

MADISON COUNTY, FLORIDA
❖
ANNUAL FINANCIAL REPORT
SEPTEMBER 30, 2022

MADISON COUNTY, FLORIDA

THIS REPORT CONTAINS THE FOLLOWING SECTIONS

Madison County, Florida (Government-wide) Basic Financial Statements, Auditor's Report, Reports on Internal Control and Compliance of Federal Awards and State Financial Assistance

Clerk of the Court and Comptroller's Financial Statements, Auditor's Report, Reports on Internal Control and Compliance and Management Letter

Property Appraiser's Financial Statements, Auditor's Report, Reports on Internal Control and Compliance and Management Letter

Sheriff's Financial Statements, Auditor's Report, Reports on Internal Control and Compliance and Management Letter

Supervisor of Elections' Financial Statements, Auditor's Report, Reports on Internal Control and Compliance and Management Letter

Tax Collector's Financial Statements, Auditor's Report, Reports on Internal Control and Compliance and Management Letter

**Annual Financial Report
and Other Financial Information**



Madison County, Florida

**Year Ended September 30, 2022
with Independent Auditor's Report**

Introductory Section

**MADISON COUNTY, FLORIDA
ANNUAL FINANCIAL REPORT**

September 30, 2022

BOARD OF COUNTY COMMISSIONERS

Alston Kelley	District 1
Donnie Waldrep	District 2
Ronnie Moore	District 3
Alfred Martin	District 4
Brian M. Williams	District 5

CLERK OF THE COURT AND COMPTROLLER

Billy Washington

SHERIFF

David Harper

TAX COLLECTOR

Lisa Tuten

PROPERTY APPRAISER

Leigh Barfield

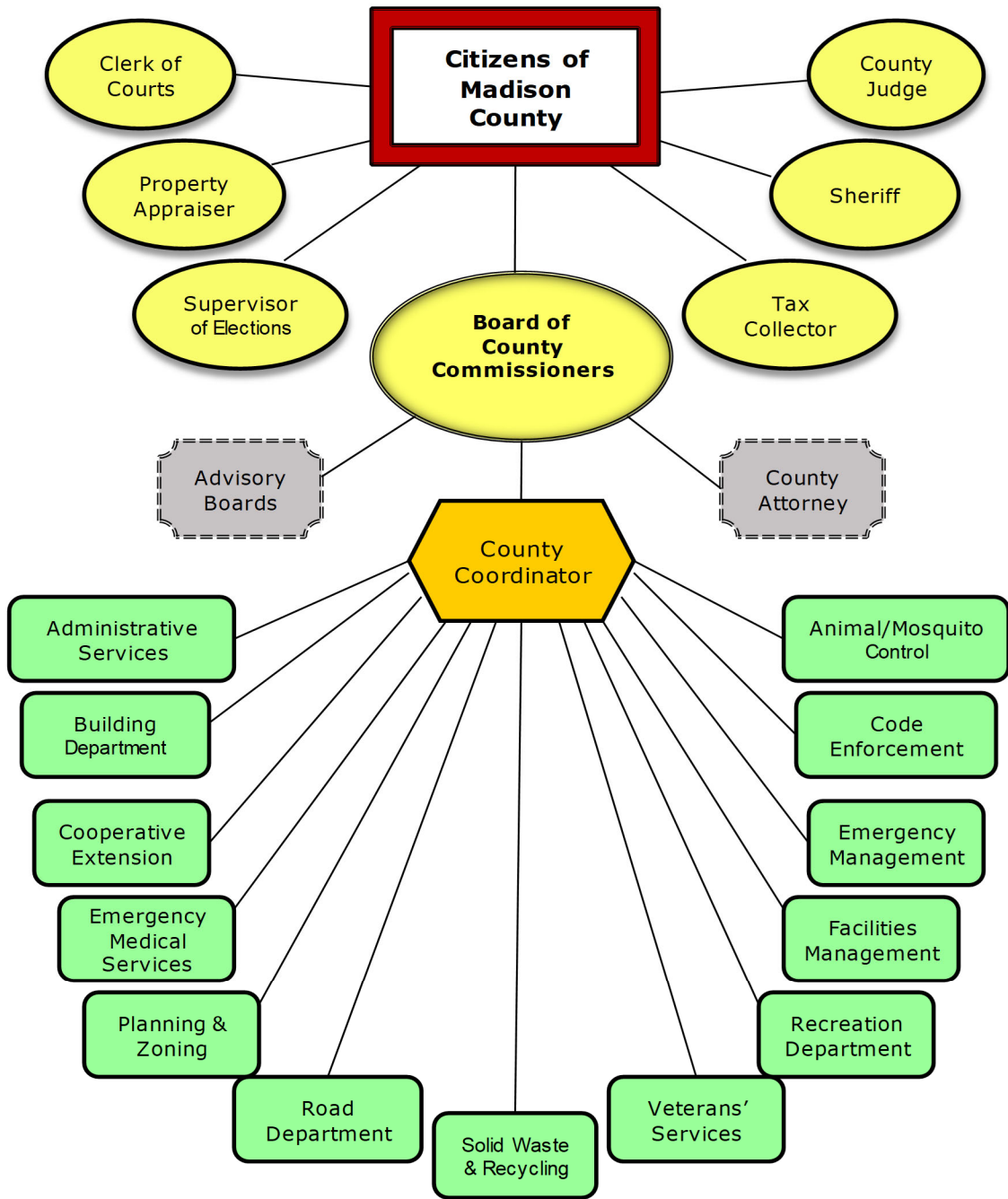
SUPERVISOR OF ELECTIONS

Heath Driggers

COUNTY ATTORNEY

George T. Reeves

Madison County, Florida Organizational Chart



Financial Section

**MADISON COUNTY, FLORIDA
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

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**MADISON COUNTY, FLORIDA
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INDEPENDENT AUDITOR'S REPORT

The Honorable Chairman and Commissioners of the
Board of County Commissioners and Constitutional Officers
Madison 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, each major fund, and the aggregate remaining fund information of Madison County, Florida, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise Madison County, Florida's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Madison County, Florida, 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Madison County, Florida, 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 Matters

As described in Note 1 to the financial statements, for the year ended September 30, 2022, Madison County, Florida adopted Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Madison County, Florida's 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 Madison County, Florida'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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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 Madison County, Florida'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 Madison County, Florida'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, pension schedules, and budgetary comparison information as listed in the table of contents 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Madison County, Florida's basic financial statements. The combining and individual non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying 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, respectively, is presented for purposes of additional analysis and is also not a required part of the basic financial statements.

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

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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 Madison County, Florida'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 Madison County, Florida'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 Madison County, Florida's internal control over financial reporting and compliance.

Lanigan & Associates, PC

Tallahassee, Florida
June 2, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

The County's management discussion and analysis presents an overview of the County's financial activities for the fiscal year ended September 30, 2022. Please read it in conjunction with the County's financial statements. Its intent is to provide a brief, objective, and easily readable analysis of the County's financial performance for the year and its financial position at fiscal year-end September 30, 2022.

Financial Highlights:

- The County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of fiscal year 2022 by \$62,618,248.
- The County's total net position increased by \$913,724 as a result of fiscal year 2022 operations with an increase of \$1,942,946 resulting from governmental activities and a decrease of \$1,029,222 resulting from business type activities.
- At September 30, 2022, the County's governmental funds reported combined ending fund balances of \$15,953,095, an increase of \$1,986,599 in comparison with the prior year. This increase includes \$1,086,825 recognized from the CARES Act and Coronavirus State and Local Fiscal Recovery funds. Of this amount, \$4,646,445 remains in various fund types of the County as unassigned.
- The General Fund reported an unassigned fund balance of \$5,177,637, an increase from last fiscal year of \$1,615,067.
- As of September 30, 2022, the County's outstanding long-term debt (loans) was \$3,678,582. Of this amount, \$1,675,575 is considered due within one year.
- Capital asset events during the current fiscal year included purchases of equipment, county road construction and improvements, and purchases of property that increased capital assets by \$2,081,433. The County also implemented GASB Statement No. 87, *Leases* adding leased assets in the amount of \$1,497,418 at October 1, 2022.

Overview of the Financial Statements:

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements consist of: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements:

The government-wide financial statements, which consist of the Statement of Net Position and the Statement of Activities, are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business. The Statement of Net Position presents information on all of the County's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

The Statement of Activities presents information showing how the County's net position changed during fiscal year 2022. It focuses on both the gross and net cost of various activities which are provided by general taxes and other revenues. All changes in net position are reported as soon as the underlying event giving rise to the changes occurs, regardless of the timing of related cash flows.

The governmental activities of the County include general government, public safety, physical environment, transportation, economic environment, health and social services, culture/recreation, and other community services.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific 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, enterprise funds and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflow and outflow of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. This is similar to the manner in which the budget is developed. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains thirty-eight individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, County Transportation, Sheriff Operating, Capital Projects, and CARES Act, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements in the supplementary information section of this report.

The County adopts an annual appropriated budget for each of its major governmental funds and most non-major funds. A budgetary comparison statement has been provided for the major funds to demonstrate budgetary compliance in the basic financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Proprietary Funds

The County maintains and presents two major enterprise funds. These funds report, in detail, the same information presented in the government-wide financial statements for Emergency Medical Services and Solid Waste.

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.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflows exceeded liabilities and deferred inflows by \$62,618,248 at September 30, 2022. This is calculated as follows:

MADISON COUNTY, FLORIDA						
NET POSITION						
	Governmental Activities		Business-type Activities		Total	
	2022	2021*	2022	2021	2022	2021
ASSETS						
Current and other assets	\$ 7,146,014	\$ 4,668,514	\$ (174,815)	\$ 763,818	\$ 6,971,199	\$ 5,432,332
Capital assets	61,965,684	63,670,123	1,882,358	2,323,986	63,848,042	65,994,109
Investments	13,909,464	12,931,829	303,381	52,677	14,212,845	12,984,506
Total assets	83,021,162	81,270,466	2,010,924	3,140,481	85,032,086	84,410,947
DEFERRED OUTFLOW OF RESOURCES RELATED TO PENSIONS						
	4,158,607	3,177,300	649,936	476,766	4,808,543	3,654,066
LIABILITIES						
Current liabilities	6,625,170	5,432,455	97,890	101,594	6,723,060	5,534,049
Long-term liabilities	16,504,687	9,269,548	2,299,486	874,924	18,804,173	10,144,472
Total liabilities	23,129,857	14,702,003	2,397,376	976,518	25,527,233	15,678,521
DEFERRED INFLOW OF RESOURCES RELATED TO PENSIONS						
	1,439,369	9,078,166	255,779	1,603,802	1,695,148	10,681,968
NET POSITION						
Net investment in capital assets	58,287,102	58,688,013	1,882,358	2,207,172	60,169,460	60,895,185
Restricted	10,461,739	9,840,492	-	-	10,461,739	9,840,492
Unrestricted	(6,138,298)	(7,860,908)	(1,874,653)	(1,170,245)	(8,012,951)	(9,031,153)
Total net position	\$ 62,610,543	\$ 60,667,597	\$ 7,705	\$ 1,036,927	\$ 62,618,248	\$ 61,704,524

*2021 Governmental Activities Capital assets and Liabilities have been adjusted to reflect the implementation of GASB No. 87, *Leases*

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

The largest portion of the County's net position, \$60,169,460 reflects its investment in capital assets (e.g. land, buildings, and equipment), less any related outstanding debt used to acquire those assets. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net assets, \$10,461,739 represents resources that are dedicated or subject to restrictions on how they may be used.

The remaining balance of unrestricted net position, negative \$8,012,951, includes funds that may be used to meet the government's ongoing obligations to the citizens and creditors.

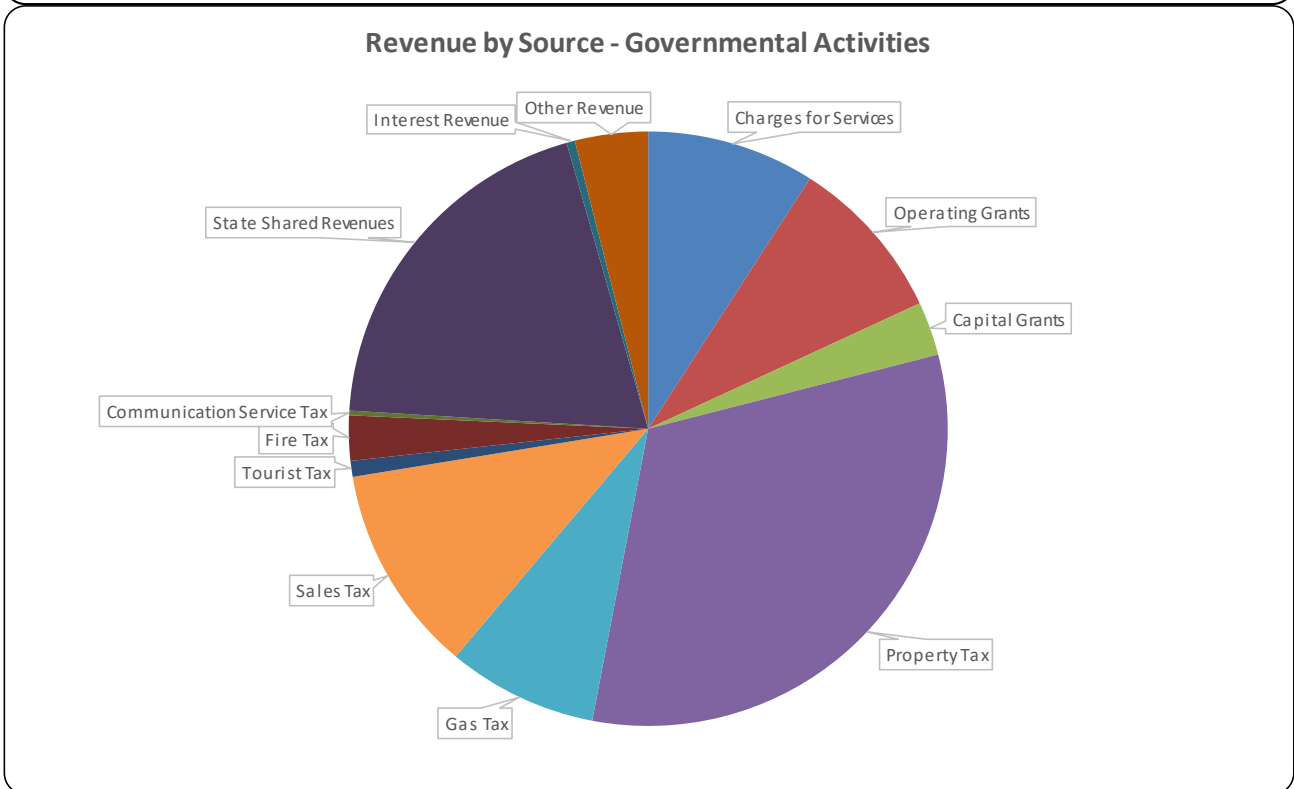
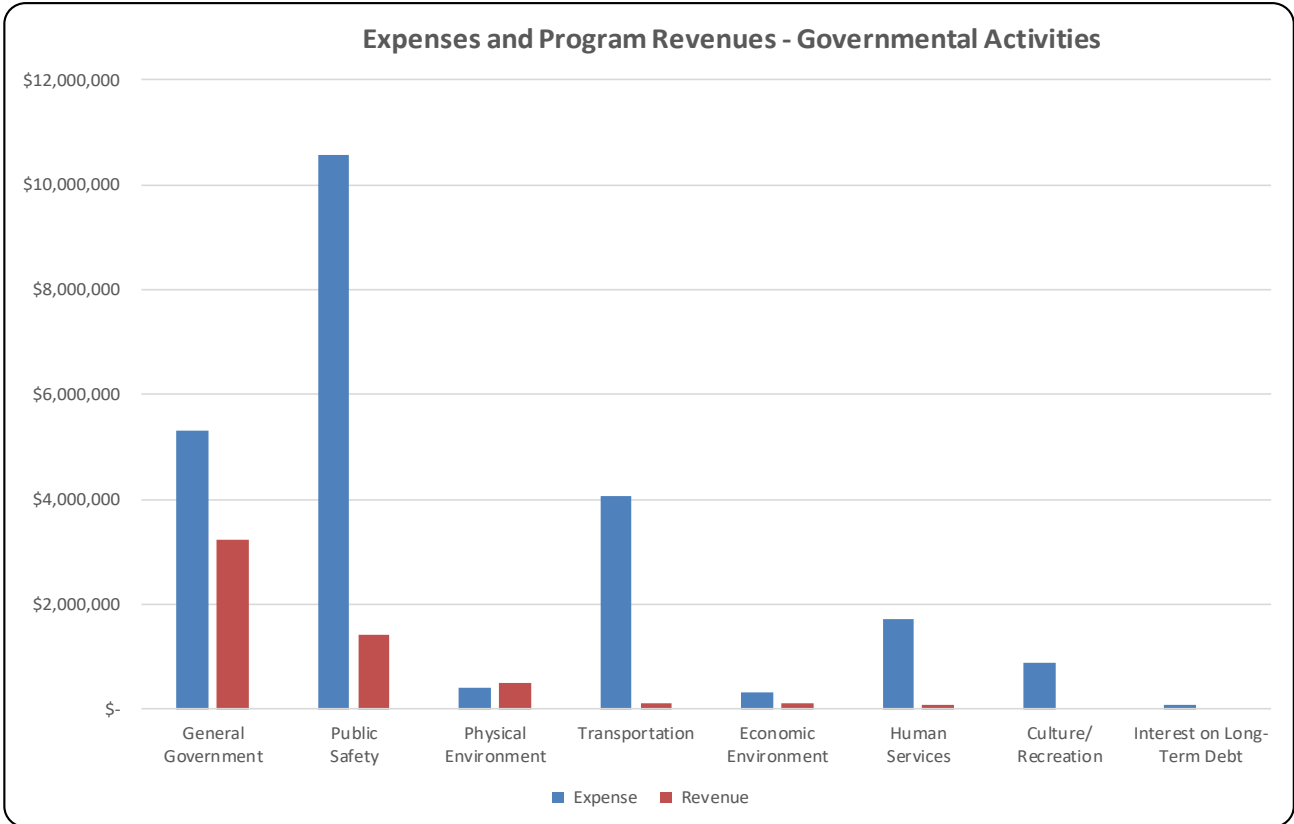
Governmental Activities

Governmental activities increased the County's net assets by \$1,942,946. This presentation includes a deduction for depreciation and amortization of \$3,652,904; however, it does not recognize \$1,949,082 for capital outlay as an expenditure.

MADISON COUNTY, FLORIDA CHANGES IN NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program revenues:						
Charges for services	\$ 2,366,503	\$ 2,427,626	\$ 2,344,422	\$ 2,359,568	\$ 4,710,925	\$ 4,787,194
Operating grants	2,343,555	3,013,243	5,765	44,291	2,349,320	3,057,534
Capital grants	760,316	1,049,947	-	-	760,316	1,049,947
General revenues:						
Property taxes	8,347,897	7,758,788	-	-	8,347,897	7,758,788
Other taxes	5,993,175	5,329,682	1,340,987	1,317,871	7,334,162	6,647,553
Other	6,264,800	5,908,033	199,816	614,241	6,464,616	6,522,274
Total revenues	<u>26,076,246</u>	<u>25,487,319</u>	<u>3,890,990</u>	<u>4,335,971</u>	<u>29,967,236</u>	<u>29,823,290</u>
Expenses:						
General government	5,326,235	6,614,150	-	-	5,326,235	6,614,150
Public safety	10,569,415	8,656,794	-	-	10,569,415	8,656,794
Physical environment	424,257	470,158	-	-	424,257	470,158
Transportation	4,073,227	3,825,750	-	-	4,073,227	3,825,750
Economic development	322,000	627,779	-	-	322,000	627,779
Human services	1,708,819	1,753,395	-	-	1,708,819	1,753,395
Culture/recreation	903,312	848,061	-	-	903,312	848,061
Interest on long-term debt	85,941	96,910	-	-	85,941	96,910
Solid waste disposal	-	-	2,308,172	1,918,306	2,308,172	1,918,306
Emergency medical services	-	-	3,332,134	3,309,213	3,332,134	3,309,213
Total expenses	<u>23,413,206</u>	<u>22,892,997</u>	<u>5,640,306</u>	<u>5,227,519</u>	<u>29,053,512</u>	<u>28,120,516</u>
Change in net position before transfers	2,663,040	2,594,322	(1,749,316)	(891,548)	913,724	1,702,774
Transfers	(720,094)	(630,847)	720,094	630,847	-	-
Increase in net position	<u>1,942,946</u>	<u>1,963,475</u>	<u>(1,029,222)</u>	<u>(260,701)</u>	<u>913,724</u>	<u>1,702,774</u>
Net position - beginning	<u>60,667,597</u>	<u>58,704,122</u>	<u>1,036,927</u>	<u>1,297,628</u>	<u>61,704,524</u>	<u>60,001,750</u>
Net position - ending	<u>\$62,610,543</u>	<u>\$60,667,597</u>	<u>\$ 7,705</u>	<u>\$ 1,036,927</u>	<u>\$62,618,248</u>	<u>\$61,704,524</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)



MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Financial Analysis of the County'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.

