s financial position is improving or deteriorating. During this fiscal year, the net position of the governmental activities increased by approximately \$5.7 million or 10.6% due to current year activities, and the net position of the business-type activities increased by approximately \$200,000 or 11.5%.

GLADES COUNTY, FLORIDA

Management's Discussion and Analysis (Unaudited)

Governmental Activities – Governmental activities increased the County's net position by approximately \$5.7 million, accounting for 96.6% of the total current year increase in net position. Overall revenues increased \$4.9 million, and expenses increased \$1.3 million. Key elements of these changes are as follows:

- Charges for services decreased approximately \$477,000 due primarily to a decrease in charges related to jail operations.
- Operating grants decreased \$551,000 due primarily to federal funds received by the County to assist the County, businesses and residents during the pandemic.
- Capital grants increased \$4.3 million due to an increase in the number of active capital grants compared to the previous year.
- Property tax revenues increased approximately \$843,000 due to increases in assessed property value.
- Other tax revenue increased approximately \$555,000 due to increases in Amendment One Offset.
- Other revenues increased \$275,000 due primarily to insurance proceeds.
- General government expenses increased approximately \$1.1 million as County operations have stabilized post-pandemic. The increase reflects normal operational needs as the County is addressing the federal minimum wage requirements, operating needs and utilizing one time federal funding for various capital and operating projects..
- Public Safety expenses increased approximately \$151,000 as the County incurred expenditures in preparing the old jail facility for operation.
- Transportation expenses increased \$223,000 due primarily to equipment purchases.
- Culture and recreation expenses decreased approximately \$175,000 primarily due to the completion of the Glades Youth Livestock roof project which the County provided funding assistance.

Business-Type Activities – Business-type activities increased the County's net position by approximately \$200,000. Overall revenues increased \$37,000 and expenses increased by \$188,000.

Financial Analysis of Glades County, Florida's Funds

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

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. In particular, *unassigned fund* balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

GLADES COUNTY, FLORIDA

Management's Discussion and Analysis (Unaudited)

The general fund is the chief operating fund of the County. At end of the current fiscal year, unassigned fund balance of the general fund was \$9.0 million while the total fund balance reached \$12.1 million. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Unassigned fund balance represents 42.9% of total general fund expenditures and 74.4% of the general fund balance.

The remainder of fund balance is restricted to indicate that it is not available for new spending because it has already been restricted, committed, or assigned for other projects such as cemetery perpetual care and funding capital projects.

The fund balance of the County's general fund increased by approximately \$762,000 during the current fiscal year, reflecting operations during a pandemic subsidized with federal and state funding.

Other major funds showed changes in fund balance as follows:

- Transportation Trust Fund had an increase of approximately \$603,000 due to an increase in gas tax revenue and a decrease in capital related expenditures.
- Capital Outlay Fund had a decrease of approximately \$479,000 resulting primarily from the timing of grant reimbursements.

Proprietary Funds

The Solid Waste Fund showed an approximate \$200,000 increase in net position from the prior year. The increase, which is lower than the prior year, is due primarily to an increase of \$188,000 in expenses.

General Fund Budgetary Highlights

Actual revenues were under budget by \$520,000. Expenditures were under budget by \$2.7 million. Some significant changes were as follows:

- Intergovernmental revenues were under budget by \$1.3 million due to timing of grant related revenues.
- Ad Valorem Taxes were over budget by \$381,000 due to an increase in property tax values and ad valorem collections
- Sales and Miscellaneous Taxes were over budget by \$251,000 due to an increase in revenues from Local Government Half Cent Sales Tax.
- Miscellaneous revenues were over budget by \$137,000 due to insurance proceeds.
- General Government expenditures were under budget by \$1.9 million due to how the County budgets reserves, contingencies and special projects.
- Capital Outlay expenditure were under budget by \$488,000 due to timing of construction on projects.
- Public Safety expenditures were under budget by \$143,000 primarily due to timing of completion of the E911 Backup Facility.

The comparison between final amended budget and actual was a positive change of approximately \$2.1 million.

GLADES COUNTY, FLORIDA

Management's Discussion and Analysis (Unaudited)

Capital Assets and Debt Administration

Capital Assets

As of September 30, 2022 and 2021, the County had \$54.7 million and \$51.8 million, respectively, invested in a variety of capital assets, as reflected in the following schedule:

	Capital Assets (in thousands)					
	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land and Construction in Progress	\$ 9,171	\$ 5,775	\$ 25	\$ 25	\$ 9,196	\$ 5,800
Land Improvements	-	-	574	574	574	574
Infrastructure	60,687	59,606	-	-	60,687	59,606
Building	34,864	34,888	45	45	34,909	34,933
Equipment, Furniture, and Vehicles	13,235	12,330	320	308	13,555	12,638
Software	195	195	-	-	195	195
K-9 Unit	13	11	-	-	13	11
Right to Use Lease Assets - Equipment	392	180	-	-	392	180
Less: Accumulated Depreciation / Amortization	(64,201)	(61,528)	(625)	(604)	(64,826)	(62,132)
Total	<u>\$ 54,356</u>	<u>\$ 51,457</u>	<u>\$ 339</u>	<u>\$ 348</u>	<u>\$ 54,695</u>	<u>\$ 51,805</u>

Major capital asset events during the year included:

- Construction in Progress of various projects including: the E911 Backup Facility (partially grant funded), Bullhead Road, Cornelia and Crescent Avenue road projects (grant funded), three Wastewater Treatment projects (grant funded) and the Washington Park infrastructure project (grant funded).
- Infrastructure additions include the completion of various road resurfacing projects throughout the County.
- Building additions include the remodel of the Economic Development building and a screen room addition to the Emergency Operations building.
- Equipment and Vehicle additions include the purchase of a Mobile Radio System, Ambulance, MoverMax Tractor, five (5) vehicles and various donated items. .

Additional information on capital assets can be found in the notes to the financial statements.

Debt Administration

As of year-end, the County had outstanding long-term liabilities of \$19.0 million in governmental activities, which is an increase from the prior year balance and \$296,000 in business-type activities, which is an increase from the prior year.

Under Florida statutes, no debt limit margin is placed on local governments.

GLADES COUNTY, FLORIDA

Management's Discussion and Analysis (Unaudited)

The long-term liabilities of the County are summarized below and are more fully explained in the notes to the financial statements:

	Long-Term Liabilities (in thousands)					
	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Financed Purchase Obligation	\$ 131	\$ 194	\$ -	\$ -	\$ 131	\$ 194
Leases Payable	341	171	-	-	341	171
Net Pension Liability	15,852	6,292	33	15	15,885	6,307
Total OPEB Liability	1,995	2,753	-	-	1,995	2,753
Landfill Closure Obligation	-	-	263	266	263	266
Estimated Liability for Compensated Absences	694	826	-	-	694	826
Total	<u>\$ 19,013</u>	<u>\$ 10,236</u>	<u>\$ 296</u>	<u>\$ 281</u>	<u>\$ 19,309</u>	<u>\$ 10,517</u>

- Financed Purchase Obligation decreased as the County satisfied its current year contractual obligations related to radio equipment for the Sheriff's Office.
- Leases Payable increased as a result of changes in accounting for lease obligations. Leases payable reflects contractual obligations the County has entered into for various leased equipment where lease terms exceed one year.
- Net Pension Liability increased based on actuary valuations as of fiscal year-end.
- OPEB liabilities decreased based on actuary valuations as of fiscal year-end.
- Landfill Closure Obligation decreased based on the updated estimated closure and post-closure care costs of the County landfill.
- Compensated Absences decreased due to the utilization of leave time by employees during the year.

Economic Factors and Next Year's Budgets and Rates

The Board of County Commissioners has established goals and priorities, which included: a financially sound County government, quality municipal services, and a strong partnership with our stakeholders. These goals were used as a guide to prioritize funding for the fiscal year 2021-2022 budget. The County expenditures have been strategically linked to the goals, objectives, core businesses, and existing obligations of the County. The impact on the budgetary process has been an increase in general operations, infrastructure improvements, and development service-related costs.

General economic conditions will continue to require the County to closely monitor revenue and expenditure trends during current and future years.

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. If you have questions about this report or need additional information, contact the Finance Director, 500 Avenue J, Moore Haven, Florida 33471, or by calling 893-946-6013.

BASIC FINANCIAL STATEMENTS

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

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Cash and Cash Equivalents	\$ 20,151,547	\$ 1,677,753	\$ 21,829,300	\$ 51,467
Investments	2,728,464	-	2,728,464	-
Restricted Assets:				
Cash and Cash Equivalents	2,154,465	-	2,154,465	-
Investments	284,587	201,357	485,944	-
Accounts Receivable, Net	769,502	100,786	870,288	-
Interest Receivable	68	-	68	-
Internal Balances	10,655	(10,655)	-	-
Due from Other Governments	2,725,922	-	2,725,922	-
Inventories	78,974	-	78,974	-
Prepaid Items	138,285	480	138,765	-
Capital Assets:				
Nondepreciable Capital Assets	9,170,669	25,000	9,195,669	-
Depreciable Capital Assets, Net	45,185,703	314,286	45,499,989	-
Total Assets	<u>83,398,841</u>	<u>2,309,007</u>	<u>85,707,848</u>	<u>51,467</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Amounts Related to Pensions	4,520,973	8,994	4,529,967	-
Deferred Amounts Related to OPEB	613,925	-	613,925	-
Total Deferred Outflows of Resources	<u>5,134,898</u>	<u>8,994</u>	<u>5,143,892</u>	<u>-</u>
LIABILITIES				
Accounts Payable and Accrued Liabilities	2,195,990	76,409	2,272,399	-
Due to Other Governmental Units	673,954	-	673,954	-
Unearned Revenue	2,117,340	-	2,117,340	-
Noncurrent Liabilities:				
Long-Term Liabilities Due Within One Year	636,829	331	637,160	-
Long-Term Liabilities Due in More Than One Year	529,893	262,770	792,663	-
Net Pension Liability	15,851,815	32,930	15,884,745	-
Total OPEB Liability	1,994,844	-	1,994,844	-
Total Liabilities	<u>24,000,665</u>	<u>372,440</u>	<u>24,373,105</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Amounts Related to Pensions	4,179,181	8,983	4,188,164	-
Deferred Amounts Related to OPEB	1,212,814	-	1,212,814	-
Total Deferred Inflows of Resources	<u>5,391,995</u>	<u>8,983</u>	<u>5,400,978</u>	<u>-</u>
NET POSITION				
Net Investment in Capital Assets	53,223,513	339,286	53,562,799	-
Restricted for:				
Capital Projects	12,475,583	-	12,475,583	-
Other Uses	2,298,783	-	2,298,783	-
Unrestricted	(8,856,800)	1,597,292	(7,259,508)	51,467
Total Net Position	<u>\$ 59,141,079</u>	<u>\$ 1,936,578</u>	<u>\$ 61,077,657</u>	<u>\$ 51,467</u>

See accompanying Notes to Financial Statements.

**GLADES COUNTY, FLORIDA
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2022**

Functions/Programs	Program Revenues				Net Revenue (Expense) and Changes in Net Position			Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	
					Governmental Activities	Business-Type Activities		
Primary Government:								
Governmental Activities:								
General Government	\$ 6,437,996	\$ 988,904	\$ 772,070	\$ 803,505	\$ (3,873,517)	\$ -	\$ (3,873,517)	
Public Safety	8,232,301	318,594	922,633	1,313,917	(5,677,157)	-	(5,677,157)	
Physical Environment	479,007	676,430	74,181	3,343,631	3,615,235	-	3,615,235	
Transportation	2,168,467	3,300	-	145,325	(2,019,842)	-	(2,019,842)	
Culture/Recreation	666,745	11,441	491,231	-	(164,073)	-	(164,073)	
Human Services	365,926	611	25,111	-	(340,204)	-	(340,204)	
Economic Environment	829,459	-	-	-	(829,459)	-	(829,459)	
Court-Related Costs	44,691	169,049	-	-	124,358	-	124,358	
Jail Operations	6,078,157	4,949,600	-	-	(1,128,557)	-	(1,128,557)	
Interest on Long-Term Debt	47,426	-	-	-	(47,426)	-	(47,426)	
Total Governmental Activities	25,350,175	7,117,929	2,285,226	5,606,378	(10,340,642)	-	(10,340,642)	
Business-Type Activities:								
Solid Waste	591,926	652,856	129,023	-	-	189,953	189,953	
Total Business-Type Activities	591,926	652,856	129,023	-	-	189,953	189,953	
Total Primary Government	\$ 25,942,101	\$ 7,770,785	\$ 2,414,249	\$ 5,606,378	(10,340,642)	189,953	(10,150,689)	
Component Unit								
Glades Soil and Water Conservation District	\$ 2,526	\$ -	\$ 4,200	\$ -				\$ 1,674
Total Component Unit	\$ 2,526	\$ -	\$ 4,200	\$ -				1,674
General Revenues:								
Taxes:								
Property Taxes, Levied for General Purposes					7,597,107	-	7,597,107	-
Property Taxes, Levied for Other Purposes					2,346,877	-	2,346,877	-
Public Service, Sales, and Miscellaneous Taxes					5,928,416	-	5,928,416	-
Investment Earnings					47,261	4,824	52,085	236
Miscellaneous					57,612	5,255	62,867	-
Gain on Disposal of Capital Assets					49,480	-	49,480	-
Total General Revenues					16,026,753	10,079	16,036,832	236
Change in Net Position					5,686,111	200,032	5,886,143	1,910
Net Position - Beginning					53,454,968	1,736,546	55,191,514	49,557
Net Position - Ending					\$ 59,141,079	\$ 1,936,578	\$ 61,077,657	\$ 51,467

See accompanying Notes to Financial Statements.

**GLADES COUNTY, FLORIDA
BALANCE SHEET – GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022**

	General Fund	Transportation Trust	Capital Outlay	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 11,503,500	\$ 3,694,545	\$ 3,061,701	\$ 1,891,801	\$ 20,151,547
Restricted Cash and Cash Equivalents	2,154,465	-	-	-	2,154,465
Investments	1,163,394	1,437,395	127,675	-	2,728,464
Restricted Investments	284,587	-	-	-	284,587
Accounts Receivable, Net	730,047	11,401	15,000	13,054	769,502
Interest Receivable	43	23	2	-	68
Due from Other Funds	130,856	14,590	-	-	145,446
Due from Other Governments	494,777	246,050	1,880,116	104,979	2,725,922
Inventories	-	78,974	-	-	78,974
Prepaid Items	128,305	4,037	29	5,914	138,285
	<u>\$ 16,589,974</u>	<u>\$ 5,487,015</u>	<u>\$ 5,084,523</u>	<u>\$ 2,015,748</u>	<u>\$ 29,177,260</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 941,092	\$ 32,369	\$ 595,546	\$ 13,764	\$ 1,582,771
Due to Other Funds	13,605	101,493	-	19,693	134,791
Due to Other Governments	670,993	-	-	2,961	673,954
Unearned Revenue	2,058,215	1,848	-	57,277	2,117,340
Other Accrued Expenditures	613,219	-	-	-	613,219
Total Liabilities	<u>4,297,124</u>	<u>135,710</u>	<u>595,546</u>	<u>93,695</u>	<u>5,122,075</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue	152,034	-	1,631,468	70,524	1,854,026
FUND BALANCES					
Nonspendable:					
Prepaid Items	128,305	4,037	29	5,914	138,285
Inventories	-	78,974	-	-	78,974
Restricted:					
Capital Projects	631,836	5,268,294	2,857,480	-	8,757,610
Cemetery Perpetual Care	144,680	-	-	-	144,680
Law Enforcement	1,416,845	-	-	7,725	1,424,570
Public Safety	4,437	-	-	577,446	581,883
Economic Development	-	-	-	867,233	867,233
Intergovernmental Radio	124,554	-	-	-	124,554
Driver's Education	5,677	-	-	-	5,677
Tourism Development	111,021	-	-	-	111,021
Court Related Functions	-	-	-	240,036	240,036
Enhanced 911	-	-	-	153,175	153,175
Assigned:					
Law Enforcement	475,222	-	-	-	475,222
Subsequent Year's Budget	60,030	-	-	-	60,030
Unassigned	9,038,209	-	-	-	9,038,209
Total Fund Balances	<u>12,140,816</u>	<u>5,351,305</u>	<u>2,857,509</u>	<u>1,851,529</u>	<u>22,201,159</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 16,589,974</u>	<u>\$ 5,487,015</u>	<u>\$ 5,084,523</u>	<u>\$ 2,015,748</u>	<u>\$ 29,177,260</u>

See accompanying Notes to Financial Statements.

**GLADES COUNTY, FLORIDA
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2022**

Total Fund Balance - Governmental Funds		\$ 22,201,159
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund.		
Nondepreciable	\$ 9,170,669	
Depreciable, Net	45,185,703	54,356,372
Deferred outflows of resources are reported as a result of changes in deferred amounts related to pensions in the statement of net position.		
		4,520,973
Deferred outflows of resources are reported as a result of changes in deferred amounts related to OPEB in the statement of net position.		
		613,925
Certain revenues will be collected after year-end but are not available to pay for the current period's expenditures and, therefore, are reported as deferred inflows in the funds.		
		1,854,026
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the fund.		
Financed Purchase Obligation	(130,912)	
Lease Payable	(340,938)	
Compensated Absences	(694,872)	
Net Pension Liability	(15,851,815)	
Total OPEB Liability	(1,994,844)	(19,013,381)
Deferred inflows of resources are reported as a result of changes in deferred amounts related to pensions in the statement of net position.		
		(4,179,181)
Deferred inflows of resources are reported as a result of changes in deferred amounts related to OPEB in the statement of net position.		
		(1,212,814)
Net Position of Governmental Activities		\$ 59,141,079

See accompanying Notes to Financial Statements.

GLADES COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2022

	General Fund	Transportation Trust	Capital Outlay	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Ad Valorem Taxes	\$ 7,597,107	\$ 72,522	\$ -	\$ 2,274,355	\$ 9,943,984
Sales and Miscellaneous Taxes	2,380,569	2,452,917	1,023,913	71,017	5,928,416
Fees and Fines	356,203	-	-	-	356,203
Licenses and Permits	24	3,300	-	545,518	548,842
Intergovernmental	2,253,537	-	2,923,301	904,612	6,081,450
Charges for Services	6,168,189	-	15,000	29,689	6,212,878
Investment Earnings	29,412	7,832	5,416	4,601	47,261
Miscellaneous	59,209	22,470	3,619	6,330	91,628
Contributions	119,787	-	-	-	119,787
Total Revenues	<u>18,964,037</u>	<u>2,559,041</u>	<u>3,971,249</u>	<u>3,836,122</u>	<u>29,330,449</u>
EXPENDITURES					
Current:					
General Government	5,471,563	-	-	12,952	5,484,515
Public Safety	7,029,556	-	-	131,081	7,160,637
Jail Operations	6,128,068	-	-	-	6,128,068
Physical Environment	148,510	-	-	183,868	332,378
Transportation	-	1,638,095	-	-	1,638,095
Human Services	271,650	-	-	-	271,650
Culture/Recreation	181,504	108,321	150,000	-	439,825
Economic Development	141,121	-	9,750	473,435	624,306
Court-Related Costs	46,449	-	-	-	46,449
Capital Outlay	1,481,787	205,160	4,290,504	248,887	6,226,338
Debt Service:					
Principal	109,462	3,964	-	613	114,039
Interest	47,139	261	-	26	47,426
Total Expenditures	<u>21,056,809</u>	<u>1,955,801</u>	<u>4,450,254</u>	<u>1,050,862</u>	<u>28,513,726</u>
Excess (Deficiency) of Revenues Over Expenditures	(2,092,772)	603,240	(479,005)	2,785,260	816,723
OTHER FINANCING SOURCES (USES)					
Proceeds from the Sale of Capital Assets	11,225	-	-	-	11,225
Proceeds from Insurance Recoveries	305,701	-	-	-	305,701
Leases	221,314	-	-	-	221,314
Transfers In	2,316,667	-	-	-	2,316,667
Transfers Out	-	-	-	(2,316,667)	(2,316,667)
Total Other Financing Sources (Uses)	<u>2,854,907</u>	<u>-</u>	<u>-</u>	<u>(2,316,667)</u>	<u>538,240</u>
CHANGE IN FUND BALANCES	762,135	603,240	(479,005)	468,593	1,354,963
Fund Balance - Beginning	<u>11,378,681</u>	<u>4,748,065</u>	<u>3,336,514</u>	<u>1,382,936</u>	<u>20,846,196</u>
FUND BALANCES - ENDING	<u>\$ 12,140,816</u>	<u>\$ 5,351,305</u>	<u>\$ 2,857,509</u>	<u>\$ 1,851,529</u>	<u>\$ 22,201,159</u>

See accompanying Notes to Financial Statements.

**GLADES COUNTY, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2022**

Net Change in Fund Balance - Governmental Funds		\$ 1,354,963
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>		
Capital Outlay	\$ 6,226,338	
Depreciation	<u>(3,356,839)</u>	2,869,499
<p>Net effect of various miscellaneous transaction involving capital assets (i.e., disposals, transfers, donations).</p>		
		29,532
<p>Issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.</p>		
Payments on Financed Purchase Obligation	62,865	
Payments on Leases	51,174	
Leases	<u>(221,314)</u>	(107,275)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the fund financial statements.</p>		
		1,359,205
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds.</p>		
Current Change in Compensated Absences		130,657
<p>Net change in the total OPEB liability and the deferred outflows and inflows of resources are reported in the government-wide statements, but not in the governmental fund statements.</p>		
		(271,490)
<p>Net change in the net pension liability and the deferred outflows and inflows of resources are reported in the government-wide statements, but not in the governmental fund statements.</p>		
		<u>321,020</u>
Change in Net Position of Governmental Activities		<u><u>\$ 5,686,111</u></u>

See accompanying Notes to Financial Statements.

**GLADES COUNTY, FLORIDA
STATEMENT OF NET POSITION – PROPRIETARY FUNDS
SEPTEMBER 30, 2022**

	<u>Enterprise Fund</u>
	<u>Solid Waste</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	
CURRENT ASSETS	
Cash and Cash Equivalents	\$ 1,677,753
Accounts Receivable, Net	100,786
Prepaid Expenses	480
Total Current Assets	<u>1,779,019</u>
NONCURRENT ASSETS	
Restricted Assets:	
Investments	201,357
Capital Assets (Net of Accumulated Depreciation):	
Land	25,000
Land Improvements	574,421
Buildings	45,433
Equipment and Furniture	319,165
Total Capital Assets	<u>964,019</u>
Less: Accumulated Depreciation	<u>(624,733)</u>
Net Capital Assets	<u>339,286</u>
Total Noncurrent Assets	<u>540,643</u>
Total Assets	2,319,662
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Amounts Related to Pensions	8,994
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	
CURRENT LIABILITIES	
Accounts Payable and Accrued Liabilities	76,409
Due to Other Funds	10,655
Compensated Absences	331
Total Current Liabilities	<u>87,395</u>
NONCURRENT LIABILITIES	
Compensated Absences	110
Net Pension Liability	32,930
Liability for Landfill Closure	262,660
Total Noncurrent Liabilities	<u>295,700</u>
Total Liabilities	<u>383,095</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Amounts Related to Pensions	8,983
NET POSITION	
Investment in Capital Assets	339,286
Unrestricted	<u>1,597,292</u>
Total Net Position	<u>\$ 1,936,578</u>

See accompanying Notes to Financial Statements.

**GLADES COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION – PROPRIETARY FUNDS
YEAR ENDED SEPTEMBER 30, 2022**

	<u>Enterprise Fund</u>
	<u>Solid Waste</u>
OPERATING REVENUES	
Charges for Services	\$ 652,856
Operating Grants and Contributions	129,023
Total Operating Revenues	<u>781,879</u>
OPERATING EXPENSES	
Personal Services	54,129
Contractual Services	488,260
Utilities	8,303
Materials and Supplies	8,758
Repairs and Maintenance	7,569
Miscellaneous	3,961
Depreciation	20,946
Total Operating Expenses	<u>591,926</u>
OPERATING INCOME	189,953
NONOPERATING REVENUES (EXPENSES)	
Interest Income	4,824
Miscellaneous Income	5,255
Total Nonoperating Revenues (Expenses)	<u>10,079</u>
CHANGE IN NET POSITION	200,032
Total Net Position - Beginning	<u>1,736,546</u>
TOTAL NET POSITION - ENDING	<u><u>\$ 1,936,578</u></u>

See accompanying Notes to Financial Statements.

**GLADES COUNTY, FLORIDA
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS
YEAR ENDED SEPTEMBER 30, 2022**

	<u>Enterprise Fund</u>
	<u>Solid Waste</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Customers and Users	\$ 645,480
Cash Received from Grants	158,785
Cash Received from Other Funds	144
Cash Paid to Suppliers	(484,757)
Cash Paid to Employees	(50,231)
Net Cash Provided by Operating Activities	<u>269,421</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Other Receipts	<u>5,255</u>
Net Cash Provided by Noncapital Financing Activities	5,255
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of Capital Assets	<u>(12,300)</u>
Net Cash Used by Capital and Related Financing Activities	(12,300)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest and Other Income Received	4,824
Purchase of Investments	<u>(1,700)</u>
Net Cash Provided by Investing Activities	<u>3,124</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	265,500
Cash and Cash Equivalents - Beginning of Year	<u>1,412,253</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 1,677,753</u></u>

See accompanying Notes to Financial Statements.

**GLADES COUNTY, FLORIDA
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2022**

	<u>Enterprise Fund</u>
	<u>Solid Waste</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating Income	\$ 189,953
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation	20,946
Changes in Assets and Liabilities:	
(Increase) Decrease in:	
Accounts Receivable	(11,387)
Due from Other Funds	144
Due from Other Governments	29,762
Prepaid Expenses	(231)
Deferred Outflows - Pension	(1,410)
Increase (Decrease) in:	
Accounts Payable and Accrued Liabilities	35,998
Due to Other Funds	4,011
Liability for Landfill Closure	(3,673)
Compensated Absences	117
Net Pension Liability	18,195
Deferred Inflows - Pension	(13,004)
	<u>\$ 269,421</u>
Net Cash Provided by Operating Activities	

See accompanying Notes to Financial Statements.

**GLADES COUNTY, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION – CUSTODIAL FUNDS
YEAR ENDED SEPTEMBER 30, 2022**

	Custodial Funds
ASSETS	
Cash and Cash Equivalents	\$ 276,973
Other Receivables	9,837
Total Assets	\$ 286,810
LIABILITIES AND FIDUCIARY NET POSITION	
LIABILITIES	
Due to Individuals, Organizations, and Other Governments	\$ 278,169
Total Liabilities	278,169
FIDUCIARY NET POSITION	
Restricted for Individuals, Organizations, and Other Governments	8,641
Total Fiduciary Net Position	\$ 8,641

See accompanying Notes to Financial Statements.

**GLADES COUNTY, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – CUSTODIAL FUNDS
SEPTEMBER 30, 2022**

	Custodial Funds
ADDITIONS	
Tax Collections for Other Governments	\$ 7,269,131
Fees/Fines Collected for Other Governments	2,184,208
Registry and Other Deposits Collected	152,859
License and Fee Collections for Other Governments	1,156,669
Total Additions	10,762,867
 DEDUCTIONS	
Payments of Tax to Other Governments	7,269,131
Fees/Fines Disbursed to Other Governments	2,184,162
Registry and Other Deposits Disbursed	152,859
Payments of Licenses and Fees to Other Governments	1,156,669
Total Deductions	10,762,821
 CHANGE IN FIDUCIARY NET POSITION	 46
Total Fiduciary Net Position - Beginning	8,595
 TOTAL FIDUCIARY NET POSITION - ENDING	 \$ 8,641

See accompanying Notes to Financial Statements.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Glades County, Florida (the County) is a political subdivision of the state of Florida. The County operates as a noncharter government pursuant to Article VIII, Section (1)(f), of the Constitution of the state of Florida and is governed by an elected Board of County Commissioners (the board), a five-member board elected by the County citizenry at large. The County operates under a Commission-Manager form of government with separation of legislative and executive functions. In addition to the members of the Board, there are five elected Constitutional Officers: the Sheriff, Clerk of the Circuit Court, Tax Collector, Property Appraiser, and Supervisor of Elections. The Constitutional Officers maintain separate accounting records and budgets. The board fully funds the operating budget of all the Constitutional Officers with the exception of the Property Appraiser, whose budget is funded on a pro rata basis by all of the governments levying Ad Valorem Taxes in the County.

Accounting principles generally accepted in the United States of America (GAAP) require that the reporting entity include (1) the primary government, (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The criteria provided in the Governmental Accounting Standards Board Codification, Section 2100, has been considered and there are no agencies or entities other than disclosed in the following paragraph which are required to be included in the County's financial statements.