At the end of fiscal year 2022, the County's governmental funds reported a combined ending fund balance of \$15,953,095, an increase of \$1,986,599 in comparison with the prior year. The unassigned Governmental Fund balance is \$4,646,445 and is available for spending at the County's discretion. The restricted fund balance is \$10,461,739 and is subject to constraints imposed by external parties, including creditors, grantors, and laws and regulations of other governments, or imposed by County ordinance or enabling legislation. The restricted fund balance is comprised of the following:

The County Transportation Trust Fund accounts for motor fuel taxes, county surplus gas tax and various grant funds designated to finance the Public Works Department, which is responsible for the maintenance of all county roads and bridges. The use of this fund is restricted by state statute for these designated purposes. It has a fund balance of \$2,732,483 which is an increase of \$38,529 for fiscal year 2022.

Hospital Surtax Fund presented on I-6 and I-12 accounts for the one-half cent hospital sales tax that is restricted for new hospital construction in Madison County. It has a fund balance of \$1,090,686 which is an increase of \$135,767 for fiscal year 2022.

5th and 6th Cent Surplus Fund presented on I-5 and I-11 accounts for local option fuel taxes that are legally restricted for construction of County roads. It has a fund balance of \$1,817,228 which is an increase of \$42,614 for fiscal year 2022.

The 2nd local option fuel tax presented on pages I-4 and I-10 is legally restricted for construction of County roads. It has a fund balance of \$367,439 which is a decrease of \$31,496 for fiscal year 2022.

The remaining restricted fund balance of \$4,453,903 is comprised of grant proceeds and other taxes that are restrictive in their use.

The assigned fund balance is \$544,606 and is constrained by the County's intent to use for specific purposes, but is not considered restricted or committed. The remaining fund balance is non-spendable and cannot be spent because it is either not in spendable form or is legally or contractually required to remain intact.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Proprietary Funds

The County maintains and presents two major enterprise funds. These funds report, in detail, the same information presented in the government-wide financial statements for Emergency Medical Services (EMS) and Solid Waste.

The EMS Fund had a decrease of 18% in their operating revenue during the fiscal year 2022. The EMS Fund ended the year with a decrease in net assets of \$803,835.

The Solid Waste Disposal Fund utilizes a special assessment for part of its service-oriented functionality. The fund is also contributed to by the collection of fees for waste disposal via green box collection. The fund balance at the beginning of the fiscal year was \$821,976. During the year, the Solid Waste Fund incurred excess expenses over revenues of \$225,387. The fund balance at the end of the fiscal year is \$596,589. The use of these funds is restricted by ordinance, and is not available for general government operations.

General Fund Budgetary Highlights

When comparing the general fund original budget to the final budget, minor budget adjustments occurred within the various line items. The total net budget adjustments increased revenues by \$206,676. The total net budget adjustments increased expenditures by \$576,673. The offsetting adjustments to balance the budget were to increase net transfers by \$369,997.

Capital Asset and Debt Administration

The financial statements present capital assets in two groups: those assets subject to depreciation, such as equipment or operational facilities, those subject to amortization (leased assets) and those assets not subject to depreciation, such as land and work in progress. The County's investment in capital assets for its governmental and business-type activities as of September 30, 2022, was \$63,848,042 (net of accumulated depreciation and amortization). This investment in capital assets includes land, buildings, improvements, equipment, infrastructure, right-to-use leased equipment, and work in progress. Capital asset events during the current fiscal year included purchase of equipment, county road construction and improvements, and purchase of property that increased capital assets by \$2,081,433.

MADISON COUNTY, FLORIDA CAPITAL ASSETS (NET OF DEPRECIATION)

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 2,000,600	\$ 2,000,600	\$ -	\$ -	\$ 2,000,600	\$ 2,000,600
Buildings and Improvements	4,448,147	4,756,711	-	-	4,448,147	4,756,711
Equipment	2,145,281	1,101,120	1,882,358	2,323,986	4,027,639	3,425,106
Infrastructure	51,946,104	54,256,458	-	-	51,946,104	54,256,458
Right-to-use leased equipment	1,089,344	1,497,418	-	-	1,089,344	1,497,418
Work In Progress	336,208	57,816	-	-	336,208	57,816
Total	\$61,965,684	\$63,670,123	\$ 1,882,358	\$ 2,323,986	\$63,848,042	\$65,994,109

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Major capital asset events during the current fiscal year included the following:

- Road construction, resurfacing, and widening projects equaled \$56,795. These projects were funded by the Department of Transportation.
- Upgraded the 911 system and other 911 equipment totaling \$229,517.
- The County purchased other miscellaneous vehicles and equipment during the year totaling \$1,795,121.
- Right-to-use leased equipment recognized as a result of the implementation of GASB Statement No. 87, *Leases* totaling \$1,497,418. The schedule above is restated to reflect this change in the 2021 Governmental Activities column.

Additional information on the County's capital assets can be found in Note 5 of the financial statements.

Long-Term Debt

As of September 30, 2022, the County's outstanding long-term debt (loans) was \$3,678,582. Of this amount \$1,675,575 is considered due within one year. Listed below is a summary of the County's major debt:

- The Florida Department of Environmental Protection has a revolving loan program for certain water pollution control projects. The County was awarded funding from this program to assist with a portion of the I-10 interchange project. Amounts borrowed require a financing charge to be paid at a rate of 1.69% annually. As of September 30, 2022, the outstanding balance on the revolving loan fund amounted to \$1,082,944.
- The County has obtained a loan from a local bank in the amount of \$3,750,000 to complete additional road paving projects. Interest is charged at the rate of The WSJ's Published Prime Lending Rate less 1.76% per annum. The interest rate shall be adjusted semiannually based on the stated rate on June 1 and December 1 of each year. The interest rate at the most recent interest payment date, June 1, 2022, was 2.24%. In addition to interest payments, principal payments of \$468,750 are due each June 1 and December 1. As of September 30, 2022, the outstanding balance of the loan was \$937,500. The loan is secured by pledged revenues from the 5th and 6th Cent Surplus fund and other Non-Ad Valorem funds.

Economic Factors and Next Year's Budget and Rates

- The unemployment rate for the County at September 30, 2022 was 3.0% according to the U.S. Department of Labor Bureau of Labor Statistics.
- Total population according to the most recent U.S. Census estimate was 18,198 at September 30, 2022. This was a small change from figures reported in the prior fiscal year.
- The general ad-valorem tax millage rate for 2022 was 10.0000 mills. The assessed taxable value of commercial and residential property increased 0.85 % in fiscal year 2022.

Request for Information

This financial report is designed to present users with a general overview of the County's finances and to demonstrate the County's accountability. If you have questions concerning any of the information provided in this report or need additional financial information, contact the Madison County, Florida Clerk of Circuit Court, Finance Director, at P.O. Box 237, Madison, FL 32341.

BASIC FINANCIAL STATEMENTS

MADISON COUNTY, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2022

	PRIMARY GOVERNMENT		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash	\$ 4,163,128	\$ 139,535	\$ 4,302,663
Accounts receivable, net	496,241	424,121	920,362
Internal balances	738,471	(738,471)	-
Due from other governmental units	1,410,408	-	1,410,408
Investments	13,909,464	303,381	14,212,845
Prepaid expenses	337,766	-	337,766
Capital assets:			
Land and construction in progress	2,336,808	-	2,336,808
Depreciable (net)	59,628,876	1,882,358	61,511,234
Total assets	83,021,162	2,010,924	85,032,086
DEFERRED OUTFLOWS OF RESOURCES RELATED TO PENSIONS			
	4,158,607	649,936	4,808,543
LIABILITIES			
Accounts payable	1,151,316	97,890	1,249,206
Other liabilities	3,561,248	-	3,561,248
Non-current liabilities:			
Due within one year	1,912,606	-	1,912,606
Due in more than one year	16,504,687	2,299,486	18,804,173
Total liabilities	23,129,857	2,397,376	25,527,233
DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS			
	1,439,369	255,779	1,695,148
NET POSITION			
Net investment in capital assets	58,287,102	1,882,358	60,169,460
Restricted for:			
Road construction	4,549,711	-	4,549,711
Hospital construction	1,090,686	-	1,090,686
Other purposes	4,821,342	-	4,821,342
Unrestricted	(6,138,298)	(1,874,653)	(8,012,951)
Total net position	\$ 62,610,543	\$ 7,705	\$ 62,618,248

See accompanying notes to the financial statements.

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

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 5,326,235	\$ 1,686,758	\$ 1,500,606	\$ 38,025
Public safety	10,569,415	649,595	561,432	222,536
Physical environment	424,257	-	65,411	425,474
Transportation	4,073,227	30,150	-	74,281
Economic environment	322,000	-	122,356	-
Human services	1,708,819	-	93,750	-
Culture/recreation	903,312	-	-	-
Interest on long-term debt	85,941	-	-	-
Total governmental activities	23,413,206	2,366,503	2,343,555	760,316
Business-type activities:				
Solid waste disposal	2,308,172	615,772	-	-
Emergency medical services	3,332,134	1,728,650	5,765	-
Total Business-type activities	5,640,306	2,344,422	5,765	-
Total primary government	\$ 29,053,512	\$ 4,710,925	\$ 2,349,320	\$ 760,316

GENERAL REVENUES:

Property tax
Gas tax
Sales tax
Tourist tax
Garbage tax
Fire tax
Communication service tax
State shared revenues
Interest revenue
Other revenue
Transfers
Total general revenues, contributions and transfers

Change in net position

Total net position - beginning of year

Net position - end of year

Governmental Activities	Business-type Activities	Total
\$ (2,100,846)	\$ -	\$ (2,100,846)
(9,135,852)	-	(9,135,852)
66,628	-	66,628
(3,968,796)	-	(3,968,796)
(199,644)	-	(199,644)
(1,615,069)	-	(1,615,069)
(903,312)	-	(903,312)
(85,941)	-	(85,941)
<u>(17,942,832)</u>	<u>-</u>	<u>(17,942,832)</u>
-	(1,692,400)	(1,692,400)
-	(1,597,719)	(1,597,719)
<u>-</u>	<u>(3,290,119)</u>	<u>(3,290,119)</u>
<u>(17,942,832)</u>	<u>(3,290,119)</u>	<u>(21,232,951)</u>
8,347,897	-	8,347,897
2,117,572	-	2,117,572
2,945,298	-	2,945,298
227,132	-	227,132
-	1,340,987	1,340,987
636,582	-	636,582
66,591	-	66,591
5,118,033	-	5,118,033
117,081	-	117,081
1,029,686	199,816	1,229,502
(720,094)	720,094	-
<u>19,885,778</u>	<u>2,260,897</u>	<u>22,146,675</u>
1,942,946	(1,029,222)	913,724
<u>60,667,597</u>	<u>1,036,927</u>	<u>61,704,524</u>
<u>\$ 62,610,543</u>	<u>\$ 7,705</u>	<u>\$ 62,618,248</u>

See accompanying notes to the financial statements.

MADISON COUNTY, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022

	General	County Transportation Trust	Sheriff - Operating	Capital Projects	CARES Act
ASSETS					
Cash	\$ 132,021	\$ 277,303	\$ 163,271	\$ 26,041	\$ 2,712,912
Accounts receivable	-	-	105,063	-	-
Due from other funds	1,835,296	-	26,115	468,000	-
Due from other governmental units	220,565	286,828	275	2,680	-
Investments	3,572,486	2,665,539	-	835,410	1,008,294
Prepaid expenses	292,660	-	-	-	-
Total assets	\$ 6,053,028	\$ 3,229,670	\$ 294,724	\$ 1,332,131	\$ 3,721,206
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 114,319	\$ 79,955	\$ 289,463	\$ -	\$ -
Due to other funds	468,412	417,232	-	1,461,000	-
Due to other governmental units	-	-	1,142	-	-
Deferred income	-	-	-	-	2,902,808
Total liabilities	582,731	497,187	290,605	1,461,000	2,902,808
Fund balances					
Nonspendable	292,660	-	-	-	-
Restricted	-	2,732,483	-	194,834	818,398
Assigned	-	-	4,119	-	-
Unassigned	5,177,637	-	-	(323,703)	-
Total fund balances	5,470,297	2,732,483	4,119	(128,869)	818,398
Total liabilities and fund balances	\$ 6,053,028	\$ 3,229,670	\$ 294,724	\$ 1,332,131	\$ 3,721,206

Nonmajor Governmental		
Funds		Total
\$ 851,580	\$	4,163,128
1,359		106,422
1,693,509		4,022,920
900,060		1,410,408
5,827,735		13,909,464
45,106		337,766
-		-
<u>\$ 9,319,349</u>	<u>\$</u>	<u>23,950,108</u>

\$ 667,579	\$	1,151,316
937,805		3,284,449
86,845		87,987
570,453		3,473,261
<u>2,262,682</u>		<u>7,997,013</u>

7,645		300,305
6,716,024		10,461,739
540,487		544,606
(207,489)		4,646,445
<u>7,056,667</u>		<u>15,953,095</u>
<u>\$ 9,319,349</u>	<u>\$</u>	<u>23,950,108</u>

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

Total fund balances of governmental funds		\$ 15,953,095
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Long-term accounts receivable are not due in the current period and accordingly are not reported as fund assets.		389,819
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$116,832,357 and the accumulated depreciation is \$54,866,673.		61,965,684
Deferred outflows and inflows of resources are not available in the current period and, therefore, are not reported in the governmental funds. Deferred outflows and inflows of resources at year-end consist of:		
Deferred outflows related to pensions	4,158,607	
Deferred inflows related to pensions	<u>(1,439,369)</u>	
		2,719,238
Long-term liabilities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in government funds, but rather is recognized as an expenditure when due. All liabilities, both current and long-term, are reported in the Statement of Net Position. Long-term liabilities at year-end consist of:		
Long-term notes	2,414,841	
Lease liability	1,263,741	
Compensated absences	1,185,156	
Net pension liability	<u>13,553,555</u>	
		<u>(18,417,293)</u>
Total net position of governmental activities		<u>\$ 62,610,543</u>

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

	General	County Transportation Trust	Sheriff - Operating	Capital Projects	CARES Act
REVENUES					
Taxes	\$ 8,414,486	\$ 1,666,232	\$ -	\$ -	\$ -
Licenses and permits	397,274	4,220	-	-	-
Intergovernmental	3,217,900	721,348	5,600	74,281	1,079,137
Charges for services	409,333	25,930	-	-	-
Fines and forfeitures	14,592	-	-	-	-
Interest revenue	34,174	34,698	-	-	7,688
Other	367,399	7,489	-	-	-
Total revenues	12,855,158	2,459,917	5,600	74,281	1,086,825
EXPENDITURES					
Current					
General government	1,198,744	-	-	-	8,518
Public safety	414,686	-	7,712,489	-	-
Physical environment	172,967	-	-	-	-
Transportation	-	2,356,141	-	-	-
Economic environment	77,908	-	-	-	-
Human services	554,349	-	-	-	-
Culture/recreation	906,337	-	-	-	-
Debt service					
Principal	4,608	333,635	85,699	-	-
Interest	990	33,330	4,815	-	-
Capital outlay	378,790	-	711,434	56,795	333,941
Total expenditures	3,709,379	2,723,106	8,514,437	56,795	342,459
Excess (deficiency) of revenues Over (under) expenditures	9,145,779	(263,189)	(8,508,837)	17,486	744,366
OTHER FINANCING SOURCES (USES)					
Transfers in	1,337,922	351,718	8,237,085	-	-
Transfers (out)	(8,821,639)	(50,000)	-	-	(736,678)
Notes receivable issued	-	-	-	-	-
Proceeds from debt financing	-	-	271,752	-	-
Total other financing sources (uses)	(7,483,717)	301,718	8,508,837	-	(736,678)
Net changes in fund balances	1,662,062	38,529	-	17,486	7,688
Fund balances - beginning	3,808,235	2,693,954	4,119	(146,355)	810,710
Fund balances - ending	<u>\$ 5,470,297</u>	<u>\$ 2,732,483</u>	<u>\$ 4,119</u>	<u>\$ (128,869)</u>	<u>\$ 818,398</u>

See accompanying notes to the financial statements.

Nonmajor Governmental	
Funds	Total
\$ 4,260,350	\$ 14,341,068
-	401,494
3,123,638	8,221,904
1,370,876	1,806,139
144,282	158,874
40,521	117,081
417,210	792,098
<u>9,356,877</u>	<u>25,838,658</u>
3,520,512	4,727,774
1,061,694	9,188,869
251,381	424,348
-	2,356,141
245,095	323,003
1,160,979	1,715,328
-	906,337
1,151,338	1,575,280
46,806	85,941
468,122	1,949,082
-	-
<u>7,905,927</u>	<u>23,252,103</u>
<u>1,450,950</u>	<u>2,586,555</u>
9,646,583	19,573,308
(10,685,085)	(20,293,402)
(151,614)	(151,614)
-	271,752
<u>(1,190,116)</u>	<u>(599,956)</u>
260,834	1,986,599
<u>6,795,833</u>	<u>13,966,496</u>
<u>\$ 7,056,667</u>	<u>\$ 15,953,095</u>

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

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds \$ 1,986,599

Governmental funds report capital purchases as expenditures. However, in the Statement of Activities, the cost of those assets is depreciated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital purchases (\$1,949,082) exceeds depreciation (\$3,652,904) in the current period. (1,703,822)

The current financial resources used and expected to be repaid at a future date are recognized as other financing uses at the fund level, however, at the government-wide level, they are not recognized in the statement of activities. 389,819

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets. (617)

The issuance of bonds and similar long-term debt provides current financial resources to governmental funds and thus contributes to the change in fund balance. In the Statement of Net Position, however, issuing debt increases long-term liabilities and does not affect the Statement of Activities. Similarly, repayment of principal is an expenditure in the governmental funds, but reduces the liability in the Statement of Net Position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. The amounts of the items that make up these differences in the treatment of long-term debt and related items are:

Proceeds from the issuance of long-term debt	(271,752)	
Principal repayments:		
Revolving loan, department of environmental protection	213,838	
Notes payable	1,127,765	
Lease liabilities	233,677	
	1,303,528	1,303,528

Under the modified accrual basis of accounting used in governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the Statement of Activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available.

This adjustment is as follows:

Net pension liability and related deferred inflows and outflows	(114,363)	
Compensated absences	81,802	
	(32,561)	(32,561)

Change in net position of governmental activities \$ 1,942,946

MADISON COUNTY, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2022

	BUSINESS-TYPE ACTIVITIES		
	Solid Waste Disposal	Emergency Medical Services	Total
ASSETS			
Current assets			
Cash	\$ 70,736	\$ 68,799	\$ 139,535
Accounts receivable, net	1,274	422,847	424,121
Due from other funds	-	3,798	3,798
Total current assets	72,010	495,444	567,454
Noncurrent assets			
Restricted cash and investments	297	303,084	303,381
Capital assets:			
Equipment	3,066,578	1,653,137	4,719,715
Less: accumulated depreciation	(1,692,396)	(1,144,961)	(2,837,357)
Total capital assets (net of accumulated depreciation)	1,374,182	508,176	1,882,358
Total non-current assets	1,374,479	811,260	2,185,739
Total assets	1,446,489	1,306,704	2,753,193
DEFERRED OUTFLOW OF RESOURCES RELATED TO PENSIONS	143,638	506,298	649,936
LIABILITIES			
Current liabilities			
Accounts payable	68,444	29,446	97,890
Due to other funds	197,056	545,213	742,269
Total current liabilities	265,500	574,659	840,159
Non-current liabilities			
Net pension liability	657,449	1,642,037	2,299,486
Total non-current liabilities	657,449	1,642,037	2,299,486
Total liabilities	922,949	2,216,696	3,139,645
DEFERRED INFLOW OF RESOURCES RELATED TO PENSIONS	70,589	185,190	255,779
NET POSITION			
Net investment in capital assets	1,374,182	508,176	1,882,358
Unrestricted (deficit)	(777,593)	(1,097,060)	(1,874,653)
Total net position	\$ 596,589	\$ (588,884)	\$ 7,705

See accompanying notes to the financial statements.

MADISON COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	BUSINESS-TYPE ACTIVITIES		
	Solid Waste Disposal	Emergency Medical Services	Total
Operating revenues			
Charges for services	\$ 615,772	\$ 1,728,650	\$ 2,344,422
Miscellaneous revenues	126,026	73,790	199,816
Total operating revenues	<u>741,798</u>	<u>1,802,440</u>	<u>2,544,238</u>
Operating expenses			
Personnel services	1,036,040	1,833,752	2,869,792
Contractual services	410,351	65,117	475,468
Utilities	28,121	28,171	56,292
Repairs and maintenance	239,369	183,547	422,916
Other supplies and expenses	155,644	169,451	325,095
Insurance claims and expenses	35,433	33,915	69,348
Depreciation	335,275	238,704	573,979
Bad debt expense	67,939	779,477	847,416
Total operating expenses	<u>2,308,172</u>	<u>3,332,134</u>	<u>5,640,306</u>
Operating (loss)	<u>(1,566,374)</u>	<u>(1,529,694)</u>	<u>(3,096,068)</u>
Non-operating revenues (expenses)			
Operating grants	-	5,765	5,765
Taxes	1,340,987	-	1,340,987
Total non-operating revenues (expenses)	<u>1,340,987</u>	<u>5,765</u>	<u>1,346,752</u>
Income (loss) before contributions and transfers	(225,387)	(1,523,929)	(1,749,316)
Transfers in (out)	-	720,094	720,094
Change in net position	(225,387)	(803,835)	(1,029,222)
Total net position - beginning of year	<u>821,976</u>	<u>214,951</u>	<u>1,036,927</u>
Total net position - end of year	<u>\$ 596,589</u>	<u>\$ (588,884)</u>	<u>\$ 7,705</u>

MADISON COUNTY, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Solid Waste Disposal	Emergency Medical Services	Total
Cash flows from operating activities			
Receipts from customers	\$ 613,799	\$ 1,159,645	\$ 1,773,444
Payments to suppliers	(857,835)	(459,280)	(1,317,115)
Payments to employees	(1,029,311)	(1,820,298)	(2,849,609)
Other receipts (payments)	185,627	704,950	890,577
Net cash (used in) operating activities	<u>(1,087,720)</u>	<u>(414,983)</u>	<u>(1,502,703)</u>
Cash flows from noncapital financing activities			
Transfers from other funds	-	720,094	720,094
Subsidy from federal/state grants	-	5,765	5,765
Cash received from property and other taxes	1,340,987	-	1,340,987
Net cash provided by noncapital financing activities	<u>1,340,987</u>	<u>725,859</u>	<u>2,066,846</u>
Cash flows from capital and related financing activities			
Purchases of capital assets	(79,390)	(52,961)	(132,351)
Principal payments on long-term debt	(152,522)	-	(152,522)
Net cash (used in) capital and related financing activities	<u>(231,912)</u>	<u>(52,961)</u>	<u>(284,873)</u>
Cash flows from investing activities			
Proceeds from sales and maturities of investments, net	(210)	(250,494)	(250,704)
Net cash (used in) investing activities	<u>(210)</u>	<u>(250,494)</u>	<u>(250,704)</u>
Net increase in cash and cash equivalents	21,145	7,421	28,566
Cash and cash equivalents at beginning of year	49,591	61,378	110,969
Cash and cash equivalents at end of year	<u>\$ 70,736</u>	<u>\$ 68,799</u>	<u>\$ 139,535</u>
Reconciliation of net income (loss) to net cash provided by (used in) operating activities:			
Operating (loss)	\$ (1,566,374)	\$ (1,529,694)	\$ (3,096,068)
Depreciation	335,275	238,704	573,979
Bad debts	67,939	779,477	847,416
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	(1,973)	(569,005)	(570,978)
(Increase) decrease in due from other funds	3,701	630,847	634,548
(Increase) decrease deferred outflow of resources	(57,722)	(115,448)	(173,170)
Increase (decrease) in accounts payable	11,083	20,921	32,004
Increase (decrease) in due to other funds	55,900	313	56,213
Increase (decrease) net pension liability	513,792	1,027,584	1,541,376
Increase (decrease) deferred inflow of resources	(449,341)	(898,682)	(1,348,023)
Total adjustments	<u>478,654</u>	<u>1,114,711</u>	<u>1,593,365</u>
Net cash provided by (used in) operating activities	<u>\$ (1,087,720)</u>	<u>\$ (414,983)</u>	<u>\$ (1,502,703)</u>

There are no non-cash investing, capital, or financing activities.

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

ASSETS	
Cash and cash equivalents	\$ 146,359
Accounts receivable	8,891
Due from individuals and others	3,075
Investments	<u>163,303</u>
 Total assets	 <u>321,628</u>
 LIABILITIES	
Due to individuals and other funds	289,755
Due to other governmental units	<u>31,873</u>
 Total liabilities	 <u>321,628</u>
 NET POSITION	
Restricted	<u>-</u>
 Total net position	 <u><u>\$ -</u></u>

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

ADDITIONS	\$ 20,633,487
DEDUCTIONS	<u>20,633,487</u>
Net increase (decrease) in fiduciary net position	-
Net position - beginning	<u>-</u>
Net position - ending	<u><u>\$ -</u></u>

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

NOTE 1: *Summary of Significant Accounting Policies*

Madison County, Florida (the County) is a political subdivision of the State of Florida and provides services to its residents in many areas, including Public Safety, Transportation, Recreation and Human Services. It is governed by an elected Board of County Commissioners (five members). In addition to the Board of County Commissioners (Board), there are five elected Constitutional Officers: Clerk of the Circuit Court and Comptroller, Sheriff, Tax Collector, Property Appraiser and Supervisor of Elections. The Constitutional Officers maintain separate accounting records and budgets.

The financial statements of the County have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting principles. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units.

The accompanying financial statements present the combined financial position and combined results of operations of the Board of County Commissioners of Madison County, Florida and its Constitutional Officers. The Board funds a portion or, in certain instances, all the operating budgets of the County's Constitutional Officers. The payments by the Board to fund the operations of the Constitutional Officers are recorded as operating transfers out of the financial statements of the Board and as operating transfers in on the financial statements of the Constitutional Officers. Accordingly, such amounts and the budgets relating to those amounts have been eliminated in the accompanying government-wide financial statements.

REPORTING ENTITY

The concept underlying the definition of the reporting entity is that elected officials are accountable to their constituents for their actions. The reporting entity's financial statements should allow users to distinguish between the primary government (the County) and its component units. However, some component units, because of the closeness of their relationships with the County, should be blended as though they are part of the County. Otherwise, most component units should be discretely presented. As required by generally accepted accounting principles, the financial reporting entity consists of (1) the primary government (the County) (2) organizations for which the County is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the County are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The County is financially accountable if it appoints a voting majority of the organization's governing body and (a) it is able to impose its will on that organization or (b) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the County. The County may be financially accountable if an organization has (a) a separately elected governing board, (b) a governing board appointed by a higher level of government, or (c) a jointly appointed board.

Based upon the application of the criteria, there are no component units blended in the County's financial statements.

NOTE 1: *Summary of Significant Accounting Policies (continued)*

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all the non-fiduciary activities of the primary government and its component units. For the most part, the effect of inter-fund activity has been removed from these statements. *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.

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

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

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

Fund Financial Statements – The underlying accounting system of the County is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise the assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based on the purposes for which they are to be spent and the means by which spending activities are controlled.

Fund financial statements for the County's governmental, proprietary, and fiduciary funds are presented after the government-wide financial statements. These statements display information about major funds individually, and non-major funds in the aggregate, for governmental and enterprise funds. The fiduciary statement includes financial information for the custodial funds. The custodial funds of the County primarily represent assets held by the County for other individuals or governments.

NOTE 1: *Summary of Significant Accounting Policies (continued)*

Governmental Funds – Governmental fund financial statements are reported using the *current financial resources measurement focus* and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. Property taxes, franchise fees, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable only when cash is received by the government.

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

Noncurrent portions of long-term receivables (special assessments) due to governmental funds are reported on their balance sheet despite their spending measurement focus. Non-current portions of other long-term receivables are offset by deferred revenue.

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

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

Proprietary Funds – In the fund financial statements, proprietary funds are presented using the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized when the related goods and services are delivered. In the fund financial statements, proprietary funds are presented using the economic resources measurement focus. This means that all assets and all liabilities (whether current or non-current) associated with their activity are included on their balance sheets. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net position.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies, taxes, and investment earnings, result from non-exchange transactions or ancillary activities.

Amounts paid to acquire capital assets are capitalized as assets in the proprietary fund financial statements, rather than reported as an expenditure. Proceeds of long-term debt are recorded as a liability in the proprietary fund financial statements, rather than as an “other financing source”. Amounts paid to reduce long-term indebtedness are reported as a reduction of the related liabilities, rather than as an expense.

NOTE 1: *Summary of Significant Accounting Policies (continued)*

The County reports the following major governmental funds:

- General Fund – This fund is the general operating fund of the County and is used to account for all financial transactions not required to be accounted for in another fund.
- County Transportation Trust Fund – This fund accounts for the receipt of local option fuel taxes that are legally restricted to transportation expenditures.
- Sheriff Operating Fund – This fund accounts for the general operating revenues and expenditures for the Madison County, Florida Sheriff. The Sheriff is a constitutional officer charged with responsibilities for courtroom security, transportation of prisoners to and from court, civil processing services, as well as public safety initiatives.
- Capital Projects Fund – This fund accounts for the proceeds of specific capital related revenue sources to be used for the acquisition or construction of major capital projects.
- CARES Act Fund – This fund accounts for the in-flows of resources received from certain programs established by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and Coronavirus State and Local Fiscal Recovery Funds restricted to pay for eligible expenses.

The County reports the following major proprietary funds:

- Solid Waste Disposal Fund – This fund accounts for the fiscal activities of garbage collection within the unincorporated areas of the County.
- Emergency Medical Services Fund – This fund accounts for the fiscal activities of the ambulance transportation system.

Additionally, the County reports the following fund types:

- Special Revenue Funds – These funds are used to account for specific governmental revenue sources other than major capital projects that are restricted by law or administrative action to expenditures for specific purposes.
- Capital Projects Funds – These funds are used to account for the acquisition or construction of major capital facilities.
- Custodial Funds – These funds account for assets held by the County on behalf of individuals, private organizations and/or other governmental units.

NOTE 1: *Summary of Significant Accounting Policies (continued)*

BUDGETS AND BUDGETARY ACCOUNTING

Section 129.01(2)(b), *Florida Statutes*, requires that "...the receipts division of the budget shall include 95 percent of all receipts reasonably expected to be anticipated from all sources, including taxes to be levied, and 100 percent of the amount of the balances of both cash and liquid securities estimated to be brought forward at the beginning of the fiscal year." The County has complied with the provisions of the above Florida Statute.

The budgetary data presented in the financial statements was prepared on the modified accrual basis of accounting. All Board authorized amendments to the budget, as originally approved, have been incorporated into the data reflected in the financial statements.

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

- (1) On or before July 15 of each year, the Board's designated budget officer submits to the Board a tentative budget for the ensuing fiscal year. The tentative budget includes proposed expenditures and funding sources.
- (2) The Board makes such changes as it deems necessary, provided the budget remains in balance and subject to the notice and hearing requirements of Section 200.065, Florida Statutes, and the budget preparation and adoption procedures, as defined in Section 129.03, Florida Statutes.
- (3) Public hearings are held pursuant to Section 200.065, Florida Statutes, in order for the Board to adopt the tentative and final budgets.
- (4) Prior to September 30, the budget is legally enacted through passage of a resolution.
- (5) All changes to the final budget must be approved by the Board in accordance with Section 129.06, Florida Statutes.
- (6) Formal budgetary integration is used as a management control device during the year for all governmental funds of the County.
- (7) Budgets for the governmental fund types are adopted on a basis consistent with generally accepted accounting principles.
- (8) All annual appropriations lapse at fiscal year-end.
- (9) Line item expenditures in excess of budget are authorized to the extent that total expenditures do not exceed total budgeted expenditures.

ENCUMBRANCES

The County does not utilize encumbrance accounting in its financial operations.

NOTE 1: *Summary of Significant Accounting Policies (continued)*

CASH AND INVESTMENTS

Cash and cash equivalents include all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased. Investments are reported at fair value. Additional cash and investment information and fair values are presented in Note 2.

ACCOUNTS RECEIVABLE

Accounts receivables are recorded in the government-wide, governmental, and proprietary fund financial statements and are net of allowance for doubtful accounts, which is generally equivalent to the receivables that are over 180 days past due.

INVENTORIES

The County's inventories consist of expendable supplies which are recorded as expenditures when purchased rather than when consumed.

RESTRICTED ASSETS

Certain net position amounts of the County are classified as restricted net position on the statement of net position because their use is limited either by law through constitutional provisions or enabling legislation; or by restrictions imposed externally by creditors, grantors, contributions, or laws or regulations of other governments. In a fund with both restricted and unrestricted assets, qualified expenses are considered to be paid first from restricted net position and then from unrestricted net position.

CAPITAL ASSETS

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business type activities columns in the government-wide financial statements. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed (except for intangible right-to-use lease assets, the measurement is discussed later within this note). Donated assets are recorded at fair market value at the date of donation.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Property and equipment of the primary government is depreciated using the straight-line method over the following useful lives:

<u>Property</u>	<u>Estimated Useful Life</u>
Buildings and Improvements	10-40 Years
Machinery and Equipment	5-20 Years
Furniture and Fixtures	5-20 Years
Vehicles	5 Years
Right-to-use leased equipment	Lease term

NOTE 1: *Summary of Significant Accounting Policies (continued)*

Expenditures for maintenance and repairs which do not add to the value of the assets or materially extend their lives are expensed as incurred. However, expenditures for repairs and improvements which add to the normal value or life of an asset are capitalized.

COMPENSATED ABSENCES

The County maintains a policy that permits employees to accumulate earned but not used vacation and sick pay benefits that will be paid to employees upon separation from County service if certain criteria are met. These benefits are classified as compensated absences. Employees may be paid for unused vacation hours accrued up to a maximum amount. Payment for unused sick leave, upon termination, is also provided for up to certain amounts.

Both the current and long-term portion of compensated absences are accrued and reported in the government-wide financial statements. No expenditure is reported in the governmental fund level statements for these amounts until payment is due. The compensated absences liability is based on current rates of pay. This is accounted for pursuant to GASB Statement No. 16, *Accounting for Compensated Absences*.

LEASES

The County is a lessee for various lease agreements involving vehicles and equipment. The County recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The County recognizes lease liabilities with an initial individual value of \$15,000 or more.

At the commencement of a lease, the County initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of the lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgements related to leases include how the County determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The County uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the County is reasonably certain to exercise.

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

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

NOTE 1: *Summary of Significant Accounting Policies (continued)*

LONG-TERM DEBT OBLIGATIONS

In the government-wide financial statements, and for proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable government activities, business-type activities, or proprietary fund type statement of net position. Debt issuance costs are reported as other financing sources (uses) in the period incurred.

NET POSITION

Net position represents all assets, plus deferred outflows of resources, less liabilities, less deferred inflows of resources. In the Government-wide and Proprietary Fund Financial Statements, net position is reported in the following categories:

Net Investment in Capital Assets: Capital assets, net of accumulated depreciation, and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets.

Restricted: Net position, the use of which is subject to constraints imposed by external parties, including creditors, grantors, and laws and regulations of other governments, or imposed by enabling legislation. Nonexpendable amounts are required to remain intact under such constraints.

Unrestricted: Remaining net position not considered “invested in capital assets, net of related debt” or “restricted.”

For purposes of net position classification, 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.

DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources represent an acquisition of net position that applies to a future period and therefore will not be recognized as an inflow of resources until that time. The County has one item that qualifies for reporting in this category (pension related items). The proprietary funds and governmental and business-type activities report deferred inflows for pension related items as actuarially determined.

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows of resources represent an acquisition of net position that applies to a future period and therefore will not be recognized as an outflow of resources (expense) until that future time. The County reports one deferred outflow related to pensions.

FUND BALANCE

In the Governmental Fund Financial Statements, fund balance is reported in the following categories:

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

NOTE 1: *Summary of Significant Accounting Policies (continued)*

Restricted: Amounts which use is subject to constraints imposed by external parties, including creditors, grantors, and laws and regulations of other governments, or imposed by County ordinance or enabling legislation.

Committed: Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority. For the County, this formal action takes the form of ordinances which are passed by the County Commissioners.

Assigned: Amounts that are constrained by the County's intent for use for specific purposes, but are considered neither restricted nor committed.

Unassigned: Amounts in the general fund that are not otherwise constrained for a specific purpose narrower than the general operations of the County.

For purposes of fund balance classification, 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. When unrestricted resources are used, committed resources are used first, followed by assigned and unassigned resources, respectively.

RECLASSIFICATION

Certain amounts in the prior year have been reclassified for comparative purposes to conform to the presentation in the current year financial statements.

SUBSEQUENT EVENTS

Subsequent events were reviewed through June 2, 2023, which is the date the financial statements were available to be issued. As of this date, no subsequent events requiring disclosure had occurred.

CHANGE IN ACCOUNTING PRINCIPLES

For the year ended September 30, 2022, the County implemented GASB Statement No. 87, Leases. GASB Statement No. 87 enhances the relevance and consistency of information of the government's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financing of the right-to-use an underlying asset. A lease 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. These changes were incorporated in the County's financial statements and had no effect on the beginning net position.

NOTE 2: *Deposits and Investments*

DEPOSITS

All bank accounts of the County are placed in banks that qualify as a public depository, as required by the Florida Security for Public Deposits Act, Chapter 280, *Florida Statutes*. At September 30, 2022, the carrying amount of the County's deposits was \$4,449,022 (includes fiduciary) and the bank balances were \$5,457,699. Deposits whose values exceed the limits of Federal depository insurance are entirely insured or collateralized pursuant to Chapter 280, Florida Statutes.

NOTE 2: *Deposits and Investments (continued)*

INVESTMENTS

The County is authorized to invest in all State-approved investments which include:

- (1) Local Government Surplus Funds Trust Fund administered by the State Board of Administration;
- (2) Florida Local Government Investment Trust administered by the Florida Association of Court Clerks and Comptrollers;
- (3) Florida Cooperative Liquid Assets Securities System supervised by a Board of Trustees comprised of eligible participants.
- (4) Bonds, notes or other obligations of the United States or those guaranteed by the United States or for which the credit of the United States is pledged;
- (5) Bonds, notes or other obligations of the State of Florida or any municipality or political subdivision thereof;
- (6) Interest-bearing time deposits or savings accounts in banks or savings and loan associations organized under the laws of Florida or organized under the laws of the United States doing business and situated in Florida.

Investments consist of amounts placed with the State Board of Administration for participation in the Local Government Surplus Trust Fund (Florida PRIME) created by Section 218.405, *Florida Statutes*. Investments also consist of amounts placed with the Florida Local Government Investment Trust Short-Term Bond Fund (FLGIT) and Florida Cooperative Liquid Assets Securities System (FLCLASS).

Florida PRIME meets the criteria in GASB 79 to measure all of its investments at amortized cost enabling it to maintain a constant Net Asset Value (NAV) of \$1.00 per share. As of September 30, 2022, Florida PRIME had no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100 percent of their account value.