Discretely Presented Component Unit - The Glades Soil and Water Conservation District (the District) requested and received permission from the state of Florida to be considered a dependent district of Glades County. The District's governing board is elected by the voters of the County. However, the County is financially accountable for the District because the board approves the District's budget and funds its operations.

The Glades Soil and Water Conservation District does not issue separate financial statements.

Basis of Presentation

The financial statements for the County have been prepared in conformity with GAAP as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting principles are described below.

Government-Wide Statements

The government-wide financial statements (i.e., statement of net position and statement of activities) report information on all the nonfiduciary activities of the primary government (the County) and its component units. For the most part, the effect of interfund activity has been removed from these statements.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide Statements (Continued)

Governmental activities, which normally are 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. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported as general revenues.

Fund Financial Statements

Separate financial statements are provided for the County's funds, including governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The emphasis of the fund financial statements is on major governmental and enterprise funds, each of which are displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

The County reports the following major governmental funds:

General Fund: This is the County's primary operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds:

Transportation Trust Fund: This is used to account for funds received from ad valorem, fuel and gas taxes for the construction and maintenance of roads, bridges, and traffic re-engineering.

Capital Projects Fund:

Capital Outlay Fund: This is used to account for capital outlay projects not routine in nature and not considered normal operating expenditures.

The County reports the following major enterprise fund:

Solid Waste Fund: This is used to account for the operation of the County landfill and other solid waste activities.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Financial Statements (Continued)

The County also reports the following fund types:

Custodial Funds: These funds account for taxes and licenses collected on behalf of other tax entities; funds received and disbursed by the Tax Collector and Clerk's offices in a fiduciary capacity; and various other funds and fees received and disbursed in a fiduciary capacity.

Measurement Focus, Basis of Accounting

Government-Wide and Proprietary Fund Financial Statements – The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental Fund Financial Statements – Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Those revenues susceptible to accrual are property taxes when levied, franchise taxes, licenses, interest revenue, charges for services, and intergovernmental revenue when eligibility requirements are met. Gross receipts and sales tax are considered "measurable when in the hands of intermediary collecting governments and are recognized as revenue at that time." Fines and permits are not susceptible to accrual because generally they are not recognized until received in cash. 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, claims and judgments, pensions and other postemployment benefits, are recorded only when payment is due.

Proprietary Fund Financial Statements – Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenues are charges to customers for sales and services and grants for general operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Fiduciary Fund Financial Statements – Custodial funds are used to account for assets held by the County in a fiduciary capacity or as an agent for individuals, private organizations, and other governments. Custodial funds are accounted for using the accrual basis of accounting.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting (Continued)

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

Cash and Cash Equivalents

The County considers all cash on hand, money market, and all other short-term investments including restricted cash, that are highly liquid as cash equivalents. Highly liquid short-term investments are those readily convertible to a known amount of cash and, at the day of purchase, have a maturity date no longer than three months. The County reports the amortized cost of its deposits with the Florida State Board of Administration Local Government Surplus Funds Trust Fund (Florida Prime) and interest bearing certificates of deposit as investment balances at September 30, 2022.

Inventories

Inventories are valued at cost using the first-in/first-out (FIFO) method. The cost of governmental fund type inventories are recorded as expenditures when consumed rather than when purchased.

Restricted Assets

Certain cash balances are classified as restricted assets because their use is completely restricted by grants or other agreements.

Prepaid Items

Prepaid items consist of certain costs which have been paid prior to the end of the fiscal year, but represents items which are applicable to future accounting periods. Reported amounts in governmental funds are classified as nonspendable fund balance, in the fund financial statements, which indicates that these amounts do not constitute "available spendable resources" even though they are a component of current assets.

Capital Assets

Capital assets, which include land, infrastructure, vehicles, equipment, and buildings acquired or constructed for general governmental purposes, are reported in the applicable governmental activities or business-type activities columns in the government-wide financial statements and in the proprietary fund financial statements. Capital assets are reported at cost or estimated historical cost. Donated assets are capitalized at their estimated acquisition value at the time received. Capital assets are defined by the County as assets with an estimated useful life in excess of one year and an initial individual cost of more than \$5,000.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

Infrastructure assets include roads, underground pipe (other than related to utilities), traffic signals, etc. The County has elected to implement the retrospective reporting of infrastructure assets provision of GASB Statement No. 34. The historical cost on the infrastructure assets is based on replacement cost. All infrastructure assets are recorded, including those acquired before June 30, 1980.

Depreciation is provided on the straight-line basis over the following estimated useful lives:

	Years
Roads and Bridges	20 to 30
Buildings	40 to 50
Improvements Other Than Buildings	5 to 50
Equipment, Furniture, and Vehicles	5 to 10
Software	20
Livestock	7

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

In the governmental fund financial statements, capital assets (i.e., capital outlay) are recorded as expenditures and no depreciation expense is reported.

Financed Purchase Obligation

In the government-wide financial statements and the proprietary fund financial statements, financed purchase obligations and the related cost of the asset acquired are reflected in the statement of net position. For financed purchase obligations originating in the governmental funds, an expenditure for the asset and an offsetting other financing source are reflected in the fund statements in the year of inception.

Leases

The County determines if an arrangement is a lease at inception. Leases are included in right to use leased assets (lease assets) and lease liabilities in the statement of net position.

Lease assets represent the County's control of the right to use an underlying asset for the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease assets are recognized at the commencement date based on the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. Lease assets are amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset. Lease liabilities represent the County's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the commencement date based on the present value of expected lease payments over the lease term, less any lease incentives. Interest expense is recognized ratably over the contract term.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

The lease term may include options to extend or terminate the lease when it is reasonably certain that the County will exercise that option.

The County recognizes payments for short-term leases with a lease term of 12 months or less as expenses as incurred, and these leases are not included as lease liabilities or right to use lease assets on the statements of net position.

If the individual lease contracts do not provide information about the discount rate implicit in the lease, the County has elected to use their incremental borrowing rate to calculate the present value of expected lease payments.

County accounts for contracts containing both lease and nonlease components as separate contracts when possible. In cases where the contract does not provide separate price information for lease and nonlease components, and it is impractical to estimate the price of such components, the County treats the components as a single lease unit.

The County monitors changes in circumstances that would require remeasurement of its leases and will remeasure the lease assets and liabilities if certain changes occur that are expected to significantly affect the amount of the lease liability.

Leased assets are reported with other capital assets and lease liabilities are reported with long-term debt in the statement of net position.

Compensated Absences

It is the County's policy to permit employees to accumulate a limited amount of earned but unused vacation and sick leave, which will be paid upon separation of service. Vacation is accrued as a liability when benefits are earned by the employees, that is, the employees have rendered services that give rise to the vacation liability and it is probable that the County will compensate the employees in some manner, e.g., in cash or in paid time-off, now or upon termination or retirement. The County uses the vesting method in accruing sick leave liability. The vesting method accrues sick leave liability for employees who are currently eligible to receive termination payments upon separation as well as those expected to become eligible in the future. A liability is recognized at the government-wide level and in the enterprise fund financial statements when the benefits are earned by employees.

For governmental funds, reporting a fund liability and expenditures for compensated absences is recognized as payments come due each period upon the occurrence of relevant events, such as employee resignations or retirements.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pensions

In the government-wide and proprietary funds statements of net position, liabilities are recognized for the County's proportionate share of each pension plan's net pension liability. For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Florida Retirement System (FRS) defined benefit plan and the Health Insurance Subsidy (HIS) and additions to/deductions from FRS's and HIS's fiduciary net position have been determined on the same basis as they are reported by the FRS and HIS plans. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds of employee contributions are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Outflows/Inflows of Resources

In addition to assets, the government-wide and proprietary funds statements of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The deferred outflows of resources reported in the County's statement of net position represent the difference between expected and actual economic experience, changes in actuarial assumptions, the net difference between projected and actual earnings on investments, changes in the proportion and differences between the County's contributions and proportionate share of contributions, and the County's contributions subsequent to the measurement date, relating to the County's net pension liability and total OPEB liability. These amounts will be recognized as increases in expense in future years.

In addition to liabilities, the government-wide and proprietary funds statements of net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The deferred inflows of resources reported in the County's statement of net position represent the difference between expected and actual economic experience, changes in actuarial assumptions, the net difference between projected and actual earnings on investments, and changes in the proportion and differences between the County's contributions and proportionate share of contributions relating to the County's net pension liability and total OPEB liability. These amounts will be recognized as reductions in expense in future years.

Deferred inflows of resources also include amounts recognized as receivables but not revenues in governmental funds because the revenue recognition criterion (availability) has not been met.

Unearned Revenue

Resources that do not meet revenue recognition requirements (not earned) are recorded as unearned revenue in the financial statements.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance

In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balance is reported in five components: nonspendable, restricted, committed, assigned, and unassigned.

Nonspendable – Amounts that cannot be spent because they are not in spendable form or legally or contractually required to be maintained intact.

Restricted – Amounts that are constrained for specific purposes which are externally imposed by creditors, grantors, contributors, laws or regulations, or imposed by laws through constitutional provisions or enabling legislation.

Committed – Amounts that are constrained for specific purposes imposed by the County's formal action of highest level of decision making authority, the Board of County Commissioners by a formal action (resolution).

Assigned – Includes spendable fund balances intended to be used for specific purposes as determined by the County Manager, but which are neither restricted nor committed.

Unassigned – Represents the residual positive fund balance within the general fund, which has not been assigned to other funds and has not been restricted, committed, or assigned. In funds other than the general fund, unassigned fund balances are limited to negative residual balances.

The County uses restricted amounts first when both restricted and unrestricted fund balance is available. Additionally, the County would first use committed fund balance, followed by assigned fund balance and then unassigned fund balance, when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Net Position

The government-wide and proprietary fund financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted, and unrestricted. Net investment in capital assets represents capital assets, less accumulated depreciation and outstanding balances of debt that are attributable to the acquisition, construction, or improvements of these assets. Restricted net position is assets which have third-party limitations on its use. The limitations can be externally imposed by creditors, grantors, contributors or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Accounting Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Interfund Transactions

During the course of normal operations, it is necessary for the County to enter into transactions among its various funds. These transactions consist of the following:

- Reimbursements to a fund, for expenditures or expenses initially made from it that are properly applicable to another fund.
- Transfers in and out, as appropriate, for all other interfund transactions, which are reported as other financing sources (uses).

Postemployment Benefits Other than Pensions (OPEB)

Pursuant to Section 112.0801, Florida Statutes, the County is mandated to permit participation in the health insurance program by retirees and their eligible dependents at a cost to the retiree that is no greater than the cost at which coverage is available for active employees. Retirees pay the blended (active and retiree combined) equivalent premium rates. The blended rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the plan on average than those of active employees.

The County currently provides these benefits in accordance with the vesting and retirement requirements for all employees. The County is financing the postemployment benefits on a pay-as-you go basis. As determined by an actuarial valuation, the County records the total OPEB liability in its government-wide financial statements related to the implicit subsidy. Please refer to Note 9 for further information.

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 County Property Appraiser and County Tax Collector, respectively. All property is reassessed according to its fair value on January 1 of each year and each assessment roll is submitted to the State Department of Revenue for review to determine if the assessment rolls meet all of the appropriate requirements of state law. Property taxes are levied in October and are payable November 1, with discounts of 1% to 4% if paid prior to March 1 of the following calendar year. All unpaid taxes on real and personal property become delinquent on April 1 of the following year. Pursuant to Florida law, the Tax Collector advertises and sells tax certificates on all real property for which there are unpaid taxes. Accordingly, there is no property taxes receivable as of September 30, 2022.

The board is permitted by Article 7, Section 9, of the Florida Constitution to levy taxes up to \$10 per \$1,000 of assessed valuation for general governmental services (other than the payment of principal and interest on general obligation long-term debt). In addition, amounts may be levied for the payment of principal and interest on general obligation long-term debt subject to a limitation on the amount of debt outstanding. The tax rate to finance general government services (other than the payment of principal and interest on general obligation long-term debt) for the year ended September 30, 2022, was \$9.0367 per \$1,000.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Accounting Standard

In June 2017, the GASB issued GASB Statement No. 87, *Leases*. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The City adopted GASB Statement No. 87 during 2022, effective October 1, 2021.

NOTE 2 CASH AND INVESTMENTS

As of September 30, 2022, the County's cash and investments were as follows:

Deposits with Financial Institutions	\$ 24,260,339
Certificates of Deposit	2,999,935
State of Florida Board of Administration Surplus Funds Trust Fund	214,472
Cash on Hand	400
Total	<u>\$ 27,475,146</u>

The breakdown for financial statement purposes are as follows:

Cash and Cash Equivalents	\$ 21,829,300
Restricted Cash and Cash Equivalents	2,154,465
Investments	2,728,464
Restricted Investments	485,944
Fiduciary Funds Cash and Cash Equivalents	276,973
Total	<u>\$ 27,475,146</u>

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

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Deposits

The County's policy is to follow Florida Statutes, which authorize the deposit of funds in demand deposits or time deposits of financial institutions approved by the State Treasurer. These are defined as public deposits. Nonnegotiable certificates of deposits totaling \$2,999,953, reported as investments, are deemed deposits under Florida Statutes, Chapter 280. All of the County's deposits are held in qualified public depositories pursuant to Florida Statutes, Chapter 280, *Florida Security of Public Deposits Act*. Under the Act, every qualified public depository shall deposit with the Treasurer eligible collateral equal to or in excess of the required collateral of the depository to be held subject to his or her order. The Treasurer, by rule, shall establish minimum required collateral pledging levels. The pledging level may range from 50% to 125% of the average monthly balance of public deposits, depending upon the depository's financial condition and establishment period. All collateral must be deposited with an approved financial institution. Any losses to public depositors are covered by applicable deposit insurance, sale of securities pledged as collateral, and, if necessary, assessments against other qualified public depositories of the same type as the depository in default.

When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof, and therefore, the County is not exposed to custodial credit risk.

Authorized Investments

The County's policy for investments is to follow Florida Statutes, Section 218.415. The Florida State Board of Administration Local Government Surplus Funds Trust Fund (Florida Prime) is not a registrant with the Securities and Exchange Commission (SEC); however, it meets all of the necessary criteria to elect to measure all of the investments at amortized cost. In accordance with these requirements, the method used to determine the participants' shares sold and redeemed is the amortized cost method. Amortized cost includes accrued income and is a method of calculating an investment's value by adjusting its acquisition cost for the amortization of discount or premium over the period from purchase to maturity. Florida Prime is governed by Chapter 19-7 of the Florida Administrative Code. These rules provide guidance and establish the general operating procedures for the administration of Florida Prime. Additionally, the Office of the Auditor General of the state of Florida performs the operational audit of the activities and investment of Florida Prime.

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

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Information about the sensitivity of the fair values of the County's investments to market interest rate fluctuations of its investments using the segmented time distribution model is as follows:

<u>Investment Type</u>	<u>Amortized Cost</u>	<u>Investment Maturities Less Than One Year</u>
Florida Prime	\$ 214,472	\$ 214,472

Credit Risk

Generally, credit risk is the risk that an insurer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. State law limits investments in commercial paper to the top two ratings used by nationally recognized statistical rating organizations (NRSROs). The County's policy is to limit its investments in commercial paper to the top rating issued by NRSROs. The County's investment in the SBA Florida Prime investment pool was rated AAAM by Standard and Poor's as of September 30, 2022.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The County does not have a formal investment policy that limits investments with any one issuer.

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The County does not have a formal investment policy that limits investment with any one counterparty.

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

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Custodial Credit Risk (Continued)

In accordance with GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, Florida PRIME currently meets all of the necessary criteria to elect to measure all of the investments in Florida PRIME at amortized cost. Therefore, the County's participant account balance should also be considered the fair value of its investment and exempt from the GASB Statement No. 72, *Fair Value Measurement and Application*.

With regard to redemption gates, Chapter 218.409(8)(a), Florida Statutes, states that "The principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the moneys in the trust fund. However, the Executive Director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the board can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the Trustees, the Joint Legislative Auditing Committee, the Investment Advisory Council, and the Participant Local Government Advisory Council. The Trustees shall convene an emergency meeting as soon as practicable from the time the Executive Director has instituted such measures and review the necessity of those measures. If the Trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the moratorium may be extended by the Executive Director until the Trustees are able to meet to review the necessity for the moratorium. If the Trustees agree with such measures, the Trustees shall vote to continue the measures for up to an additional 15 days. The Trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set by the Trustees exceed 15 days."

With regard to liquidity fees, Florida Statute 218.409(4) provides authority for the SBA to impose penalties for early withdrawal, subject to disclosure in the enrollment materials of the amount and purpose of such fees. At present, no such disclosure has been made.

As of September 30, 2022, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100% of their account value.

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

NOTE 3 CAPITAL ASSETS

The following is a summary of changes in capital assets during the fiscal year ended September 30, 2022:

	Beginning Balance	Increases/ Transfers	Decreases/ Transfers	Ending Balance
<u>Governmental Activities:</u>				
Capital Assets Not Being Depreciated and Amortized:				
Land	\$ 2,530,329	\$ 193,500	\$ 113,741	\$ 2,610,088
Construction in Progress	3,244,198	4,737,847	1,421,464	6,560,581
Total Capital Assets Not Being Depreciated and Amortized	<u>5,774,527</u>	<u>4,931,347</u>	<u>1,535,205</u>	<u>9,170,669</u>
Capital Assets Being Depreciated and Amortized:				
Infrastructure	59,607,305	1,080,689	-	60,687,994
Buildings	34,888,481	33,484	57,495	34,864,470
Equipment, Furniture, and Vehicles ¹	12,329,518	1,702,928	797,541	13,234,905
Software	194,632	-	-	194,632
Livestock	10,500	7,800	5,500	12,800
Right to Use Leased Equipment ¹	170,798	221,314	-	392,112
Total Capital Assets Being Depreciated and Amortized	<u>107,201,234</u>	<u>3,046,215</u>	<u>860,536</u>	<u>109,386,913</u>
Less Accumulated Depreciation and Amortization for:				
Infrastructure	41,290,728	1,563,265	-	42,853,993
Buildings	10,772,039	886,826	47,615	11,611,250
Equipment, Furniture, and Vehicles ¹	9,446,937	828,413	630,017	9,645,333
Software	7,299	9,732	-	17,031
Livestock	10,500	557	5,500	5,557
Right to Use Leased Equipment	-	68,046	-	68,046
Total Accumulated Depreciation and Amortization	<u>61,527,503</u>	<u>3,356,839</u>	<u>683,132</u>	<u>64,201,210</u>
Capital Assets Being Depreciated and Amortized, Net	<u>45,673,731</u>	<u>(310,624)</u>	<u>177,404</u>	<u>45,185,703</u>
Governmental Activities Capital Assets, Net	<u>\$ 51,448,258</u>	<u>\$ 4,620,723</u>	<u>\$ 1,712,609</u>	<u>\$ 54,356,372</u>

¹ The beginning balance was restated due to the implementation of GASB Statement No. 87 Leases in 2022.

	Beginning Balance	Increases/ Transfers	Decreases/ Transfers	Ending Balance
<u>Business-Type Activities:</u>				
Capital Assets Not Being Depreciated:				
Land	\$ 25,000	\$ -	\$ -	\$ 25,000
Total Capital Assets Not Being Depreciated	<u>25,000</u>	<u>-</u>	<u>-</u>	<u>25,000</u>
Capital Assets Being Depreciated:				
Land Improvements	574,421	-	-	574,421
Buildings	45,433	-	-	45,433
Equipment, Furniture, and Vehicles	306,865	12,300	-	319,165
Total Capital Assets Being Depreciated	<u>926,719</u>	<u>12,300</u>	<u>-</u>	<u>939,019</u>
Less Accumulated Depreciation for:				
Land Improvements	277,621	11,638	-	289,259
Buildings	43,478	556	-	44,034
Equipment, Furniture, and Vehicles	282,688	8,752	-	291,440
Total Accumulated Depreciation	<u>603,787</u>	<u>20,946</u>	<u>-</u>	<u>624,733</u>
Capital Assets Being Depreciated, Net	<u>322,932</u>	<u>(8,646)</u>	<u>-</u>	<u>314,286</u>
Business-Type Activities Capital Assets, Net	<u>\$ 347,932</u>	<u>\$ (8,646)</u>	<u>\$ -</u>	<u>\$ 339,286</u>

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

NOTE 3 CAPITAL ASSETS (CONTINUED)

Depreciation and amortization expense was charged to the various governmental and business-type activity functions as follows:

Governmental Activities:

General Government	\$ 969,427
Public Safety	1,183,961
Transportation	524,578
Physical Environment	142,955
Economic Development	205,445
Culture and Recreation	227,205
Human Services	93,926
Court Related Costs	9,342
Total Depreciation Expense, Governmental Activities	\$ 3,356,839

Business-Type Activities:

Solid Waste	\$ 20,946
Total Depreciation Expense, Business-Type Activities	\$ 20,946

NOTE 4 INTERFUND BALANCES AND INTERFUND TRANSFERS

At September 30, 2022, interfund receivables and payables were as follows:

	Interfund Receivable	Interfund Payable
<u>Governmental Funds:</u>		
General	\$ 130,856	\$ 13,605
Transportation Trust	14,590	101,493
Nonmajor Funds	-	19,693
Total Governmental Funds	145,446	134,791
<u>Enterprise Fund:</u>		
Solid Waste	-	10,655
Total Enterprise Fund	\$ 145,446	\$ 145,446

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

NOTE 4 INTERFUND BALANCES AND INTERFUND TRANSFERS (CONTINUED)

For the year ended September 30, 2022, interfund transfers were as follows:

	Transfers In	Transfers Out
<u>Governmental Activities:</u>		
General	\$ 2,316,667	\$ -
Nonmajor Funds	-	2,316,667
Total Governmental Activities	\$ 2,316,667	\$ 2,316,667

The outstanding balances between funds result mainly from the time lag between the dates transactions are recorded in the accounting system and when payments between funds are made.

Transfers are used to move revenues from various funds to finance various programs that the government must account for in other funds in accordance with budgetary or governing authorizations.

NOTE 5 LONG-TERM LIABILITIES

During the year ended September 30, 2022, the following changes occurred in long-term liabilities:

	Beginning Balance	Additions	Retirements	Ending Balance	Amounts Due Within One Year
<u>Governmental Activities:</u>					
Compensated Absences	\$ 825,529	\$ 974,920	\$ 1,105,577	\$ 694,872	\$ 510,069
Financed Purchase Obligation	193,777	-	62,865	130,912	64,577
Lease Payable ¹	170,798	221,314	51,174	340,938	62,183
Total	\$ 1,190,104	\$ 1,196,234	\$ 1,219,616	\$ 1,166,722	\$ 636,829
<u>Business-Type Activities:</u>					
Compensated Absences	\$ 324	\$ 2,946	\$ 2,829	\$ 441	\$ 331
Landfill	266,333	-	3,673	262,660	-
Total	\$ 266,657	\$ 2,946	\$ 6,502	\$ 263,101	\$ 331

¹ The beginning balance was restated due to the implementation of GASB Statement No. 87 Leases in 2022.

The liability for compensated absences is liquidated by the general fund and other governmental funds.

Financed Purchase Obligation

The Sheriff entered into an agreement for financing the purchase of radio equipment. The agreement qualifies as a financed purchase for accounting purposes and was recorded at cost. Payments are reflected as debt service expenditures in the financial statements for the general fund.

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

NOTE 5 LONG-TERM LIABILITIES (CONTINUED)

Financed Purchase Obligation (Continued)

The annual principal and interest maturities of the outstanding financed purchase obligation are as follows:

Year Ending September 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 64,577	\$ 2,729	\$ 67,306
2024	66,335	970	67,305
	<u>130,912</u>	<u>3,699</u>	<u>134,611</u>

Leases Payable

The County is Lessee for noncancellable leases of equipment. At September 30, 2022, the County's leases payable of \$340,938 was comprised of the following:

Governmental Activities

Equipment Leases – annual payments including interest at the County's borrowing rate of 2.88% and one lease with an implicit rate of 16.85%, due dates ranging from March 2023 to January 2028.

The future principal and interest lease payments as of September 30, 2022, were as follows:

Year Ending September 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 62,183	\$ 37,964	\$ 100,147
2024	62,344	31,525	93,869
2025	65,088	23,896	88,984
2026	71,383	14,671	86,054
2027	73,370	3,435	76,805
2028	6,570	40	6,610
	<u>340,938</u>	<u>111,531</u>	<u>452,469</u>

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

NOTE 6 RESTRICTED ASSETS AND RESTRICTED NET POSITION

Restricted cash and investments at September 30, 2022 consisted of the following:

<u>Purpose</u>	General Fund	Capital Outlay	Nonmajor Governmental Funds	Total Governmental Funds	Total Proprietary Funds
Cemetery Perpetual Care	\$ 144,680	\$ -	\$ -	\$ 144,680	\$ -
Buckhead Ridge Utility	343,452	-	-	343,452	-
Law Enforcement Trust	1,363,095	-	-	1,363,095	-
Law Enforcement Other	53,752	-	-	53,752	-
Intergovernmental Radio	124,554	-	-	124,554	-
Driver's Education	5,677	-	-	5,677	-
Impact Fees	-	-	-	-	-
Tourism Development	111,021	-	-	111,021	-
Courtroom Facilities	288,384	-	-	288,384	-
EMS Grant Funds	4,437	-	-	4,437	-
Landfill Closure	-	-	-	-	201,357
Total	<u>\$ 2,439,052</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,439,052</u>	<u>\$ 201,357</u>

Restricted net position at September 30, 2022 consisted of the following:

<u>Governmental Activities:</u>	<u>Balance</u>
Capital Projects:	
Transportation Projects	\$ 5,268,294
Other Capital Projects	5,149,957
Buckhead Ridge Utility	343,452
Law Enforcement Activities	1,424,570
Courtroom Facilities	289,310
Total Capital Projects	<u>12,475,583</u>
Other:	
Public Safety	581,883
Intergovernmental Radio	124,554
Cemetery Perpetual Care	144,680
Driver's Education	5,677
Tourism Development	111,021
Economic Development	867,233
Enhanced 911	223,644
Public Record Modernization	137,742
Child Support Services	102,349
Total Other	<u>2,298,783</u>
Total Restricted Net Position	<u>\$ 14,774,366</u>

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

NOTE 7 DEFINED BENEFIT PENSION PLANS

Background

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

Essentially all regular employees of the County are eligible to enroll as members of the State-administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of the two cost sharing, multiple employer defined benefit plans and other nonintegrated programs. 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).

The County's pension expense totaled \$985,487 for both the FRS Pension Plan and HIS Plan for the year ended September 30, 2022.

Florida Retirement System Pension Plan

Plan Description

The Florida Retirement System Pension Plan (FRS Plan) is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees. The general classes of membership are as follows:

- *Regular Class* – Members of the FRS who do not qualify for membership in the other classes.
- *Elected County Officers 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 special risk employees, such as law enforcement officers, meet the criteria to qualify for this class.

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

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Plan Description (Continued)

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

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

Benefits Provided

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

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

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Benefits Provided (Continued)

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
Regular Class members initially enrolled before July 1, 2011	
Retirement up to age 62 or up to 30 years of service	1.60 %
Retirement up to age 63 or up to 31 years of service	1.63
Retirement up to age 64 or up to 32 years of service	1.65
Retirement up to age 65 or up to 33 years of service	1.68
Regular Class members initially enrolled on or after July 1, 2011	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement up to age 66 or up to 34 years of service	1.63
Retirement up to age 67 or up to 35 years of service	1.65
Retirement up to age 68 or up to 36 years of service	1.68
Elected County Officers	3.00
Senior Management Service Class	2.00
Special Risk Regular	
Service from December 1, 1970, through September 30, 1974	2.00
Service on and after October 1, 1974	3.00

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3% 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%. FRS Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

Contributions

The Florida Legislature establishes contribution rates for participating employers and employees. Effective July 1, 2011, all FRS Plan members (except those in DROP) are required to make 3% employee contributions on a pretax basis. The contribution rates attributable to the County, effective July 1, 2021, were applied to employee salaries as follows: regular employees 9.10%, regular special risk 24.17%, County elected officials 49.70%, senior management 27.29%, DROP participants 16.68%, and retirees initially reemployed on or after July 1, 2010, who are not eligible for retirement coverage, 4.19%. The County's contributions to the FRS Plan were \$1,550,213 for the year ended September 30, 2022.

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

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Pension Costs

At September 30, 2022, the County reported a liability of \$13,176,841 for its proportionate share of the FRS Plan's net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The County's proportion of the net pension liability was based on the County's contributions received by FRS during the measurement period for employer payroll paid dates from July 1, 2021, through June 30, 2022, relative to the total employer contributions received from all of FRS's participating employers. At June 30, 2022, the County's proportion was 0.03541%, which was a decrease of 0.00389% from its proportion measured as of June 30, 2021.

For the year ended September 30, 2022, the County recognized pension expense of \$873,719 for its proportionate share of FRS's pension expense. In addition, the County reported its proportionate share of FRS's deferred outflows of resources and deferred inflows of resources from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 625,824	\$ -
Changes in Actuarial Assumptions	1,622,783	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	870,065	-
Changes in Proportion and Differences Between County Contributions and Proportionate Share of Contributions	489,060	3,278,794
County Contributions Subsequent to the Measurement Date	408,022	-
Total	<u>\$ 4,015,754</u>	<u>\$ 3,278,794</u>

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

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Pension Costs (Continued)

\$408,022 reported as deferred outflows of resources related to pensions resulting from County contributions to the FRS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending September 30, 2023. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized as an increase (decrease) in pension expense as follows:

<u>Year Ending September 30,</u>	<u>Amount</u>
2023	\$ 136,195
2024	(449,421)
2025	(1,041,492)
2026	1,662,255
2027	21,401

Actuarial Assumptions

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

Inflation	2.40% per Year
Salary Increases	3.25%, Average, Including Inflation
Investment Rate of Return	6.70%

Mortality rates were based on the generational mortality using gender-specific MP-2018 mortality improvement projection scale. The actuarial assumptions used in the July 1, 2022, valuation were based on the results of an actuarial experience study for the period July 1, 2013, through June 30, 2018.

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

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Actuarial Assumptions (Continued)

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

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0 %	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 (Property)	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
Totals	<u>100.0 %</u>			
Assumed Inflation - Mean			2.4 %	1.3 %

Discount Rate

The discount rate used to measure the total pension liability was 6.70%, which was .10% lower than in fiscal year 2021, for the FRS Plan. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Pension Liability Sensitivity

The following presents the County's proportionate share of the net pension liability for the FRS Plan, calculated using the discount rate disclosed in the preceding paragraph, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

Description	1% Decrease in Discount Rate	Current Discount Rate	1% Increase in Discount Rate
FRS Plan Discount Rate	5.70%	6.70%	7.70%
Authority's Proportionate Share of the FRS Plan Net Pension Liability	\$ 22,788,440	\$ 13,176,841	\$ 5,140,400

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

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Pension Plan Fiduciary Net Position

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

Retiree Health Insurance Subsidy Program

Plan Description

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

Benefits Provided

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

Contributions

The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2022, the contribution rate was 1.66% 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 were \$156,238 for the year ended September 30, 2022.

Pension Costs

At September 30, 2022, the County reported a liability of \$2,707,904 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The County's proportion of the net pension liability was based on the County's contributions received during the measurement period for employer payroll paid dates from July 1, 2021, through June 30, 2022, relative to the total employer contributions received from all participating employers

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

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Retiree Health Insurance Subsidy Program (Continued)

Pension Costs (Continued)

At June 30, 2022, the County's proportion was 0.02557%, which was a decrease of 0.00165% from its proportion measured as of June 30, 2021.

For the year ended September 30, 2022, the County recognized pension expense of \$111,768 for its proportionate share of HIS's pension expense. In addition, the County reported its proportionate share of HIS's deferred outflows of resources and deferred inflows of resources from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 82,191	\$ 11,915
Changes in Actuarial Assumptions	155,219	418,911
Net Difference Between Projected and Actual Earnings on HIS Program Investments	3,920	-
Changes in Proportion and Differences Between County Contributions and Proportionate Share of Contributions	234,058	478,544
County Contributions Subsequent to the Measurement Date	38,825	-
Total	<u>\$ 514,213</u>	<u>\$ 909,370</u>

\$38,825 reported as deferred outflows of resources related to pensions resulting from County contributions to the HIS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending September 30, 2023. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized as an increase (decrease) in pension expense as follows:

<u>Year Ending September 30,</u>	<u>Amount</u>
2023	\$ (55,924)
2024	(53,481)
2025	(78,863)
2026	(103,431)
2027	(104,367)
Thereafter	(37,916)

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

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Retiree Health Insurance Subsidy Program (Continued)

Actuarial Assumptions

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

Inflation	2.40% per Year
Salary Increases	3.25%, Average, Including Inflation
Municipal Bond Rate	3.54%

Mortality rates were based on the Generational PUB-2010 with Projection Scale MP-2018. The actuarial assumptions used in the July 1, 2022, valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

Discount Rate

The discount rate used to measure the total pension liability changed from 2.16% to 3.54% for the HIS Plan. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Pension Liability Sensitivity

The following presents the County's proportionate share of the net pension liability for the HIS Plan, calculated using the discount rate disclosed in the preceding paragraph, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

Description	1% Decrease in Discount Rate	Current Discount Rate	1% Increase in Discount Rate
HIS Plan Discount Rate	2.54%	3.54%	4.54%
Authority's Proportionate Share of the HIS Plan Net Pension Liability	\$ 3,098,065	\$ 2,707,904	\$ 2,385,054

Pension Plan Fiduciary Net Position

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

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

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Retiree Health Insurance Subsidy Program (Continued)

Summary

	<u>FRS Plan</u>	<u>HIS Plan</u>	<u>Total</u>
Net Pension Liability	\$ 13,176,841	\$ 2,707,904	\$ 15,884,745
Deferred Outflows of Resources Related to Pensions	4,015,754	514,213	4,529,967
Deferred Inflows of Resources Related to Pensions	3,278,794	909,370	4,188,164
Pension Expense (Income)	873,719	111,768	985,487

NOTE 8 DEFINED CONTRIBUTION PLAN

The Florida State Board of Administration (SBA) administers the defined contribution plan officially titled the FRS Investment Plan (Investment Plan). The Investment Plan is reported in the SBA's annual financial statements and in the State of Florida Annual Comprehensive Financial Report.

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. Costs of administering the plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% of payroll and by forfeited benefits of plan members.

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. Nonvested 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. For the fiscal year ended June 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.

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

NOTE 8 DEFINED CONTRIBUTION PLAN (CONTINUED)

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 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 \$630,117 for the year ended September 30, 2022.

NOTE 9 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Plan Description Funding Policy

The County provides postretirement health care benefits in a single employer defined benefit plan in accordance with Section 112.0801, Florida Statutes, to all eligible employees who retire from the County. The employee's contribution is the full amount of the annual premium. Expenditures for postemployment health care benefits are recognized as premiums are paid.

The plan is currently being funded on a pay as you go basis. A trust fund has not been established for the plan, and there are no assets accumulated in a trust for payment of benefits.

The plan does not issue stand-alone financial statements.

Healthcare Plan

The County participates in the Public Risk Management of Florida Group Health Trust (Health Trust), a quasi-governmental agency created by interlocal agreement, as authorized by Florida Statute 163. The County and other participating members pool their resources so as to provide employee health insurance coverage. Retirees participating in the group insurance plan offered by the County are required to contribute 100% of the active premiums. In future years, contributions are assumed to increase at the same rate as premiums.

The Sheriff participates in the Florida Sheriff's Employee Benefits Trust (FSEBT). The Sheriff and other participating members pool their resources so as to provide employee health insurance coverage. Retirees participating in the group insurance plans offered by the Sheriff are required to contribute 100% of the active premiums. In future years, contributions are assumed to increase at the same rate as premiums. The plan does not issue separate stand-alone financial statements.

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

NOTE 9 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Dental and Life Insurance Plan

The Sheriff purchases commercial insurance for dental, and life insurance for Sheriff employees. Eligible employees can participate in these plans at the group rate. The Sheriff provides eligible sworn personnel with \$20,000 of group term life insurance and accidental death and dismemberment insurance (AD&D); civil personnel have \$10,000 Life/AD&D. Retirees continue to receive the group term life insurance with a benefit of \$5,000 without AD&D.

Participant Data

As of September 30, 2022, the following employees were covered by the benefit terms:

	<u>Valuation Date 9/30/2021</u>
Inactive Plan Members, or Beneficiaries Currently Receiving Benefits	3
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	-
Active Plan Members	<u>198</u>
Total Employees	<u><u>201</u></u>

Total OPEB Liability

The County's total OPEB liability of \$1,994,844 was measured as of September 30, 2021, and was determined by an actuarial valuation as of September 30, 2021. The following table shows the changes in the County's total OPEB liability for the year ended September 30, 2022.

Balance, as of October 1, 2021	\$ 2,753,015
Changes:	
Service cost	340,857
Interest	65,519
Differences between expected and actual experience	(748,470)
Changes of assumptions	(351,229)
Benefit payments	<u>(64,848)</u>
Net Change	<u>(758,171)</u>
Balance, as of September 30, 2022	<u><u>\$ 1,994,844</u></u>

OPEB Liability Discount Rate Sensitivity

The following presents the County's total OPEB liability, as well as what the County's total OPEB liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

Description	1% Decrease in Discount Rate	Current Discount Rate	1% Increase in Discount Rate
Discount Rate	1.43%	2.43%	3.43%
Total OPEB Liability	\$ 2,255,906	\$ 1,994,844	\$ 1,768,890

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

NOTE 9 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

OPEB Liability Healthcare Rate Sensitivity

The following presents the County's total OPEB liability, as well as what the County's total OPEB liability would be if it were calculated using a healthcare trend rate one percentage point lower or one percentage point higher than the current healthcare trend rate:

Description	1% Decrease in Trend Rate	Current Trend Rate	1% Increase in Trend Rate
Healthcare Trend Rate	3.00% - 6.50%	4.00% - 7.50%	5.00% - 8.50%
Total OPEB Liability	\$ 1,709,355	\$ 1,994,844	\$ 2,343,190

Deferred Outflows and Inflows of Resources Related to OPEB

For the year ended September 30, 2022, the County's OPEB expense was \$381,866. In addition, the County reported deferred outflows and inflows of resources from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Net Difference Between Projected and Actual Experience	\$ -	\$ 809,199
Change in Assumptions	568,629	403,615
Benefit Payments Subsequent to the Measurement Date	45,296	-
Total	<u>\$ 613,925</u>	<u>\$ 1,212,814</u>

\$45,296 reported as deferred outflows of resources related to OPEB resulting from County implicit contributions to the OPEB Plan subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ending September 30, 2023. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized as an increase (decrease) in OPEB expense as follows:

<u>Year Ending September 30,</u>	<u>Amount</u>
2023	\$ (93,590)
2024	(93,590)
2025	(93,589)
2026	(79,701)
2027	(66,042)
Thereafter	(217,673)

Methods and Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

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

NOTE 9 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Methods and Assumptions (Continued)

Calculations for financial reporting purposes are based on the benefits provided under terms of the plan as understood by the employer and the plan members in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future. Actuarial calculations reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

The actuarial method is:

Actuarial cost method	Entry Age Cost Method (Level Percentage of Pay)
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The actuarial assumptions are:

Discount rate	2.43%. Based on the September 30, 2021 S&P Municipal Bond 20 Year High Grade Rate Index as published by S&P Dow Jones Indices.
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Healthcare cost trend rate	Initial rate of 7.50% in fiscal 2022, then 7.25% in fiscal 2023, grading down to the ultimate trend rate of 4.00% in fiscal 2075.
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Healthcare participation rate	20% participation assumed pre-65, with 50% electing spouse coverage. 0% participation assumed post-65.
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Expected return on plan assets	N/A
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Inflation rate	2.50%
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Salary rate increases	3.00%
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**GLADES COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 9 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Methods and Assumptions (Continued)

Retirement Rates

Tier 1

Regular class

100% are assumed to retire at age 62 and 6 years of service or upon completion of 30 years of service, regardless of age. Service-incurred disabled employees retire immediately, while nonduty related disabled employees retire upon completion of at least 8 years of service.

Special risk class

100% are assumed to retire at age 55 and 6 years of service or upon completion of 25 years of special risk service, regardless of age. Service-incurred disabled employees retire immediately, while nonduty related disabled employees retire upon completion of at least 8 years of service.

Tier 2

Regular class

100% are assumed to retire at age 65 and 8 years of service or upon completion of 33 years of service, regardless of age. Service-incurred disabled employees retire immediately, while nonduty related disabled employees retire upon completion of at least 8 years of service.

Special risk class

100% are assumed to retire at age 60 and 8 years of service or upon completion of 30 years of special risk service, regardless of age. Service-incurred disabled employees retire immediately, while nonduty related disabled employees retire upon completion of at least 8 years of service.

Early Retirement Rates

Tier 1

Regular class

Members may retire early at age 43 and 6 years of service. Members are assumed to retire early at the rates shown below:

Age	Rate
43-54	5%
55	10%
56	10%
57	15%
58	15%
59	15%
60	20%
61	20%
62	100%

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

NOTE 9 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Methods and Assumptions (Continued)

Special risk class

Members may retire early at age 36 and 6 years of service. Members are assumed to retire early at the rates shown below:

Age	Rate
36-49	5%
50	10%
51	10%
52	15%
53	15%
54	20%
55	100%

Tier 2
Regular class

Members may retire early at age 43 and 8 years of service. Members are assumed to retire early at the rates shown below:

Age	Rate
43-54	5%
55	10%
56	10%
57	15%
58	15%
59	15%
60-64	20%
65	100%

Special risk class

Members may retire early at age 36 and 8 years of service. Members are assumed to retire early at the rates shown below:

Age	Rate
36-49	5%
50	10%
51	10%
52	15%
53	15%
54-59	20%
60	100%

Disability

None applied.

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

NOTE 9 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Methods and Assumptions (Continued)

Mortality rate
Regular class

Healthy Active Lives:
Female: Headcount-weighted PubG-2010 female employee, Scale MP-2020

Male: Headcount-weighted PubG-2010 male below-median income employee with one-year setback, Scale MP-2020

Healthy Inactive Lives:
Female: Headcount-weighted PubG-2010 female below-median income healthy retiree, Scale MP-2020

Male: Headcount-weighted PubG-2010 male below-median income healthy retiree with one-year setback, Scale MP-2020

Disabled Lives:
Female: Headcount-weighted PubG-2010 female disabled retiree set forward three years, Scale MP-2020

Male: Headcount-weighted PubG-2010 male disabled retiree set forward three years, Scale MP-2020

Special risk class

Healthy Active Lives:
Female: Headcount-weighted PubS-2010 female employee, set forward one year, Scale MP-2020

Male: Headcount-weighted PubS-2010 male below-median income employee, set forward one year, Scale MP-2020

Healthy Inactive Lives:
Female: Headcount-weighted PubS-2010 female healthy retiree, set forward one year, Scale MP-2020

Male: Headcount-weighted PubS-2010 male healthy retiree, set forward one year, Scale MP-2020

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

NOTE 9 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Methods and Assumptions (Continued)

Special risk class (continued)

Disabled Lives:

Female: 80/20 blended between the headcount-weighted PubS-2010 and PubG-2010 female disabled retiree tables, Scale MP-2020

Male: 80/20 blended between the headcount-weighted PubS-2010 and PubG-2010 male disabled retiree tables, Scale MP-2020

Mortality rates were based on the Pub-2010 mortality tables with fully generational improvement using Scale MP-2020. Rates are based on those outlined in the July 1, 2021, Florida Retirement System (FRS) actuarial valuation report.

The following changes were recognized during the fiscal year:

- The discount rate was changed from 2.14% to 2.43% based on the S&P 20-year municipal bond rate published as of September 30, 2021.
- The census data was collected as of September 30, 2021, and is representative of the population as of that date.
- The annual per capita claims costs and premium rates for BlueOptions 03748, BlueOptions 0727, and Florida Sheriff's Health Plan have been updated to use the rates effective October 1, 2022.
- Health care inflation rates have been updated to reflect recent healthcare trend rate surveys, blended with the Getzen model published by the Society of Actuaries.
- Mortality rates were updated to align with those used in the July 1, 2021, actuarial valuation of the Florida Retirement System (FRS) to better anticipate future mortality. The assumed rates of mortality are consistent with Chapter 2015 157, Laws of Florida with appropriate adjustments made based on plan demographics. This law mandates the use of the assumption used in either of the two most recent valuations of the Florida Retirement System for pension actuarial valuations.

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

NOTE 10 LANDFILL CLOSURE AND POST-CLOSURE CARE COSTS

State and federal laws and regulations require the County to place a final cover on its Ortona landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and post-closure care costs as operating expense in each period based on landfill capacity used at each financial statement date.

During fiscal year 2009 the County permanently capped the Fill Area 1 of the landfill. At September 30, 2022, the County estimates that the post-closure care cost of maintaining Fill Area 1 of the landfill in accordance with existing regulations will be \$262,660. The County has accrued this amount as a long-term liability based on amortizing the total estimated cost over the operational life of Fill Area 1. Instead of continuing to use the remaining cells of the landfill, the County established a transfer station and an agreement with a waste hauling company to remove the waste.

The County is required by state and federal laws and regulations to make annual contributions to a landfill management escrow account to finance the closure and post-closure care costs described above. At September 30, 2022, investments of \$201,357 are held for these purposes.

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 and omissions; and natural disasters.

Employee Benefits Group

The County participates in the Public Risk Management of Florida Group Health Trust (Health Trust), a quasi-governmental agency created by interlocal agreement, as authorized by Florida Statute 163. The County and other participating members pool their resources so as to provide employee health insurance coverage. A loss fund is established to pay a self-insured retention amount of \$100,000 per person. Any claims in excess of this limit are paid by aggregate excess or stop loss insurance. Any liability related to such claims is reported in the government-wide financial statements. The governmental fund financial statements report only those expenditures as payments are due.

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

NOTE 11 RISK MANAGEMENT (CONTINUED)

Property and Casualty Group

The County participates in Public Risk Management of Florida (PRM), a quasi-governmental agency created by an interlocal agreement, as authorized by Florida Statute 163. The County and other participating members pool their resources so as to provide a comprehensive risk management program. A loss fund is established to pay the self-insured retention amounts. Self-insured per occurrence limits are \$200,000 for property and liabilities claims, \$650,000 for workers' compensation, and \$25,000 for crime-related claims. Any claims in excess of these established limits are paid by aggregate excess or stop loss insurance. The County is also covered by Florida Statutes under the Doctrine of Sovereign Immunity, which effectively limits the amount of liability of governmental agencies to individual claims of \$100,000/\$200,000 for all claims relating to the same incident. Any liability related to such claims is reported in the government-wide financial statements. The governmental fund financial statements report only those expenditures as payments are due.

PRM assesses each member its pro rata share of the estimated amount required to meet current year losses and operating expenses. If total member assessments (premiums) do not produce sufficient funds to meet its obligations, PRM can make additional limited assessments. Losses, if any, in excess of PRM's ability to assess its members would revert back to the member that incurred the loss. PRM requires a one-year advance notice for nonrenewal.

The County currently reports all of its risk management activities in the general fund. Claims expenditures and liabilities are reported in the government-wide financial statements when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Claims expenditures are reported in the governmental fund financial statements as payments are due. The amount of settlements has not exceeded insurance coverage in the past three years.

The Sheriff's coverage for general liability, workers' compensation, and comprehensive crime loss is covered through a comprehensive property and liability risk management program, the Florida Sheriff's Self-Insurance Fund. The program is a self-insurance program whereby the Sheriff makes annual contributions along with other members of the program. The Sheriff is subject to a special assessment in the event of a deficiency, except to the extent that the deficiency results from a specific claim against a member in excess of the reinsurance available, such deficiency is solely the responsibility of that member. The Sheriff is covered by Florida Statutes under the Doctrine of Sovereign Immunity, which generally limits the amount of the liability of the Sheriff to individual claims of \$100,000 or \$200,000 for all claims relating to the same incident.

Litigation

The County is currently the defendant in a number of litigation issues and claims that arise in the normal course of operations. County management has indicated that they intend to vigorously defend such matters, the ultimate outcome of which, in the opinion of management and legal counsel, will not have a material adverse effect on the financial condition of the County.

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

NOTE 11 RISK MANAGEMENT (CONTINUED)

Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, might constitute a liability of the applicable funds. It is management's opinion that there are no significant contingent liabilities relating to these grants.

Glades Correctional Development Corporation

The Sheriff entered into an agreement with Glades Correctional Development Corporation (GCDC) to manage, operate, and maintain the GCDC prison facility. The facility is a 440-bed prison located in Moore Haven, Florida. The agreement is effective through September 30, 2030. For the year ended September 30, 2022, the Sheriff received \$4,449,600 from GCDC, which was used to fund payroll expenditures related to the operation of the GCDC facility and a negotiated management fee in the amount of \$500,000. The management fee is based on an annual budget submitted and mutually agreed upon by GCDC and the Sheriff and was paid in 12 equal payments during the fiscal year.

In 2006, the County transferred a parcel of land valued at \$550,000 to GCDC on which the prison facility was constructed. GCDC issued First Mortgage Revenue Bonds, Series 2006 in the amount of \$33,000,000 on March 14, 2006, to fund the construction of the prison facility. When all the Bonds are discharged, GCDC will transfer fee simple title of the facility and land to the County. GCDC has executed a deed of the facility and land to the County which is being held by a trustee in escrow and will be delivered to the County after all the Bonds are paid. The County has the right and option to defease or redeem the bonds prior to their maturity date and take title to the project at such time. The bonds are payable solely from rents and other revenues generated from the operations of the prison facility, and neither the County nor the Sheriff is liable for this debt.

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

NOTE 12 JOINTLY GOVERNED ORGANIZATIONS

The County, through an interlocal agreement with the City of Moore Haven, Florida, created the City-County Public Works Authority (the Authority). The Authority provides water, sewer, and reclaimed water facilities within its boundaries. The Authority's governing board is comprised of the Glades County Board of County Commissioners and the City Council of Moore Haven. The Authority is an independent entity organized under the laws of the state of Florida and neither the County nor the City has a participating ownership interest in the Authority. The County constructed a wastewater treatment facility, which is being operated by the Authority. The construction was funded with grant revenue. Financial statements for the Authority can be obtained at the City of Moore Haven, Florida, City Hall, 99 Riverside Drive, Moore Haven, Florida 33471.

NOTE 13 COMMITMENTS AND CONTINGENCIES

Construction Contracts

The County entered into the following contracts for the completion of project costs:

<u>Project</u>	<u>Total Project Authorization</u>	<u>Expended at September 30, 2022</u>	<u>Balance to Complete</u>
E911 Backup Facility	\$ 1,760,912	\$ 1,343,681	\$ 417,231
Phase 5C Sanitary Sewer (LPQ0014) - Construction	2,405,174	1,994,660	410,514
US 27 Utility Corridor	362,800	88,966	273,834
Bullhead Road - Design Services	545,393	401,185	144,208
Phase 5A Sanitary Sewer (LPQ0014) - Construction	934,259	841,670	92,589
Phase 5C Sanitary Sewer (LPQ0014) - Engineering Services	391,775	357,175	34,600
Crescent Road - Design Services	54,556	26,021	28,535
Firetower Road - Design Services	565,678	538,110	27,568
Cornelia Road - Plans and Design	46,195	34,445	11,750
Total	<u>\$ 7,066,742</u>	<u>\$ 5,625,913</u>	<u>\$ 1,440,829</u>

NOTE 14 TAX ABATEMENT

The County enters into property tax abatement agreements with local businesses under Section 3, Article VII of the Florida Constitution and Section 196.1995, Florida Statutes, authorize the Board of County Commissioners to grant economic development ad valorem tax exemptions to certain new and expanding businesses.

For the fiscal year ended September 30, 2022, the County had one agreement for 60% property tax abatement with a company for development and use of a piece of property. Taxes abated totaling \$18,669 under this agreement.

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

NOTE 15 SUBSEQUENT EVENT

On October 1, 2022, the Sheriff entered into a verbal agreement with Glades Correctional Development Corporation (GCDC) to reduce the Management Fee paid to the Sheriff from \$41,667 per month to \$20,834 per month. On the date of March 1, 2023, the Management Fee paid to the Sheriff was suspended by agreement of the parties.

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

GLADES COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND (NON-GAAP BUDGETARY BASIS)
YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Ad Valorem Taxes	\$ 7,215,725	\$ 7,215,725	\$ 7,597,107	\$ 381,382
Sales and Miscellaneous Taxes	2,129,308	2,129,308	2,380,569	251,261
Fees and Fines	332,500	369,963	356,203	(13,760)
Licenses and Permits	-	-	24	24
Intergovernmental	510,591	3,503,687	2,182,541	(1,321,146)
Charges for Services	1,136,989	6,087,734	6,149,322	61,588
Investment Earnings	50,000	50,122	29,412	(20,710)
Miscellaneous	5,000	224,581	55,889	(168,692)
Contributions	115,000	115,000	119,787	4,787
Total Revenues	<u>11,495,113</u>	<u>19,696,120</u>	<u>18,870,854</u>	<u>(825,266)</u>
EXPENDITURES				
Current:				
General Government	5,714,102	7,284,435	5,396,267	1,888,168
Public Safety	6,325,450	7,074,980	6,932,020	142,960
Jail Operations	1,696,491	6,090,356	6,128,068	(37,712)
Physical Environment	172,855	176,186	148,510	27,676
Human Services	321,477	323,257	271,650	51,607
Culture/Recreation	191,938	231,452	181,504	49,948
Economic Development	188,210	201,260	141,121	60,139
Court-Related Costs	63,112	66,730	46,449	20,281
Capital Outlay	306,422	1,649,318	1,152,283	497,035
Debt Service:				
Principal	16,100	78,965	109,462	(30,497)
Interest	38,900	43,341	47,139	(3,798)
Total Expenditures	<u>15,035,057</u>	<u>23,220,280</u>	<u>20,554,473</u>	<u>2,665,807</u>
Excess (Deficiency) of Revenues Over Expenditures	(3,539,944)	(3,524,160)	(1,683,619)	1,840,541
OTHER FINANCING SOURCES (USES)				
Proceeds from the Sale of Capital Assets	-	11,225	11,225	-
Proceeds from Insurance Recoveries	-	-	305,701	305,701
Transfer In	2,340,751	2,316,667	2,316,667	-
Transfers Out	-	(477,192)	-	477,192
Total Other Financing Sources (Uses)	<u>2,340,751</u>	<u>1,850,700</u>	<u>2,633,593</u>	<u>782,893</u>
Appropriated Fund Balance	<u>1,199,193</u>	<u>1,673,460</u>	<u>-</u>	<u>(1,673,460)</u>
CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	949,974	<u>\$ 949,974</u>
Fund Balance - Beginning			<u>11,378,681</u>	
FUND BALANCE - ENDING			<u>\$ 12,328,655</u>	

See accompanying Note to Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual.

GLADES COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND (NON-GAAP BUDGETARY BASIS)
(CONTINUED)
YEAR ENDED SEPTEMBER 30, 2022

	<u>General Fund</u>
Actual Amounts (Budgetary Basis) “Revenues” from the Budgetary Comparison Schedule	\$ 18,870,854
Differences—Budget to GAAP:	
Certain nonadvalorem related Revenues are not a Component of the County's Budget	93,183
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balance	\$ 18,964,037
Actual Amounts (Budgetary Basis) “Expenditures” from the Budgetary Comparison Schedule	\$ 20,554,473
Differences—Budget to GAAP:	
Certain nonadvalorem-related Expenditures are not a Component of the County's Budget	172,832
Capital Outlay Paid with Asset Forfeiture or Donation Funding Not Budgeted	108,190
Expenditures for Leases Not a Component of the County's Budget	221,314
Total Expenditures as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balance	\$ 21,056,809
Actual Amounts (Budgetary Basis) “Other Financing Sources (Uses)” from the Budgetary Comparison Schedule	\$ 2,633,593
Differences—Budget to GAAP:	
Lease Activity Not Budgeted	221,314
Total Other Financing Sources (Uses) as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balance	\$ 2,854,907

See accompanying Note to Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual.

GLADES COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL – TRANSPORTATION TRUST FUND
YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Ad Valorem Taxes	\$ 72,380	\$ 72,380	\$ 72,522	\$ 142
Sales and Miscellaneous Taxes	2,475,092	2,475,092	2,452,917	(22,175)
Licenses and Permits	2,000	2,000	3,300	1,300
Investment Earnings	15,000	15,000	7,832	(7,168)
Miscellaneous	11,840	11,840	22,470	10,630
Total Revenues	<u>2,576,312</u>	<u>2,576,312</u>	<u>2,559,041</u>	<u>(17,271)</u>
EXPENDITURES				
Current:				
Transportation	2,082,324	2,185,634	1,638,095	547,539
Culture/Recreation	468,828	480,393	108,321	372,072
Capital Outlay	692,500	727,625	205,160	522,465
Debt Service:				
Principal	-	-	3,964	(3,964)
Interest	-	-	261	(261)
Total Expenditures	<u>3,243,652</u>	<u>3,393,652</u>	<u>1,955,801</u>	<u>1,437,851</u>
Excess (Deficiency) of Revenues Over Expenditures	(667,340)	(817,340)	603,240	1,420,580
Appropriated Fund Balance	<u>667,340</u>	<u>817,340</u>	<u>-</u>	<u>(817,340)</u>
CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	603,240	<u>\$ 603,240</u>
Fund Balance - Beginning			<u>4,748,065</u>	
FUND BALANCE - ENDING			<u>\$ 5,351,305</u>	

See accompanying Note to Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual.