The FLGIT Short-Term Bond Fund is a local government investment pool created by the Florida Association of Court Clerks and Comptroller, and the Florida Association of Counties for the purpose of providing public entities with an investment program that focuses on long-term securities with the highest credit ratings. This investment pool is a stable NAV Government Investment Pool established to be consistent with the policies set forth in Section 218.415 of the Florida Statutes. The effective maturity of the underlying investments is five years or less. To minimize credit risk, trust investments are confined to those of the highest credit quality: Treasuries, Agency Securities and Instruments, and other securities collateralized with Treasury/Agency Securities. Accounting valuations reflect estimates of the market value of the securities rather than their amortized cost.

FLCLASS interprets GASB 31, as amended by GASB 79, to mean that FLCLASS should measure all of the investments in FLCLASS at fair value. Therefore, the County's balance is considered the fair value of its investment as FLCLASS reports a floating net asset value, which approximates fair value.

NOTE 2: Deposits and Investments (continued)

Credit Risk – The credit risk of certain investments, such as investment pools managed by other governments, cannot be categorized as a credit risk because the County investments are not evidenced by specific, identifiable investment securities. As of September 30, 2022, Florida PRIME is rated by Standard and Poor’s and has a current rating of AAAm. As of September 30, 2022, FLGIT is rated by Fitch and has a current rating of AAAf. As of September 30, 2022, FLCLASS is rated by Standard and Poor’s and has a current rating of AAAm.

Interest Rate Risk – Section 218.415(6), Florida Statutes, limits investment maturities to provide sufficient liquidity to pay obligations as they become due. The dollar weighted average days to maturity for Florida PRIME was 21 days as of September 30, 2022. The dollar weighted average days to maturity for FLCLASS was 26 days as of September 30, 2022. The dollar weighted average maturity of FLGIT was 1.8 years as of September 30, 2022. Next interest rate reset dates for floating rate securities are used in the calculation of weighted average maturity.

Concentration of Credit Risk – The County manages concentration of credit risk by limiting investments to specific funds. At September 30, 2022, the County did not hold any investments that were considered to have a custodial credit risk.

As of September 30, 2022, the County maintained the following investment balances:

Investment	General Government	Fiduciary	Total
Florida local government investment trust (FLGIT)	\$ 1,489,272	\$ -	\$ 1,489,272
Local government surplus trust funds (SBA)	12,652,356	31,924	12,684,280
Florida Cooperative Liquid Assets Securities System (FLCLASS)	71,217	131,379	202,596
Total investment portfolio	\$ 14,212,845	\$ 163,303	\$ 14,376,148

NOTE 3: Property Taxes

Under the Laws of Florida, the assessment of all properties and the collection of all county municipal, special taxing districts and school board property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector. The Laws of Florida regulating tax assessment are also designed to assure a consistent property valuation method statewide. Florida Statutes permit counties to levy property taxes at a rate of up to 10.0000 mills. The tax levy of Madison County, Florida is established by the Board prior to October 1 of each year. The millage rate collected by the County during the current fiscal year was 10.0000 mills.

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

All taxes are due and payable on November 1 of each year, or as soon thereafter as the assessment roll is certified and delivered to the Tax Collector. All unpaid taxes become delinquent on April 1 following the year in which they are assessed. Discounts are allowed for early payment at the rate of 4% for the month

NOTE 3: *Property Taxes (continued)*

of November, 3% for the month of December, 2% for the month of January, and 1% for the month of February. The taxes paid in March are without discount.

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

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

NOTE 4: *Interfund Transactions*

During the course of normal operations, numerous transactions occur between funds, such as expenditures or transfers of resources to provide services, service debt or construct assets. The interfund transactions are eliminated in the government-wide financial statement totals.

The County maintained the following interfund receivables/payables as of September 30, 2022:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General fund	County transportation trust fund	\$ 417,232
	Solid Waste	197,056
	Emergency medical services	545,213
	Other nonmajor funds	675,798
Capital projects	General fund	468,000
Emergency medical services	Other nonmajor funds	3,798
Sheriff operating	Other nonmajor funds	26,115
Other nonmajor funds	General fund	412
	Capital projects	1,461,000
	Other nonmajor funds	<u>232,097</u>
Total		<u>\$ 4,026,721</u>

NOTE 4: *Interfund Transactions (continued)*

Operating transfers between funds during the year were as follows for the year ended September 30, 2022:

<u>Transfers in</u>	<u>Transfers out</u>	<u>Amount</u>
General fund	CARES Act	\$ 681,725
	Other nonmajor funds	656,197
County transportation trust	Other nonmajor funds	351,718
Sheriff operating fund	CARES Act	54,953
	Other nonmajor funds	8,182,132
Emergency medical services	Other nonmajor funds	720,094
Other nonmajor funds	General fund	8,821,639
	County transportation trust fund	50,000
	Other nonmajor funds	<u>774,944</u>
Total		<u><u>\$ 20,293,402</u></u>

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NOTE 5: Changes in Capital Assets

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

	Balance October 1, 2021**	Additions	Reductions	Adjustments*	Balance September 30, 2022
Governmental activities					
Capital assets,					
Not being depreciated:					
Land	\$ 2,000,600	\$ -	\$ -	\$ -	\$ 2,000,600
Work in progress	57,816	286,312	-	(7,920)	336,208
Total capital assets,					
Not being depreciated	2,058,416	286,312	-	(7,920)	2,336,808
Capital assets,					
Being depreciated:					
Buildings and improvements	30,792,968	11,047	-	-	30,804,015
Equipment	7,512,607	1,651,723	(564,970)	-	8,599,360
Infrastructure	73,586,836	-	-	7,920	73,594,756
Right-to-use leased equipment	1,497,418	-	-	-	1,497,418
Total capital assets,					
Being depreciated	113,389,829	1,662,770	(564,970)	7,920	114,495,549
Less accumulated depreciation for:					
Buildings and improvements	(26,036,257)	(319,611)	-	-	(26,355,868)
Equipment	(6,411,487)	(606,945)	564,353	-	(6,454,079)
Infrastructure	(19,330,378)	(2,318,274)	-	-	(21,648,652)
Right-to-use leased equipment	-	(408,074)	-	-	(408,074)
Total accumulated depreciation	(51,778,122)	(3,652,904)	564,353	-	(54,866,673)
Governmental activities					
Capital assets, net	\$ 63,670,123	\$ (1,703,822)	\$ (617)	\$ -	\$ 61,965,684
Business-type activities					
Capital assets,					
Being depreciated:					
Equipment	\$ 4,842,764	\$ 132,351	\$ (255,400)	\$ -	\$ 4,719,715
Less accumulated depreciation	(2,518,778)	(573,979)	255,400	-	(2,837,357)
Business-type activities					
Capital assets, net	\$ 2,323,986	\$ (441,628)	\$ -	\$ -	\$ 1,882,358

*Adjustments reflect capital assets moved from work in progress into service during the fiscal year.

**Balance contains adjustments to reflect the implementation of GASB Statement No. 87, Leases.

NOTE 5: Changes in Capital Assets (continued)

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government	\$ 584,465
Public safety	1,351,574
Transportation and capital projects	<u>1,716,865</u>
Total depreciation	<u>\$ 3,652,904</u>
Business-type activities:	
Solid waste disposal	\$ 335,275
Emergency medical services	<u>238,704</u>
Total depreciation	<u>\$ 573,979</u>

NOTE 6: Leases

The County, as a lessee, has entered into various lease agreements involving equipment through fiscal year 2027. The lease agreements have interest rates ranging from 1.95% to 3.75%. The total of the County's lease assets were recorded at a cost of \$1,497,418, less accumulated amortization of \$408,074.

REQUIREMENTS TO MATURITY

The scheduled payments of principal and interest on leases are as follows:

<u>September 30,</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 342,197	\$ 30,946
2024	263,838	24,636
2025	157,132	16,812
2026	320,126	12,463
2027	<u>180,448</u>	<u>5,026</u>
	<u>\$ 1,263,741</u>	<u>\$ 89,883</u>

NOTE 7: Long-Term Debt

Under the GASB 34 reporting model, long-term liabilities are not due and payable in the current period and accordingly are not reported as fund liabilities. All long-term liabilities for the Board of County Commissioners are reported in the government-wide Statement of Net Position. The following sections address specific long-term liabilities which are included in the government-wide presentation:

Florida's Wastewater Revolving Loan Fund – The Florida Department of Environmental Protection has a revolving loan program for certain water pollution control projects. The County was awarded funding from

NOTE 7: Long-Term Debt (continued)

this program to assist with a portion of the I-10 interchange project. Amounts borrowed require interest to be paid at a rate of approximately 1.69% annually. As of September 30, 2022, the outstanding balance on the revolving loan fund amounted to \$1,082,944. This loan is collateralized by the revenues generated from the One Cent County Surtax. The County is required to make semi-annual principal and interest payments of \$235,623. The semi-annual loan payment is based on the total amount of debt, which consists of the loan principal plus estimated loan service fee and interest.

Auto and Equipment Loans – The County regularly purchases vehicles and other equipment through lease finance options. The total due on these lease finance agreements as of September 30, 2022 was \$394,397.

Road Paving – In 2019, the County obtained a loan from a local bank in the amount of \$3,750,000 to complete additional road paving projects. Interest is charged at the rate of The WSJ's Published Prime Lending Rate less 1.76% per annum. The interest rate shall be adjusted semiannually based on the stated rate on June 1 and December 1 of each year. The rate for the most recent interest payment was 2.24% at June 1, 2022. In addition to interest payments, principal payments of \$468,750 are due each June 1 and December 1. As of September 30, 2022, the total remaining principal balance due was \$937,500. The loan is secured by pledged revenues from the 5th and 6th Cent Surplus fund and other Non-Ad Valorem funds.

CHANGES IN LONG-TERM LIABILITIES

	Balance October 1, 2021**	Additions	Reductions	Balance September 30, 2022	Due Within One Year
<u>Governmental activities</u>					
Compensated absences	\$ 1,266,958	\$ 428,989	\$ (510,791)	\$ 1,185,156	\$ 237,031
DEP revolving loan fund	1,296,782	-	(213,838)	1,082,944	217,477
Auto and equipment loans	312,910	271,752	(190,265)	394,397	178,401
Lease liability	1,497,418	-	(233,677)	1,263,741	342,197
Bank loan	1,875,000	-	(937,500)	937,500	937,500
Net pension liability	4,819,088	10,150,145	(1,415,678)	13,553,555	-
Total	<u>\$ 11,068,156</u>	<u>\$ 10,850,886</u>	<u>\$ (3,501,749)</u>	<u>\$ 18,417,293</u>	<u>\$ 1,912,606</u>
	Balance October 01, 2021	Additions	Reductions	Balance September 30, 2022	Due Within One Year
<u>Business-type activities</u>					
Auto and Equipment loans	\$ 152,522	\$ -	\$ (152,522)	\$ -	\$ -
Net pension liability	758,110	1,747,817	(206,441)	2,299,486	-
Total	<u>\$ 910,632</u>	<u>\$ 1,747,817</u>	<u>\$ (358,963)</u>	<u>\$ 2,299,486</u>	<u>\$ -</u>
Total long-term debt	<u>\$ 11,978,788</u>	<u>\$ 12,598,703</u>	<u>\$ (3,860,712)</u>	<u>\$ 20,716,779</u>	<u>\$ 1,912,606</u>

**Balance contains adjustments to reflect the implementation of GASB Statement No. 87, Leases.

NOTE 7: Long-Term Debt (continued)

DEBT SERVICE REQUIREMENTS

The scheduled payments of principal and interest on long-term debt are as follows:

<u>September 30,</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 1,675,575	\$ 94,532
2024	590,714	40,526
2025	436,372	25,605
2026	604,894	17,643
2027	371,027	6,506
	<u>\$ 3,678,582</u>	<u>\$ 184,812</u>

NOTE 8: Deficit Fund Equity

The following funds had a deficit fund balance for the year ended September 30, 2022:

Capital projects	\$ 128,869
Court Fund	200,705
Soil Conservation	6,784
Emergency Medical Services	<u>588,884</u>
Total	<u>\$ 925,242</u>

This deficit fund balance was created by expenses exceeding revenues and financing sources. The deficit will be covered by fund balances of other existing funds.

NOTE 9: Florida Retirement System Retirement Plans

FLORIDA RETIREMENT SYSTEM

General Information – All of the County’s employees participate in the Florida Retirement System (FRS). As provided by Chapters 121 and 112, Florida Statutes, the FRS provides two cost sharing, multiple employer defined benefit plans administered by the Florida Department of Management Services, Division of Retirement, including the FRS Pension Plan (“FRS Plan”) and the Retiree Health Insurance Subsidy (“HIS Plan”). Under Section 121.4501, Florida Statutes, the FRS also provides a defined contribution plan (“Investment Plan”) alternative to the FRS Plan, which is administered by the State Board of Administration (“SBA”). As a general rule, membership in the FRS is compulsory for all employees working in a regularly established position for a state agency, county government, district school board, state university, community college, or a participating city or special district within the State of Florida. The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 121, Florida Statutes, and Chapter 60S, Florida Administrative Code. Amendments to the law can be made only by an act of the Florida State Legislature.

NOTE 9: *Florida Retirement System Retirement Plans (continued)*

The State of Florida annually issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. The latest available report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000, or from the website:

www.dms.myflorida.com/workforce_operations/retirement/publications.

FRS PLAN

Plan Description – The FRS Plan is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (“DROP”) for eligible employees.

Benefits Provided – Benefits under the FRS Plan are computed on the basis of age, average final compensation, and service credit. For FRS Plan members enrolled before July 1, 2011, Regular class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. Vested members with less than 30 years of service may retire before age 62 and receive reduced retirement benefits. Special Risk Administrative Support class members who retire at or after age 55 with at least six years of credited service or 25 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. Special Risk class members (sworn law enforcement officers, firefighters, and correctional officers) who retire at or after age 55 with at least six years of credited service, or with 25 years of service regardless of age, are entitled to a retirement benefit payable monthly for life, equal to 3.0% of their final average compensation based on the five highest years of salary for each year of credited service. Senior Management Service class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 2.0% of their final average compensation based on the five highest years of salary for each year of credited service.

Elected Officers’ class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 3.0% (3.33% for judges and justices) of their final average compensation based on the five highest years of salary for each year of credited service.

For Plan members enrolled on or after July 1, 2011, the vesting requirement is extended to eight years of credited service for all these members and increasing normal retirement to age 65 or 33 years of service regardless of age for Regular, Senior Management Service, and Elected Officers’ class members, and to age 60 or 30 years of service regardless of age for Special Risk and Special Risk Administrative Support class members. Also, the final average compensation for all these members will be based on the eight highest years of salary.

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the FRS Plan before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is three percent 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 three percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by three percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

NOTE 9: *Florida Retirement System Retirement Plans (continued)*

In addition to the above benefits, the DROP program allows eligible members to defer receipt of monthly retirement benefit payments while continuing employment with an FRS employer for a period not to exceed 60 months after electing to participate. Deferred monthly benefits are held in the FRS Trust Fund and accrue interest. There are no required contributions by DROP participants.

Contributions – Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants, are required to contribute three percent of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year. The employer contribution rates by job class for the periods from October 1, 2021 through June 30, 2022 and from July 1, 2022 through September 30, 2022, respectively, were as follows: Regular—10.82% and 11.91%; Special Risk Administrative Support—37.76% and 38.65%; Special Risk—25.89% and 27.83%; Senior Management Service—29.01% and 31.57%; Elected Officers’—51.42% and 57.00%; and DROP participants—18.34% and 18.60%. These employer contribution rates include the 1.66% HIS Plan subsidy for the period October 1, 2021 through September 30, 2022.

The County’s contributions, including employee contributions, to the FRS Plan totaled \$1,581,228 for the fiscal year ended September 30, 2022.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2022, the County reported a liability of \$13,201,852 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 proportionate share of the net pension liability was based on the County’s 2021-22 fiscal year contributions relative to the 2021-22 fiscal year contributions of all participating members. At June 30, 2022, the County's proportionate share was 0.03548 percent.

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NOTE 9: Florida Retirement System Retirement Plans (continued)

For the fiscal year ended September 30, 2022, the County recognized pension expense of \$144,343. In addition, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	FRS Pension	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 627,012	\$ -
Changes of assumptions	1,625,863	-
Net difference between projected and actual earnings on pension plan investments	871,716	-
Changes in proportion and differences between County contributions and proportionate share of contributions	802,324	(1,193,500)
County contributions subsequent to the measurement date	422,944	-
Total	\$ 4,349,859	\$ (1,193,500)

The deferred outflows of resources related to the FRS Plan, totaling \$422,944 resulting from County contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the FRS Plan will be recognized in pension expense as follows:

<u>Year ended September 30:</u>	FRS Amount
2023	\$ 661,034
2024	249,439
2025	(223,234)
2026	1,942,313
2027	103,863
Thereafter	-
Total	\$ 2,733,415

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

Inflation	2.40%
Salary increases	3.25%, average, including inflation
Investment rate of return	6.70%, net of pension plan investment expense, including inflation

NOTE 9: Florida Retirement System Retirement Plans (continued)

Mortality assumptions for the FRS Pension Plan were based on the PUB-2010 base table, projected generationally with Scale MP-2018.

The most recent experience study for the FRS Pension Plan was completed in 2019 for the period July 1, 2013, through June 30, 2018.

The long-term expected rate of return was decreased from 6.80% to 6.70%.

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

Asset Class	Target Allocation (1)	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%
Total	100.00%			
Assumed inflation - mean			2.4%	1.3%

(1) As outlined in the Pension Plan's investment policy

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

NOTE 9: Florida Retirement System Retirement Plans (continued)

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

1% Decrease	Current Discount Rate	1% Increase
5.70%	6.70%	7.70%
\$ 22,831,696	\$ 13,201,852	\$ 5,150,157

FRS Plan Fiduciary Net Position – Detailed information regarding the FRS Plan’s fiduciary net position is available in the separately issued FRS Plan and Other State-Administered Systems Comprehensive Annual Financial Report.

HIS PLAN

Plan Description – The 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 September 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. To be eligible to receive these benefits, 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 September 30, 2022, the HIS contribution for the period October 1, 2021 through September 30, 2022 was 1.66%. 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 legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

The County’s contributions to the HIS Plan totaled \$155,294 for the fiscal year ended September 30, 2022.

NOTE 9: Florida Retirement System Retirement Plans (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2022, the County reported a liability of \$2,651,189 for its proportionate share of the HIS Plan’s net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The County’s proportionate share of the net pension liability was based on the County’s 2021-22 fiscal year contributions relative to the 2021-22 fiscal year contributions of all participating members. At June 30, 2022, the County's proportionate share was 0.02503 percent.

For the fiscal year ended September 30, 2022, the County recognized pension benefit of \$9,797. In addition, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	HIS Pension	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 80,470	\$ (11,666)
Changes of assumptions	151,968	(410,137)
Net difference between projected and actual earnings on pension plan investments	3,838	-
Changes in proportion and differences between County contributions and proportionate share of contributions	182,943	(79,845)
County contributions subsequent to the measurement date	39,465	-
Total	<u>\$ 458,684</u>	<u>\$ (501,648)</u>

The deferred outflows of resources related to the HIS Plan, totaling \$39,465 resulting from County contributions to the HIS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense as follows:

Year ended September 30:	HIS Amount
2023	\$ (19,740)
2024	(10,645)
2025	(4,867)
2026	(10,774)
2027	(25,007)
Thereafter	<u>(11,396)</u>
Total	<u>\$ (82,429)</u>

NOTE 9: Florida Retirement System Retirement Plans (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%
Salary increases	3.25%, average, including inflation
Municipal bond rate	3.54%

Mortality assumptions for the HIS Pension Plan were based on the PUB-2010 base table, projected generationally with Scale MP-2018.

The most recent experience study for the HIS Pension Plan was completed in 2019 for the period July 1, 2013, through June 30, 2018.

The municipal rate used to determine total pension liability was increased from 2.16% to 3.54%.

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

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

1% Decrease	Current Discount Rate	1% Increase
2.54%	3.54%	4.54%
\$ 3,033,177	\$ 2,651,189	\$ 2,335,101

HIS Plan Fiduciary Net Position – Detailed information regarding the HIS Plan’s fiduciary net position is available in the separately issued Florida Retirement System Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report.