GLADES COUNTY, FLORIDA
NOTE TO SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
SEPTEMBER 30, 2022

NOTE 1 BUDGETARY ACCOUNTING

State Statutes require that all County governments establish budgetary systems and approve balanced annual budgets for such funds as may be required by law or by sound financial practices and accounting principles generally accepted in the United States of America (GAAP). The Board has established the following procedures in establishing, adopting, and maintaining the operating budget.

- On or before July 15 of each year, each constitutionally elected officer and the Executive Director of Social Services submits to the Board a tentative budget for the fiscal year commencing the following October 1. Taxpayers are informed of the proposed budget and tentative millage rates through advertising. Public hearings are held to elicit taxpayer comments. The budget is legally adopted through Board Resolution.
- The Board, at any time within a fiscal year, may amend a budget for that year as follows:
 1. Appropriations for expenditures in any fund may be decreased and other appropriations in the same fund correspondingly increased by actions recorded in the minutes, provided that the total of the appropriations of the fund are not changed.
 2. Appropriations from reserves may be made to increase appropriations by resolution of the Board, but no expenditures shall be directly charged to any reserve.
 3. A receipt from a source not anticipated in the budget and received for a particular purpose including, but not limited to, grants, donations, gifts, or reimbursements for damages, may, by resolution of the Board recorded in its minutes, be appropriated and expended for that purpose, in addition to the appropriations and expenditures provided for in the budget. Such receipts and appropriations shall be added to the budget in the proper fund.
- It is unlawful for the Board to expend or contract for expenditures in any fiscal year more than the amount budgeted in each individual fund's budget, and in no case shall the total appropriations of any budget be exceeded. Budgetary comparisons presented herein are on a basis consistent with GAAP, except for the general fund which is non-GAAP, and are only prepared for the general fund and major special revenue funds, where applicable.
- The original budget is the first complete appropriated budget. The final budget is the original budget adjusted for all reserves, transfers, allocations, supplemental appropriations, and other legally authorized changes available to the fiscal year, whenever signed into law or otherwise legally authorized.

During fiscal year 2022, one supplemental appropriation totaling \$8,201,007 in the County-wide General Fund required to fund the jail operating expenditures, bonuses and to account for other changes in revenue sources. The funding for the supplemental appropriation was generated primarily by the agreement between the Sheriff and Glades Correctional Development Corporation (GCDC).

**GLADES COUNTY, FLORIDA
OTHER POSTEMPLOYMENT BENEFITS PLAN
SCHEDULE OF CHANGES IN THE COUNTY'S TOTAL OPEB LIABILITY AND RELATED RATIOS
SEPTEMBER 30, 2022**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability					
Service Cost	\$ 340,857	\$ 248,868	\$ 174,065	\$ 187,999	\$ 204,812
Interest	65,519	80,375	78,012	65,378	52,687
Differences Between Expected and Actual Experience	(748,470)	-	(246,862)	-	-
Changes of Assumptions	(351,229)	457,963	360,249	(109,227)	(111,135)
Benefit Payments	(64,848)	(60,324)	(62,513)	(57,616)	(52,980)
Net Change in Total OPEB Liability	<u>(758,171)</u>	<u>726,882</u>	<u>302,951</u>	<u>86,534</u>	<u>93,384</u>
Total OPEB Liability - Beginning of Year	2,753,015	2,026,133	1,723,182	1,636,648	1,543,264
Total OPEB Liability - End of Year	<u>\$ 1,994,844</u>	<u>\$ 2,753,015</u>	<u>\$ 2,026,133</u>	<u>\$ 1,723,182</u>	<u>\$ 1,636,648</u>
Covered Employee Payroll	\$ 9,139,096	\$ 10,209,211	\$ 9,911,855	\$ 9,615,903	\$ 9,335,828
OPEB Liability as a Percentage of Covered Employee Payroll	21.83%	26.97%	20.44%	17.92%	17.53%

*The District implemented GASB Statements No. 75 in fiscal year 2018, and the above table will be expanded to 10 years of information as the information becomes available.

NOTE - No assets are accumulated in a trust for payment of related benefits.

NOTE - Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

FY 2022	2.43%
FY 2021	2.14%
FY 2020	3.58%
FY 2019	4.18%
FY 2018	3.64%

GLADES COUNTY, FLORIDA
SCHEDULE OF COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FLORIDA RETIREMENT SYSTEM PENSION PLAN ¹
SEPTEMBER 30, 2022 *

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Glades County, Florida's Proportion of the Net Pension Liability	0.035413965%	0.039305931%	0.048674637%	0.050771759%	0.050562264%	0.045368910%	0.042354714%	0.042190745%	0.045384068%
Glades County, Florida's Proportionate Share of the Net Pension Liability	\$ 13,176,841	\$ 2,969,116	\$ 21,096,305	\$ 17,485,087	\$ 15,229,616	\$ 13,419,819	\$ 10,694,597	\$ 5,449,500	\$ 2,769,096
Glades County, Florida's Covered Payroll	\$ 9,319,775	\$ 9,635,881	\$ 10,202,982	\$ 10,111,035	\$ 9,796,948	\$ 8,625,025	\$ 7,725,843	\$ 7,992,388	\$ 7,792,275
Glades County, Florida's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	141.39%	30.81%	206.77%	172.93%	155.45%	155.59%	138.43%	68.18%	35.54%
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%	96.09%

* The amounts presented for each fiscal year were determined as of 6/30.

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

**GLADES COUNTY, FLORIDA
SCHEDULE OF COUNTY CONTRIBUTIONS
FLORIDA RETIREMENT SYSTEM PENSION PLAN ¹
SEPTEMBER 30, 2022 ***

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually Required Contribution	\$ 1,550,213	\$ 1,181,656	\$ 1,314,903	\$ 1,314,114	\$ 1,242,077	\$ 1,068,702	\$ 1,028,381	\$ 1,091,590	\$ 1,068,455
Contributions in Relation to the Contractually Required Contribution	<u>(1,550,213)</u>	<u>(1,181,656)</u>	<u>(1,314,903)</u>	<u>(1,314,114)</u>	<u>(1,242,077)</u>	<u>(1,068,702)</u>	<u>(1,028,381)</u>	<u>(1,091,590)</u>	<u>(1,068,455)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 9,421,104	\$ 9,461,892	\$ 10,084,534	\$ 10,242,383	\$ 9,839,837	\$ 8,900,169	\$ 7,862,333	\$ 7,860,408	\$ 7,619,593
Contributions as a Percentage of Covered Payroll	16.45%	12.49%	13.04%	12.83%	12.62%	12.01%	13.08%	13.89%	14.02%

* The amounts presented for each fiscal year were determined as of 9/30.

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

For September 30, 2015, and later, covered payroll shown includes the payroll for Investment Plan members and payroll on which only UAL rates are charged.

GLADES COUNTY, FLORIDA
SCHEDULE OF COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
HEALTH INSURANCE SUBSIDIARY PENSION PLAN ¹
SEPTEMBER 30, 2022 *

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Glades County, Florida's Proportion of the Net Pension Liability	0.025566532%	0.027212532%	0.029395400%	0.030215336%	0.029981688%	0.027033322%	0.025030618%	0.026350850%	0.028011104%
Glades County, Florida's Proportionate Share of the Net Pension Liability	\$ 2,707,904	\$ 3,338,026	\$ 3,589,130	\$ 3,380,793	\$ 3,173,296	\$ 2,890,528	\$ 2,917,215	\$ 2,687,372	\$ 2,619,107
Glades County, Florida's Covered Payroll	\$ 9,319,775	\$ 9,635,881	\$ 10,202,982	\$ 10,111,035	\$ 9,796,948	\$ 8,625,025	\$ 7,725,843	\$ 7,992,388	\$ 8,325,020
Glades County, Florida's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	29.06%	34.64%	35.18%	33.44%	32.39%	33.51%	37.76%	33.62%	31.46%
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%	0.99%

* The amounts presented for each fiscal year were determined as of 6/30.

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

For June 30, 2015, and later, covered payroll shown includes the payroll for Investment Plan members and payroll on which only UAL rates are charged.

**GLADES COUNTY, FLORIDA
SCHEDULE OF COUNTY CONTRIBUTIONS
HEALTH INSURANCE SUBSIDIARY PENSION PLAN ¹
YEAR ENDED SEPTEMBER 30, 2022 ***

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually Required Contribution	\$ 156,238	\$ 157,067	\$ 167,403	\$ 170,024	\$ 163,341	\$ 147,743	\$ 130,515	\$ 106,866	\$ 99,148
Contributions in Relation to the Contractually Required Contribution	<u>(156,238)</u>	<u>(157,067)</u>	<u>(167,403)</u>	<u>(170,024)</u>	<u>(163,341)</u>	<u>(147,743)</u>	<u>(130,515)</u>	<u>(106,866)</u>	<u>(99,148)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 9,421,104	\$ 9,461,892	\$ 10,084,534	\$ 10,242,383	\$ 9,839,837	\$ 8,900,169	\$ 7,862,333	\$ 7,860,408	\$ 8,157,955
Contributions as a Percentage of Covered Payroll	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	1.36%	1.22%

* The amounts presented for each fiscal year were determined as of 9/30.

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

For September 30, 2015, and later, covered payroll shown includes the payroll for Investment Plan members and payroll on which only UAL rates are charged.

COMBINING FUND FINANCIAL STATEMENTS

**GLADES COUNTY, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS**

SPECIAL REVENUE FUNDS

MSTU Law Enforcement – To account for the revenues derived from ad valorem taxes levied within the taxing unit and expenditures for the provision of law enforcement services, facilities, and programs by the Glades County Sheriff's Office, per Ordinance 2001-12.

Building Department – To account for the receipts and disbursements of building-type permit revenues and the associated inspection and operations expenditures related thereto.

Enhanced 911 – To account for the fees levied on each telephone access line in the County for the enhancement of the 911 emergency telephone system.

SHIP – To account for state revenues received to provide affordable residential housing for very low to moderate income persons and those who have special needs.

Clerk Child Support – To account for any reimbursements received by the Clerk from the State of Florida, Department of Revenue (or any subsequent State Title IV-D agency) relative to the operation of the County's Child Support collection and enforcement exceeding the direct cost of operations at the end of the fiscal year.

Clerk Public Records Modernization – To account for revenues and expenditures mandated by Chapter 28.24(15)(d), *Florida Statutes*, to be held in trust by the Clerk and used exclusively for equipment and maintenance of equipment, personnel training, and technical assistance in modernizing the public records system of the office, and Chapter 28.24 (12)(e), *Florida Statutes*, to provide Court Technology support as defined in Chapter 28.008(1)(f)(2) and (h), *Florida Statutes*.

**GLADES COUNTY, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022**

	Special Revenue Funds						Total Nonmajor Governmental Funds
	MSTU Law Enforcement	Building Department	Enhanced 911	SHIP	Clerk Child Support	Clerk Public Records Modernization	
ASSETS							
Cash and Cash Equivalents	\$ 65,002	\$ 592,464	\$ 129,838	\$ 867,870	\$ 98,885	\$ 137,742	\$ 1,891,801
Accounts Receivable, Net	-	9,590	-	-	3,464	-	13,054
Due from Other Governments	-	-	104,979	-	-	-	104,979
Prepaid Items	-	2,611	2,936	-	367	-	5,914
Total Assets	<u>\$ 65,002</u>	<u>\$ 604,665</u>	<u>\$ 237,753</u>	<u>\$ 867,870</u>	<u>\$ 102,716</u>	<u>\$ 137,742</u>	<u>\$ 2,015,748</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
LIABILITIES							
Accounts Payable	\$ -	\$ 3,684	\$ 10,059	\$ 21	\$ -	\$ -	\$ 13,764
Due to Other Funds	-	17,963	1,114	616	-	-	19,693
Due to Other Governments	-	2,961	-	-	-	-	2,961
Unearned Revenue	57,277	-	-	-	-	-	57,277
Total Liabilities	<u>57,277</u>	<u>24,608</u>	<u>11,173</u>	<u>637</u>	<u>-</u>	<u>-</u>	<u>93,695</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable Revenue	-	-	70,469	-	55	-	70,524
FUND BALANCES							
Nonspendable:							
Prepaid Items	-	2,611	2,936	-	367	-	5,914
Restricted:							
Law Enforcement	7,725	-	-	-	-	-	7,725
Public Safety	-	577,446	-	-	-	-	577,446
Economic Development	-	-	-	867,233	-	-	867,233
Court Related Functions	-	-	-	-	102,294	137,742	240,036
Enhanced 911	-	-	153,175	-	-	-	153,175
Total Fund Balances	<u>7,725</u>	<u>580,057</u>	<u>156,111</u>	<u>867,233</u>	<u>102,661</u>	<u>137,742</u>	<u>1,851,529</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 65,002</u>	<u>\$ 604,665</u>	<u>\$ 237,753</u>	<u>\$ 867,870</u>	<u>\$ 102,716</u>	<u>\$ 137,742</u>	<u>\$ 2,015,748</u>

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

	Special Revenue Funds						Total Nonmajor Governmental Funds
	MSTU Law Enforcement	Building Department	Enhanced 911	SHIP	Clerk Child Support	Clerk Public Records Modernization	
REVENUES							
Ad Valorem Taxes	\$ 2,274,355	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,274,355
Sales and Miscellaneous Taxes	71,017	-	-	-	-	-	71,017
Licenses and Permits	-	545,518	-	-	-	-	545,518
Intergovernmental	-	-	425,946	460,562	18,104	-	904,612
Charges for Services	-	-	-	-	-	29,689	29,689
Investment Earnings	1,539	789	220	1,876	67	110	4,601
Miscellaneous	-	25	-	-	-	6,305	6,330
Total Revenues	<u>2,346,911</u>	<u>546,332</u>	<u>426,166</u>	<u>462,438</u>	<u>18,171</u>	<u>36,104</u>	<u>3,836,122</u>
EXPENDITURES							
Current:							
General Government	-	-	-	-	-	12,952	12,952
Public Safety	-	-	131,081	-	-	-	131,081
Physical Environment	-	183,868	-	-	-	-	183,868
Economic Development	-	-	-	473,435	-	-	473,435
Capital Outlay	-	-	248,887	-	-	-	248,887
Debt Service:							
Principal	-	613	-	-	-	-	613
Interest	-	26	-	-	-	-	26
Total Expenditures	<u>-</u>	<u>184,507</u>	<u>379,968</u>	<u>473,435</u>	<u>-</u>	<u>12,952</u>	<u>1,050,862</u>
Excess (Deficiency) of Revenues Over Expenditures	2,346,911	361,825	46,198	(10,997)	18,171	23,152	2,785,260
OTHER FINANCING SOURCES (USES)							
Transfers Out	(2,316,667)	-	-	-	-	-	(2,316,667)
Total Other Financing Sources (Uses)	<u>(2,316,667)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,316,667)</u>
CHANGE IN FUND BALANCES	30,244	361,825	46,198	(10,997)	18,171	23,152	468,593
Fund Balance - Beginning	(22,519)	218,232	109,913	878,230	84,490	114,590	1,382,936
FUND BALANCES - ENDING	<u>\$ 7,725</u>	<u>\$ 580,057</u>	<u>\$ 156,111</u>	<u>\$ 867,233</u>	<u>\$ 102,661</u>	<u>\$ 137,742</u>	<u>\$ 1,851,529</u>

GOVERNMENT AUDITING STANDARDS AND FEDERAL AND STATE SINGLE AUDIT

**GLADES COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
SEPTEMBER 30, 2022**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Expenditures	Passed Through to Subrecipients
<u>FEDERAL AWARDS</u>				
<u>Department of Justice</u>				
Direct Programs:				
Equitable Sharing of Federally Forfeited Property	16.922	N/A	\$ 194,127	\$ -
Passed Through Florida Department of Law Enforcement				
JAG Program Cluster				
COVID-19 - Coronavirus Emergency Supplemental Funding (CESF) Program	16.034	2021-CESF-GLAD-1-CS-043	3,375	-
Edward Byrne Memorial Justice Assistance Grant	16.738	2021-JAGC-GLAD-1-3B-098	59,054	-
Total Department of Justice			256,556	-
<u>Department of Transportation</u>				
Passed through Florida Department of Management Services				
E911 Grant Program	20.615	20-04-08	248,887	-
Total Department of Transportation			248,887	-
<u>Department of the Treasury</u>				
Passed through the Executive Office of the Governor				
COVID-19 - Coronavirus State and Local Recovery Funds	21.027	N/A	803,505	-
Total Department of the Treasury			803,505	-
<u>Department of Homeland Security</u>				
Direct Programs:				
Emergency Food and Shelter Program Cluster				
Emergency Food and Shelter Board Program	97.024	N/A	111	-
Passed Through Florida Division of Emergency Management				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Proj # 689705	24,956	-
COVID-19 - Emergency Management Performance Grants	97.042	G0249	13,881	-
Emergency Management Performance Grants	97.042	G0269	33,180	-
Total 97.042			47,061	-
Total Department of Homeland Security			72,128	-
<u>Department of Housing and Urban Development</u>				
Passed Through Florida Department of Economic Opportunity				
Community Development Block Grants/State's Program and Nonentitlement Grants in Hawaii	14.228	18DB-OM-09-32-01-N19	98,865	-
Total Department of Housing and Urban Development			98,865	-
<u>Elections Assistance Commission</u>				
Passed through program from Florida Department of State				
Division of Elections				
COVID-19 Help America Vote Act Elections Security Grant	90.404	21.e.cs.000.029	2,985	-
COVID-19 Help America Vote Act Elections Security Grant	90.404	21.e.cs.200.029	11,194	-
COVID-19 Help America Vote Act Elections Security Grant	90.404	21.e.cs.300.029	1,629	-
Total Elections Assistance Commission			15,808	-
<u>Department of Health and Human Services</u>				
Direct Programs:				
Child Support Enforcement	93.563	N/A	89,099	-
Total Department of Health and Human Services			89,099	-
Total Expenditures of Federal Awards			\$ 1,584,848	\$ -

**GLADES COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE (CONTINUED)
SEPTEMBER 30, 2022**

State Agency/Pass-Through Grantor/State Project	CSFA Number	Contract/Grant Number	Expenditures	Transfers to Subrecipients
<u>STATE FINANCIAL ASSISTANCE</u>				
State Courts System, Office of the State Courts Administration				
Direct Projects:				
Small County Courthouse Facilities	22.004	N/A	\$ 3,619	\$ -
Total State Courts System, Office of the State Courts Administration			<u>3,619</u>	<u>-</u>
<u>Executive Office of the Governor</u>				
Passed Through Florida Division of Emergency Management				
Emergency Management Programs	31.063	A0184	80,298	-
Emergency Management Programs	31.063	A0248	13,436	-
Total 31.063			<u>93,734</u>	<u>-</u>
Emergency Management Projects	31.067	T0144	873	-
Total Executive Office of the Governor			<u>94,607</u>	<u>-</u>
<u>Department of Environmental Protection</u>				
Direct Projects:				
Small County Consolidated Grants	37.012	SC110	12,533	-
Small County Consolidated Grants	37.012	SC210	116,490	-
Total 37.012			<u>129,023</u>	<u>-</u>
Statewide Surface Water Restoration and Wastewater Projects	37.039	LPQ0014	3,006,493	-
Statewide Surface Water Restoration and Wastewater Projects	37.039	LPQ0028	88,966	-
Total 37.039			<u>3,095,459</u>	<u>-</u>
Total Department of Environmental Protection			<u>3,224,482</u>	<u>-</u>
<u>Department of State and Secretary of State, Division of Library and Information Services</u>				
Direct Projects:				
State Aid to Libraries	45.030	22-ST-14 / 22.1.sa.00.209	30,669	-
Total Department of State and Secretary of State, Division of Library and Information Services			<u>30,669</u>	<u>-</u>
<u>Department of Health</u>				
Direct Projects:				
County Grant Awards-EMS	64.005	C08022 / C09022	6,536	-
County Grant Awards-EMS	64.005	C0022	3,579	-
Total Department of Health			<u>10,115</u>	<u>-</u>
<u>Department of Law Enforcement</u>				
Office of Criminal Justice:				
Law Enforcement Salary Assistance	71.067	N/A	70,310	-
Total Department of Law Enforcement			<u>70,310</u>	<u>-</u>
<u>Department of Management Services</u>				
Passed Through Florida E911 Board				
Wireless 911 Emergency Telephone System	72.001	17-11-08	3,000	-
Wireless 911 Emergency Telephone System	72.001	21-04-08	2,526	-
Wireless 911 Emergency Telephone System	72.001	21-04-09	11,072	-
Wireless 911 Emergency Telephone System	72.001	22-07-26	14,617	-
Total 72.001			<u>31,215</u>	<u>-</u>
Glades County Public Safety Communication E911 Backup Facility Project	72.007	DMS 21/22-184	900,000	-
Total Department of Management Services			<u>931,215</u>	<u>-</u>

**GLADES COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE (CONTINUED)
SEPTEMBER 30, 2022**

State Agency/Pass-Through Grantor/State Project	CSFA Number	Contract/Grant Number	Expenditures	Transfers to Subrecipients
<u>Florida Housing Finance Corporation</u>				
Direct Projects:				
State Housing Initiatives Partnership Program (SHIP)	40.901	N/A	\$ 473,435	\$ -
Total Florida Housing Finance Corporation			<u>473,435</u>	<u>-</u>
<u>Department of Transportation</u>				
Direct Projects:				
Small County Outreach Program (SCOP)	55.009	438573-1-54-01	46,600	-
Small County Outreach Program (SCOP)	55.009	446327-1-54-01	<u>34,445</u>	<u>-</u>
Total 55.009			81,045	-
Small County Road Assistance Program	55.016	446324-1-54-01	<u>20,087</u>	<u>-</u>
Total Department of Transportation			<u>101,132</u>	<u>-</u>
Total Expenditures of State Financial Assistance			<u>\$ 4,939,584</u>	<u>\$ -</u>

GLADES COUNTY, FLORIDA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
SEPTEMBER 30, 2022

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards and state financial assistance (the Schedule) includes the federal award and state grant activity of Glades County, Florida (the County) under programs of the federal government and the state of Florida for the year ended September 30, 2022. The information in this schedule is presented in accordance with the requirements of Chapter 10.550, Rules of the Auditor General and the requirements of 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County.

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting for awards and financial assistance recorded in governmental funds and the accrual basis of accounting for awards and financial assistance recorded in the proprietary funds. Such expenditures are recognized following the cost principles contained in the *Uniform Guidance*, Section 215.97, Florida Statutes, and Rules of the Auditor General, Chapter 10.550. Under these principles, certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 2 INDIRECT COST RATE

The County has not elected to use the 10 percent de minimis cost rate allowed under the Uniform Guidance.



**INDEPENDENT AUDITORS' 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
Glades County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Glades 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 and have issued our report thereon dated June 27, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our 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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. 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.

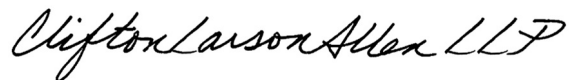
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

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

Purpose of this Report

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



CliftonLarsonAllen LLP

Fort Myers, Florida
June 27, 2023



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

Honorable Board of County Commissioners
Glades 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 Glades County, Florida's (the County) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and 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 auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County complied, in all material respects, with the 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 and State Project

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and 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 (Chapter 10.550). Our responsibilities under those standards and the Uniform Guidance and Chapter 10.550 are further described in the Auditors' 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 and state project. Our audit does not provide a legal determination of the 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 the County's federal programs and state projects.

Auditors' Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding 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 and Chapter 10.550, 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.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and Chapter 10.550 and which are described in the accompanying schedule of findings and questioned costs as item 2022-001. Our opinion on each major federal program and state project is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or state project on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal 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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-001, to be a significant deficiency.

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.

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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. Accordingly, this report is not suitable for any other purpose.



CliftonLarsonAllen LLP

Fort Myers, Florida
June 27, 2023

**GLADES COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL PROGRAMS AND STATE FINANCIAL ASSISTANCE PROJECTS
YEAR ENDED SEPTEMBER 30, 2022**

Part I – Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued?	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(s) identified that are not considered to be material weaknesses?	None reported
Noncompliance material to the financial statements noted?	No

Federal Awards Section

Internal control over major programs:	
• Material weakness(s) identified?	No
• Significant deficiency(s) identified that are not considered to be material weaknesses?	Yes
Type of auditors’ report issued on compliance for major programs?	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	Yes

Identification of Major Federal Programs

Assistance Listing Number

21.027

Name of Federal Program or Cluster

COVID-19 Coronavirus State and Local Fiscal Recovery Fund

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

_____ yes X no

**GLADES COUNTY, FLORIDA
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FEDERAL PROGRAMS AND STATE FINANCIAL ASSISTANCE PROJECTS (CONTINUED)
 YEAR ENDED SEPTEMBER 30, 2022**

Part I – Summary of Auditors’ Results (Continued)

State Financial Assistance Section

Internal control over major projects:

- Material weakness(s) identified? No
- Significant deficiency(s) identified that are not considered to be material weaknesses? None reported

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

Any audit findings disclosed that are required to be reported in accordance with Chapter 10.557? No

Identification of Major State Projects

CSFA Number(s)

Name of State Project

37.039

Statewide Surface Water Restoration and Wastewater Projects

72.007

Glades County Public Safety Communication E911 Backup Facility Project

Dollar threshold used to distinguish between Type A and Type B state projects:

\$ 750,000

**GLADES COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL PROGRAMS AND STATE FINANCIAL ASSISTANCE PROJECTS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2022**

Part II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

Part III – Findings and Questioned Costs – Major Federal Programs

2022-001 Methods of Procurement

Federal Agency: United States Department of the Treasury
Federal Program Name: COVID-19 - Coronavirus State and Local Recovery Funds (CSLRF)
Assistance Listing Number: 21.027
Federal Award Identification Number and Year: SLT-8694, 2021
Award Period: March 3, 2021, to December 31, 2025
Type of Finding: Significant Deficiency in Internal Control Over Compliance, Other Matter

Criteria or Specific Requirement

2 CFR Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award* requires compliance with the provisions of federal procurement guidelines.

U.S. Code § 200.320 states that the nonfederal entity must have and use documented procurement procedures, consistent with the standards of § 200.320 and §§ 200.317, 200.318, and 200.319 for any of the methods of procurement used for the acquisition of property or services required under a federal award or sub-award.

Condition

The County entered into a noncompetitive procurement contract with a vendor under specific circumstances for an emergency procurement. The County did not document the justification or approval of the noncompetitive emergency procurement.

The County's internal procurement policies state that deviations from standard purchasing procedures must be authorized and all such deviations will be documented and all emergency purchases shall be in a report to the Board of County Commissioners at its next regular Commission meeting.

Context

One of five procurement contracts tested did not contain appropriate documentation supporting federal procurement requirements.

Cause

The County did not follow their procurement policies and procedures to properly document the justification and approval of an emergency procurement transaction that was made using federal funding and requirements for noncompetitive emergency procurements.

Effect

By not following federal regulations and the County's procurement policy, the County could improperly enter into a contract that violates the requirements of CFR § 200.320.

**GLADES COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL PROGRAMS AND STATE FINANCIAL ASSISTANCE PROJECTS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2022**

Part III – Findings and Questioned Costs – Major Federal Programs (Continued)

Repeat Finding

No

Recommendation

We recommend that the County review their policies and procedures to ensure that they are operating in a manner that follows federal procurement requirements and the County's procurement policy. The creation and use of a standard procurement checklist would assist the County in documenting all requirements for each procurement that is entered into.

Views of Responsible Officials

Management concurs with the finding and recommendation.

Part IV – Findings and Questioned Costs – Major State Projects

Our audit did not disclose any matters required to be reported in accordance with Rule 10.554(1)(I)4, Rules of the Florida Auditor General.



MANAGEMENT LETTER

Honorable Board of County Commissioners
Glades County, Florida

Report on the Financial Statements

We have audited the financial statements of Glades County, Florida (the County) as of and for the fiscal year ended September 30, 2022, and have issued our report thereon dated June 27, 2023.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' 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 Auditors' Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control Over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountants' 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 and schedule, which are dated June 27, 2023, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. The status of significant findings and recommendations made in the preceding annual financial audit report are listed in Appendix A.

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 the management letter, unless disclosed in the notes to the financial statements. The Glades County, Florida, Board of County Commissioners was established by the Constitution of the State of Florida, Article VIII, Section 1 (e). Glades Soil and Water Conservation District was established by resolution of the state of Florida according to Chapter 582, Florida Statutes of 1941.

Financial Condition and Management

Section 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 the review of financial information provided by same.

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

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 (For a dependent special district or an independent special district, or a local government entity that includes the information of a dependent special district)

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the Glades Soil and Water Conservation District reported:

- a. The total number of district employees compensated in the last pay period of the district’s fiscal year as 0.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district’s fiscal year as 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 nonemployee independent contractors, whether paid or accrued, regardless of contingency as \$2,000.
- e. Each construction project with a total cost of at least \$65,000 approved by the district 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 (provide list).
- 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 district amends a final adopted budget under Section 189.016(6), Florida Statutes, as 0.

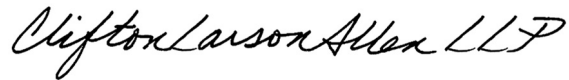
Honorable Board of County Commissioners
Glades County, Florida

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or 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 have any such findings.

Purpose of this Letter

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



CliftonLarsonAllen LLP

Fort Myers, Florida
June 27, 2023

**GLADES COUNTY, FLORIDA
MANAGEMENT LETTER
SEPTEMBER 30, 2022**

APPENDIX A – PRIOR YEAR FINDINGS AND RECOMMENDATIONS

Prior Year Findings		Current Year Status			Current Year Finding #	2020-2021 Year Finding #	2019-2020 Year Finding #
		Cleared	Partially Cleared	Not Cleared			
2021-001 Audit Adjustments	Material Weakness	X			N/A	2021-001	2020-001



INDEPENDENT ACCOUNTANTS' REPORT

Honorable Board of County Commissioners
Glades County, Florida

We have examined Glades County, Florida's (the County) compliance with Section 218.415, Florida Statutes, regarding the investment of public funds and Section 365.172(10) and 365.172(2)(d), Florida Statutes, regarding emergency communications number E911 system fund, during the year ended September 30, 2022. Management of the County is responsible for the County's compliance with the specified requirements. Our responsibility is to express an opinion on the County'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 County complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the County complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

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

In our opinion, the County complied, in all material respects, with Section 218.415, Florida Statutes, regarding the investment of public funds and Section 365.172(10) and 365.173(2)(d), Florida Statutes, regarding emergency communications number E911 system fund during the year ended September 30, 2022.

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Fort Myers, Florida
June 27, 2023

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

**FINANCIAL STATEMENTS AND
SUPPLEMENTAL INFORMATION**

YEAR ENDED SEPTEMBER 30, 2022



CPAs | CONSULTANTS | WEALTH ADVISORS

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**CLERK OF THE CIRCUIT COURT,
GLADES COUNTY, FLORIDA
TABLE OF CONTENTS
YEAR ENDED SEPTEMBER 30, 2022**

INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
BALANCE SHEET – GOVERNMENTAL FUNDS	4
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS	5
STATEMENT OF FIDUCIARY NET POSITION – CUSTODIAL FUNDS	6
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – CUSTODIAL FUNDS	7
NOTES TO FINANCIAL STATEMENTS	8
REQUIRED SUPPLEMENTARY INFORMATION	
SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL – GENERAL FUND (NON-GAAP BUDGETARY BASIS)	19
NOTES TO SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL – GENERAL FUND (NON-GAAP BUDGETARY BASIS)	20
SUPPLEMENTAL REPORTS	
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	22
MANAGEMENT LETTER	24
INDEPENDENT ACCOUNTANTS' REPORT	26



INDEPENDENT AUDITORS' REPORT

Honorable Tami Pearce Simmons
Clerk of the Circuit Court, Glades County, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the Clerk of the Circuit Court, Glades 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 Clerk'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 Clerk, as of September 30, 2022, and the respective changes in financial position 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 Auditors' 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

As discussed in Note 1, the financial statements of the Clerk referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the financial statements are intended to present the financial position and the changes in financial position of only that portion of each major fund and the aggregate remaining fund information of Glades County, Florida that is attributable to the Clerk. They do not purport to, and do not, present fairly the financial position of Glades County, Florida as of September 30, 2022, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair

presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the schedule of revenues and expenditures – budget and actual – general fund (non-GAPP budgetary basis) be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance 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


Honorable Tami Pearce Simmons
Clerk of the Circuit Court, Glades County, Florida

because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 15, 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, 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 Clerk'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 Clerk's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Fort Myers, Florida
June 15, 2023

FINANCIAL STATEMENTS

**CLERK OF THE CIRCUIT COURT,
GLADES COUNTY, FLORIDA
BALANCE SHEET – GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022**

	General Fund	Public Records Modernization Fund	Child Support Fund	Total Governmental Funds
ASSETS				
Cash	\$ 722,443	\$ 137,742	\$ 98,885	\$ 959,070
Other Receivables	22,183	-	3,464	25,647
Prepaid Items	8,226	-	367	8,593
	<u>8,226</u>	<u>-</u>	<u>367</u>	<u>8,593</u>
Total Assets	<u>\$ 752,852</u>	<u>\$ 137,742</u>	<u>\$ 102,716</u>	<u>\$ 993,310</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 13,522	\$ -	\$ -	\$ 13,522
Other Accrued Liabilities	34,943	-	-	34,943
Due to Board of County Commissioners	494,699	-	-	494,699
Due to Other Governments	208,762	-	-	208,762
Total Liabilities	<u>751,926</u>	<u>-</u>	<u>-</u>	<u>751,926</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	926	-	55	981
FUND BALANCES				
Nonspendable:				
Prepaid Items	8,226	-	367	8,593
Restricted for Public Records Modernization and Court Technology	-	137,742	-	137,742
Committed for Court Related Functions	-	-	102,294	102,294
Unassigned	(8,226)	-	-	(8,226)
Total Fund Balances	<u>-</u>	<u>137,742</u>	<u>102,661</u>	<u>240,403</u>
Total Liabilities and Fund Balances	<u>\$ 752,852</u>	<u>\$ 137,742</u>	<u>\$ 102,716</u>	<u>\$ 993,310</u>

See accompanying Notes to Financial Statements.

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

	General Fund	Public Records Modernization Fund	Child Support Fund	Total Governmental Funds
REVENUES				
Intergovernmental	\$ 253,850	\$ -	\$ 18,104	\$ 271,954
Charges for Services	224,916	29,689	-	254,605
Fines and Forfeitures	275,221	-	-	275,221
Investment Earnings	775	110	67	952
Miscellaneous Revenue	-	6,305	-	6,305
Total Revenues	<u>754,762</u>	<u>36,104</u>	<u>18,171</u>	<u>809,037</u>
EXPENDITURES				
Current - General Government:				
Personal Services	1,048,665	-	-	1,048,665
Operating Expenditures	100,928	12,952	-	113,880
Capital Outlay	6,599	-	-	6,599
Debt Service:				
Principal	4,367	-	-	4,367
Interest	133	-	-	133
Total Expenditures	<u>1,160,692</u>	<u>12,952</u>	<u>-</u>	<u>1,173,644</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(405,930)	23,152	18,171	(364,607)
OTHER FINANCING SOURCES (USES)				
Transfers In from the Board of County Commissioners	574,604	-	-	574,604
Transfers Out to the Board of County Commissioners	(22,362)	-	-	(22,362)
Unexpended Appropriation: State of Florida	(152,911)	-	-	(152,911)
Leases	6,599	-	-	6,599
Total Other Financing Sources	<u>405,930</u>	<u>-</u>	<u>-</u>	<u>405,930</u>
NET CHANGE IN FUND BALANCES	-	23,152	18,171	41,323
Fund Balances - Beginning of Year	<u>-</u>	<u>114,590</u>	<u>84,490</u>	<u>199,080</u>
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ 137,742</u>	<u>\$ 102,661</u>	<u>\$ 240,403</u>

See accompanying Notes to Financial Statements.

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

ASSETS

Cash	\$ 164,094
Due from Others	<u>10</u>
Total Assets	<u>164,104</u>

LIABILITIES

Due to Individuals, Organizations, and Other Governments	<u>155,463</u>
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FIDUCIARY NET POSITION

Restricted for:	
Individuals, Organizations, and Other Governments	<u><u>\$ 8,641</u></u>

See accompanying Notes to Financial Statements.

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

ADDITIONS

Fees/Fines Collected for Other Governments	\$ 2,184,208
Registry and Other Deposits Collected	<u>152,859</u>
Total Additions	<u>2,337,067</u>

DEDUCTIONS

Fees/Fines Disbursed to Other Governments	2,184,162
Registry and Other Deposits Disbursed	<u>152,859</u>
Total Deductions	<u>2,337,021</u>

CHANGE IN FIDUCIARY NET POSITION

46

Fiduciary Net Position - Beginning of Year

8,595

FIDUCIARY NET POSITION - END OF YEAR

\$ 8,641

See accompanying Notes to Financial Statements.

**CLERK OF THE CIRCUIT COURT,
GLADES COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

The Clerk of the Circuit Court, Glades County, Florida (the Clerk), is a separately elected constitutional officer pursuant to the Constitution of the state of Florida. The Clerk's financial statements do not purport to reflect the financial position or the results of operations of Glades County, Florida (the County), taken as a whole.

For financial reporting purposes, the Clerk is deemed to be a part of the primary government of the County. As such, the Clerk's financial statements are included in the financial statements of the County. There are no component units included in the Clerk's financial statements.

The Clerk is charged with many duties in addition to serving as the Clerk of the Circuit Court. The Clerk serves as the clerk and accountant to the Board of County Commissioners (the Board), and serves as an agent for the Florida Department of Revenue. The duties as Clerk of the Circuit Court are generally described in Chapter 28, Florida Statutes, and the duties regarding the County Court are described in Chapter 34, Florida Statutes.

Description of Funds

The accounting records of the Clerk are organized on the basis of funds classified for reporting purposes into two basic fund types:

Governmental Funds

- *General Fund* is used to account for all financial activity of the Clerk not accounted for in other funds. The Clerk's activities are classified as court-related and noncourt-related. Noncourt-related activity is funded as a budget officer pursuant to Florida Statutes Chapters 218 and 129, respectively. As a budget officer, the operations as Clerk to the Board are approved and funded by the Board through the collection of Ad Valorem taxes by the Board. The budgeted receipts from the Board are recorded as a transfer in on the Clerk's financial statements. Any excess of revenues and other financing sources received over expenditures as Clerk to the Board are remitted to the Board at year-end. Court-related activities are funded from fees, service charges, costs, and fines collected and retained according to Section 28.36, Florida Statutes. Excess fees are remitted to the state of Florida per Sections 28.36 and 28.37, Florida Statutes. The fees, service charges, costs, and fines collected are restricted to be used exclusively for funding court-related operations. Court-related activities are tracked and recorded in a sub-fund within the Clerk's General Fund.

**CLERK OF THE CIRCUIT COURT,
GLADES COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Description of Funds (Continued)

Governmental Funds (Continued)

- *Public Records Modernization Fund* is a special revenue fund and is funded by a portion of recording fees. This fund is mandated by Section 28.24 (12)(d) Florida Statutes, to be held in trust by the Clerk and used exclusively for equipment and maintenance of equipment, personnel training, and technical assistance in modernizing the public records system of the office. Since Revision 7 of Article V, Florida Constitution, went into effect on July 1, 2004, an additional amount is collected pursuant to Section 28.24(12)(e) Florida Statutes, and is used exclusively for funding court related technology needs.

- *Child Support Fund* is a special revenue fund for indirect child support and is used to account for any reimbursements received by the Clerk from the state of Florida, Department of Revenue (or any subsequent state Title IV-D agency) relative to the operation of the County's Child Support collection and enforcement exceeding the direct cost of operations at the end of the fiscal year, shall be deposited into a Special Revenue Fund and used for all court-related functions including personnel, operations, and technology.

Fiduciary Funds

- *Custodial Funds* are used to account for assets held by the Clerk in a fiduciary capacity or as an agent for individuals, private organizations, and other governments. The Clerk's custodial funds are: Fines and Forfeitures Fund, and Registry Fund.

Basis of Presentation

The Clerk's financial statements have been prepared for the purpose of complying with Section 218.39(2), Florida Statutes, and Chapter 10.550, *Rules of the Auditor General – Local Governmental Entity Audits*, which allows the Clerk to only present fund financial statements. These financial statements present only the portion of the funds of Glades County, Florida that are attributable to the Clerk. They are not intended to present fairly the financial position and results of operations of Glades County, Florida in conformity with accounting principles generally accepted in the United States of America. The financial activities of the Clerk, as a constitutional officer, are included in the Glades County, Florida Annual Financial Report.

The General Fund, Child Support Fund and Public Records Modernization Fund are presented as major governmental funds.

The County funds the operating budget of the Clerk.

**CLERK OF THE CIRCUIT COURT,
GLADES COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting and Measurement Focus

The governmental fund type measurement focus is based upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income determination. These funds are maintained on the modified accrual basis of accounting. Revenues are recognized when they become susceptible to accrual; that is, when they become both measurable and available to finance expenditures of the current period. For this purpose, the Clerk considers revenues to be available if they are collected within 60 days after the end of the current fiscal period. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Exceptions to this general rule include accumulated sick and vacation pay, which are not recorded as expenditures until paid, because these amounts will not be paid from expendable available resources.

Charges for services are considered measurable and have been recognized as revenue of the current fiscal period, if available. Investment earnings are recorded as earned since they are measurable and available.

The Custodial funds are accounted using the accrual basis of accounting.

Prepaid Items

Prepaid items consist of certain costs which have been paid prior to the end of the fiscal year, but represent items which are applicable to future accounting periods. Reported amounts in governmental funds are classified as nonspendable fund balance, in the fund financial statements, which indicates that these amounts do not constitute "available spendable resources" even though they are a component of current assets.

Fund Balance

Governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the Clerk is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balance is reported in five components: nonspendable, restricted, committed, assigned, and unassigned.

Nonspendable – Amounts that cannot be spent because they are not in spendable form or legally or contractually required to be maintained intact.

Restricted – Amounts that are constrained for specific purposes which are externally imposed by creditors, grantors, contributors, or laws or regulations, or imposed by laws through constitutional provisions or enabling legislation.

**CLERK OF THE CIRCUIT COURT,
GLADES COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance (Continued)

Committed – Amounts that are constrained for specific purposes imposed by the Clerk's formal action of highest level of decision-making authority.

Assigned – Includes spendable fund balances intended to be used for specific purposes, but which are neither restricted nor committed.

Unassigned – Represents the residual fund balance within the General Fund, which has not been assigned to other funds and has not been restricted, committed, assigned. In funds other than the General Fund, unassigned fund balances are limited to negative residual balances.

The Clerk considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available. Additionally, the Clerk would first use committed fund balance, followed by assigned fund balance, and then unassigned fund balance, when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Interfund Transactions

During the course of normal operations, it is necessary for the Clerk to enter into transactions among its various funds. These transactions consist of one or more of the following types:

- Transfers in and out, as appropriate, for all other interfund transactions, which are shown as other financing sources (uses). The following is a summary of interfund transfers as of September 30, 2022.

The amount transferred by the Board to fund the 2022 budget of the Clerk was \$574,604.

In accordance with Florida Statutes, all revenues in excess of expenditures as of year-end are owed to the Board. Those amounts are recorded as a transfer out in the basic financial statements of the Clerk. At September 30, 2022, excess fees due to the Board were \$22,362.

Uses of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, as applicable to governmental units, requires management to make use of estimates that affect the reported amounts in the financial statements. Actual results could differ from estimates.

**CLERK OF THE CIRCUIT COURT,
GLADES COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Accounting Standards

In June 2017, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 87, *Leases*. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The Clerk adopted the requirements of the guidance effective October 1, 2021, and has applied the provisions of this standard in 2022.

NOTE 2 DEPOSITS

Custodial credit risk is the risk that in the event of a bank failure, the Clerk's deposits may not be returned to it. In accordance with its policy, all Clerk depositories are banks designated by the Florida Chief Financial Officer as qualified public depositories. Chapter 280 of the Florida Statutes, "Florida Security for Public Deposits Act," provides procedures for public depositories to ensure public monies in banks and savings and loans are collateralized with the Florida Chief Financial Officer as agent for the public entities. Chapter 280 defines deposits as demand deposit accounts, time deposit accounts, and nonnegotiable certificates of deposit.

Financial institutions qualifying as public depositories shall deposit with the Florida Chief Financial Officer eligible collateral at the pledging level required pursuant to Chapter 280. The Florida Security for Public Deposits Act has a procedure for the payment of losses in the event of a default or insolvency. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof; therefore, the Clerk is not exposed to custodial credit risk for its deposits.

NOTE 3 CAPITAL ASSETS

Tangible personal property used in the Clerk's operations is recorded as an expenditure in the governmental fund types of the Clerk at the time of purchase. Capital assets with an initial cost greater than \$5,000 are capitalized at historical cost in the government-wide financial statements of the County. The Clerk maintains custodial responsibility for the capital assets.

**CLERK OF THE CIRCUIT COURT,
GLADES COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 3 CAPITAL ASSETS (CONTINUED)

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

	Balance October 1, 2021	Increases	Decreases	Balance September 30, 2022
Capital Assets, Not Being Depreciated:				
Construction in Progress	\$ 38,220	\$ -	\$ (38,220)	\$ -
Capital Assets, Being Depreciated and Amortized:				
Equipment	121,824	38,220	(31,941)	128,103
Right-to-Use Leased Equipment	-	6,599	-	6,599
Total Capital Assets Being Depreciated and Amortized	<u>121,824</u>	<u>44,819</u>	<u>(31,941)</u>	<u>134,702</u>
Less Accumulated Depreciation and Amortization:				
Equipment	117,035	10,492	(31,941)	95,586
Right-to-Use Leased Equipment	-	4,399	-	4,399
Total Accumulated Depreciation and Amortization	<u>117,035</u>	<u>14,891</u>	<u>(31,941)</u>	<u>99,985</u>
Total Capital Assets, Net	<u>\$ 43,009</u>	<u>\$ 29,928</u>	<u>\$ (38,220)</u>	<u>\$ 34,717</u>

NOTE 4 COMPENSATED ABSENCES

It is the Clerk's policy to permit employees to accumulate a limited amount of earned but unused vacation and sick leave, which will be paid upon separation of service. For governmental fund reporting, a liability and expenditure for compensated absences is recognized as payments come due each period upon the occurrence of relevant events, such as employee resignations and retirements. For reporting within governmental activities of the County's basic financial statements, vacation is accrued as a liability when benefits are earned by the employees, that is, the employees have rendered services that give rise to the vacation liability and it is probable that the Clerk will compensate the employees in some manner, e.g., in cash or in paid time-off, now or upon termination or retirement. The Clerk uses the vesting method in accruing sick leave liability. The vesting method accrues sick leave liability for employees who are currently eligible to receive termination payments upon separation as well as those expected to become eligible in the future.

The following is a summary of changes in accumulated compensated absences during the year 2022:

Balance, October 1, 2021	\$ 32,090
Increases	65,433
Decreases	(60,838)
Balance, September 30, 2022	<u>\$ 36,685</u>
Amounts Due Within One Year	<u>\$ 36,685</u>

**CLERK OF THE CIRCUIT COURT,
GLADES COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 5 PENSION PLAN

Background

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

Essentially all regular employees of the Clerk are eligible to enroll as members of the State-administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of the two cost sharing, multiple employers defined nonintegrated 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' website (www.dms.myflorida.com).

Florida Retirement System Pension Plan

Plan Description

The Florida Retirement System Pension Plan (FRS Plan) is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees. The general classes of membership are as follows:

- *Regular Class* – Members of the FRS who do not qualify for membership in the other classes.
- *Elected County Officers 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 special risk employees, such as law enforcement officers, meet the criteria to qualify for this class.

**CLERK OF THE CIRCUIT COURT,
GLADES COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 5 PENSION PLAN (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Plan Description (Continued)

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

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

Benefits Provided

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

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%. FRS Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

**CLERK OF THE CIRCUIT COURT,
GLADES COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 5 PENSION PLAN (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Benefits Provided (Continued)

Detailed information about the County's proportionate share of FRS's net pension liability, deferred outflows/inflows of resources, and pension expense are reported in the government-wide statements of the County.

Retiree Health Insurance Subsidy Program

Plan Description

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

Benefits Provided

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

Detailed information about the County's proportionate share of HIS's net pension liability, deferred outflows/inflows of resources, and pension expense are reported in the government-wide statements of the County.

FRS Investment Plan

The Florida State Board of Administration (SBA) administers the defined contribution plan officially titled the FRS Investment Plan (Investment Plan). The Investment Plan is reported in the SBA's annual financial statements and in the state of Florida Annual Comprehensive Financial Report.

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. Clerk 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. Costs of administering plan, including the FRS Financial Guidance Program, are funded through an employer contribution 0.06% of payroll and by forfeited benefits of plan members.

**CLERK OF THE CIRCUIT COURT,
GLADES COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 5 PENSION PLAN (CONTINUED)

FRS Investment Plan (Continued)

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. Nonvested 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. For the fiscal year ended June 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 Clerk.

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 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.

Contributions

Participating employer contributions are based upon statewide rates established by the state of Florida. The Clerk's contributions made to the plans during the years ended September 30, 2022, 2021, and 2020 were \$142,310, \$111,152, and \$98,310, respectively, equal to the actuarially determined contribution requirements for each year.

Additional information about pension plans can be found in the County-wide financial statements.

NOTE 6 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

The Clerk provides postemployment health care benefits in accordance with Section 112.0801, Florida Statutes, to all employees who retire from the Clerk. The Clerk is required to provide health care coverage at cost to all retirees but does not pay any portion of the premium for the retiree to participate in the Clerk's group health care plan. The liability and expense for other postemployment benefits, calculated in accordance with Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, are reported in the financial statements of the County.

**CLERK OF THE CIRCUIT COURT,
GLADES COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 7 LEASES

The Clerk leases assets under various terms under certain agreements that meet the definition of a lease under GASB Statement No. 87, *Leases*. Detailed information about the Clerk's leases can be found in the County's financial statements.

Leases entered into by the Clerk are included as other financing sources and capital outlay expenditures in the statement of revenues, expenditures, and changes in fund balance in the year of inception. Payments made in accordance with the lease terms are reported as debt service expenditures in the statement of revenues, expenditures, and changes in fund balance as they are incurred.

During the year ended September 30, 2022, the Clerk entered into one new lease in the amount of \$6,599. During the year ended September 30, 2022, the Clerk's payments of principal on leases totaled \$4,367.

NOTE 8 RISK MANAGEMENT

The Clerk is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The County provides coverage for the above risks and no cost is charged to the Clerk. There have been no claims in excess of insurance coverage limits during the last three years.

REQUIRED SUPPLEMENTARY INFORMATION

**CLERK OF THE CIRCUIT COURT,
GLADES COUNTY, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL – GENERAL FUND (NON-GAAP BUDGETARY BASIS)
YEAR ENDED SEPTEMBER 30, 2022**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 24,168	\$ 30,956	\$ 182,854	\$ 151,898
Charges for Services	273,489	273,489	224,916	(48,573)
Fines and Forfeitures	293,000	293,000	275,221	(17,779)
Investment Earnings	-	-	775	775
Total Revenues	<u>590,657</u>	<u>597,445</u>	<u>683,766</u>	<u>86,321</u>
EXPENDITURES				
Current - General Government:				
Personal Services	1,082,275	1,080,787	993,572	87,215
Operating Expenditures	79,622	89,662	85,025	4,637
Capital Outlay	1,600	1,600	-	1,600
Debt Service:				
Principal	-	-	4,367	(4,367)
Interest	-	-	133	(133)
Total Expenditures	<u>1,163,497</u>	<u>1,172,049</u>	<u>1,083,097</u>	<u>88,952</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	(572,840)	(574,604)	(399,331)	175,273
OTHER FINANCING SOURCES (USES)				
Transfers In From the Board of County Commissioners	572,840	574,604	574,604	-
Transfers Out to the Board of County Commissioners	-	-	(22,362)	(22,362)
Unexpended Appropriation: State of Florida	-	-	(152,911)	(152,911)
Total Other Financing Sources	<u>572,840</u>	<u>574,604</u>	<u>399,331</u>	<u>(175,273)</u>
NET CHANGE IN FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to Schedule of Revenues and Expenditures – Budget and Actual General Fund (Non-GAAP Budgetary Basis).

**CLERK OF THE CIRCUIT COURT,
GLADES COUNTY, FLORIDA
NOTES TO SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
GENERAL FUND (NON-GAAP BUDGETARY BASIS)
SEPTEMBER 30, 2022**

NOTE 1 BUDGETARY ACCOUNTING

The Clerk is required to prepare two budgets. One budget relates to the Clerk's court related functions and is filed with the Clerks of Court Operations Corporation (CCOC). The other budget relates to the requirement of the Clerk as Clerk to the Board and is filed with the Board. Pursuant to Chapter 129, Florida Statutes, the Board of County Commissioners (the Board) follows the procedures below in establishing, adopting, and maintaining the operating budget, which includes the budget of the Clerk's office:

- On or before June 1 of each year, the Clerk submits to the Board a tentative budget for her office for the fiscal year commencing the following October 1. Taxpayers are informed of the proposed budget and tentative millage rates through advertising. Public hearings are held to elicit taxpayer comments.
- The budget is legally adopted through Board Resolution.
- The Board, at any time within a fiscal year, may amend a budget for that year as follows:
 - 1) Appropriations for expenditures in any fund may be decreased and other appropriations in the same fund correspondingly increased by actions recorded in the minutes, provided that the total of the appropriations of the fund are not changed. The Board, however, may establish procedures by which the Clerk may authorize certain intradepartmental budget amendments, provided that the total appropriation of the department shall not be changed.
 - 2) Appropriations from reserves may be made to increase appropriations by resolution of the Board, but no expenditures shall be directly charged to any reserve.
 - 3) A receipt from a source not anticipated in the budget and received for a particular purpose including, but not limited to, grants, donations, gifts, or reimbursements for damages may, by resolution of the Board recorded in its minutes, be appropriated and expended for that purpose, in addition to the appropriations and expenditures provided for in the budget. Such receipts and appropriations shall be added to the budget in the proper fund.
- It is unlawful for the Clerk to expend or contract for expenditures in any fiscal year more than the amount budgeted in each individual fund's budget, and in no case shall the total appropriations of any budget be exceeded. The budgetary comparison schedule presented herein is on a budgetary basis which differs from accounting principles generally accepted in the United States of America and is only prepared for the General Fund.

The original budget is the first complete appropriated budget. The final budget is the original budget adjusted for all reserves, transfers, allocations, supplemental appropriations, and other legally authorized changes available to the fiscal year, whenever signed into law or otherwise legally authorized.

**CLERK OF THE CIRCUIT COURT,
GLADES COUNTY, FLORIDA
NOTES TO SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
GENERAL FUND (NON-GAAP BUDGETARY BASIS)
SEPTEMBER 30, 2022**

NOTE 2 DIFFERENCE BETWEEN BUDGETED AND ACTUAL RESULTS

Budgets are adopted on a basis consistent with GAAP except as follows:

	<u>General Fund</u>
Actual Amounts (Budgetary Basis) "Revenues" from the Budgetary Comparison Schedule	\$ 683,766
Differences—Budget to GAAP: Certain Child Support Related Revenues are not a Component of the Clerk's Budget	70,996
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balance	<u>\$ 754,762</u>
Actual Amounts (Budgetary Basis) "Expenditures" from the Budgetary Comparison Schedule	\$ 1,083,097
Differences—Budget to GAAP: Certain Child Support Related Expenditures are not a Component of the Clerk's Budget	70,996
Expenditures related to leases are not a Component of the Clerk's Budget	6,599
Total Expenditures as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balance	<u>77,595</u>
Actual Amounts (Budgetary Basis) "Other Financing Sources (Uses)" from the Budgetary Comparison Schedule	\$ 399,331
Differences—Budget to GAAP: Certain Other Financing Sources related to leases are not a Component of the Clerk's budget	6,599
Total Other Financing Sources (Uses) as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balance	<u>\$ 405,930</u>

SUPPLEMENTAL REPORTS



**INDEPENDENT AUDITORS' 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 Tami Pearce Simmons
Clerk of the Circuit Court, Glades 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 Clerk of the Circuit Court, Glades 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 15, 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 entity'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 were not identified.

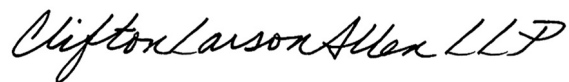
Honorable Tami Pearce Simmons
Clerk of the Circuit Court, Glades County, Florida

Report on Compliance and Other Matters

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

Purpose of This Report

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



CliftonLarsonAllen LLP

Fort Myers, Florida
June 15, 2023



MANAGEMENT LETTER

Honorable Tami Pearce Simmons
Clerk of the Circuit Court,
Glades County, Florida

Report on the Financial Statements

We have audited the financial statements of the Clerk of the Circuit Court, Glades County, Florida (the Clerk), as of and for the fiscal year ended September 30, 2022, and have issued our report thereon dated June 15, 2023.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' 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* and Independent Accountants' 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 15, 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 findings and 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 discloses this information in the notes to the financial statements.