INVESTMENT PLAN

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

NOTE 9: *Florida Retirement System Retirement Plans (continued)*

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 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 Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of plan members.

Allocations to the investment member's accounts during the 2021-22 fiscal year, as established by Section 121.72, Florida Statutes, are based on a percentage of gross compensation, by class, as follows: Regular class 9.30%, Special Risk Administrative Support class 10.95%, Special Risk class 17.00%, Senior Management Service class 10.67% and County Elected Officers class 14.34%.

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the Pension Plan is transferred to the Investment Plan, the member must have the years of service required for 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 September 30, 2022, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the County.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the pension plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

NOTE 10: *Joint Venture*

In 1992, the County entered into an agreement with Taylor, Dixie, and Jefferson Counties to establish an Organization known as the Aucilla Area Solid Waste Administration. The purpose of this entity is to facilitate, through the collective effort of the counties involved, solid waste disposal through the establishment and operation of a joint solid waste disposal facility. The County has an ongoing financial responsibility to the Organization in that it has agreed to use the Organization to fulfill its landfill needs.

The governing board of the Organization is composed of one County Commissioner from each County. The Board elects the officers and manages the operations. Financial statements of the Organization may be obtained by contacting the Aucilla Area Solid Waste Administration office.

NOTE 11: *Landfill Closure and Post-Closure Costs*

The Third Judicial Circuit Court ruled on September 26, 1992, that Madison County, Florida, must close the last active cell of its landfill (approximately ten acres) and monitor the landfill for twenty years pursuant to the dictates of the Florida Department of Environmental Protection (FDEP). As of September 30, 2022, the total estimated remaining cost of the landfill closure and post-closure care is \$0 as the County has reached year twenty of its post-closure monitoring requirement.

On September 9, 2022, the United States Environmental Protection Agency Region 4 selected a new remedy for the groundwater in Amended Record of Decision. The new remedy involves phased treatment of groundwater using Enhanced Reductive Dechlorination. As of September 30, 2022, no reasonable estimate of the expected cost can be made and therefore, no amount has been accrued on the County's Statement of Net Position. The County is expecting the current Third Amendment to Settlement Agreement with ITT to remain in effect allowing the County's annual expenditures not to exceed \$150,000, per year.

NOTE 12: *Landfill Management Escrow Account*

The County has established an interest-bearing escrow account with the Florida Local Government Investment Trust for the sole purpose of long-term care of the closed Madison County, Florida Center Landfill. Pursuant to Rule 62-701.630, Florida Administrative Code, the escrow account is not used for any purpose other than landfill closure and long-term care; all withdrawals from the account are subject to approval by the Madison County, Florida Clerk of the Circuit Court and Comptroller. The County filed a final post-closure certification in the year ended September 30, 2018 and will reallocate these funds at a future date.

During the year ended September 30, 2022, the escrow account had the following activity:

Balance October 1, 2021	\$ 155,841
Withdrawals	-
Net appreciation	<u>(6,025)</u>
Balance September 30, 2022	<u>\$ 149,816</u>

NOTE 13: *Proprietary Accounts Receivable*

At September 30, 2022, the accounts receivable for proprietary funds were as follows:

Accounts receivable	\$ 3,124,528
Less: allowance for doubtful accounts	<u>(2,700,407)</u>
Net accounts receivable	<u><u>\$ 424,121</u></u>

REQUIRED SUPPLEMENTARY INFORMATION

MADISON COUNTY, FLORIDA
SCHEDULE OF MADISON COUNTY'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
FLORIDA RETIREMENT SYSTEM
LAST TEN FISCAL YEARS*

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Madison County's proportion of the net pension liability	0.035481185%	0.034778359%	0.036678485%	0.038153523%	0.037631910%	0.037964192%	0.038502386%	0.03732349%	0.036984729%
Madison County's proportionate share of the net pension liability	\$ 13,201,852	\$ 2,627,110	\$ 15,896,996	\$ 13,139,541	\$ 11,334,926	\$ 11,229,553	\$ 9,721,883	\$ 4,820,829	\$ 2,256,612
Madison County's covered-employee payroll	9,856,125	8,969,221	8,340,816	8,311,581	7,961,781	7,895,237	7,969,600	7,682,991	7,728,650
Madison County's proportionate share of the net pension liability as a percentage of its covered-employee payroll	133.95%	29.29%	190.59%	158.09%	142.37%	142.23%	121.99%	62.75%	29.20%
Plan fiduciary net position as a percentage of the total pension	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.
No data is available for the previous year.

**MADISON COUNTY, FLORIDA
SCHEDULE OF MADISON COUNTY'S CONTRIBUTIONS
FLORIDA RETIREMENT SYSTEM
LAST TEN FISCAL YEARS***

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 1,581,228	\$ 1,374,268	\$ 1,208,821	\$ 1,203,140	\$ 1,103,757	\$ 988,301	\$ 938,942	\$ 909,978	\$ 810,123
Contributions in relation to the contractually required contribution	(1,581,228)	(1,374,268)	(1,208,821)	(1,203,140)	(1,103,757)	(988,301)	(938,942)	(909,978)	(810,123)
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-
Madison County's covered-employee payroll	\$ 9,856,125	\$ 8,969,221	\$ 8,340,816	\$ 8,311,581	\$ 7,961,781	\$ 7,895,237	\$ 7,969,600	\$ 7,682,991	\$ 7,728,650
Contributions as a percentage of covered-employee payroll	16.04%	15.32%	14.49%	14.48%	13.86%	12.52%	11.78%	11.84%	10.48%

* The amounts presented for each fiscal year were determined as of 6/30.
No data is available for the previous year.

MADISON COUNTY, FLORIDA
SCHEDULE OF MADISON COUNTY'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
HEALTH INSURANCE SUBSIDY PROGRAM
LAST TEN FISCAL YEARS*

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Madison County's proportion of the net pension liability	0.025031056%	0.024049951%	0.023280271%	0.023721224%	0.023691928%	0.024185596%	0.024699941%	0.024747720%	0.025449321%
Madison County's proportionate share of the net pension liability	\$ 2,651,189	\$ 2,950,088	\$ 2,842,483	\$ 2,654,168	\$ 2,507,580	\$ 2,586,036	\$ 2,878,676	\$ 2,523,878	\$ 2,379,574
Madison County's covered-employee payroll	9,856,125	8,969,221	8,340,816	8,311,581	7,961,781	7,895,237	7,969,600	7,682,991	7,728,650
Madison County's proportionate share of the net pension liability as a percentage of its covered-employee payroll	26.90%	32.89%	34.08%	31.93%	31.50%	32.75%	36.12%	32.85%	30.79%
Plan fiduciary net position as a percentage of the total pension	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.
No data is available for the previous year.

**MADISON COUNTY, FLORIDA
SCHEDULE OF MADISON COUNTY'S CONTRIBUTIONS
HEALTH INSURANCE SUBSIDY PROGRAM
LAST TEN FISCAL YEARS***

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 155,294	\$ 144,266	\$ 133,025	\$ 133,155	\$ 128,833	\$ 127,603	\$ 126,603	\$ 94,601	\$ 87,181
Contributions in relation to the contractually required	(155,294)	(144,266)	(133,025)	(133,155)	(128,833)	(127,603)	(126,603)	(94,601)	(87,181)
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-
Madison County's covered-employee payroll	\$ 9,856,125	\$ 8,969,221	\$ 8,340,816	\$ 8,311,581	\$ 7,961,781	\$ 7,895,237	\$ 7,969,600	\$ 7,682,991	\$ 7,728,650
Contributions as a percentage of covered-employee payroll	1.58%	1.61%	1.59%	1.60%	1.62%	1.62%	1.59%	1.23%	1.13%

* The amounts presented for each fiscal year were determined as of 6/30.
No data is available for the previous year.

MADISON COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	<u>Budgeted Amounts</u>			Variance with Final Budget - Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Taxes	\$ 8,152,412	\$ 8,152,412	\$ 8,414,486	\$ 262,074
Licenses and permits	254,000	254,000	397,274	143,274
Intergovernmental	2,441,746	2,579,844	3,217,900	638,056
Charges for services	348,049	348,049	409,333	61,284
Fines and forfeitures	12,500	12,500	14,592	2,092
Interest revenue	11,835	11,835	34,174	22,339
Other	262,101	330,679	367,399	36,720
Total revenues	11,482,643	11,689,319	12,855,158	1,165,839
EXPENDITURES				
General government	1,025,929	1,158,383	1,198,744	(40,361)
Public safety	343,986	343,986	414,686	(70,700)
Physical environment	176,129	176,129	172,967	3,162
Economic environment	64,291	64,291	77,908	(13,617)
Human services	609,070	609,070	554,349	54,721
Culture/recreation	826,236	916,423	906,337	10,086
Debt service				
Principal	8,849	8,849	4,608	4,241
Interest	-	-	990	(990)
Capital outlay	16,500	370,532	378,790	(8,258)
Total expenditures	3,070,990	3,647,663	3,709,379	(61,716)
Excess (deficiency) of revenues over (under) expenditures	8,411,653	8,041,656	9,145,779	1,104,123
OTHER FINANCING SOURCES (USES)				
Transfers in	406,197	1,487,922	1,337,922	(150,000)
Transfers (out)	(8,817,850)	(9,529,578)	(8,821,639)	707,939
Total other financing sources (uses)	(8,411,653)	(8,041,656)	(7,483,717)	557,939
Net changes in fund balances	-	-	1,662,062	1,662,062
Fund balances - beginning	-	-	3,808,235	3,808,235
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,470,297</u>	<u>\$ 5,470,297</u>

See accompanying notes to the financial statements.

MADISON COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL
COUNTY TRANSPORTATION TRUST FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	<u>Budgeted Amounts</u>			Variance with Final Budget - Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Taxes	\$ 1,562,580	\$ 1,562,580	\$ 1,666,232	\$ 103,652
Licenses and permits	2,200	4,220	4,220	-
Intergovernmental	695,065	695,065	721,348	26,283
Charges for services	9,447	25,947	25,930	(17)
Interest revenue	5,100	34,706	34,698	(8)
Other	-	98,872	7,489	(91,383)
	<u>2,274,392</u>	<u>2,421,390</u>	<u>2,459,917</u>	<u>38,527</u>
EXPENDITURES				
Transportation	2,209,145	2,356,143	2,356,141	2
Debt service				
Principal	333,635	333,635	333,635	-
Interest	33,330	33,330	33,330	-
	<u>2,576,110</u>	<u>2,723,108</u>	<u>2,723,106</u>	<u>2</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(301,718)</u>	<u>(301,718)</u>	<u>(263,189)</u>	<u>38,529</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	351,718	351,718	351,718	-
Transfers (out)	(50,000)	(50,000)	(50,000)	-
Leases (as lessee)	-	-	-	-
	<u>301,718</u>	<u>301,718</u>	<u>301,718</u>	<u>-</u>
Net changes in fund balances	-	-	38,529	38,529
Fund balances - beginning	-	-	2,693,954	2,693,954
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,732,483</u>	<u>\$ 2,732,483</u>

See accompanying notes to the financial statements.

MADISON COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL
SHERIFF - OPERATING FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	<u>Budgeted Amounts</u>			Variance with Final Budget - Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 5,600	\$ 5,600
Total revenues	-	-	5,600	5,600
EXPENDITURES				
Current				
Public safety	7,033,020	7,951,392	7,712,489	238,903
Debt service				
Principal	73,206	73,206	85,699	(12,493)
Interest	4,815	4,815	4,815	-
Capital outlay	451,464	521,149	711,434	(190,285)
Total expenditures	7,562,505	8,550,562	8,514,437	36,125
Excess (deficiency) of revenues over (under) expenditures	(7,562,505)	(8,550,562)	(8,508,837)	41,725
OTHER FINANCING SOURCES (USES)				
Transfers in	7,290,753	8,278,810	8,237,085	(41,725)
Proceeds from debt financing	271,752	271,752	271,752	-
Total other financing sources (uses)	7,562,505	8,550,562	8,508,837	(41,725)
Net changes in fund balances	-	-	-	-
Fund balances - beginning	-	-	4,119	4,119
Fund balances - ending	\$ -	\$ -	\$ 4,119	\$ 4,119

MADISON COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	<u>Budgeted Amounts</u>			Variance with Final Budget - Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Intergovernmental	\$ 4,950,634	\$ 4,950,634	\$ 74,281	\$ (4,876,353)
Total revenues	<u>4,950,634</u>	<u>4,950,634</u>	<u>74,281</u>	<u>(4,876,353)</u>
EXPENDITURES				
Capital outlay	<u>4,950,634</u>	<u>4,950,634</u>	<u>56,795</u>	<u>4,893,839</u>
Total expenditures	<u>4,950,634</u>	<u>4,950,634</u>	<u>56,795</u>	<u>4,893,839</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>17,486</u>	<u>17,486</u>
Net changes in fund balances	-	-	17,486	17,486
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>(146,355)</u>	<u>(146,355)</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (128,869)</u>	<u>\$ (128,869)</u>

MADISON COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL
CARES ACT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	<u>Budgeted Amounts</u>			Variance with Final Budget - Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Intergovernmental	\$ -	\$ 1,958,474	\$ 1,079,137	\$ (879,337)
Interest revenue	-	7,700	7,688	(12)
Total revenues	-	1,966,174	1,086,825	(879,349)
EXPENDITURES				
Current				
General government	-	38,700	8,518	30,182
Capital outlay	-	334,050	333,941	109
Total expenditures	-	372,750	342,459	30,291
Excess (deficiency) of revenues over (under) expenditures	-	1,593,424	744,366	(849,058)
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	-	(1,593,424)	(736,678)	856,746
Total other financing sources (uses)	-	(1,593,424)	(736,678)	856,746
Net changes in fund balances	-	-	7,688	7,688
Fund balances - beginning	-	-	810,710	810,710
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 818,398</u>	<u>\$ 818,398</u>

SUPPLEMENTAL INFORMATION

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

	Special Revenue Funds					
	Tourist Development	Fire	DOJ Equitable Sharing Program	State Confiscations Trust	E911	Law Enforcement & Corrections
ASSETS						
Cash	\$ 45,317	\$ 20,688	\$ 80	\$ 1,398	\$ 25,281	\$ 31,865
Accounts receivable	-	-	-	-	-	-
Due from other funds	-	316	-	-	96	59,432
Due from other governmental units	16,150	425,474	-	-	-	90,995
Investments	267,731	156,355	169	13,227	125,212	36,800
Prepaid expenses	-	21,416	-	-	-	-
Total assets	\$ 329,198	\$ 624,249	\$ 249	\$ 14,625	\$ 150,589	\$ 219,092
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ 3,484	\$ 7,999	\$ -	\$ -	\$ 51	\$ 13,010
Due to other funds	-	-	144	150	3,798	202,596
Due to other governmental units	-	-	-	-	-	-
Deferred income	-	-	-	-	-	-
Total liabilities	3,484	7,999	144	150	3,849	215,606
Fund balances						
Nonspendable	-	-	-	-	-	-
Restricted	325,714	616,250	105	14,475	146,740	3,486
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balances	325,714	616,250	105	14,475	146,740	3,486
Total liabilities and fund balances	\$ 329,198	\$ 624,249	\$ 249	\$ 14,625	\$ 150,589	\$ 219,092

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

	Special Revenue Funds					
	Emergency Management	SHIP Program	Recycling	Property Appraiser	Supervisor of Elections	Tax Collector
ASSETS						
Cash	\$ -	\$ 317	\$ -	\$ 29,439	\$ 2,062	\$ 31,667
Accounts receivable	-	-	-	1,350	9	-
Due from other funds	88	-	-	-	-	-
Due from other governmental units	41,508	-	-	-	-	-
Investments	37,943	577,418	27,301	-	-	-
Prepaid expenses	-	-	-	7,645	10,800	-
Total assets	\$ 79,539	\$ 577,735	\$ 27,301	\$ 38,434	\$ 12,871	\$ 31,667
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ 4,396	\$ -	\$ -	\$ 6,058	\$ 853	\$ 319
Due to other funds	68,918	-	-	24,731	12,018	31,348
Due to other governmental units	-	-	-	-	-	-
Deferred income	-	570,453	-	-	-	-
Total liabilities	73,314	570,453	-	30,789	12,871	31,667
Fund balances						
Nonspendable	-	-	-	7,645	-	-
Restricted	6,225	7,282	27,301	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balances	6,225	7,282	27,301	7,645	-	-
Total liabilities and fund balances	\$ 79,539	\$ 577,735	\$ 27,301	\$ 38,434	\$ 12,871	\$ 31,667

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

	Special Revenue Funds					
	Clerk of the Circuit Court	Landfill Closure	Court Technology Modernization	Public Records Modernization	Court Fund	Soil Conservation
ASSETS						
Cash	\$ 50,299	\$ 444	\$ 42,283	\$ 30,307	\$ 127,638	\$ 1,489
Accounts receivable	-	-	-	-	-	-
Due from other funds	138,799	-	18	-	18	-
Due from other governmental units	2,365	-	-	-	-	20,171
Investments	284,400	502,034	42,118	100,338	28,500	7,685
Prepaid expenses	5,245	-	-	-	-	-
Total assets	\$ 481,108	\$ 502,478	\$ 84,419	\$ 130,645	\$ 156,156	\$ 29,345
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ 431,207	\$ 33,995	\$ -	\$ -	\$ 140,993	\$ 608
Due to other funds	40,128	298,654	-	3	138,796	35,521
Due to other governmental units	9,773	-	-	-	77,072	-
Deferred income	-	-	-	-	-	-
Total liabilities	481,108	332,649	-	3	356,861	36,129
Fund balances						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	84,419	130,642	-	-
Assigned	-	169,829	-	-	-	-
Unassigned	-	-	-	-	(200,705)	(6,784)
Total fund balances	-	169,829	84,419	130,642	(200,705)	(6,784)
Total liabilities and fund balances	\$ 481,108	\$ 502,478	\$ 84,419	\$ 130,645	\$ 156,156	\$ 29,345

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

	Special Revenue Funds					
	MSCO Firearms Training Facility	Crime Prevention Funds	Law Enforcement Education	Radio Communication Program	Criminal Justice Program	2nd Local Option Gas Tax
ASSETS						
Cash	\$ 129	\$ 2,672	\$ 3,246	\$ 11,953	\$ 3,877	\$ 74,633
Accounts receivable	-	-	-	-	-	-
Due from other funds	-	790	1,243	6,480	1,560	-
Due from other governmental units	-	-	-	-	-	38,192
Investments	1,950	2,592	13,414	45,830	17,286	254,614
Prepaid expenses	-	-	-	-	-	-
Total assets	\$ 2,079	\$ 6,054	\$ 17,903	\$ 64,263	\$ 22,723	\$ 367,439
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	6,000	-	50,000	-	-
Due to other governmental units	-	-	-	-	-	-
Deferred income	-	-	-	-	-	-
Total liabilities	-	6,000	-	50,000	-	-
Fund balances						
Nonspendable	-	-	-	-	-	-
Restricted	2,079	54	17,903	14,263	22,723	367,439
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balances	2,079	54	17,903	14,263	22,723	367,439
Total liabilities and fund balances	\$ 2,079	\$ 6,054	\$ 17,903	\$ 64,263	\$ 22,723	\$ 367,439

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

	Special Revenue Funds					
	State Court Facilities Surcharge	Article V Information Technology Fees	Court Facilities	5th and 6th Cent Surplus	I.C.E Equitable Sharing	Fiscally Constrained County
ASSETS						
Cash	\$ 28,282	\$ 275	\$ 8,130	\$ 295	\$ 201	\$ 71,434
Accounts receivable	-	-	-	-	-	-
Due from other funds	19,547	1,684	2,438	1,461,000	-	-
Due from other governmental units	-	-	-	74,168	-	35,371
Investments	1,138	29,457	92,137	281,765	57,821	263,853
Prepaid expenses	-	-	-	-	-	-
Total assets	\$ 48,967	\$ 31,416	\$ 102,705	\$ 1,817,228	\$ 58,022	\$ 370,658
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ 1,473	\$ -	\$ 1,564	\$ -	\$ -	\$ -
Due to other funds	25,000	-	-	-	-	-
Due to other governmental units	-	-	-	-	-	-
Deferred income	-	-	-	-	-	-
Total liabilities	26,473	-	1,564	-	-	-
Fund balances						
Nonspendable	-	-	-	-	-	-
Restricted	22,494	31,416	101,141	1,817,228	58,022	-
Assigned	-	-	-	-	-	370,658
Unassigned	-	-	-	-	-	-
Total fund balances	22,494	31,416	101,141	1,817,228	58,022	370,658
Total liabilities and fund balances	\$ 48,967	\$ 31,416	\$ 102,705	\$ 1,817,228	\$ 58,022	\$ 370,658

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

	Special Revenue Funds		
	Hospital Surtax	Small County Surtax	Total
ASSETS			
Cash	\$ 50	\$ 205,829	\$ 851,580
Accounts receivable	-	-	1,359
Due from other funds	-	-	1,693,509
Due from other governmental units	51,889	103,777	900,060
Investments	1,038,747	1,519,900	5,827,735
Prepaid expenses	-	-	45,106
	-	-	45,106
Total assets	\$ 1,090,686	\$ 1,829,506	\$ 9,319,349
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ -	\$ 21,569	\$ 667,579
Due to other funds	-	-	937,805
Due to other governmental units	-	-	86,845
Deferred income	-	-	570,453
	-	-	570,453
Total liabilities	-	21,569	2,262,682
	-		
Fund balances			
Nonspendable	-	-	7,645
Restricted	1,090,686	1,807,937	6,716,024
Assigned	-	-	540,487
Unassigned	-	-	(207,489)
	-	-	(207,489)
Total fund balances	1,090,686	1,807,937	7,056,667
Total liabilities and fund balances	\$ 1,090,686	\$ 1,829,506	\$ 9,319,349

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

	Special Revenue Funds					
	Tourist Development	Fire	DOJ Equitable Sharing Program	State Confiscations Trust	E911	Law Enforcement & Corrections
REVENUES						
Taxes	\$ 227,132	\$ 636,582	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	433,344	-	-	102,040	626,189
Charges for services	-	-	-	-	154,856	402,574
Fines and forfeitures	-	-	-	836	-	-
Interest revenue	10	-	1	553	-	386
Other	2,514	25,741	-	-	-	-
Total revenues	229,656	1,095,667	1	1,389	256,896	1,029,149
EXPENDITURES						
Current						
General government	-	-	-	-	-	-
Public safety	-	689,985	144	150	154,237	218
Physical environment	-	-	-	-	-	-
Economic environment	119,061	-	-	-	-	-
Human services	-	-	-	-	-	-
Debt service						
Principal	-	-	-	-	-	-
Interest	-	363	-	-	-	-
Capital outlay	-	435,474	-	-	-	-
Total expenditures	119,061	1,125,822	144	150	154,237	218
Excess (deficiency) of revenues Over (under) expenditures	110,595	(30,155)	(143)	1,239	102,659	1,028,931
OTHER FINANCING SOURCES (USES)						
Transfers in	-	5,000	-	-	-	7,182,262
Transfers (out)	-	(25,924)	-	-	(74,975)	(8,182,132)
Notes receivable issued	-	-	-	-	-	-
Total other financing sources (uses)	-	(20,924)	-	-	(74,975)	(999,870)
Net changes in fund balances	110,595	(51,079)	(143)	1,239	27,684	29,061
Fund balances - beginning	215,119	667,329	248	13,236	119,056	(25,575)
Fund balances - ending	\$ 325,714	\$ 616,250	\$ 105	\$ 14,475	\$ 146,740	\$ 3,486

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

	Special Revenue Funds					
	Emergency Management	SHIP Program	Recycling	Property Appraiser	Supervisor of Elections	Tax Collector
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	164,017	122,356	93,748	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Interest revenue	-	3,677	-	-	-	-
Other	10,000	-	-	-	10,728	-
Total revenues	174,017	126,033	93,748	-	10,728	-
EXPENDITURES						
Current						
General government	-	-	-	831,233	498,873	616,724
Public safety	190,858	-	-	-	-	-
Physical environment	-	-	93,750	-	-	-
Economic environment	-	126,034	-	-	-	-
Human services	-	-	-	-	-	-
Debt service						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay	-	-	-	7,635	19,856	-
Total expenditures	190,858	126,034	93,750	838,868	518,729	616,724
Excess (deficiency) of revenues						
Over (under) expenditures	(16,841)	(1)	(2)	(838,868)	(508,001)	(616,724)
OTHER FINANCING SOURCES (USES)						
Transfers in	35,000	-	-	846,513	508,001	616,724
Transfers (out)	-	-	-	-	-	-
Notes receivable issued	-	-	-	-	-	-
Total other financing sources (uses)	35,000	-	-	846,513	508,001	616,724
Net changes in fund balances	18,159	(1)	(2)	7,645	-	-
Fund balances - beginning	(11,934)	7,283	27,303	-	-	-
Fund balances - ending	\$ 6,225	\$ 7,282	\$ 27,301	\$ 7,645	\$ -	\$ -

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

	Special Revenue Funds					Soil Conservation
	Clerk of the Circuit Court	Landfill Closure	Court Technology Modernization	Public Records Modernization	Court Fund	
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	20,524	-	-	-	-	112,528
Charges for services	101,606	-	24,248	8,309	362,354	-
Fines and forfeitures	-	-	-	-	143,446	-
Interest revenue	4,446	-	-	-	-	-
Other	5,808	-	-	-	59,150	-
Total revenues	132,384	-	24,248	8,309	564,950	112,528
EXPENDITURES						
Current						
General government	487,902	-	8,689	-	543,930	-
Public safety	-	-	-	-	-	-
Physical environment	-	45,103	-	-	-	112,528
Economic environment	-	-	-	-	-	-
Human services	-	-	-	-	-	-
Debt service						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay	5,157	-	-	-	-	-
Total expenditures	493,059	45,103	8,689	-	543,930	112,528
Excess (deficiency) of revenues Over (under) expenditures	(360,675)	(45,103)	15,559	8,309	21,020	-
OTHER FINANCING SOURCES (USES)						
Transfers in	360,675	50,000	-	-	-	-
Transfers (out)	-	-	-	-	-	-
Notes receivable issued	-	-	-	-	-	-
Total other financing sources (uses)	360,675	50,000	-	-	-	-
Net changes in fund balances	-	4,897	15,559	8,309	21,020	-
Fund balances - beginning	-	164,932	68,860	122,333	(221,725)	(6,784)
Fund balances - ending	\$ -	\$ 169,829	\$ 84,419	\$ 130,642	\$ (200,705)	\$ (6,784)

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

	Special Revenue Funds					2nd Local Option Gas Tax
	MSCO Firearms Training Facility	Crime Prevention Funds	Law Enforcement Education	Radio Communication Program	Criminal Justice Program	
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 451,339
Intergovernmental	-	-	-	-	-	-
Charges for services	-	7,443	11,559	57,243	14,195	-
Fines and forfeitures	-	-	-	-	-	-
Interest revenue	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total revenues	-	7,443	11,559	57,243	14,195	451,339
EXPENDITURES						
Current						
General government	-	-	-	-	-	-
Public safety	-	-	13,254	2,950	9,898	-
Physical environment	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-
Human services	-	-	-	-	-	-
Debt service						
Principal	-	-	-	-	-	468,750
Interest	-	-	-	-	-	14,085
Capital outlay	-	-	-	-	-	-
Total expenditures	-	-	13,254	2,950	9,898	482,835
Excess (deficiency) of revenues Over (under) expenditures	-	7,443	(1,695)	54,293	4,297	(31,496)
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers (out)	-	(7,444)	-	(45,000)	-	-
Notes receivable issued	-	-	-	-	-	-
Total other financing sources (uses)	-	(7,444)	-	(45,000)	-	-
Net changes in fund balances	-	(1)	(1,695)	9,293	4,297	(31,496)
Fund balances - beginning	2,079	55	19,598	4,970	18,426	398,935
Fund balances - ending	\$ 2,079	\$ 54	\$ 17,903	\$ 14,263	\$ 22,723	\$ 367,439

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

	Special Revenue Funds					
	State Court Facilities Surcharge	Article V Information Technology Fees	Court Facilities	5th and 6th Cent Surplus	I.C.E Equitable Sharing	Fiscally Constrained County
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	873,656	-	575,236
Charges for services	175,635	27,208	23,646	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Interest revenue	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total revenues	175,635	27,208	23,646	873,656	-	575,236
EXPENDITURES						
Current						
General government	53,409	69,691	8,681	-	-	73,310
Public safety	-	-	-	-	-	-
Physical environment	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-
Human services	-	-	-	-	-	-
Debt service						
Principal	-	-	-	468,750	-	-
Interest	-	-	-	10,574	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	53,409	69,691	8,681	479,324	-	73,310
Excess (deficiency) of revenues						
Over (under) expenditures	122,226	(42,483)	14,965	394,332	-	501,926
OTHER FINANCING SOURCES (USES)						
Transfers in	-	42,408	-	-	-	-
Transfers (out)	(160,705)	-	-	(351,718)	-	(718,093)
Notes receivable issued	-	-	-	-	-	(151,614)
Total other financing sources (uses)	(160,705)	42,408	-	(351,718)	-	(869,707)
Net changes in fund balances	(38,479)	(75)	14,965	42,614	-	(367,781)
Fund balances - beginning	60,973	31,491	86,176	1,774,614	58,022	738,439
Fund balances - ending	\$ 22,494	\$ 31,416	\$ 101,141	\$ 1,817,228	\$ 58,022	\$ 370,658

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

	Special Revenue Funds		
	Hospital Surtax	Small County Surtax	Total
REVENUES			
Taxes	\$ 981,766	\$ 1,963,531	\$ 4,260,350
Intergovernmental	-	-	3,123,638
Charges for services	-	-	1,370,876
Fines and forfeitures	-	-	144,282
Interest revenue	11,711	19,737	40,521
Other	303,269	-	417,210
	1,296,746	1,983,268	9,356,877
Total revenues			
EXPENDITURES			
Current			
General government	-	328,070	3,520,512
Public safety	-	-	1,061,694
Physical environment	-	-	251,381
Economic environment	-	-	245,095
Human services	1,160,979	-	1,160,979
Debt service			
Principal	-	213,838	1,151,338
Interest	-	21,784	46,806
Capital outlay	-	-	468,122
	1,160,979	563,692	7,905,927
Total expenditures			
Excess (deficiency) of revenues			
Over (under) expenditures	135,767	1,419,576	1,450,950
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	9,646,583
Transfers (out)	-	(1,119,094)	(10,685,085)
Notes receivable issued	-	-	(151,614)
	-	(1,119,094)	(1,190,116)
Total other financing sources (uses)			
Net changes in fund balances	135,767	300,482	260,834
Fund balances - beginning	954,919	1,507,455	6,795,833
Fund balances - ending	\$ 1,090,686	\$ 1,807,937	\$ 7,056,667

COMPLIANCE SECTION

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

The Honorable Chairman and Commissioners
The Board of County Commissioners and Constitutional Officers
Madison County, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Madison County, Florida as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise Madison County, Florida’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 Madison County, Florida’s internal control over financial reporting (internal control) as a basis for designing 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 Madison County, Florida’s internal control. Accordingly, we do not express an opinion on the effectiveness of Madison County, Florida’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 Madison County, Florida'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.

Lanigan & Associates, PC

Tallahassee, Florida
June 2, 2023

LANIGAN & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
MANAGEMENT CONSULTANTS
www.lanigancpa.com

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

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

In our opinion, Madison County, Florida 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 (*Government Auditing Standards*); the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, Rules of the Auditor General. Our responsibilities under those standards, the Uniform Guidance, and Chapter 10.550, *Rules of the Auditor General*, are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

Lanigan & Associates, PC

Tallahassee, Florida
June 2, 2023

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

Federal/State Agency Pass-through Entity Federal Program/State Project	Federal Assistance Listing or CFSA No.	Contract Grant No.	Expenditures
FEDERAL AWARDS			
<u>U.S. Department of Housing and Urban Development</u>			
Pass through Florida Department Economic Opportunity Community Development Block Grant	14.228	22DB-OP-03-50-01-H08	\$ 17,725
<u>U.S. Department of Justice</u>			
Pass through Bureau of Advocacy Crime Victim Assistance	16.575	VOCA 2021	55,304
Pass through Florida Department of Law Enforcement Edward Byrne Memorial Justice Grant Program	16.738	2021-JAGD-MADI-1-4B-009	2,113
Edward Byrne Memorial Justice Grant Program	16.738	15PBJA-21-GG-00241-MUMU	52,626
Total U.S. Department of Justice			110,043
<u>U.S. Department of Transportation</u>			
Pass through Florida Department of Transportation State and Community Highway Safety	20.600	G2369	44,075
<u>U.S. Department of Treasury</u>			
Pass through Florida Division of Emergency Management COVID-19 Coronavirus Relief Fund	21.019	Y2305	167,895
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	1505-0271	911,242
Total U.S. Department of Treasury			1,079,137
<u>Election Assistance Commission</u>			
Pass through Florida Department of State 2018 HAVA Election Security Grants	90.404	22.e.es.300.039	47,911
<u>U.S. Department of Health and Human Services</u>			
Administration for Children and Families Pass through Florida Department of Revenue Child Support Reimbursement	93.563	COC40	20,524
<u>U.S. Department of Homeland Security</u>			
Pass through Florida Division of Emergency Management Emergency Management Performance Grant	97.042	G0237	44,287
Emergency Management Performance Grant	97.042	G0262	13,926
Total U.S. Department Homeland Security			58,213
Total Expenditures of Federal Awards			\$ 1,377,628
STATE FINANCIAL ASSISTANCE			
<u>Florida Division of Emergency Management</u>			
Emergency Management Preparedness and Assistance Grant	31.063	A0204	\$ 95,522
<u>Department of Environmental Protection</u>			
Small County Consolidated Grants	37.012	SC222	93,750
<u>Florida Housing Finance Corporation</u>			
State Housing Initiatives Partnership (SHIP) Program	40.901	GAA	126,034

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

Florida Department of Agriculture and Consumer Services

Mosquito Control	42.003	28464	\$ 38,025
Volunteer Firefighter Cost Share	N/A	N/A	<u>7,870</u>
Total Florida Department of Agriculture and Consumer Services			<u>45,895</u>

Florida Department of Financial Services

Local Government Fire Service Grants Equipment/Training Materials	43.010	FM705	<u>425,474</u>
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Florida Department of State

State Aid to Libraries	45.030	22-ST-82	<u>240,187</u>
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Florida Department of Education

Coach Aaron Feis Guardian Program	48.140	90R-90210-2D001	<u>70,501</u>
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Florida Department of Transportation

Small County Road Assistance Program	55.016	441327-1-54-01	<u>56,795</u>
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Florida Department of Health

County Grant Awards	64.005	C8040	<u>5,765</u>
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Florida Department of Law Enforcement

Florida Incident Based Reporting System	71.043	2021-FBSFA-F2-048	<u>143,346</u>
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Florida Department of Management Services

Wireless 911 Emergency Telephone System	72.001	19-04-25	<u>100,230</u>
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Florida Department of Juvenile Justice

Delinquency Prevention	80.029	10670	<u>132,280</u>
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Total Expenditures of State Financial Assistance

\$ 1,535,779

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

Financial Reporting Entity

The Madison County, Florida ("County") reporting entity is defined in Note 1 of the County's Basic Financial

Basis of Presentation

The accompanying schedule of expenditures of federal awards and state financial assistance (the "Schedule") includes the federal award and state financial assistance activity of Madison County, Florida under programs of the federal and state government for the year ended September 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Madison County, Florida, it is not intended to and does not present the balance sheet, changes in fund balances, or cash flows of Madison County, Florida.

Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Indirect Cost Rate

Madison County, Florida has not elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**MADISON COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	<u>Unmodified</u>
Internal Control over Financial Reporting:	
Material weaknesses identified?	<u> </u> Yes <u> X </u> No
Significant deficiencies identified?	<u> </u> Yes <u> X </u> None Reported
Is any noncompliance material to financial statements noted?	<u> </u> Yes <u> X </u> No

Federal Awards

Internal Control over Major Federal Programs:	
Material weaknesses identified?	<u> </u> Yes <u> X </u> No
Significant deficiencies identified?	<u> </u> Yes <u> X </u> None Reported
Type of auditor's report issued on compliance for major federal programs:	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	<u> </u> Yes <u> X </u> No
Identification of major federal programs:	
<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
21.027	Coronavirus State and Local Fiscal Recovery Funds
Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$750,000</u>
Auditee qualified as a low-risk auditee?	<u> </u> Yes <u> X </u> No

**MADISON COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

SECTION I - SUMMARY OF AUDITOR'S RESULTS (CONTINUED)

State Projects

Internal Control over Major State Projects:	
Material weaknesses identified?	_____ Yes <u> X </u> No
Significant deficiencies identified?	_____ Yes <u> X </u> None Reported
Type of auditor's report issued on compliance for major state projects:	<u> Unmodified </u>
Any audit findings disclosed that are required to be reported in accordance with Chapter 10.557, <i>Rules of the Auditor General</i> ?	_____ Yes <u> X </u> No
Identification of major state projects:	
<u> CSFA Numbers </u>	<u> Name of State Project </u>
43.010	Local Government Fire Service Grants Equipment/ Training
45.030	State Aid to Libraries
71.043	Florida Incident Based Reporting System
Dollar threshold used to distinguish between Type A and Type B programs:	<u> \$460,734 </u>

**MADISON COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

SECTION II - SCHEDULE OF FINANCIAL STATEMENT FINDINGS

None noted.

**SECTION III - FEDERAL AWARD AND STATE PROJECT FINDINGS AND
QUESTIONED COSTS**

None noted.

**MADISON COUNTY, FLORIDA
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

SCHEDULE OF PRIOR YEAR FINANCIAL STATEMENT FINDINGS

None noted.

FEDERAL AWARD PRIOR YEAR FINDINGS AND QUESTIONED COSTS

None noted.

STATE PROJECT PRIOR YEAR FINDINGS AND QUESTIONED COSTS

None noted.

LANIGAN & ASSOCIATES, P.C.

CERTIFIED PUBLIC ACCOUNTANTS
www.lanigancpa.com

INDEPENDENT AUDITOR'S MANAGEMENT LETTER

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

Report on the Financial Statements

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

Auditor's Responsibility

We conducted our audit 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 (*Government Auditing Standards*); the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Reports 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 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 financial audit report. We did not have any findings or make any recommendations 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. This information is disclosed in Note 1 of the notes to financial statements.

Financial Condition and Management

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

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for Madison County, Florida. It is management's responsibility to monitor Madison County, Florida'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 the same.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we 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. Madison County, Florida's audited financial statements do not include any special district component units.

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 warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Honorable Board of County Commissioners and Constitutional Officers
County-Wide Management Letter
June 2, 2023

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 County Commissioners, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Lanigan & Associates, PC

Tallahassee, Florida
June 2, 2023

**REPORT OF INDEPENDENT ACCOUNTANT ON COMPLIANCE
WITH SECTIONS 365.172(10) AND 365.173(2)(d), FLORIDA STATUTES**

The Honorable Chairman and Commissioners of the
Board of County Commissioners
Madison County, Florida

Report on Compliance

We have examined the Madison County, Florida Board of County Commissioner's (the "Board") compliance with Sections 365.172(10) and 365.173(2)(d), Florida Statutes, regarding E911 funding as required by Section 10.556(10)(b), Rules of the Auditor General, during the year ended September 30, 2022. Management is responsible for the Board's compliance with the specified requirements. Our responsibility is to express an opinion on the Board's compliance with the specified requirements based on our examination.

Scope

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

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

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

Opinion

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

Lanigan & Associates, PC

Tallahassee, Florida
June 2, 2023

LANIGAN & ASSOCIATES, P.C.