Honorable Tami Pearce Simmons
Clerk of the Circuit Court,
Glades County, Florida

Financial Management

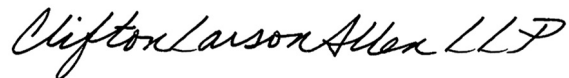
Section 10.554(1)(i)2, Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Additional Matters

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

Purpose of this Letter

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



CliftonLarsonAllen LLP

Fort Myers, Florida
June 15, 2023



INDEPENDENT ACCOUNTANTS' REPORT

Honorable Tami Pearce Simmons
Clerk of the Circuit Court,
Glades County, Florida

We have examined the Clerk of the Circuit Court, Glades County, Florida's (the Clerk) compliance with Section 218.415, Florida Statutes, regarding the investment of public funds; Section 61.181, Florida Statutes, regarding clerks of the courts alimony and child support payments; and Sections 28.35 and 28.36, Florida Statutes, regarding clerks of the courts performance standards and budgets during the year ended September 30, 2022. Management of the Clerk is responsible for the Clerk's compliance with the specified requirements. Our responsibility is to express an opinion on the Clerk'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 Clerk complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Clerk complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

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

In our opinion, the Clerk complied, in all material respects, with Section 218.415, Florida Statutes, regarding the investment of public funds; Section 61.181, Florida Statutes, regarding clerks of the courts alimony and child support payments; and Sections 28.35 and 28.36, Florida Statutes, regarding clerks of the courts performance standards and budgets during the year ended September 30, 2022.

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Fort Myers, Florida
June 15, 2023

**PROPERTY APPRAISER
GLADES COUNTY, FLORIDA**

**FINANCIAL STATEMENTS AND
SUPPLEMENTAL REPORTS**

YEAR ENDED SEPTEMBER 30, 2022



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**PROPERTY APPRAISER
GLADES COUNTY, FLORIDA
TABLE OF CONTENTS
YEAR ENDED SEPTEMBER 30, 2022**

INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
BALANCE SHEET – GENERAL FUND	4
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – GENERAL FUND	5
NOTES TO FINANCIAL STATEMENTS	6
REQUIRED SUPPLEMENTARY INFORMATION	
SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL – GENERAL FUND (NON-GAAP BUDGETARY BASIS)	16
NOTES TO SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL – GENERAL FUND (NON-GAAP BUDGETARY BASIS)	17
SUPPLEMENTAL REPORTS	
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	19
MANAGEMENT LETTER	21
INDEPENDENT ACCOUNTANTS' REPORT	23



INDEPENDENT AUDITORS' REPORT

The Honorable Lorie Ward
Property Appraiser
Glades County, Florida

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the general fund of the Property Appraiser, Glades County, Florida (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 as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the general fund of the Property Appraiser, as of September 30, 2022, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the 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 opinion.

Emphasis of Matter

As discussed in Note 1, the financial statements of the Property Appraiser referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the financial statements are intended to present the financial position and the changes in financial position, of only that portion of the general fund of Glades County, Florida that is attributable to the transactions of the Property Appraiser. They do not purport to, and do not, present fairly the financial position of Glades County, Florida, as of September 30, 2022, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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.

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 Lorie Ward
Property Appraiser
Glades County, Florida

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the schedule of revenues and expenditures – budget and actual – general fund (non-GAAP budgetary basis) be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance 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.

Management has omitted the management’s discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 2, 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, 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 Property Appraiser’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 Property Appraiser’s internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Fort Myers, Florida
June 2, 2023

FINANCIAL STATEMENTS

**PROPERTY APPRAISER
GLADES COUNTY, FLORIDA
BALANCE SHEET – GENERAL FUND
SEPTEMBER 30, 2022**

ASSETS

Cash	<u>\$ 27,933</u>
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LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts Payable	\$ 4,108
Due to Board of County Commissioners	23,559
Due to Other Governments	<u>266</u>
Total Liabilities	27,933

FUND BALANCE

Total Liabilities and Fund Balance	<u>\$ -</u>
	<u>\$ 27,933</u>

See accompanying Notes to Financial Statements.

**PROPERTY APPRAISER
GLADES COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE – GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2022**

REVENUES

Charges for Services	\$	42,931
Miscellaneous		510
Total Revenues		43,441

EXPENDITURES

Current:		
Personal Services		532,916
Operating Expenditures		155,211
Capital Outlay		21,846
Total Expenditures		709,973

DEFICIENCY OF REVENUES UNDER EXPENDITURES (666,532)

OTHER FINANCING SOURCES (USES)

Transfers from the Board of County Commissioners		686,651
Leases		3,706
Distribution of Excess Fees:		
Board of County Commissioners		(23,559)
Other Governments		(266)
Total Other Financing Sources		666,532

NET CHANGE IN FUND BALANCE

Fund Balance - Beginning of Year -

FUND BALANCE - END OF YEAR \$ -

See accompanying Notes to Financial Statements.

**PROPERTY APPRAISER
GLADES COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

The Property Appraiser, Glades County, Florida (the Property Appraiser), is a separately elected constitutional officer pursuant to the Constitution of the State of Florida. Pursuant to the Florida Statutes, the Property Appraiser's budget is submitted to the Florida Department of Revenue for approval and a copy is forwarded to the Glades County Board of County Commissioners (the Board). The Property Appraiser's financial statements do not purport to reflect the financial position or the results of operations of Glades County, Florida (the County), taken as a whole.

For financial reporting purposes, the Property Appraiser is deemed to be a part of the primary government of the County. As such, the Property Appraiser's financial statements are included in the financial statements of the County. There are no component units included in the Property Appraiser's financial statements.

Basis of Presentation

These financial statements have been prepared for the purpose of complying with Section 218.39(2), Florida Statutes, and Chapter 10.550, Rules of the Auditor General – Local Governmental Entity Audits, which allows the Property Appraiser to only present fund financial statements. These financial statements present only the portion of the funds of the County that are attributable to the Property Appraiser. They are not intended to present fairly the financial position and results of operations of the County in conformity with accounting principles generally accepted in the United States of America. The financial activities of the Property Appraiser, as a constitutional officer, are included in the Glades County, Florida Annual Financial Report.

Basis of Accounting and Measurement Focus

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting 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. For this purpose, the Property Appraiser considers revenue to be available if they are collected within 60 days after the end of the current fiscal period. Expenditures are recorded when the liability is incurred, except for leases, accumulated sick and vacation pay and other postemployment benefits, which are not recorded until paid.

**PROPERTY APPRAISER
GLADES COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Interfund Transactions

During the course of normal operations, it is necessary for the County to enter into transactions among its various funds. These transactions consist of the following:

- Transfers in and out, as appropriate, for all other interfund transactions, which are shown as other financing sources (uses). The amount transferred by the Board to fund the 2022 budget of the Property Appraiser was \$686,651.

In accordance with Florida Statutes, all Board funding in excess of expenditures as of year-end are owed to the Board. Excess fees of \$23,559 were due to the Board General Fund at September 30, 2022.

Uses of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, as applicable to governmental units, requires management to make use of estimates that affect the reported amounts in the financial statements. Actual results could differ from estimates.

New Accounting Standards

In June 2017, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 87, *Leases*. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The Property Appraiser adopted the requirements of the guidance effective October 1, 2021, and has applied the provisions of this standard in 2022.

NOTE 2 DEPOSITS

Custodial credit risk is the risk that in the event of a bank failure, the Property Appraiser's deposits may not be returned to it. In accordance with its policy, all Property Appraiser depositories are banks designated by the Florida Chief Financial Officer as qualified public depositories. Chapter 280 of the Florida Statutes, "Florida Security for Public Deposits Act," provides procedures for public depositories to ensure public monies in banks and saving and loans are collateralized with the Florida Chief Financial Officer as agent for the public entities. Chapter 280 defines deposits as demand deposit accounts, time deposit accounts, and nonnegotiable certificates of deposit.

**PROPERTY APPRAISER
GLADES COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 2 DEPOSITS (CONTINUED)

Financial institutions qualifying as public depositories shall deposit with the Florida Chief Financial Officer eligible collateral at the pledging level required pursuant to Chapter 280. The Florida Security for Public Deposits Act has a procedure for the payment of losses in the event of a default or insolvency. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof; therefore, the Property Appraiser is not exposed to custodial credit risk for its deposits.

NOTE 3 CAPITAL ASSETS

Tangible personal property used in the Property Appraiser's operations is recorded as an expenditure in the General Fund of the Property Appraiser at the time of purchase. Purchased assets are capitalized at historical cost in the government-wide financial statements of the County. The Property Appraiser maintains custodial responsibility for these capital assets.

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

	Balance October 1, 2021	Increases	Decreases	Balance September 30, 2022
Capital Assets Being Depreciated and Amortized:				
Equipment	\$ 122,305	\$ 18,140	\$ (34,110)	\$ 106,335
Software	194,632	-	-	194,632
Right to Use Asset - Equipment	-	3,706	-	3,706
Total Capital Assets Being Depreciated and Amortized	316,937	21,846	(34,110)	304,673
Less Accumulated Depreciation and Amortization:				
Equipment	119,537	466	(34,110)	85,893
Software	7,299	9,732	-	17,031
Right to Use Asset - Equipment	-	-	-	-
Total Accumulated Depreciation and Amortization	126,836	10,198	(34,110)	102,924
Total Capital Assets, Net	<u>\$ 190,101</u>	<u>\$ 11,648</u>	<u>\$ -</u>	<u>\$ 201,749</u>

**PROPERTY APPRAISER
GLADES COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 4 COMPENSATED ABSENCES

It is the Property Appraiser’s policy to permit employees to accumulate a limited amount of earned but unused vacation and sick leave, which will be paid upon separation of service. In fund financial statements, a liability and expenditure for compensated absences is recognized as payments come due each period upon the occurrence of relevant events, such as employee resignations and retirements. For reporting within governmental activities of the County’s basic financial statements, vacation is accrued as a liability when benefits are earned by the employees, that is, the employees have rendered services that give rise to the vacation liability and it is probable that the Property Appraiser will compensate the employees in some manner, e.g., in cash or in paid time-off, now or upon termination or retirement. The Property Appraiser uses the vesting method in accruing sick leave liability. The vesting method accrues sick leave liability for employees who are currently eligible to receive termination payments upon separation as well as those expected to become eligible in the future.

Changes in compensated absences for the year ended September 30, 2022 are reported in the governmental activities in the government-wide financial statements of the County and are as follows:

Balance - October 1, 2021	\$ 18,938
Increases	32,117
Decreases	<u>(36,949)</u>
Balance - September 30, 2022	<u>\$ 14,106</u>
Amounts Due Within One Year	<u>\$ 14,106</u>

NOTE 5 PENSION PLAN

Background

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

**PROPERTY APPRAISER
GLADES COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 5 PENSION PLAN (CONTINUED)

Background (Continued)

Essentially all regular employees of the Property Appraiser are eligible to enroll as members of the State-administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of the two-cost sharing, multiple employer defined benefit plans and other nonintegrated programs. 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).

Florida Retirement System Pension Plan

Plan Description

The Florida Retirement System Pension Plan (FRS Plan) is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees. The general classes of membership are as follows:

- *Regular Class* – Members of the FRS who do not qualify for membership in the other classes.
- *Elected County Officers 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 special risk employees, such as law enforcement officers, meet the criteria to qualify for this class.

**PROPERTY APPRAISER
GLADES COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 5 PENSION PLAN (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Plan Description (Continued)

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

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

Benefits Provided

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

**PROPERTY APPRAISER
GLADES COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 5 PENSION PLAN (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Benefits Provided (Continued)

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%. FRS Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

Detailed information about the County's proportionate share of FRS's net pension liability, deferred outflows/inflows of resources, and pension expense are reported in the government-wide statements of the County.

Retiree Health Insurance Subsidy Program

Plan Description

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

Benefits Provided

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

Detailed information about the County's proportionate share of HIS's net pension liability, deferred outflows/inflows of resources, and pension expense are reported in the government-wide statements of the County.

**PROPERTY APPRAISER
GLADES COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 5 PENSION PLAN (CONTINUED)

FRS Investment Plan

The Florida State Board of Administration (SBA) administers the defined contribution plan officially titled the FRS Investment Plan (Investment Plan). The Investment Plan is reported in the SBA's annual financial statements and in the State of Florida Annual Comprehensive Financial Report.

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. Property Appraiser 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. Costs of administering plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% of payroll and by forfeiting benefits of plan members.

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. Nonvested 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. For the fiscal year ended June 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 Property Appraiser.

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 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.

**PROPERTY APPRAISER
GLADES COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 5 PENSION PLAN (CONTINUED)

FRS Investment Plan (Continued)

Contributions

Participating employer contributions are based upon statewide rates established by the state of Florida. The Property Appraiser's contributions made to the plans during the years ended September 30, 2022, 2021, and 2020 were \$54,086, \$54,026, and \$46,944, respectively, equal to the actuarially determined contribution requirements for each year.

Additional information about pension plans can be found in the County-wide financial statements.

NOTE 6 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

The Property Appraiser provides postemployment health care benefits in accordance with Section 112.0801, Florida Statutes, to all employee who retire from the Property Appraiser. The Property Appraiser is required to provide health care coverage at cost to all retirees but does not pay any portion of the premium for the retiree to participate in the Property Appraiser's group health care plan. The liability and expense for the other postemployment benefits, calculated in accordance with Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, are reported in the financial statements of the County.

NOTE 7 LEASES

The Property Appraiser leases assets that meet the definition of a lease under GASB Statement No. 87 – *Leases*. Detailed information about the Property Appraiser's leases can be found in the government-wide financial statements of the County.

Leases entered into by the Property Appraiser are included as other financing sources and capital outlay expenditures in the statement of revenues, expenditures, and changes in fund balance in the year of inception. Payments made in accordance with lease terms are reported as debt service expenditures in the statement of revenues, expenditures, and changes in fund balance as they are incurred.

During the year ended September 30, 2022, the Property Appraiser entered into one lease in the amount of \$3,706. During the year ended September 30, 2022, the Property Appraiser's payment of principal on leases totaled \$-0-.

**PROPERTY APPRAISER
GLADES COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 8 RISK MANAGEMENT

The Property Appraiser is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The County provides coverage for the above risks and no cost is charged to the Property Appraiser.

REQUIRED SUPPLEMENTARY INFORMATION

**PROPERTY APPRAISER
GLADES COUNTY, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL – GENERAL FUND (NON-GAAP BUDGETARY BASIS)
YEAR ENDED SEPTEMBER 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for Services	\$ -	\$ -	\$ 24,064	\$ 24,064
Miscellaneous	-	-	20	20
Total Revenues	<u>-</u>	<u>-</u>	<u>24,084</u>	<u>24,084</u>
EXPENDITURES				
Current:				
Personal Services	530,186	527,570	532,916	(5,346)
Operating Expenditures	179,152	162,758	150,911	11,847
Capital Outlay	-	20,407	18,140	2,267
Total Expenditures	<u>709,338</u>	<u>710,735</u>	<u>701,967</u>	<u>8,768</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	(709,338)	(710,735)	(677,883)	(32,852)
OTHER FINANCING SOURCES (USES)				
Transfers In	709,338	710,735	686,651	(24,084)
Distribution of Excess Fees:				
Board of County Commissioners	-	-	(8,502)	8,502
Other Governments	-	-	(266)	266
Total Other Financing Sources	<u>709,338</u>	<u>710,735</u>	<u>677,883</u>	<u>32,852</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance - Beginning of Year			<u>-</u>	
FUND BALANCE - END OF YEAR			<u>\$ -</u>	

See accompanying Notes to Schedule of Revenues and Expenditures – Budget and Actual – General Fund (Non-GAAP Budgetary Basis).

**PROPERTY APPRAISER
GLADES COUNTY, FLORIDA
NOTES TO SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL – GENERAL FUND (NON-GAAP BUDGETARY BASIS)
SEPTEMBER 30, 2022**

NOTE 1 BUDGETARY ACCOUNTING

Pursuant to Chapter 129 and 195.087, Florida Statutes govern the preparation, adoption, and administration of the budget of the Property Appraiser. The following procedures are followed in establishing the budgetary data reflected in the financial statements:

- On or before June 1 of each year, the Property Appraiser concurrently submits to the Department of Revenue (the DOR) and the Board of County Commissioners (the Board) a budget for the operation of her office for the ensuing fiscal year.
- On or before August 15, the DOR makes final amendments or changes to the budget and provides notice thereof to the Property Appraiser and the Board.
- Taxpayers are informed of the proposed budget and tentative millage rates through advertising. Public hearings are held to elicit taxpayer comments.
- The budget is legally adopted through Board Resolution.
- Once the budget is legally adopted by the Board and the DOR, the Board may not make any amendments without the approval of the DOR. No transfer of funds between appropriations categories may be made without the written approval of the DOR; however, transfers may be made within these categories. All monies received by the Property Appraiser in complying with Chapter 119.07, Florida Statutes, may be used and expended in the same manner and to the same extent as funds budgeted for the office, and no budget amendment shall be required.
- It is unlawful for the Property Appraiser to expend or contract for, in any fiscal year, expenditures which exceed the amount budgeted, and in no case shall the total appropriations of any budget be exceeded. Budgetary comparison schedule presented herein is on a budgetary basis which differs from accounting principles generally accepted in the United States of America.

The original budget is the first complete appropriated budget. The final budget is the original budget adjusted for all reserves, transfers, allocations, supplementary appropriations, and other legally authorized changes available to the fiscal year, whenever signed into law or otherwise legally authorized.

**PROPERTY APPRAISER
GLADES COUNTY, FLORIDA
NOTES TO SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL – GENERAL FUND (NON-GAAP BUDGETARY BASIS)
SEPTEMBER 30, 2022**

NOTE 2 DIFFERENCE BETWEEN BUDGETED AND ACTUAL RESULTS

Budgets are adopted on a basis consistent with GAAP except as follows:

	<u>General Fund</u>
Actual Amounts (Budgetary Basis) "Revenues" from the Budgetary Comparison Schedule	\$ 24,084
Differences—Budget to GAAP: Certain nonadvalorem related Revenues are not a component of the Property Appraiser's Budget	19,357
Total Revenues as Reported on the Statement of Revenues and Expenditures	\$ 43,441
Actual Amounts (Budgetary Basis) "Expenditures" from the Budgetary Comparison Schedule	\$ 701,967
Differences—Budget to GAAP: Certain nonadvalorem-related Expenditures are not a component of the Property Appraiser's Budget	8,006
Total Expenditures as Reported on the Statement of Revenues and Expenditures	\$ 709,973
Actual Amounts (Budgetary Basis) "Other Financing Sources (Uses)" from the Budgetary Comparison Schedule	\$ 677,883
Differences—Budget to GAAP: Distribution of excess fees related to certain revenues and expenditures that are not a component of the Property Appraiser's budget	(15,057)
Certain other financing sources related to leases are not a component of the Property Appraiser's Budget	3,706
Total Other Financing Sources (Uses) as Reported on the Statement of Revenues and Expenditures	\$ 666,532

SUPPLEMENTAL REPORTS



**INDEPENDENT AUDITORS' 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 Lorie Ward
Property Appraiser
Glades 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 of the Property Appraiser, Glades County, Florida (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 2, 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 opinion 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 entity'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 were not identified.

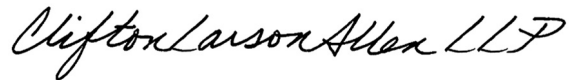
The Honorable Lorie Ward
Property Appraiser
Glades County, Florida

Report on Compliance and Other Matters

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

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.



CliftonLarsonAllen LLP

Fort Myers, Florida
June 2, 2023



MANAGEMENT LETTER

The Honorable Lorie Ward
Property Appraiser
Glades County, Florida

Report on the Financial Statements

We have audited the financial statements of the Property Appraiser, Glades County, Florida (the Property Appraiser), as of and for the fiscal year ended September 30, 2022, and have issued our report thereon dated June 2, 2023.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' 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* and Independent Accountants' 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 2, 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 discloses this information in the notes to the financial statements.

The Honorable Lorie Ward
Property Appraiser
Glades County, Florida

Financial Management

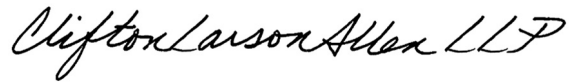
Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Additional Matters

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

Purpose of this Letter

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



CliftonLarsonAllen LLP

Fort Myers, Florida
June 2, 2023



INDEPENDENT ACCOUNTANTS' REPORT

The Honorable Lorie Ward
Property Appraiser
Glades County, Florida

We have examined the Property Appraiser, Glades County, Florida's (the Property Appraiser) compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2022. Management of the Property Appraiser is responsible for Property Appraiser's compliance with those specified requirements. Our responsibility is to express an opinion on the Property Appraiser'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 Property Appraiser complied, in all material respects, with the specified 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 noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our 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 Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2022.

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Fort Myers, Florida
June 2, 2023

**SHERIFF
GLADES COUNTY, FLORIDA**

**FINANCIAL STATEMENTS AND
SUPPLEMENTAL REPORTS**

YEAR ENDED SEPTEMBER 30, 2022



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**SHERIFF
GLADES COUNTY, FLORIDA
TABLE OF CONTENTS
YEAR ENDED SEPTEMBER 30, 2022**

INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
BALANCE SHEET – GENERAL FUND	4
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – GENERAL FUND	5
NOTES TO FINANCIAL STATEMENTS	6
REQUIRED SUPPLEMENTARY INFORMATION	
SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL – GENERAL FUND (NON-GAAP BUDGETARY BASIS)	17
NOTES TO SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL – GENERAL FUND (NON-GAAP BUDGETARY BASIS)	18
SUPPLEMENTAL REPORTS	
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	20
MANAGEMENT LETTER	22
INDEPENDENT ACCOUNTANTS' REPORT	24



INDEPENDENT AUDITORS' REPORT

The Honorable David Hardin
Sheriff
Glades County, Florida

Report on the Audit of the Financial Statements

Opinion

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the general fund of the Sheriff, as of September 30, 2022, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the 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 opinion.

Emphasis of Matter

As discussed in Note 1, the financial statements of the Sheriff referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the financial statements are intended to present the financial position and the changes in financial position, of only that portion of the general fund of Glades County, Florida that is attributable to the transactions of the Sheriff. They do not purport to, and do not, present fairly the financial position of Glades County, Florida as of September 30, 2022, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

The Honorable David Hardin
Sheriff
Glades County, Florida

Responsibilities of Management for the Financial Statements

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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.

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 David Hardin
Sheriff
Glades County, Florida

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the schedule of revenues and expenditures – budget and actual – general fund (non-GAAP budgetary basis) be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance 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.

Management has omitted the management’s discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 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, 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 Sheriff’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 Sheriff’s internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Fort Myers, Florida
June 26, 2023

FINANCIAL STATEMENTS

**SHERIFF
GLADES COUNTY, FLORIDA
BALANCE SHEET – GENERAL FUND
SEPTEMBER 30, 2022**

	General Fund
ASSETS	
Cash	\$ 767,332
Accounts Receivable	433,792
Prepaid Items	21,079
Due from Board of County Commissioners	144,456
Total Assets	\$ 1,366,659
LIABILITIES AND FUND BALANCE	
LIABILITIES	
Accounts Payable	\$ 190,244
Other Accrued Liabilities	293,470
Due to Board of County Commissioners	332,892
Total Liabilities	816,606
FUND BALANCE	
Nonspendable:	
Prepaid Items	21,079
Restricted:	
Training	40,606
Donations - Public Safety	13,146
Assigned:	
Personnel Expenditures	475,222
Total Fund Balance	550,053
Total Liabilities and Fund Balance	\$ 1,366,659

See accompanying Notes to Financial Statements.

**SHERIFF
GLADES COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2022**

	General Fund
REVENUES	
Fines and Forfeitures	\$ 37,463
Intergovernmental	192,726
Charges for Services	4,950,745
Investment Earnings	122
Miscellaneous Income	26,598
Total Revenues	5,207,654
EXPENDITURES	
Current:	
Public Safety:	
Personal Services	3,152,456
Operating Expenditures	1,230,576
Jail Operations:	
Personal Services	4,467,236
Operating Expenditures	1,660,832
Debt Service:	
Principal	68,426
Interest and Other Charges	5,398
Capital Outlay	202,300
Total Expenditures	10,787,224
DEFICIENCY OF REVENUES OVER EXPENDITURES	(5,579,570)
OTHER FINANCING SOURCES (USES)	
Transfers from Board of County Commissioners	5,812,091
Transfers to Board of County Commissioners	(304,205)
Proceeds from the Sale of Capital Assets	11,225
Leases	59,641
Total Other Financing Sources (Uses)	5,578,752
NET CHANGE IN FUND BALANCE	(818)
Fund Balance - Beginning of Year	550,871
FUND BALANCE - END OF YEAR	\$ 550,053

See accompanying Notes to Financial Statements.

**SHERIFF
GLADES COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

The Sheriff, Glades County, Florida (the Sheriff), is a separately elected county official established pursuant to the Constitution of the State of Florida. The Sheriff's budget is submitted to the Glades County, Florida, Board of County Commissioners (the Board) for approval. The Sheriff's financial statements do not purport to reflect the financial position or the results of operations of Glades County, Florida (the County), taken as a whole.

For financial reporting purposes, the Sheriff is deemed to be a part of the primary government of the County. As such the Sheriff's financial statements are included in the financial statements of the County. There are no component units included in the Sheriff's financial statements.

Description of Funds

The accounting records of the Sheriff are organized on the basis of funds classified for reporting purpose into one governmental fund.

Governmental Funds

- *General Fund* is used to account for all financial activity of the Sheriff not accounted for in other funds. The funding is primarily from transfers in from the Glades County Board of County Commissioners and Charges for Services revenues from the Glades Correctional Development Corporation.

Basis of Presentation

The Sheriff's financial statements have been prepared for the purpose of complying with Section 218.39(2), Florida Statutes, and Chapter 10.550, *Rules of the Auditor General – Local Governmental Entity Audits*, which allows the Sheriff to only present fund financial statements. These financial statements present only the portion of the funds of Glades County, Florida that are attributable to the Sheriff. They are not intended to present fairly the financial position and results of operations of Glades County, Florida in conformity with accounting principles generally accepted in the United States of America. The financial activities of the Sheriff, as a constitutional officer, are included in the financial statements of Glades County, Florida.

The General Fund is presented as a major governmental fund.

The County funds the operating budget of the Sheriff.

Basis of Accounting and Measurement Focus

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

**SHERIFF
GLADES COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting and Measurement Focus (Continued)

The General Fund is a governmental fund which uses the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when measurable and available to finance expenditures of the current period. For this purpose, the Sheriff considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when a liability is incurred, except for accumulated sick and vacation pay, lease payments, and other postemployment benefits, which are not recorded until due.

Prepaid Items

Prepaid items consist of certain costs which have been paid prior to the end of the fiscal year but represents items which are applicable to future accounting periods. Reported amounts in governmental funds are classified as nonspendable fund balance, in the fund financial statements, which indicates that these amounts do not constitute "available spendable resources" even though they are a component of current assets.

Fund Balance

Governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the Sheriff is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balance is reported in five components: nonspendable, restricted, committed, assigned, and unassigned.

Nonspendable – Amounts that cannot be spent because they are not in spendable form or legally or contractually required to be maintained intact.

Restricted – Amounts that are constrained for specific purposes which are externally imposed by creditors, grantors, contributors, or laws or regulations or imposed by laws through constitutional provisions or enabling legislation.

Committed – Amounts that are constrained for specific purposes imposed by the Sheriff's formal action of highest level of decision-making authority.

Assigned – Includes spendable fund balances intended to be used for specific purposes, but which are neither restricted nor committed.

Unassigned – Represents the residual positive fund balance within the General Fund which has not been restricted, committed, or assigned.

The Sheriff uses restricted amounts to be spent first when both restricted and unrestricted fund balance is available. Additionally, the Sheriff would first use committed fund balance, followed by assigned fund balance, and then unassigned fund balance, when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**SHERIFF
GLADES COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Interfund Transactions

During the course of normal operations, it is necessary for the Sheriff to enter into transactions among its various funds. These transactions consist of the following:

The amount transferred by the Board to fund the 2022 budget of the Sheriff was \$5,617,964.

The Board requires that the excess of the County appropriations (and other revenues) over expenditures be returned to the Board at the end of the fiscal year. Repayments to the County are recorded as a transfer out in the basic financial statements of the Sheriff and as a transfer in, in the basic financial statements of the County. The amount of undistributed excess appropriations at the end of the fiscal year is reported as amounts due to the Board.

The amount of undistributed excess fees of \$304,205 was due to the Board's General Fund at September 30, 2022.

In addition to the undistributed excess fees, the Sheriff reported amounts due to the Board's General Fund of \$25,844 for insurance proceeds, \$683 of interest income, and \$2,160 for other fees.

In addition to the budgeted transfers the General Fund reported transfers from the Board of County Commissioners in the amount of \$194,127 from equitable sharing accounts.

The amount of \$144,456 was due from the Board as of September 30, 2022.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, as applicable to governmental units, requires management to make use of estimates that affect the reported amounts in the financial statements. Actual results could differ from estimates.

New Accounting Standards

In June 2017, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 87, *Leases*. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The Sheriff adopted the requirements of the guidance effective October 1, 2021, and has applied the provisions of this standard in 2022.

**SHERIFF
GLADES COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 2 DEPOSITS

Custodial credit risk is the risk that in the event of a bank failure, the Sheriff's deposits may not be returned to it. In accordance with its policy, all Sheriff Depositories are banks designated by the Florida Chief Financial Officer as qualified public depositories. Chapter 280 of the Florida Statutes, "Florida Security for Public Deposits Act," provides procedures for public depositories to ensure public monies in banks and saving and loans are collateralized with the Florida Chief Financial Officer as agent for the public entities. Chapter 280 defines deposits as demand deposit accounts, time deposit accounts, and nonnegotiable certificates of deposit.

Financial institutions qualifying as public depositories shall deposit with the Florida Chief Financial Officer eligible collateral at the pledging level required pursuant to Chapter 280. The Florida Security for Public Deposits Act has a procedure for the payment of losses in the event of a default or insolvency. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof; therefore, the Sheriff is not exposed to custodial credit risk for its deposits.

NOTE 3 CAPITAL ASSETS

Tangible personal property used in the Sheriff's operations is recorded as expenditure in the governmental fund types of the Sheriff at the time of purchase. Capital assets with an initial cost greater than \$1,000 are capitalized at historical cost in the government-wide financial statements of the County. The Sheriff maintains recordkeeping and custodial responsibility for certain tangible capital assets used by his office.

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

	Balance October 1, 2021	Increases	Decreases	Transfers	Balance September 30, 2022
Capital Assets, Not Being Depreciated:					
Construction in Progress	\$ 299,730	\$ -	\$ -	\$ (299,730)	\$ -
Capital Assets, Being Depreciated and Amortized:					
Motor Vehicles	2,161,594	123,361	172,562	-	2,112,393
Equipment and Furniture	2,442,087	11,497	300,904	299,730	2,452,410
Livestock	10,500	7,800	5,500	-	12,800
Right to Use Leased Equipment	-	59,641	-	-	59,641
Total Capital Assets, Being Depreciated and Amortized	4,614,181	202,299	478,966	299,730	4,637,244
Less Accumulated Depreciation and Amortization:					
Motor Vehicles	1,394,874	256,581	113,371	-	1,538,084
Equipment and Furniture	2,006,898	120,215	291,843	-	1,835,270
Livestock	10,500	557	5,500	-	5,557
Right-to-Use Leased Equipment	-	6,806	-	-	6,806
Total Accumulated Depreciation and Amortization	3,412,272	384,159	410,714	-	3,385,717
Total Capital Assets, Net	<u>\$ 1,501,639</u>	<u>\$ (181,860)</u>	<u>\$ 68,252</u>	<u>\$ -</u>	<u>\$ 1,251,527</u>

**SHERIFF
GLADES COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 4 LONG-TERM OBLIGATIONS

The Sheriff entered into a finance purchase obligation for financing the purchase of radio equipment. The principal balance outstanding under this finance purchase obligation is recorded as a liability in the basic financial statements of the County (statement of net position). The change in the finance purchase obligation is as follows:

Balance, October 1, 2021	\$	193,777
Principal Retirements		(62,865)
Balance, September 30, 2022	\$	<u>130,912</u>
 Amounts Due Within One Year	 \$	 <u>64,577</u>

The purchase agreement is payable in 36 monthly payments of \$5,609, including interest at a fixed rate of 2.69%, beginning September 1, 2021. Final payment is due on September 1, 2024.

The annual debt service requirements at September 30, 2022 for financed purchase obligations were as follows:

<u>Fiscal Year Ending Sept 30,</u>	Financed Purchase Obligation		
	Principal Payments	Interest Payments	Total Payments
2023	\$ 64,577	\$ 2,729	\$ 67,306
2024	66,335	970	67,305
Total	<u>\$ 130,912</u>	<u>\$ 3,699</u>	<u>\$ 134,611</u>

NOTE 5 LEASES

The Sheriff leases assets under various terms under certain agreements that meet the definition of a lease under GASB Statement No. 87 – *Leases*. Detailed information about the Sheriff’s leases can be found in the Glades County financial statements.

Leases entered into by the Sheriff are included as other financing sources and capital outlay expenditures in the statement of revenues, expenditures, and changes in fund balance in the year of inception. Payments made in accordance with the lease terms are reported as debt service expenditures in the statement of revenues, expenditures, and changes in fund balance as they are incurred.

During the year ended September 30, 2022, the Sheriff entered into a lease in the amount of \$59,641. During the year ended September 30, 2022, the Sheriff made principal payments on its leases totaling \$5,561.

**SHERIFF
GLADES COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 6 COMPENSATED ABSENCES

It is the Sheriff's policy to permit employees to accumulate a limited amount of earned, but unused vacation, holiday, and sick leave based upon length of employment, which will be paid upon separation of service. For governmental fund reporting, a liability and expenditure for compensated absences is recognized as payments come due each period upon the occurrence of relevant events, such as employee resignations and retirements. For reporting within governmental activities of the County's basic financial statements, vacation and holiday are accrued as a liability when benefits are earned by the employees, that is, the employees have rendered services that give rise to the vacation and holiday liability and it is probable that the Sheriff will compensate the employees in some manner, e.g., in cash or in paid time-off, now or upon termination or retirement. The Sheriff uses the vesting method in accruing sick leave liability. The vesting method accrues sick leave liability for employees who are currently eligible to receive termination payments upon separation as well as those expected to become eligible in the future. The total compensated absence liability consists of two components:

- 100% of earned, but unused vacation and holiday leave
- 25% of earned, but unused sick leave, for employees with greater than five years of service (125 hours maximum for employees with 5 to 10 years of service and 250 hours maximum for employees with over 10 years of service)

The following is a summary of changes in the compensated absences liability during fiscal year 2022.

Balance, October 1, 2021		\$	599,773
Increases			623,592
Decreases			(751,510)
Balance, September 30, 2022		\$	<u>471,855</u>
 Amounts Due Within One Year		 \$	 <u>330,298</u>

NOTE 7 PENSION PLAN

Background

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

**SHERIFF
GLADES COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 7 PENSION PLAN (CONTINUED)

Background (Continued)

Essentially all regular employees of the Glades County, Florida, Sheriff are eligible to enroll as members of the state-administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of the two cost-sharing, multiple-employer defined benefit plans and other nonintegrated programs. 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).

Florida Retirement System Pension Plan

Plan Description

The Florida Retirement System Pension Plan (FRS Plan) is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees. The general classes of membership are as follows:

- *Regular Class* – Members of the FRS who do not qualify for membership in the other classes.
- *Elected County Officers 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 special risk employees, such as law enforcement officers, meet the criteria to qualify for this class.

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

**SHERIFF
GLADES COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 7 PENSION PLAN (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Plan Description (Continued)

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

Benefits Provided

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

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%. FRS Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

Detailed information about the County's proportionate share of FRS's net pension liability, deferred outflows/inflows of resources, and pension expense are reported in the government-wide statements of the County.

Retiree Health Insurance Subsidy Program

Plan Description

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

**SHERIFF
GLADES COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 7 PENSION PLAN (CONTINUED)

Retiree Health Insurance Subsidy Program (Continued)

Benefits Provided

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

Detailed information about the County's proportionate share of HIS's net pension liability, deferred outflows/inflows of resources, and pension expense are reported in the government-wide statements of the County.

FRS Investment Plan

The Florida State Board of Administration (SBA) administers the defined contribution plan officially titled the FRS Investment Plan (Investment Plan). The Investment Plan is reported in the SBA's annual financial statements and in the State of Florida Annual Comprehensive Financial Report.

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. Glades County, Florida, Sheriff 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. Costs of administering plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% of payroll and by forfeited benefits of plan members.

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. Nonvested 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. For the fiscal year ended June 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 Glades County, Florida, Sheriff.

**SHERIFF
GLADES COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 7 PENSION PLAN (CONTINUED)

FRS Investment Plan (Continued)

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 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.

Contributions

Participating employer contributions are based upon statewide rates established by the state of Florida. The Glades County, Florida, Sheriff's contributions made to the plans during the years ended September 30, 2022, 2021, and 2020 were \$1,097,680, \$1,148,200, and \$1,334,688, respectively, equal to the actuarially determined contribution requirements for each year.

Additional information about pension plans can be found in the County-wide financial statements.

NOTE 8 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

The Sheriff provides postemployment health care benefits in accordance with Section 112.0801, Florida Statutes, to all employee who retire from the Sheriff. The Sheriff is required to provide health care coverage at cost to all retirees but does not pay any portion of the premium for the retiree to participate in the Sheriff's group health care plan. The liability and expense for the other postemployment benefits, calculated in accordance with Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, are reported in the financial statements of the County.

NOTE 9 RISK MANAGEMENT

The Sheriff is exposed to various risks of loss related to torts; theft of damage to and destruction of assets; errors and omissions; and natural disasters. Therefore, the Sheriff carries commercial insurance, in which the agency retains no risk of loss. There have been no claims in excess of insurance coverage limits during the last three years.

**SHERIFF
GLADES COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 9 RISK MANAGEMENT (CONTINUED)

The coverage for general liability, workers' compensation, and comprehensive crime loss is covered through a comprehensive property and liability risk management program, the Florida Sheriff's Self-Insurance Fund. The program is a self-insurance program whereby the Sheriff makes annual contributions along with other members of the program. The Sheriff is subject to a special assessment in the event of a deficiency, except to the extent that the deficiency results from a specific claim against a member in excess of the reinsurance available, such deficiency is solely the responsibility of that member. The Sheriff is covered by Florida Statutes under the Doctrine of Sovereign Immunity, which generally limits the amount of the liability of the Sheriff to individual claims of \$100,000 or \$200,000 for all claims relating to the same incident.

The Sheriff purchases commercial insurance policies for health and dental insurance benefits.

NOTE 10 COMMITMENTS AND CONTINGENCIES

Glades Correctional Development Corporation

The Sheriff entered into an agreement with Glades Correctional Development Corporation (GCDC), to manage, operate, and maintain the GCDC prison facility. The facility is a 440-bed prison located in Moore Haven, Florida. The agreement is effective through September 30, 2030. For the year ended September 30, 2022, the Sheriff recognized revenue in the amount of \$4,449,600 from GCDC, which was used to fund payroll expenses related to the operation of the GCDC facility and a negotiated management fee in the amount of \$500,000. The management fee is based on an annual budget submitted and mutually agreed upon by GCDC and the Sheriff and is paid in 12 payments during the fiscal year.

In 2006, the County transferred a parcel of land valued at \$550,000 to GCDC on which the prison facility was constructed. GCDC issued First Mortgage Revenue Bonds, Series 2006 in the amount of \$33,000,000 on March 14, 2006 to fund the construction of the prison facility. When all the bonds are discharged, GCDC will transfer fee simple title of the facility and land to Glades County. GCDC has executed a deed of the facility and land to the County which is being held by a trustee in escrow and will be delivered to the County after all the bonds are paid. The County has the right and option to defease or redeem the bonds prior to their maturity date and take title to the project at such time. The bonds are payable solely from rents and other revenues generated from the operations of the prison facility, and neither Glades County nor the Sheriff is liable for this debt.

NOTE 11 SUBSEQUENT EVENT

On October 1, 2022, the Sheriff entered into a verbal agreement with Glades Correctional Development Corporation (GCDC) to reduce the Management Fee paid to the Sheriff from \$41,667 per month to \$20,834 per month. On the date of March 1, 2023, the Management Fee paid to the Sheriff was suspended by agreement of the parties.

REQUIRED SUPPLEMENTARY INFORMATION

**SHERIFF
GLADES COUNTY, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL – GENERAL FUND (NON-GAAP BUDGETARY BASIS)
YEAR ENDED SEPTEMBER 30, 2022**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Fines and Forfeitures	\$ -	\$ 37,463	\$ 37,463	\$ -
Intergovernmental	-	192,726	192,726	-
Charges for Services	-	4,950,745	4,950,745	-
Investment Earnings	-	122	122	-
Miscellaneous Income	-	15,817	23,768	7,951
Total Revenues	-	5,196,873	5,204,824	7,951
EXPENDITURES				
Current:				
Public Safety:				
Personal Services	2,989,454	3,152,456	3,152,456	-
Operating Expenditures	695,203	1,135,321	1,133,040	2,281
Jail Operations:				
Personal Services	-	4,467,236	4,467,236	-
Operating Expenditures	1,696,491	1,660,832	1,660,832	-
Debt Service:				
Principal	-	62,865	68,426	(5,561)
Interest and Other Charges	-	4,441	5,398	(957)
Capital Outlay	68,098	38,706	34,469	4,237
Total Expenditures	5,449,246	10,521,857	10,521,857	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(5,449,246)	(5,324,984)	(5,317,033)	7,951
OTHER FINANCING SOURCES (USES)				
Transfers from Board of County Commissioners	5,449,246	5,617,964	5,617,964	-
Transfers to Board of County Commissioners	-	(304,205)	(304,205)	-
Proceeds from the Sale of Capital Assets	-	11,225	11,225	-
Total Other Financing Sources (Uses)	5,449,246	5,324,984	5,324,984	-
NET CHANGE IN FUND BALANCE	\$ -	\$ -	\$ 7,951	\$ 7,951

See accompanying Notes to Schedule of Revenues and Expenditures – Budget and Actual – General Fund.

**SHERIFF
GLADES COUNTY, FLORIDA
NOTES TO SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL – GENERAL FUND (NON-GAAP BUDGETARY BASIS)
SEPTEMBER 30, 2022**

NOTE 1 BUDGETARY ACCOUNTING

Pursuant to Chapter 129, Florida Statutes, the Board of County Commissioners (the Board) follows the procedures below in establishing, adopting, and maintaining the operating budget, which includes the budget of the Sheriff's office:

- On or before June 1 of each year, the Sheriff submits to the Board a tentative budget for his office for the fiscal year commencing the following October 1. Taxpayers are informed of the proposed budget and tentative millage rates through advertising. Public hearings are held to elicit taxpayer comments.
- The budget is legally adopted through Board Resolution.
- The Board, at any time within a fiscal year, may amend a budget for that year as follows:
 - 1) Appropriations for expenditures in any fund may be decreased and other appropriations in the same fund correspondingly increased by actions recorded in the minutes, provided that the total of the appropriations of the fund are not changed. The Board, however, may establish procedures by which the Sheriff may authorize certain intradepartmental budget amendments, provided that the total appropriation of the department shall not be changed.
 - 2) Appropriations from reserves may be made to increase appropriations by resolution of the Board, but no expenditures shall be directly charged to any reserve.
 - 3) A receipt from a source not anticipated in the budget and received for a particular purpose including, but not limited to, grants, donations, gifts, or reimbursements for damages, may, by resolution of the Board recorded in its minutes, be appropriated, and expended for that purpose, in addition to the appropriations and expenditures provided for in the budget. Such receipts and appropriations shall be added to the budget in the proper fund.
- It is unlawful for the Sheriff to expend or contract for expenditures in any fiscal year more than the amount budgeted in each individual fund's budget, and in no case shall the total appropriations of any budget be exceeded. The budgetary comparison schedule presented herein is on a basis which differs from accounting principles generally accepted in the United States of America (GAAP).

The original budget is the first complete appropriated budget. The final budget is the original budget adjusted for all reserves, transfers, allocations, supplemental appropriations, and other legally authorized changes available to the fiscal year, whenever signed into law or otherwise legally authorized.

**SHERIFF
GLADES COUNTY, FLORIDA
NOTES TO SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL – GENERAL FUND (NON-GAAP BUDGETARY BASIS)
SEPTEMBER 30, 2022**

NOTE 2 DIFFERENCE BETWEEN BUDGETED AND ACTUAL RESULTS

Budgets are adopted on a basis consistent with GAAP except as follows:

	<u>General Fund</u>
Actual Amounts (Budgetary Basis) "Revenues" from the Budgetary Comparison Schedule	\$ 5,204,824
Differences—Budget to GAAP:	
Donations Not Budgeted	2,830
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance - General Fund	\$ 5,207,654
Uses/Outflows of Resources:	
Actual Amounts (Budgetary Basis) "Expenditures" from the Budgetary Comparison Schedule	\$ 10,521,857
Differences—Budget to GAAP:	
Public Safety Operating Expenditures Paid With Asset Forfeiture or Donation Funding Not Budgeted	97,536
Capital Outlay Paid With Asset Forfeiture Funds Not Budgeted	108,190
Lease Activity Not Budgeted	59,641
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance - General Fund	\$ 10,787,224
Actual Amounts (Budgetary Basis) "Other Sources (Uses)" from the Budgetary Comparison Schedule	\$ 5,324,984
Differences—Budget to GAAP:	
Lease Activity Not Budgeted	59,641
Asset Forfeiture Appropriations Not Budgeted	194,127
Total Other Sources (Uses) as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance - General Fund	\$ 5,578,752

SUPPLEMENTAL REPORTS



**INDEPENDENT AUDITORS' 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 David Hardin
Sheriff
Glades 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 of the Sheriff, Glades County, Florida (the Sheriff), as of and for the 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 26, 2023.

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 opinion 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 entity'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 were not identified.

The Honorable David Hardin
Sheriff
Glades County, Florida

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, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Fort Myers, Florida
June 26, 2023



MANAGEMENT LETTER

The Honorable David Hardin
Sheriff
Glades County, Florida

Report on the Financial Statements

We have audited the financial statements of the Sheriff, Glades County, Florida (the Sheriff), as of and for the fiscal year ended September 30, 2022, and have issued our report thereon dated June 26, 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 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 26, 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 Sheriff discloses this information in the notes to the financial statements.

The Honorable David Hardin
Sheriff
Glades County, Florida

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 noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Fort Myers, Florida
June 26, 2023



INDEPENDENT ACCOUNTANTS' REPORT

The Honorable David Hardin
Sheriff
Glades County, Florida

We have examined the Sheriff, Glades County, Florida's (the Sheriff) compliance with Section 218.415, Florida Statutes, regarding the investment of public funds, during the year ended September 30, 2022. Management of the Sheriff is responsible for the Sheriff's compliance with the specified requirements. Our responsibility is to express an opinion on the Sheriff'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 Sheriff complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Sheriff complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

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

In our opinion, the Sheriff complied, in all material respects, with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2022.

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Fort Myers, Florida
June 26, 2023

**SUPERVISOR OF ELECTIONS,
GLADES COUNTY, FLORIDA**

**FINANCIAL STATEMENTS AND
SUPPLEMENTAL REPORTS**

YEAR ENDED SEPTEMBER 30, 2022



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**SUPERVISOR OF ELECTIONS
GLADES COUNTY, FLORIDA
TABLE OF CONTENTS
YEAR ENDED SEPTEMBER 30, 2022**

INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
BALANCE SHEET – GENERAL FUND	4
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – GENERAL FUND	5
NOTES TO FINANCIAL STATEMENTS	6
REQUIRED SUPPLEMENTARY INFORMATION	
SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET TO ACTUAL – GENERAL FUND	16
NOTE TO SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET TO ACTUAL – GENERAL FUND	17
SUPPLEMENTAL REPORTS	
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	18
MANAGEMENT LETTER	20
INDEPENDENT ACCOUNTANTS' REPORT	22



INDEPENDENT AUDITORS' REPORT

The Honorable Aletris Farnam
Supervisor of Elections
Glades County, Florida

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the general fund of the Supervisor of Elections, Glades County, Florida (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 as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the general fund of the Supervisor of Elections, as of September 30, 2022, and the change in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the 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 opinion.

Emphasis of Matter

As discussed in Note 1, the financial statements of the Supervisor of Elections referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the financial statements are intended to present the financial position and the changes in financial position, of only that portion of the general fund of Glades County, Florida that is attributable to the transactions of the Supervisor of Elections. They do not purport to, and do not, present fairly the financial position of Glades County, Florida as of September 30, 2022, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

The Honorable Aletris Farnam
Supervisor of Elections
Glades County, Florida

Responsibilities of Management for the Financial Statements

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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.

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 Aletris Farnam
Supervisor of Elections
Glades County, Florida

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the schedule of revenues and expenditures – budget and actual – general fund be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, 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.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 8, 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, 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 Supervisor of Elections' 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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Fort Myers, Florida
June 8, 2023

FINANCIAL STATEMENTS

**SUPERVISOR OF ELECTIONS
GLADES COUNTY, FLORIDA
BALANCE SHEET – GENERAL FUND
SEPTEMBER 30, 2022**

ASSETS

Due from Board of County Commissioners	\$	15,788
Prepaid Items		500
		<u>500</u>
Total Assets	\$	<u><u>16,288</u></u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts Payable	\$	11,088
Accrued Liabilities		5,139
Due to Other Governments		61
		<u>61</u>
Total Liabilities		16,288

FUND BALANCE

Nonspendable:		
Prepaid Items		500
Unassigned		(500)
		<u>(500)</u>
Total Fund Balance		-

Total Liabilities and Fund Balance	\$	<u><u>16,288</u></u>
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See accompanying Notes to Financial Statements.

**SUPERVISOR OF ELECTIONS
GLADES COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – GENERAL
FUND
YEAR ENDED SEPTEMBER 30, 2022**

REVENUES

Intergovernmental	\$ 15,808
Total Revenues	15,808

EXPENDITURES

Current - General Government:	
Personal Services	294,355
Operating Expenditures	92,560
Debt Service:	
Principal	16,862
Interest and Other Charges	37,961
Total Expenditures	441,738

OTHER FINANCING SOURCES

Transfer From the Board of County Commissioners	425,930
Total Other Financing Sources	425,930

NET CHANGE IN FUND BALANCE

Fund Balance - Beginning of Year	-
FUND BALANCE - END OF YEAR	\$ -

See accompanying Notes to Financial Statements.

**SUPERVISOR OF ELECTIONS
GLADES COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

The Supervisor of Elections, Glades County, Florida (the Supervisor of Elections), is a separately elected constitutional officer pursuant to the Constitution of the State of Florida. The Supervisor of Elections' budget is submitted to the Board of County Commissioners (the Board) for approval. The Supervisor of Elections' financial statements do not purport to reflect the financial position or the results of operations of Glades County, Florida (the County), taken as a whole.

For financial reporting purposes, the Supervisor of Elections is deemed to be a part of the primary government of the County. As such, the Supervisor of Elections' financial statements are included in the financial statements of the County. There are no component units included in the Supervisor of Elections' financial statements.

Description of Funds

The accounting records are organized on the basis of funds classified for reporting purposes into one basic fund type:

Governmental Fund:

- *General Fund* is used to account for the general operations of the Supervisor of Elections. Resources are primarily provided by transfers from the County.

Basis of Presentation

These financial statements have been prepared for the purpose of complying with Section 218.39(2), Florida Statutes, and Chapter 10.550, *Rules of the Auditor General – Local Governmental Entity Audits*, which allows the Supervisor of Elections to only present fund financial statements. These financial statements present only the portion of the funds of the County that are attributable to the Supervisor of Elections. They are not intended to present fairly the financial position and results of operations of the County in conformity with accounting principles generally accepted in the United States of America. The financial activities of the Supervisor of Elections, as a constitutional officer, are included in the Glades County, Florida Annual Financial Report.

The General Fund is presented as a major governmental fund.

The County funds the operating budget of the Supervisor of Elections. Funding is provided on an as needed basis.

**SUPERVISOR OF ELECTIONS
GLADES COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting and Measurement Focus

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting 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. For this purpose, the Supervisor of Elections considers revenue to be available if it is collected within 60 days after the end of the current fiscal period. Expenditures are recorded when the liability is incurred, except for leases, accumulated sick and vacation pay and other postemployment benefits, which are not recorded until paid.

Prepaid Items

Prepaid items consist of certain costs which have been paid prior to the end of the fiscal year but represent items which are applicable to future accounting periods.

Interfund Transactions

During the course of normal operations, it is necessary for the County to enter into transactions among its various funds. These transactions consist of one or more of the following types:

- Transfers in and out, as appropriate, for all other interfund transactions, which are reported as other financing sources (uses). The amount transferred by the Board to fund the 2022 budget of the Supervisor of Elections was \$425,930.

Fund Balance

Governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the Supervisor of Elections is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balance is reported in five components: nonspendable, restricted, committed, assigned, and unassigned.

Nonspendable – Amounts that cannot be spent because they are not in spendable form or legally or contractually required to be maintained intact.

Restricted – Amounts that are constrained for specific purposes which are externally imposed by creditors, grantors, contributors, or laws or regulations or imposed by laws through constitutional provisions or enabling legislation.

**SUPERVISOR OF ELECTIONS
GLADES COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance (Continued)

Committed – Amounts that are constrained for specific purposes imposed by the Supervisor of Elections' formal action of highest level of decision-making authority.

Assigned – Includes spendable fund balances intended to be used for specific purposes, but which are neither restricted nor committed.

Unassigned – Represents the residual fund balance within the General Fund which has not been restricted, committed, or assigned.

The Supervisor of Elections uses restricted amounts to be spent first when both restricted and unrestricted fund balance is available. Additionally, the Supervisor of Elections would first use committed fund balance, followed by assigned fund balance, and then unassigned fund balance, when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Uses of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, as applicable to governmental units, requires management to make use of estimates that affect the reported amounts in the financial statements. Actual results could differ from estimates.

New Accounting Standards

In June 2017, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 87, *Leases*. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The Supervisor of Elections' adopted the requirement of the guidance effective October 1, 2021, and has applied the provisions of this standard in 2022.

NOTE 2 CAPITAL ASSETS

Tangible personal property used in the Supervisor of Elections' operations is recorded as an expenditure in the General Fund of the Supervisor of Elections at the time of purchase. Purchased assets with an initial cost greater than \$5,000 are capitalized at historical cost in the government-wide financial statements of the County. The Supervisor of Elections maintains custodial responsibility for these capital assets.

**SUPERVISOR OF ELECTIONS
GLADES COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 2 CAPITAL ASSETS (CONTINUED)

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

	Balance October 1, 2021	Increases	Decreases	Balance September 30, 2022
Capital Assets Being Depreciated and Amortized:				
Equipment, Furniture, and Vehicles	\$ 139,681	\$ -	\$ 6,962	\$ 132,719
Right to Use Asset - Equipment ¹	190,701	-	-	190,701
Total Capital Assets Being Depreciated and Amortized	330,382	-	6,962	323,420
Less Accumulated Depreciation and Amortization for:				
Equipment, Furniture, and Vehicles	110,438	14,431	6,962	117,907
Right to Use Asset - Equipment	-	30,512	-	30,512
Total Accumulated Depreciation and Amortization	110,438	44,943	6,962	148,419
Total Capital Assets, Net	<u>\$ 219,944</u>	<u>\$ (44,943)</u>	<u>\$ -</u>	<u>\$ 175,001</u>

¹ The beginning balance was restated due to the implementation of GASB Statement No. 87 Leases in 2022.

NOTE 3 COMPENSATED ABSENCES

It is the Supervisor of Elections' policy to permit employees to accumulate a limited amount of earned but unused vacation and sick leave, which will be paid upon separation of service. For governmental fund reporting, a liability and expenditure for compensated absences is recognized as payments come due each period upon the occurrence of relevant events, such as employee resignations and retirements. For reporting within government-wide statements of the County's basic financial statements, vacation is accrued as a liability when benefits are earned by the employees, that is, the employees have rendered services that give rise to the vacation liability and it is probable that the Supervisor of Elections will compensate the employees in some manner, e.g., in cash or in paid time off, now or upon termination or retirement. The Supervisor of Elections uses the vesting method in accruing sick leave liability.

The vesting method accrues sick leave liability for employees who are currently eligible to receive termination payments upon separation as well as those expected to become eligible in the future. The Supervisor of Elections had one employee who is currently eligible to receive termination payments upon separation or who is expected to become eligible in the future.

**SUPERVISOR OF ELECTIONS
GLADES COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 3 COMPENSATED ABSENCES (CONTINUED)

Changes in the compensated absences for the year ended September 30, 2022 are reported in the governmental activities in the government-wide financial statements of the County and are as follows:

Balance - October 1, 2021	\$ 2,153
Increases	6,484
Decreases	(5,159)
Balance - September 30, 2022	<u>\$ 3,478</u>
Amounts Due Within One Year	<u>\$ 2,609</u>

NOTE 4 PENSION PLAN

Background

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

Essentially all regular employees of the Supervisor of Elections are eligible to enroll as members of the State-administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of the two-cost sharing, multiple employer defined benefit plans and other nonintegrated programs. 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).