CERTIFIED PUBLIC ACCOUNTANTS
BUSINESS ADVISORS
www.lanigancpa.com

REPORT OF INDEPENDENT ACCOUNTANT ON COMPLIANCE WITH LOCAL GOVERNMENT INVESTMENT POLICIES

The Honorable Chairman and Commissioners of the
Board of County Commissioners
Madison County, Florida

Report on Compliance

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

Scope

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

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

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

Opinion

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

Lanigan & Associates, PC

Tallahassee, Florida
June 2, 2023

**Special Purpose
Financial Statements**

**Madison County, Florida
Clerk of the Circuit Court and Comptroller**



**Year Ended September 30, 2022
with Independent Auditor's Report**

Madison County, Florida
Clerk of the Circuit Court and Comptroller

Special Purpose Financial Statements

Year Ended September 30, 2022

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INDEPENDENT AUDITOR'S REPORT

The Honorable Billy Washington
Clerk of the Circuit Court and Comptroller
Madison County, Florida

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the each major fund and the aggregate remaining fund information of the Clerk as of September 30, 2022, and the respective changes in financial position and the respective budgetary comparison 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Clerk and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The Clerk's 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 Clerk'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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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 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, we:

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

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

Emphasis of a Matter

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

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 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 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.

Lanigan & Associates, PC

Tallahassee, Florida
June 2, 2023

MADISON COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT AND COMPTROLLER
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022

	Major Funds				Total Governmental Funds
	General	Court Fund	Public Records Modernization	Court Technology Modernization	
ASSETS					
Cash	\$ 50,299	\$ 127,638	\$ 30,307	\$ 42,283	\$ 250,527
Accounts receivable	-	-	-	-	-
Investments	284,400	28,500	100,338	42,118	455,356
Due from other funds	138,799	18	-	18	138,835
Due from other governmental units	2,365	-	-	-	2,365
Prepaid expenses	5,245	-	-	-	5,245
Total assets	\$ 481,108	\$ 156,156	\$ 130,645	\$ 84,419	\$ 852,328
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts payable	\$ 431,207	\$ 140,993	\$ -	\$ -	\$ 572,200
Due to other funds	40,128	138,796	3	-	178,927
Due to other governments	9,773	77,072	-	-	86,845
Total liabilities	481,108	356,861	3	-	837,972
Fund balance:					
Restricted	-	-	130,642	84,419	215,061
Unassigned	-	(200,705)	-	-	(200,705)
Total fund balance	-	(200,705)	130,642	84,419	14,356
Total liabilities and fund balance	\$ 481,108	\$ 156,156	\$ 130,645	\$ 84,419	\$ 852,328

See accompanying notes to the financial statements.

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

	Major Funds				Total Governmental Funds
	General	Court Fund	Public Records Modernization	Court Technology Modernization	
REVENUES					
Intergovernmental	\$ 20,524	\$ -	\$ -	\$ -	\$ 20,524
Charges for services	101,606	362,354	8,309	24,248	496,517
Fines and forfeitures	-	143,446	-	-	143,446
Interest revenue	4,446	-	-	-	4,446
Other	5,808	59,150	-	-	64,958
Total revenues	132,384	564,950	8,309	24,248	729,891
EXPENDITURES					
Current					
General government	487,902	543,930	-	8,689	1,040,521
Capital Outlay	5,157	-	-	-	5,157
Total expenditures	493,059	543,930	-	8,689	1,045,678
Excess (deficiency) of revenues over (under) expenditures	(360,675)	21,020	8,309	15,559	(315,787)
OTHER FINANCING SOURCES					
Transfers in	360,675	-	-	-	360,675
Total other financing sources	360,675	-	-	-	360,675
Net changes in fund balances	-	21,020	8,309	15,559	44,888
Fund balances - beginning	-	(221,725)	122,333	68,860	(30,532)
Fund balances - ending	<u>\$ -</u>	<u>\$ (200,705)</u>	<u>\$ 130,642</u>	<u>\$ 84,419</u>	<u>\$ 14,356</u>

See accompanying notes to the financial statements.

MADISON COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT AND COMPTROLLER
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	<u>Budgeted Amounts</u>			Variance with Final Budget - Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Intergovernmental	\$ 37,000	\$ 37,000	\$ 20,524	\$ (16,476)
Charges for services	79,300	88,024	101,606	13,582
Interest revenue	530	3,831	4,446	615
Other	-	5,808	5,808	-
Total revenues	<u>116,830</u>	<u>134,663</u>	<u>132,384</u>	<u>(2,279)</u>
EXPENDITURES				
Current				
General government	467,128	495,338	487,902	7,436
Capital Outlay	-	-	5,157	(5,157)
Total expenditures	<u>467,128</u>	<u>495,338</u>	<u>493,059</u>	<u>2,279</u>
(Deficiency) of revenues (under) expenditures	<u>(350,298)</u>	<u>(360,675)</u>	<u>(360,675)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>350,298</u>	<u>360,675</u>	<u>360,675</u>	<u>-</u>
Total other financing sources	<u>350,298</u>	<u>360,675</u>	<u>360,675</u>	<u>-</u>
Net changes in fund balances	-	-	-	-
Fund balances - beginning	-	-	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to the financial statements.

MADISON COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT AND COMPTROLLER
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL
COURT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	<u>Budgeted Amounts</u>			Variance with Final Budget - Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Charges for services	\$ 390,400	\$ 390,400	\$ 362,354	\$ (28,046)
Fines and forfeitures	185,000	185,000	143,446	(41,554)
Other	-	-	59,150	59,150
Total revenues	<u>575,400</u>	<u>575,400</u>	<u>564,950</u>	<u>(10,450)</u>
EXPENDITURES				
Current				
General government	<u>575,400</u>	<u>575,400</u>	<u>543,930</u>	<u>31,470</u>
Total expenditures	<u>575,400</u>	<u>575,400</u>	<u>543,930</u>	<u>31,470</u>
(Deficiency) of revenues (under) expenditures	<u>-</u>	<u>-</u>	<u>21,020</u>	<u>21,020</u>
Net changes in fund balances	-	-	21,020	21,020
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>(221,725)</u>	<u>(221,725)</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (200,705)</u>	<u>\$ (200,705)</u>

See accompanying notes to the financial statements.

MADISON COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT AND COMPTROLLER
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL
PUBLIC RECORDS MODERNIZATION FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	<u>Budgeted Amounts</u>			Variance with Final Budget - Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Charges for services	\$ -	\$ -	\$ 8,309	\$ 8,309
Total revenues	-	-	8,309	8,309
EXPENDITURES				
Current				
General government	-	-	-	-
Total expenditures	-	-	-	-
(Deficiency) of revenues (under) expenditures	-	-	8,309	8,309
Net changes in fund balances	-	-	8,309	8,309
Fund balances - beginning	-	-	122,333	122,333
Fund balances - ending	\$ -	\$ -	\$ 130,642	\$ 130,642

MADISON COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT AND COMPTROLLER
STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
SEPTEMBER 30, 2022

ASSETS	
Cash and cash equivalents	\$ 61,345
Investments	31,924
Due from individuals and others	<u>1,933</u>
Total assets	<u><u>\$ 95,202</u></u>
 LIABILITIES	
Due to individuals and others	<u>\$ 95,202</u>
Total liabilities	<u><u>\$ 95,202</u></u>
 NET POSITION	
Restricted	<u>\$ -</u>
Total net position	<u><u>\$ -</u></u>

MADISON COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT AND COMPTROLLER
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

ADDITIONS	\$ 349,054
DEDUCTIONS	<u>349,054</u>
Net increase (decrease) in fiduciary net position	-
Net position - beginning	<u>-</u>
Net position - ending	<u><u>\$ -</u></u>

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

NOTE 1: *Summary of Significant Accounting Policies*

The accounting policies of the Madison County, Florida Clerk of the Circuit Court and Comptroller (the “Clerk”) conform with generally accepted accounting principles (GAAP), as applicable to governments. The following is a summary of significant accounting principles and policies used in the preparation of these special purpose financial statements.

Reporting Entity

The Madison County, Florida Clerk of the Circuit Court and Comptroller, as established by Article VIII of the Constitution of the State of Florida, is an elected official of Madison County, Florida. Although the Clerk is operationally autonomous from the Madison County Board of County Commissioners, it does not hold sufficient corporate powers to be considered a legally separate entity for financial reporting purposes. Therefore, the Clerk is considered part of the County’s primary government.

These special purpose financial statements of the Clerk are not intended to be a complete presentation of the financial position and results of operations of Madison County, Florida taken as a whole. As permitted by Chapter 10.556, Rules of the Auditor General, the special purpose financial statements consist of only fund level financial statements as defined by GASB 34, and do not include presentations of government-wide financial statements of the Clerk.

Fund Accounting

The accounting records are organized for reporting purposes on the basis of fund accounting. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounting records. The Clerk utilizes the following fund types:

The General Fund, which is a governmental fund, is used to account for all revenues and expenditures applicable to the general operations of the Clerk. All general operating revenues which are not restricted or designated as to use by outside sources are recorded in the general fund. The governmental fund 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.

The Court Fund, which is a governmental fund, was established pursuant to Revision 7 to Article V, to account for court related revenues and expenditures and are required to be reported separately from the Clerk’s general activities.

Public Records Modernization Fund, which is a governmental fund, is used to account for the proceeds of specific revenue sources that are legally restricted to related expenditures.

Court Technology Modernization Fund, which is a governmental fund, is used to account for the proceeds of specific revenue sources that are legally restricted to related expenditures.

NOTE 1: *Summary of Significant Accounting Policies (Continued)*

Custodial Funds are used to account for assets held by the Clerk as an agent for individuals, private organizations, and other governments.

Effective July 1, 2013, as a result of the passage of Senate Bill 1512, the Clerk returned to being an entirely fee based Constitutional Officer. In accordance with this Bill, fee revenue began being recognized effective June 1, 2013.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. The basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become both measurable and available as net current assets. The Clerk considers receivables collected within sixty days after year-end to be available and recognizes them as revenues of the current year. Expenditures are recognized when the related fund liability is incurred.

Cash and Cash Equivalents

The Clerk's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the acquisition date.

Budget and Budgetary Accounting

The Clerk operates under budget procedures pursuant to Section 218.35, Florida Statutes. The legal level of budgetary control is at the fund level. Budgets are adopted for governmental and special revenue funds. Budgetary changes within the fund are made at the discretion of the Clerk. Appropriations lapse at the end of the fiscal year to the extent they have not been expended. The budgetary revenues and expenditures in the accompanying budgetary comparison statement reflect all approved amendments.

NOTE 2: *Cash*

At September 30, 2022, the carrying amount of the Clerk's deposits was \$311,872 and the bank balance was \$319,897 (including fiduciary). Any balance in excess of FDIC insurance is covered by collateral held by the Clerk's custodial banks which is pledged to a state trust fund that provides security in accordance with Florida Security for Public Deposits Act, Chapter 280, Florida Statutes.

NOTE 3: *Investments*

The Clerk is authorized to invest in all State-approved investments which include:

- (1) Local Government Surplus Funds Trust Fund administered by the State Board of Administration;
- (2) Florida Local Government Investment Trust administered by the Florida Association of Court Clerks and Comptroller;
- (3) Bonds, notes or other obligations of the United States or those guaranteed by the United States or for which the credit of the United States is pledged;
- (4) Bonds, notes or other obligations of the State of Florida or any municipality or political subdivision thereof;
- (5) Interest-bearing time deposits or savings accounts in banks or savings and loan associations organized under the laws of Florida or organized under the laws of the United States doing business and situated in Florida.

Investments consist of amounts placed with the State Board of Administration for participation in the Local Government Surplus Trust Fund (Florida PRIME) created by Section 218.405, Florida Statutes. Florida PRIME meets the criteria in GASB 79 to measure all of its investments at amortized cost enabling it to maintain a constant Net Asset Value (NAV) of \$1.00 per share. As of September 30, 2022, Florida PRIME had no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100 percent of their account value.

Credit Risk – The credit risk of certain investments, such as investment pools managed by other governments, cannot be categorized as a credit risk because the County investments are not evidenced by specific, identifiable investment securities. As of September 30, 2022, Florida PRIME is rated by Standard and Poor's and has a current rating of AAAm.

Interest Rate Risk – Section 218.415(6), Florida Statutes, limits investment maturities to provide sufficient liquidity to pay obligations as they become due. The dollar weighted average maturity for Florida PRIME was 21 days as of September 30, 2022.

NOTE 4: *Inter-fund Transactions*

During the course of normal operations, numerous transactions occur between funds, such as expenditures or transfers of resources to provide services, service debt, or construct assets. The inter-fund transactions are not eliminated, and no interest is charged on such advances.

Inter-fund receivable and payable balances at September 30, 2022, were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Clerk Operating	Clerk Court Fund Public Record Modernization	\$ 138,796 3
Board of County Commissioners*	Clerk Operating	40,110
Clerk Court Technology Modernization	Clerk Operating	18
Clerk Court Fund	Board of County Commissioners*	<u>18</u>
Total		<u><u>\$ 178,945</u></u>

**Not included in the Clerk's financial statements.*

Operating transfers between funds during the year were as follows:

<u>Transfers in</u>	<u>Transfers Out</u>	<u>Amount</u>
Clerk Operating	Board of County Commissioners*	<u>\$ 360,675</u>
Total		<u><u>\$ 360,675</u></u>

**Not included in the Clerk's financial statements.*

NOTE 5: *Long-Term Liabilities*

Under the GASB 34 reporting model, long-term liabilities are not due and payable in the current period and accordingly are not reported as fund liabilities. All long-term liabilities for the Clerk are reported in the government-wide Statement of Net Position. The compensated absences of the Clerk are accounted for in the Statement of Net Position as follows:

	<u>Balance</u>			<u>Balance</u>
	<u>October 01, 2021</u>	<u>Additions</u>	<u>Reductions</u>	<u>September 30, 2022</u>
Compensated absences	\$ 41,237	\$ 21,244	\$ (19,418)	\$ 43,063

NOTE 6: *Retirement*

The Clerk participates in the State of Florida Retirement System (FRS), a multiple-employer, cost-sharing defined public employee retirement system which covers all of the Clerk's full-time employees. The system is administered by the State of Florida, Department of Administration, Division of Retirement to provide retirement and survivor benefits to participating public employees. 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. The FRS is a single retirement system administered by the Department of Management Services, Division of Retirement, and consists of two cost-sharing, multiple-employer retirement plans and other nonintegrated programs. These include a defined-benefit pension (Plan), with a Deferred Retirement Option Program (DROP), and a defined-contribution plan, referred to as the FRS Investment Plan (Investment Plan).

In addition, all regular employees of the entity are eligible to enroll as members of the Retiree Health Insurance Subsidy (HIS) Program. The HIS is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. For the fiscal year ended September 30, 2022, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of services credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month, pursuant to section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under one of the state-administered retirement systems must provide proof of eligible health insurance coverage, which may include Medicare.

For financial reporting purposes, the Clerk is deemed to be part of the primary government of Madison County, Florida. A liability related to the Clerk's proportionate share of FRS retirement benefits, along with a detailed plan description, is reported in the financial statements of Madison County, Florida for the fiscal year ended September 30, 2022.

NOTE 7: *Risk Management*

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

NOTE 8: *Subsequent Events*

Subsequent events were reviewed through June 2, 2023, which is the date the financial statements were available to be issued. As of this date there were no subsequent events that required disclosure.

INTERNAL CONTROL AND COMPLIANCE SECTION

September 30, 2022

LANIGAN & ASSOCIATES, P.C.

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

The Honorable Billy Washington
Clerk of the Circuit Court and Comptroller
Madison County, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of each major fund and aggregate remaining fund information of Madison County, Florida Clerk of the Circuit Court and Comptroller (the "Clerk") as of 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 2, 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 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 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.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Clerk's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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 organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Lanigan & Associates, PC

Tallahassee, Florida
June 2, 2023

**INDEPENDENT AUDITOR'S
MANAGEMENT LETTER**

The Honorable Billy Washington
Clerk of the Circuit Court and Comptroller
Madison County, Florida

Report on the Financial Statements

We have audited the financial statements of Madison County, Florida, Clerk of the Circuit Court and Comptroller (the "Clerk") as of and for the fiscal year ended September 30, 2022, and have issued our report dated June 2, 2023.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Account's Reports 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 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. In connection with the preceding annual financial audit report, there were no significant findings or recommendations.

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. This information is disclosed in Note 1 of the notes to financial statements. There are no component units related to the Clerk.

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 note 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 Board of County Commissioners, the Clerk, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

We wish to take this opportunity to thank you and your staff for the cooperation and courtesy extended to us during the course of our audit. We have enjoyed our association with you and look forward to a continuing relationship.

Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.

Lanigan & Associates, PC

Tallahassee, Florida
June 2, 2023

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REPORT OF INDEPENDENT ACCOUNTANT ON COMPLIANCE WITH LOCAL GOVERNMENT INVESTMENT POLICIES, ARTICLE V REQUIREMENTS AND DEPOSITORY REQUIREMENTS OF SECTIONS 218.415, 28.35, 28.36 AND 61.181, FLORIDA STATUTES

The Honorable Billy Washington
Clerk of the Circuit Court and Comptroller
Madison County, Florida

Report on Compliance

We have examined the Madison County, Florida Clerk of the Circuit Court and Comptroller's (the "Clerk") compliance with the local government investment policy requirements of Section 218.415, Florida Statutes, Article V requirements of Sections 28.35 and 28.36, Florida Statutes, and depository requirements for alimony transactions, support, maintenance and support payments of Section 61.181, Florida Statutes, for the year ended September 30, 2022. Management 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.

Scope

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.

Opinion

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

Lanigan & Associates, PC

Tallahassee, Florida
June 2, 2023

**Special Purpose
Financial Statements**

**Madison County, Florida
Property Appraiser**



**Year Ended September 30, 2022
with Independent Auditor's Report**

**Madison County, Florida
Property Appraiser**

Special Purpose Financial Statements

Year Ended September 30, 2022

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INDEPENDENT AUDITOR'S REPORT

The Honorable Leigh Barfield
Property Appraiser
Madison County, Florida

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the General fund of the Madison County, Florida Property Appraiser (the "Property Appraiser"), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the General fund of the Property Appraiser as of September 30, 2022, and the respective changes in financial position and the respective budgetary comparison 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Property Appraiser and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The Property Appraiser's 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 Property Appraiser'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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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 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, 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.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Property Appraiser's ability to continue as a going concern for a reasonable period of time.

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

Emphasis of Matter

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

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 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.

Lanigan & Associates, PC

Tallahassee, Florida
June 2, 2023

MADISON COUNTY, FLORIDA
PROPERTY APPRAISER
BALANCE SHEET
GENERAL FUND
AS OF SEPTEMBER 30, 2022

ASSETS

Cash and cash equivalents	\$ 29,439
Accounts receivable	1,350
Prepaid expense	<u>7,645</u>
Total assets	<u><u>\$ 38,434</u></u>

LIABILITIES AND FUND BALANCE

Liabilities:

Due to other funds	24,731
Accounts payable	<u>6,058</u>
Total liabilities	<u>30,789</u>
Fund balance:	
Nonspendable fund balance	<u>7,645</u>
Total fund balance	<u>7,645</u>
Total liabilities and fund balance	<u><u>\$ 38,434</u></u>

MADISON COUNTY, FLORIDA
PROPERTY APPRAISER
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	<u>Budgeted Amounts</u>			Variance with final budget - favorable (unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Total revenues	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Current				
General government	820,542	856,890	831,233	25,657
Capital outlay	4,950	4,950	7,635	(2,685)
Total expenditures	825,492	861,840	838,868	22,972
Excess (deficiency) of revenues over (under) expenditures	(825,492)	(861,840)	(838,868)	22,972
OTHER FINANCING SOURCES (USES)				
Transfers in	825,492	861,840	846,513	(15,327)
Total other financing sources (uses)	825,492	861,840	846,513	(15,327)
Net changes in fund balances	-	-	7,645	7,645
Fund balance - beginning	-	-	-	-
Fund balance - ending	\$ -	\$ -	\$ 7,645	\$ 7,645

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

NOTE 1: *Summary of Significant Accounting Policies*

The accounting policies of the Madison County, Florida Property Appraiser (the “Property Appraiser”) conform with generally accepted accounting principles (GAAP), as applicable to other governments. The following is a summary of significant accounting principles and policies used in the preparation of these special purpose financial statements.