**SUPERVISOR OF ELECTIONS
GLADES COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 4 PENSION PLAN (CONTINUED)

Florida Retirement System Pension Plan

Plan Description

The Florida Retirement System Pension Plan (FRS Plan) is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees. The general classes of membership are as follows:

- *Regular Class* – Members of the FRS who do not qualify for membership in the other classes.
- *Elected County Officers 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 special risk employees, such as law enforcement officers, meet the criteria to qualify for this class.

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

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

**SUPERVISOR OF ELECTIONS
GLADES COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 4 PENSION PLAN (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Benefits Provided

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

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%. FRS Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

Detailed information about the County's proportionate share of FRS's net pension liability, deferred outflows/inflows of resources, and pension expense are reported in the government-wide statements of the County.

Retiree Health Insurance Subsidy Program

Plan Description

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

Benefits Provided

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

**SUPERVISOR OF ELECTIONS
GLADES COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 4 PENSION PLAN (CONTINUED)

Retiree Health Insurance Subsidy Program (Continued)

Benefits Provided (Continued)

Detailed information about the County's proportionate share of HIS's net pension liability, deferred outflows/inflows of resources, and pension expense are reported in the government-wide statements of the County.

FRS Investment Plan

The Florida State Board of Administration (SBA) administers the defined contribution plan officially titled the FRS Investment Plan (Investment Plan). The Investment Plan is reported in the SBA's annual financial statements and in the State of Florida Annual Comprehensive Financial Report.

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. Glades County, Florida, Supervisor of Elections 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. Costs of administering plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% of payroll and by forfeited benefits of plan members.

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. Nonvested 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. For the fiscal year ended June 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 Glades County, Florida, Supervisor of Elections.

**SUPERVISOR OF ELECTIONS
GLADES COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 4 PENSION PLAN (CONTINUED)

FRS Investment Plan (Continued)

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 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.

Contributions

Participating employer contributions are based upon statewide rates established by the state of Florida. The Supervisor of Elections' contributions made during the years ended September 30, 2022, 2021, and 2020 were \$63,925, \$57,973, and \$52,708, respectively, equal to the actuarially determined contribution requirements for each year.

Additional information about pension plans can be found in the County-wide financial statements.

NOTE 5 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

The Supervisor of Elections provides postemployment health care benefits in accordance with Section 112.0801, Florida Statutes, to all employees who retire from the Supervisor of Elections. The Supervisor of Elections is required to provide health care coverage at cost to all retirees but does not pay any portion of the premium for the retiree to participate in the Supervisor of Elections' group health care plan. The liability and expense for other postemployment benefits, calculated in accordance with Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, are reported in the financial statements of the County.

NOTE 6 LEASES

The Supervisor of Elections leases assets that meet the definition of a lease under GASB Statement No. 87 – *Leases*. Detailed information about the Supervisor of Elections' leases can be found in the government-wide financial statements of the County.

Leases entered into by the Supervisor of Elections are included as other financing sources and capital outlay expenditures in the statement of revenues, expenditures, and changes in fund balance in the year of inception. Payments made in accordance with lease terms are reported as debt service expenditures in the statement of revenues, expenditures, and changes in fund balance as they are incurred.

**SUPERVISOR OF ELECTIONS
GLADES COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 6 LEASES (CONTINUED)

During the year ended September 30, 2022, the Supervisor of Elections did not enter into any new leases. During the year ended September 30, 2022, the Supervisor of Elections' payments of principal on leases totaled \$16,865.

NOTE 7 RISK MANAGEMENT

The Supervisor of Elections is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; and natural disasters. The County provides coverage for the above risks and no cost is charged to the Supervisor of Elections.

REQUIRED SUPPLEMENTARY INFORMATION

**SUPERVISOR OF ELECTIONS
GLADES COUNTY, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET TO ACTUAL – GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2022**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ 15,869	\$ 15,808	\$ (61)
Total Revenues	-	15,869	15,808	(61)
EXPENDITURES				
Current - General Government:				
Personal Services	268,737	294,570	294,355	215
Operating Expenditures	101,938	110,284	92,560	17,724
Debt Service:				
Principal	-	16,100	16,862	(762)
Interest and other Charges	-	38,900	37,961	939
Total Expenditures	370,675	459,854	441,738	18,116
OTHER FINANCING SOURCES				
Transfer In:				
Glades County, Florida Board of County Commissioners Appropriations	370,675	443,985	425,930	(18,055)
Total Other Financing Sources (Uses)	370,675	443,985	425,930	(18,055)
NET CHANGE IN FUND BALANCE	\$ -	\$ -	\$ -	\$ -

See accompanying Note to Schedule of Revenues and Expenditures – Budget to Actual – General Fund.

**SUPERVISOR OF ELECTIONS
GLADES COUNTY, FLORIDA
NOTE TO SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET TO ACTUAL – GENERAL FUND
SEPTEMBER 30, 2022**

NOTE 1 BUDGETARY ACCOUNTING

Pursuant to Chapter 129, Florida Statutes, the Board follows these procedures in establishing, adopting, and maintaining the operating budget, which includes the budget of the Supervisor of Elections' office:

- On or before June 1 of each year, the Supervisor of Elections submits to the Board a tentative budget for the operation of her office ensuing fiscal year.
- Taxpayers are informed of the proposed budget and tentative millage rates through advertising. Public hearings are held to elicit taxpayer comments.
- The budget is legally adopted through Board Resolution.
- The Board, at any time within a fiscal year, may amend a budget for that year as follows:
 - 1) Appropriations for expenditures in any fund may be decreased and other appropriations in the same fund correspondingly increased by actions recorded in the minutes, provided that the total of the appropriations of the fund are not changed. The Board, however, may establish procedures by which the Supervisor of Elections may authorize certain intradepartmental budget amendments, provided that the total appropriation of the department shall not be changed.
 - 2) Appropriations from reserves may be made to increase appropriations by resolution of the Board, but no expenditures shall be directly charged to any reserve.
 - 3) A receipt from a source not anticipated in the budget and received for a particular purpose including, but not limited to, grants, donations, gifts, or reimbursements for damages may, by resolution of the Board recorded in its minutes, be appropriated and expended for that purpose, in addition to the appropriations and expenditures provided for in the budget. Such receipts and appropriations shall be added to the budget in the proper fund.
- It is unlawful for the Supervisor of Elections to expend or contract for expenditures in any fiscal year more than the amount budgeted in each individual fund's budget, and in no case shall the total appropriations of any budget be exceeded. An annual budget is adopted for the General Fund. The budgetary comparison schedule presented herein is on a budgetary basis consistent with accounting principles generally accepted in the United States of America (GAAP) and are only prepared for the General Fund.

The original budget is the first complete appropriated budget. The final budget is the original budget adjusted for all reserves, transfers, allocations, supplemental appropriations, and other legally authorized changes available to the fiscal year, whenever signed into law or otherwise legally authorized.

SUPPLEMENTAL REPORTS



**INDEPENDENT AUDITORS' 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 Aletris Farnam
Supervisor of Elections
Glades 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 of the Supervisor of Elections, Glades County, Florida (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 8, 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 audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness 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 entity'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 were not identified.

The Honorable Aletris Farnam
Supervisor of Elections
Glades County, Florida

Report on Compliance and Other Matters

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

Purpose of This Report

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Fort Myers, Florida
June 8, 2023



MANAGEMENT LETTER

The Honorable Aletris Farnam
Supervisor of Elections
Glades County, Florida

Report on the Financial Statements

We have audited the financial statements of the Supervisor of Elections, Glades County, Florida (the Supervisor of Elections), as of and for the fiscal year ended September 30, 2022, and have issued our report thereon dated June 8, 2023.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' 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* and Independent Accountants' 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 8, 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 the management letter, unless disclosed in the notes to the financial statements. The Supervisor of Elections discloses this information in the notes to the financial statements.

The Honorable Aletris Farnam
Supervisor of Elections
Glades County, Florida

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 noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material, but which warrants the attention of those charged with governance. In connection with our audit, we did not have 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 Supervisor of Elections and applicable management, and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Fort Myers, Florida
June 8, 2023



INDEPENDENT ACCOUNTANTS' REPORT

The Honorable Aletris Farnam
Supervisor of Elections
Glades County, Florida

We have examined the Supervisor of Elections, Glades County, Florida's (the Supervisor of Elections) compliance with Section 218.415, Florida Statutes, regarding the investment of public funds, during the year ended September 30, 2022. Management of the Supervisor of Elections is responsible for the Supervisor of Elections' compliance with the specified requirements. Our responsibility is to express an opinion on the Supervisor of Elections' 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 Supervisor of Elections complied, in all material respects, with the specified 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 noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

Our examination does not provide a legal determination on the Supervisor of Elections' compliance with specified requirements.

In our opinion, the Supervisor of Elections complied, in all material respects, with Section 218.415, Florida Statutes, regarding the investment of public funds for the year ended September 30, 2022.

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Fort Myers, Florida
June 8, 2023

**TAX COLLECTOR
GLADES COUNTY, FLORIDA**

**FINANCIAL STATEMENTS AND
SUPPLEMENTAL REPORTS**

YEAR ENDED SEPTEMBER 30, 2022



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**TAX COLLECTOR
GLADES COUNTY, FLORIDA
TABLE OF CONTENTS
YEAR ENDED SEPTEMBER 30, 2022**

INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
BALANCE SHEETS – GENERAL FUND	4
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – GENERAL FUND	5
STATEMENT OF FIDUCIARY NET POSITION – CUSTODIAL FUND	6
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – CUSTODIAL FUND	7
NOTES TO FINANCIAL STATEMENTS	8
REQUIRED SUPPLEMENTARY INFORMATION	
SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL – GENERAL FUND	17
NOTE TO SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL – GENERAL FUND	18
SUPPLEMENTAL REPORTS	
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	20
MANAGEMENT LETTER	22
INDEPENDENT ACCOUNTANTS' REPORT	24



INDEPENDENT AUDITORS' REPORT

The Honorable Gail Jones
Tax Collector
Glades County, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the general fund and the aggregate remaining fund information of the Glades 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 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 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 Auditors' 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

As discussed in Note 1, the financial statements of the Tax Collector referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the financial statements are intended to present the financial position and the changes in financial position of only that portion of the general fund and the aggregate remaining fund information of Glades County, Florida that is attributable to the transactions of the Tax Collector. They do not purport to, and do not, present fairly the financial position of Glades County, Florida as of September 30, 2022, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

The Honorable Gail Jones
Tax Collector
Glades County, Florida

Responsibilities of Management for the Financial Statements

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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.

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 Gail Jones
Tax Collector
Glades County, Florida

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the schedule of revenues and expenditures – budget and actual – general fund be presented to supplement the basic financial statements. Such information, is the responsibility of management, and although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, 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.

Management has omitted the management’s discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 8, 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, 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.



CliftonLarsonAllen LLP

Fort Myers, Florida
June 8, 2023

FINANCIAL STATEMENTS

**TAX COLLECTOR
GLADES COUNTY, FLORIDA
BALANCE SHEET – GENERAL FUND
SEPTEMBER 30, 2022**

ASSETS

Cash	<u>\$ 146,115</u>
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LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts Payable	\$ 2,660
Due to Board of County Commissioners	<u>143,455</u>
Total Liabilities	146,115

FUND BALANCE

Total Liabilities and Fund Balance	<u>\$ 146,115</u>
------------------------------------	-------------------

See accompanying Notes to Financial Statements.

**TAX COLLECTOR
GLADES COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE – GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2022**

REVENUES	\$ -
EXPENDITURES	
Current:	
Personal Services	434,451
Operating Expenditures	92,727
Capital Outlay	6,521
Debt Service	
Principal	1,463
Interest	173
Total Expenditures	<u>535,335</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	(535,335)
OTHER FINANCING SOURCES (USES)	
Transfers from the Board of County Commissioners	535,164
Transfers to the Board of County Commissioners	(6,350)
Leases	6,521
Total Other Financing Sources	<u>535,335</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.

**TAX COLLECTOR
GLADES COUNTY, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION – CUSTODIAL FUND
SEPTEMBER 30, 2022**

ASSETS

Cash and Cash Equivalents	\$ 112,879
Other Receivables	<u>9,827</u>
Total Assets	<u><u>\$ 122,706</u></u>

LIABILITIES

Due to Other Governmental Units	<u>122,706</u>
Total Liabilities	<u><u>\$ 122,706</u></u>

FIDUCIARY NET POSITION

\$ -

See accompanying Notes to Financial Statements.

**TAX COLLECTOR
GLADES COUNTY, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – CUSTODIAL FUND
YEAR ENDED SEPTEMBER 30, 2022**

ADDITIONS

Tax Collections for Other Governments	\$ 7,269,131
License and Fee Collections for Other Governments	1,003,810
Total Additions	8,272,941

DEDUCTIONS

Payments of Taxes to Other Governments	7,269,131
Payments of Licenses and Fees to Other Governments	1,003,810
Total Deductions	8,272,941

CHANGE IN FIDUCIARY NET POSITION

-

Fiduciary Net Position - Beginning of Year

-

FIDUCIARY NET POSITION - END OF YEAR

\$ -

See accompanying Notes to Financial Statements.

**TAX COLLECTOR
GLADES COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

The Tax Collector, Glades County, Florida (the Tax Collector), is a separately elected constitutional officer pursuant to the Constitution of the State of Florida. Pursuant to the Florida Statutes, the Tax Collector's budget is submitted to the Florida Department of Revenue for approval and a copy is forwarded to the Glades County Board of County Commissioners (the Board). The Tax Collector's financial statements do not purport to reflect the financial position or the results of operations of Glades County, Florida (the County), taken as a whole.

For financial reporting purposes, the Tax Collector is deemed to be a part of the primary government of the County. As such, the Tax Collector's financial statements are included in the financial statements of the County. There are no component units included in the Tax Collector's financial statements.

Description of Funds

The accounting records are organized on the basis of funds classified for reporting purposes into two basic fund types:

Governmental Fund

General Fund is used to account for the general operations of the Tax Collector that are not accounted for in another fund. All resources are provided by transfers from the County.

Fiduciary Fund

Custodial Fund is used to report fiduciary activities that are not required to be reported in pension or OPEB trust funds, investment trust funds, or private purpose trust funds and account for assets held by the Tax Collector as an agent.

Basis of Presentation

These financial statements have been prepared for the purpose of complying with Section 218.39(2), Florida Statutes, and Chapter 10.550, *Rules of the Auditor General - Local Governmental Entity Audits*, which allows the Tax Collector to only present fund financial statements. These financial statements present only the portion of the funds of Glades County, Florida that are attributable to the Tax Collector. They are not intended to present fairly the financial position and results of operations of Glades County, Florida in conformity with accounting principles generally accepted in the United States of America. The financial activities of the Tax Collector, as a constitutional officer, are included in the Glades County, Florida Annual Financial Report.

**TAX COLLECTOR
GLADES COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting and Measurement Focus

Basis of accounting refers to when intergovernmental transfers and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting 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, intergovernmental transfers are recognized when they become both measurable and available to finance expenditures of the current period. Expenditures are recorded when the liability is incurred, except leases, accumulated sick and vacation pay and other postemployment benefits, which are not recorded until paid.

The custodial fund is accounted for using the accrual basis of accounting.

Property Tax Collection

Chapter 197, Florida Statutes, governs property tax collection.

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, and 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 file an application for tax deed sale two years after the taxes have been delinquent (after April 1). 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.

Interfund Transactions

During the course of normal operations, it is necessary for the County to enter into transactions among its various funds. These transactions consist of the following:

Transfers in and out, as appropriate, for all other interfund transactions, which are shown as other financing sources (uses). The amount transferred by the Board to fund the 2022 budget of the Tax Collector was \$535,164.

In accordance with Florida Statutes, all revenues in excess of expenditures as of year-end are owed to the Board. Excess appropriations of \$6,350 were due to the Board of County Commissioners General Fund at September 30, 2022.

**TAX COLLECTOR
GLADES COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Uses of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, as applicable to governmental units, requires management to make use of estimates that affect the reported amounts in the financial statements. Actual results could differ from estimates.

New Accounting Standard

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

The Tax Collector adopted the requirements of the guidance effective October 1, 2021, and has applied the provisions of the standard in 2022.

NOTE 2 DEPOSITS

Custodial credit risk is the risk that in the event of a bank failure, the Tax Collector's deposits may not be returned to it. In accordance with its policy, all the Tax Collector depositories are banks designated by the Florida Chief Financial Officer as qualified public depositories. Chapter 280 of the Florida Statutes, "Florida Security for Public Deposits Act," provides procedures for public depositories to ensure public monies in banks and saving and loans are collateralized with the Florida Chief Financial Officer as agent for the public entities. Chapter 280 defines deposits as demand deposit accounts, time deposit accounts, and nonnegotiable certificates of deposit.

Financial institutions qualifying as public depositories shall deposit with the Florida Chief Financial Officer eligible collateral at the pledging level required pursuant to Chapter 280. The Florida Security for Public Deposits Act has a procedure for the payment of losses in the event of a default or insolvency. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof; therefore, the Tax Collector is not exposed to custodial credit risk for its deposits.

**TAX COLLECTOR
GLADES COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 3 CAPITAL ASSETS

Tangible personal property used in the Tax Collector's operations is recorded as an expenditure in the General Fund of the Tax Collector at the time of purchase. Purchased assets are capitalized at historical cost in the government-wide financial statements of the County. The Tax Collector maintains custodial responsibility for the capital assets.

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

	Balance October 1, 2021	Increases	Decreases	Balance September 30, 2022
Capital Assets Being Depreciated: and Amortized				
Equipment	\$ 49,294	\$ -	\$ (1,724)	\$ 47,570
Right to Use Leased Equipment	-	6,521	-	6,521
Total Capital Assets Being Depreciated and Amortized	<u>49,294</u>	<u>6,521</u>	<u>(1,724)</u>	<u>54,091</u>
Less Accumulated Depreciation and Amortization:				
Equipment	7,231	5,362	(1,724)	10,869
Right to Use Leased Equipment	-	1,534	-	1,534
Total Accumulated Depreciation and Amortization	<u>7,231</u>	<u>6,896</u>	<u>(1,724)</u>	<u>12,403</u>
Total Capital Assets, Net	<u>\$ 42,063</u>	<u>\$ (375)</u>	<u>\$ -</u>	<u>\$ 41,688</u>

NOTE 4 COMPENSATED ABSENCES

It is the Tax Collector's policy to permit employees to accumulate a limited amount of earned but unused vacation and sick leave, which will be paid upon separation of service. For governmental fund reporting, a liability and expenditure for compensated absences is recognized as payments come due each period upon the occurrence of relevant events, such as employee resignations and retirements. For reporting within government-wide statements of the County's basic financial statements, vacation is accrued as a liability when benefits are earned by the employees; that is, the employees have rendered services that give rise to the vacation liability and it is probable that the Tax Collector will compensate the employees in some manner, e.g., in cash or in paid time off, now or upon termination or retirement. The Tax Collector uses the vesting method in accruing sick leave liability. The vesting method accrues sick leave liability for employees who are currently eligible to receive termination payments upon separation as well as those expected to become eligible in the future.

Changes in compensated absences for the year ended September 30, 2022 are reported in the governmental activities in the government-wide financial statements of the County and are as follows:

**TAX COLLECTOR
GLADES COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 4 COMPENSATED ABSENCES (CONTINUED)

Balance - October 1, 2021	\$	18,488
Increases		26,026
Decreases		<u>(24,506)</u>
Balance - September 30, 2022	\$	<u>20,008</u>
Amounts Due Within One Year	\$	<u>14,816</u>

NOTE 5 PENSION PLAN

Background

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

Essentially all regular employees of the Tax Collector are eligible to enroll as members of the state-administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, Florida statutes; Chapter 112, Part IV, Florida statutes; Chapter 238, Florida statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of the two cost-sharing multiple employer defined benefit plans and other nonintegrated programs. 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).

Florida Retirement System Pension Plan

Plan Description

The Florida Retirement System Pension Plan (FRS Plan) is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees. The general classes of membership are as follows:

- *Regular Class* – Members of the FRS who do not qualify for membership in the other classes.
- *Elected County Officers Class* – Members who hold specified elective offices in local government.

**TAX COLLECTOR
GLADES COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 5 PENSION PLAN (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Plan Description (Continued)

- *Senior Management Service Class (SMSC)* – Members in senior management level positions.
- *Special Risk Class* – Members who are special risk employees, such as law enforcement officers, meet the criteria to qualify for this class.

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

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

Benefits Provided

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

**TAX COLLECTOR
GLADES COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 5 PENSION PLAN (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Benefits Provided (Continued)

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%. FRS Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

Detailed information about the County's proportionate share of FRS's net pension liability, deferred outflows/inflows of resources, and pension expense are reported in the government-wide statements of the County.

Retiree Health Insurance Subsidy Program

Plan Description

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

Benefits Provided

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

Detailed information about the County's proportionate share of HIS's net pension liability, deferred outflows/inflows of resources, and pension expense are reported in the government-wide statements of the County.

FRS Investment Plan

The Florida State Board of Administration (SBA) administers the defined contribution plan officially titled the FRS Investment Plan (Investment Plan). The Investment Plan is reported in the SBA's annual financial statements and in the State of Florida Annual Comprehensive Financial Report.

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. Tax Collector employees participating in DROP are not eligible to participate in the Investment Plan.

**TAX COLLECTOR
GLADES COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 5 PENSION PLAN (CONTINUED)

FRS Investment Plan (Continued)

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. Costs of administering plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% of payroll and by forfeited benefits of plan members.

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. Nonvested 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. For the fiscal year ended June 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 Tax Collector.

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 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.

Contributions

Participating employer contributions are based upon statewide rates established by the state of Florida. The Tax Collector's contributions made to the plans during the years ended September 30, 2022, 2021, and 2020 were \$43,190, \$36,878, and \$33,608, respectively, equal to the actuarially determined contribution requirements for each year.

Additional information about pension plans can be found in the County-wide financial statements.

**TAX COLLECTOR
GLADES COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 6 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

The Tax Collector provides postemployment health care benefits in accordance with Section 112.0801, Florida statutes, to all employees who retire from the Tax Collector. The Tax Collector is required to provide health care coverage at cost to all retirees but does not pay any portion of the premium for the retiree to participate in the Tax Collector's group health care plan. The liability and expense for the other postemployment benefits, calculated in accordance with Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, are reported in the financial statements of the County.

NOTE 7 LEASES

The Tax Collector leases assets under various terms under certain agreements that meet the definition of a lease under GASB Statement No. 87 – *Leases*. Detailed information about the Tax Collector's leases can be found in the Glades County annual financial report.

Leases entered into by the Tax Collector are included as other financing sources and capital outlay expenditures in the statement of revenues, expenditures, and changes in fund balance in the year of inception. Payments made in accordance with the lease terms are reported as debt service expenditures in the statement of revenues, expenditures, and changes in fund balance as they are incurred.

During the year ended September 30, 2022, the Tax Collector entered into one new lease in the amount of \$6,521. During the year ended September 30, 2022, the Tax Collector's payments of principal on leases totaled \$1,463.

NOTE 8 RISK MANAGEMENT

The Tax Collector is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The County provides coverage for the above risks and no cost is charged to the Tax Collector. There have been no claims in excess of insurance coverage limits during the last three years.

NOTE 9 LITIGATION

From time to time, the office of the Tax Collector is involved as a defendant in certain claims, litigation, and various legal proceedings incidental to the ordinary course of its operations. The County would be required to fund any claim payments arising from such actions that exceed the Tax Collector's ability to pay; therefore, this would not materially affect the operations of the office of the Tax Collector. At September 30, 2022, there is no pending or, to the knowledge of the County, any threatened litigation against the Tax Collector.

REQUIRED SUPPLEMENTARY INFORMATION

**TAX COLLECTOR
GLADES COUNTY, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL – GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2022**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Current:				
Personal Services	446,324	434,524	434,451	73
Operating Expenditures	87,524	99,047	92,727	6,320
Capital Outlay	-	1,593	6,521	(4,928)
Debt Service				
Principal	-	-	1,463	(1,463)
Interest	-	-	173	(173)
Total Expenditures	<u>533,848</u>	<u>535,164</u>	<u>535,335</u>	<u>(171)</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	(533,848)	(535,164)	(535,335)	(171)
OTHER FINANCING SOURCES (USES)				
Transfers In	533,848	535,164	535,164	-
Transfers Out	-	-	(6,350)	(6,350)
Leases	-	-	6,521	-
Total Other Financing Sources (Uses)	<u>533,848</u>	<u>535,164</u>	<u>535,335</u>	<u>(6,350)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance - Beginning of Year			-	
FUND BALANCE - END OF YEAR			<u>\$ -</u>	

See accompanying Note to Schedule of Revenues and Expenditures – Budget and Actual – General Fund.

**TAX COLLECTOR
GLADES COUNTY, FLORIDA
NOTE TO SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL – GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2022**

NOTE 1 BUDGETARY ACCOUNTING

Pursuant to Chapters 129 and 195.087, Florida statutes govern the preparation, adoption, and administration of the budget of the Tax Collector. The following procedures are followed in establishing the budgetary data reflected in the financial statements:

- On or before June 1 of each year, the Tax Collector submits to the Board a tentative budget for the operation of her office ensuing fiscal year.
- Taxpayers are informed of the proposed budget and tentative millage rates through advertising. Public hearings are held to elicit taxpayer comments.
- The budget is legally adopted through Board Resolution.
- The Board, at any time within a fiscal year, may amend a budget for that year as follows:
 - 1) Appropriations for expenditures in any fund may be decreased and other appropriations in the same fund correspondingly increased by actions recorded in the minutes, provided that the total of the appropriations of the fund are not changed. The Board; however, may establish procedures by which the Tax Collector may authorize certain intradepartmental budget amendments, provided that the total appropriation of the department shall not be changed.
 - 2) Appropriations from reserves may be made to increase appropriations by resolution of the Board, but no expenditures shall be directly charged to any reserve.
 - 3) A receipt from a source not anticipated in the budget and received for a particular purpose including, but not limited to, grants, donations, gifts or reimbursements for damages may, by resolution of the Board recorded in its minutes, be appropriated and expended for that purpose, in addition to the appropriations and expenditures provided for in the budget. Such receipts and appropriations shall be added to the budget in the proper fund.
- It is unlawful for the Tax Collector to expend or contract for expenditures in any fiscal year more than the amount budgeted in each individual fund's budget, and in no case shall the total appropriations of any budget be exceeded. An annual budget is adopted for the General Fund. The budgetary comparison schedule presented herein is on a basis consistent with accounting principles generally accepted in the United States of America and is only prepared for the General Fund.

The original budget is the first complete appropriated budget. The final budget is the original budget adjusted for all reserves, transfers, allocations, supplemental appropriations, and other legally authorized changes available to the fiscal year, whenever signed into law or otherwise legally authorized.

**TAX COLLECTOR
GLADES COUNTY, FLORIDA
NOTE TO SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL – GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2022**

NOTE 1 BUDGETARY ACCOUNTING (CONTINUED)

Expenditures in excess of appropriations for the year ended September 30, 2022 were:

Capital Outlay	\$	(4,928)
Debt Service		
Principal		(1,463)
Interest		(173)

SUPPLEMENTAL REPORTS



**INDEPENDENT AUDITORS' 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 Gail Jones
Tax Collector
Glades 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 Tax Collector, Glades County, Florida (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, and have issued our report thereon dated June 8, 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 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 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. 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.

The Honorable Gail Jones
Tax Collector
Glades County, Florida


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 were not identified.

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, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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.



CliftonLarsonAllen LLP

Fort Myers, Florida
June 8, 2023



MANAGEMENT LETTER

The Honorable Gail Jones
Tax Collector
Glades County, Florida

Report on the Financial Statements

We have audited the financial statements of the Tax Collector, Glades County, Florida (the Tax Collector), as of and for the fiscal year ended September 30, 2022, and have issued our report thereon dated June 8, 2023.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' 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* and Independent Accountants' 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 8, 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 findings and 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 discloses this information in the notes to the financial statements.

The Honorable Gail Jones
Tax Collector
Glades County, Florida

Financial Management

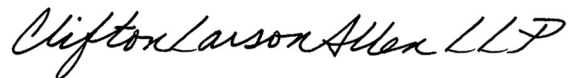
Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Additional Matters

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

Purpose of this Letter

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



CliftonLarsonAllen LLP

Fort Myers, Florida
June 8, 2023



INDEPENDENT ACCOUNTANTS' REPORT

The Honorable Gail Jones
Tax Collector
Glades County, Florida

We have examined the Tax Collector, Glades County, Florida's (the Tax Collector) compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2022. 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 referenced 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 noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our 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 Section 218.415, Florida statutes, regarding the investment of public funds during the year ended September 30, 2022.

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Fort Myers, Florida
June 8, 2023