Reporting Entity

The Madison County, Florida Property Appraiser, as established by Article VIII of the Constitution of the State of Florida, is an elected official of Madison County, Florida. Although the Property Appraiser is operationally autonomous from the Madison County Board of County Commissioners, it does not hold sufficient corporate powers to be considered a legally separate entity for financial reporting purposes. Therefore, the Property Appraiser is considered part of the County’s primary government.

These special purpose financial statements of the Property Appraiser are not intended to be a complete presentation of the financial position and results of operations of Madison County, Florida taken as a whole. As permitted by Chapter 10.556, *Rules of the Auditor General*, the special purpose financial statements consist of only fund level financial statements as defined by GASB 34, and do not include presentations of government-wide financial statements of the Property Appraiser.

Fund Accounting

The accounting records are organized for reporting purposes on the basis of fund accounting. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounting records.

The General Fund, which is a governmental fund, is used to account for all revenues and expenditures applicable to the general operations of the Property Appraiser. All general operating revenues which are not restricted or designated as to use by outside sources are recorded in the general fund. The governmental fund 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.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. The basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become both measurable and available as net current assets. The Property Appraiser considers

NOTE 1: Summary of Significant Accounting Policies (Continued)

receivables collected within sixty days after year-end to be available and recognizes them as revenues of the current year. Expenditures are recognized when the related fund liability is incurred.

Cash and Cash Equivalents

The Property Appraiser’s cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the acquisition date.

Budget and Budgetary Accounting

The Property Appraiser operates under budget procedures pursuant to Section 195.087, Florida Statutes. Budgets are adopted for governmental and special revenue funds. Budget control is exercised at the fund level. Budgetary changes within the fund are made at the discretion of the Property Appraiser. Appropriations lapse at the end of the fiscal year to the extent they have not been expended. The budgetary revenues and expenditures in the accompanying budgetary comparison statement reflect all approved amendments.

Compensated Absences

Employees may accumulate a limited amount of earned but unused sick leave, annual leave, and compensatory time, which will be paid upon separation of service. Unpaid compensated absences are recorded as a liability when the benefits are earned in the Madison County Government-Wide financial statements. For the governmental fund statements, expenditures are recognized when payments are made to employees.

NOTE 2: Interfund Transactions

During the course of normal operations, numerous transactions occur between funds, such as expenditures or transfers of resources to provide services, service debt, or construct assets. The interfund transactions are not eliminated and no interest is charged on such advances.

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Board of County Commissioners - General*	Property Appraiser - General	<u>\$ 24,731</u>
Total		<u><u>\$ 24,731</u></u>

Operating transfers between funds during the year were as follows:

<u>Transfers in</u>	<u>Transfers Out</u>	<u>Amount</u>
Property Appraiser - General	Board of County Commissioners - General*	<u>\$ 846,513</u>
Total		<u><u>\$ 846,513</u></u>

**Not included in the Property Appraiser's special purpose financial statements.*

NOTE 3: Long-Term Liabilities

Under the GASB 34 reporting model, long-term liabilities are not due and payable in the current period and accordingly are not reported as fund liabilities. All long-term liabilities for the Property Appraiser are reported in the government-wide Statement of Net Position. The compensated absences of the Property Appraiser are accounted for in the Statement of Net Position as follows:

	Balance			Balance
	October 01, 2021	Additions	Reductions	September 30, 2022
Compensated absences	\$ 42,579	\$ 15,577	\$ (8,679)	\$ 49,477

NOTE 4: Retirement

The Property Appraiser participates in the State of Florida Retirement System (FRS), a multiple-employer, cost-sharing defined public employee retirement system which covers all of the Property Appraiser's full-time employees. The system is administered by the State of Florida, Department of Administration, Division of Retirement to provide retirement and survivor benefits to participating public employees. 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. The FRS is a single retirement system administered by the Department of Management Services, Division of Retirement, and consists of two cost-sharing, multiple-employer retirement plans and other nonintegrated programs. These include a defined-benefit pension (Plan), with a Deferred Retirement Option Program (DROP), and a defined-contribution plan, referred to as the FRS Investment Plan (Investment Plan).

In addition, all regular employees of the entity are eligible to enroll as members of the Retiree Health Insurance Subsidy (HIS) Program. The HIS is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. For the fiscal year ended September 30, 2022, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of services credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month, pursuant to section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under one of the state-administered retirement systems must provide proof of eligible health insurance coverage, which may include Medicare.

For financial reporting purposes, the Property Appraiser is deemed to be part of the primary government of Madison County, Florida. A liability related to the Property Appraiser's proportionate share of FRS retirement benefits, along with a detailed plan description, is reported in the financial statements of Madison County, Florida for the fiscal year ended September 30, 2022.

NOTE 5: Risk Management

The Property Appraiser is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors or omissions; injuries to employees and/or the public; and damage to property of others. The Property Appraiser participates in the risk management program through the Board of County Commissioners which uses commercial insurance.

NOTE 6: *Subsequent Events*

Subsequent events were reviewed through June 2, 2023, which is the date the financial statements were available to be issued. As of this date there were no subsequent events that required disclosure.

INTERNAL CONTROL AND COMPLIANCE SECTION

SEPTEMBER 30, 2022

LANIGAN & ASSOCIATES, P.C.

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

The Honorable Leigh Barfield
Property Appraiser
Madison 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 Madison County, Florida Property Appraiser (the "Property Appraiser") as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Property Appraiser's basic financial statements, and have issued our report thereon dated June 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 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.

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 organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Lanigan & Associates, PC

Tallahassee, Florida
June 2, 2023

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INDEPENDENT AUDITOR'S MANAGEMENT LETTER

The Honorable Leigh Barfield
Madison County, Florida
Property Appraiser

Report on the Financial Statements

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

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in that report and schedule, which is 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 recommendations made in the preceding annual financial 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. This information is disclosed in Note 1 of the notes to financial statements. There are no component units related to the Property Appraiser.

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 recommend that management records reconciling transactions as of the date the transaction occurs, when possible.

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 Board of County Commissioners, the Property Appraiser, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

We wish to take this opportunity to thank you and your staff for the cooperation and courtesy extended to us during the course of our audit. We have enjoyed our association with you and look forward to a continuing relationship.

Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.

Lanigan & Associates, PC

Tallahassee, Florida
June 2, 2023

**Special Purpose
Financial Statements**

**Madison County, Florida
Sheriff**



**Year Ended September 30, 2022
with Independent Auditor's Report**

**Madison County, Florida
Sheriff**

Special Purpose Financial Statements

Year Ended September 30, 2022

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INDEPENDENT AUDITOR'S REPORT

The Honorable David Harper
Sheriff
Madison County, Florida

Report on the Audit of the Financial Statements

Opinion

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

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

Basis for 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Sheriff and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The Sheriff's 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 Sheriff'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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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 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, we:

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

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

Emphasis of Matter

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

Independent Auditor's Report

Page Three

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 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 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.

Lanigan & Associates, PC

Tallahassee, Florida

June 2, 2023

MADISON COUNTY, FLORIDA
SHERIFF
BALANCE SHEET
GENERAL FUND
SEPTEMBER 30, 2022

ASSETS

Cash and cash equivalents	\$ 163,271
Accounts receivable	105,063
Due from other funds	26,115
Due from other governmental units	<u>275</u>
Total assets	<u><u>\$ 294,724</u></u>

LIABILITIES AND FUND BALANCE

Liabilities:

Accounts payable	\$ 289,463
Due to other governmental units	<u>1,142</u>
Total liabilities	<u>290,605</u>

Fund balance:

Assigned	<u>4,119</u>
Total fund balance	<u>4,119</u>
Total liabilities and fund balance	<u><u>\$ 294,724</u></u>

MADISON COUNTY, FLORIDA
SHERIFF
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	<u>Budgeted Amounts</u>			Variance with final budget - favorable (unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 5,600	\$ 5,600
EXPENDITURES				
Current				
Public safety	7,033,020	7,951,392	7,712,489	238,903
Debt service				
Principal	73,206	73,206	85,699	(12,493)
Interest	4,815	4,815	4,815	-
Capital outlay	451,464	521,149	711,434	(190,285)
Total expenditures	<u>7,562,505</u>	<u>8,550,562</u>	<u>8,514,437</u>	<u>36,125</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(7,562,505)</u>	<u>(8,550,562)</u>	<u>(8,508,837)</u>	<u>41,725</u>
OTHER FINANCING SOURCES				
Transfers in	7,290,753	8,278,810	8,237,085	(41,725)
Proceeds from debt financing	271,752	271,752	271,752	-
Total other financing sources	<u>7,562,505</u>	<u>8,550,562</u>	<u>8,508,837</u>	<u>(41,725)</u>
Net changes in fund balances	-	-	-	-
Fund balances - beginning	-	-	4,119	4,119
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,119</u>	<u>\$ 4,119</u>

See accompanying notes to the financial statements.

MADISON COUNTY, FLORIDA
SHERIFF
STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
SEPTEMBER 30, 2022

ASSETS

Cash and cash equivalents	\$ 62,032
Due from individuals and others	1,142
Investments	<u>131,379</u>
Total assets	<u>194,553</u>

LIABILITIES

Due to individuals and others	<u>194,553</u>
Total liabilities	<u>194,553</u>

NET POSITION

Restricted	<u>-</u>
Total net position	<u><u>\$ -</u></u>

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

ADDITIONS	\$ 248,146
DEDUCTIONS	<u>248,146</u>
Net increase (decrease) in fiduciary net position	-
Net position - beginning	<u>-</u>
Net position - ending	<u><u>\$ -</u></u>

MADISON COUNTY, FLORIDA
SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1: *Summary of Significant Accounting Policies*

The accounting policies of the Madison County, Florida Sheriff (the “Sheriff”) conform with generally accepted accounting principles (GAAP), as applicable to other governments. The following is a summary of significant accounting principles and policies used in the preparation of these special purpose financial statements.

Reporting Entity

The Madison County, Florida Sheriff, as established by Article VIII of the Constitution of the State of Florida, is an elected official of Madison County, Florida. Although the Sheriff is operationally autonomous from the Madison County Board of County Commissioners, it does not hold sufficient corporate powers to be considered a legally separate entity for financial reporting purposes. Therefore, the Sheriff is considered part of the County’s primary government.

These special purpose financial statements of the Sheriff are not intended to be a complete presentation of the financial position and results of operations of Madison County, Florida taken as a whole. As permitted by Chapter 10.556, Rules of the Auditor General, the special purpose financial statements consist of only fund level financial statements as defined by GASB 34, and do not include presentations of government-wide financial statements of the Sheriff.

Fund Accounting

The accounting records are organized for reporting purposes on the basis of fund accounting. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounting records.

The General Fund, which is a governmental fund, is used to account for all revenues and expenditures applicable to the general operations of the Sheriff. All general operating revenues which are not restricted or designated as to use by outside sources are recorded in the general fund. The governmental fund 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.

The Custodial Funds of the Sheriff are used to account for assets held by the Sheriff as an agent for individuals, private organizations, other governments, and/or other funds.

Please refer to the government-wide financial statements of Madison County, Florida for disclosure on accounting policies, deposits and employee’s retirement plan.

NOTE 1: Summary of Significant Accounting Policies (Continued)

Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. The basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become both measurable and available as net current assets. The Sheriff considers receivables collected within sixty days after year-end to be available and recognizes them as revenues of the current year. Expenditures are recognized when the related fund liability is incurred.

Cash and Cash Equivalents

The Sheriff's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the acquisition date.

Budget and Budgetary Accounting

The Sheriff operates under budget procedures pursuant to Florida Statutes. The legal level of budgetary control is at the fund level. Budgetary changes within the fund are made at the discretion of the Sheriff. Appropriations lapse at the end of the fiscal year to the extent they have not been expended. The budgetary revenues and expenditures in the accompanying budgetary comparison statement reflect all approved amendments.

Compensated Absences

Employees may accumulate a limited amount of earned but unused sick leave, annual leave, and compensatory time, which will be paid upon separation of service. Unpaid compensated absences are recorded as a liability when the benefits are earned in the Madison County Government-Wide Financial Statements. For the governmental fund statements, expenditures are recognized when payments are made to employees.

NOTE 2: Interfund Transactions

During the course of normal operations, numerous transactions occur between funds, such as expenditures or transfers of resources to provide services, service debt, or construct assets. The interfund transactions are not eliminated and no interest is charged on such advances. Interfund receivable and payable balances at September 30, 2022, were as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Special Revenue Funds		
Board of County Commissioners*	\$ -	\$ 26,115
Sheriff Operating	26,115	-
	<hr/>	<hr/>
Totals	<u>\$ 26,115</u>	<u>\$ 26,115</u>

NOTE 2: Interfund Transactions (Continued)

Operating transfers between funds during the year were as follows:

	<u>Operating Transfers In</u>	<u>Operating Transfers Out</u>
Special Revenue Funds		
Board of County Commissioners*	\$ -	\$ 8,237,085
Sheriff Operating	<u>8,237,085</u>	<u>-</u>
Totals	<u>\$ 8,237,085</u>	<u>\$ 8,237,085</u>

* Not included on the Sheriff's financial statements.

NOTE 3: Long-Term Liabilities

Under the GASB 34 reporting model, long-term liabilities are not due and payable in the current period and accordingly are not reported as fund liabilities. All long-term liabilities for the Sheriff are reported in the government-wide Statement of Net Position.

The compensated absences of the Sheriff are accounted for in the Statement of Net Position as follows:

	<u>Balance October 01, 2021</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance September 30, 2022</u>
Compensated absences	<u>\$ 794,611</u>	<u>\$ 241,306</u>	<u>\$ (309,047)</u>	<u>\$ 726,870</u>

NOTE 4: Retirement

The Sheriff participates in the State of Florida Retirement System (FRS), a multiple-employer, cost-sharing defined public employee retirement system which covers all of the Sheriff's full-time employees. The system is administered by the State of Florida, Department of Administration, Division of Retirement to provide retirement and survivor benefits to participating public employees. 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. The FRS is a single retirement system administered by the Department of Management Services, Division of Retirement, and consists of two cost-sharing, multiple-employer retirement plans and other nonintegrated programs. These include a defined-benefit pension (Plan), with a Deferred Retirement Option Program (DROP), and a defined-contribution plan, referred to as the FRS Investment Plan (Investment Plan).

In addition, all regular employees of the entity are eligible to enroll as members of the Retiree Health Insurance Subsidy (HIS) Program. The HIS is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with section 112.363, Florida

NOTE 4: *Retirement (Continued)*

Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. For the fiscal year ended September 30, 2022, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of services credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month, pursuant to section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under one of the state-administered retirement systems must provide proof of eligible health insurance coverage, which may include Medicare.

For financial reporting purposes, the Sheriff is deemed to be part of the primary government of Madison County, Florida. A liability related to the Sheriff's proportionate share of FRS retirement benefits, along with a detailed plan description, is reported in the financial statements of Madison County, Florida for the fiscal year ended September 30, 2022.

NOTE 5: *Risk Management*

The Sheriff is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors or omissions; injuries to employees and/or the public; and damage to property of others. The Sheriff participates in Florida Sheriffs Risk Management Fund to offset these risks.

NOTE 6: *Subsequent Events*

Subsequent events were reviewed through June 2, 2023, which is the date the financial statements were available to be issued. As of this date there were no subsequent events that required disclosure.

INTERNAL CONTROL AND COMPLIANCE SECTION

September 30, 2022

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

The Honorable David Harper
Sheriff
Madison 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 Madison County, Florida Sheriff (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 2, 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 procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Sheriff's internal control. Accordingly, we do not express an opinion on the effectiveness of the Sheriff's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 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 organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Sheriff's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Lanigan & Associates, PC

Tallahassee, Florida
June 2, 2023

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INDEPENDENT AUDITOR'S MANAGEMENT LETTER

The Honorable David Harper
Sheriff
Madison County, Florida

Report on the Financial Statements

We have audited the financial statements of the General fund and the aggregate remaining fund information of Madison County, Florida Sheriff as of and for the fiscal year ended September 30, 2022, and have issued our report thereon dated June 2, 2023.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in those reports and schedule, 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. In connection with the preceding annual financial audit report, there were no significant findings or recommendations.

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. This information is disclosed in Note 1 of the notes to financial statements. There are no component units related to the Sheriff.

Financial Management

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we 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 Board of County Commissioners, the Sheriff, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

We wish to take this opportunity to thank you and your staff for the cooperation and courtesy extended to us during the course of our audit. We have enjoyed our association with you and look forward to a continuing relationship.

Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.

Lanigan & Associates, PC

Tallahassee, Florida
June 2, 2023

**Special Purpose
Financial Statements**

**Madison County, Florida
Supervisor of Elections**



**Year Ended September 30, 2022
with Independent Auditor's Report**

**Madison County, Florida
Supervisor of Elections**

Special Purpose Financial Statements

Year Ended September 30, 2022

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INDEPENDENT AUDITOR’S REPORT

The Honorable Heath Driggers
Supervisor of Elections
Madison County, Florida

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the General fund of the Madison County, Florida Supervisor of Elections (“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 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 of the Supervisor of Elections as of September 30, 2022, and the respective changes in financial position and the budgetary comparison 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 Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Supervisor of Elections and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Supervisor of Election’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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if 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, 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 Election'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 Supervisor of Election's ability to continue as a going concern for a reasonable period of time.

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

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of the General fund that is attributable to the Supervisor of Elections. They do not purport to, and do not, present fairly the financial position of Madison County, Florida as of September 30, 2022, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

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 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 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.

Lanigan & Associates, PC

Tallahassee, Florida
June 2, 2023

**MADISON COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
BALANCE SHEET
GENERAL FUND
SEPTEMBER 30, 2022**

ASSETS

Cash	\$ 2,062
Accounts receivable	9
Prepaid expense	<u>10,800</u>
 Total assets	 <u><u>\$ 12,871</u></u>

LIABILITIES AND FUND BALANCE

Liabilities:

Accounts payable	\$ 853
Due to other funds	<u>12,018</u>
 Total liabilities	 <u>12,871</u>
 Fund balance:	
Restricted	<u>-</u>
 Total fund balance	 <u>-</u>
 Total liabilities and fund balance	 <u><u>\$ 12,871</u></u>

MADISON COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL
GENERAL FUND
FOR THE YEARS ENDED SEPTEMBER 30, 2022

	<u>Budgeted amounts</u>			Variance with final budget - favorable (unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Other	\$ -	\$ -	\$ 10,728	\$ 10,728
EXPENDITURES				
Current				
General government	474,586	522,467	498,873	23,594
Capital outlay	-	-	19,856	(19,856)
Total expenditures	474,586	522,467	518,729	3,738
(Deficiency) of revenues (under) expenditures	(474,586)	(522,467)	(508,001)	14,466
OTHER FINANCING SOURCES				
Transfers in	474,586	522,467	508,001	(14,466)
Total other financing sources	474,586	522,467	508,001	(14,466)
Net changes in fund balances	-	-	-	-
Fund balance - beginning	-	-	-	-
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**MADISON COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 1: *Summary of Significant Accounting Policies*

The accounting policies of the Madison County, Florida Supervisor of Elections (the “Supervisor of Elections”) conform with generally accepted accounting principles (GAAP), as applicable to other governments. The following is a summary of significant accounting principles and policies used in the preparation of these special purpose financial statements.

Reporting Entity

The Madison County, Florida Supervisor of Elections, as established by Article VIII of the Constitution of the State of Florida, is an elected official of Madison County, Florida. Although the Supervisor of Elections is operationally autonomous from the Madison County Board of County Commissioners, it does not hold sufficient corporate powers to be considered a legally separate entity for financial reporting purposes. Therefore, the Supervisor of Elections is considered part of the County’s primary government.

These special purpose financial statements of the Supervisor of Elections are not intended to be a complete presentation of the financial position and results of operations of Madison County, Florida taken as a whole. As permitted by Chapter 10.556, Rules of the Auditor General, the special purpose financial statements consists of only fund level financial statements as defined by GASB 34, and do not include presentations of government-wide financial statements of the Supervisor of Elections.

Fund Accounting

The accounting records are organized for reporting purposes on the basis of fund accounting. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounting records.

The General Fund, which is a governmental fund, is used to account for all revenues and expenditures applicable to the general operations of the Supervisor of Elections. All general operating revenues which are not restricted or designated as to use by outside sources are recorded in the general fund. The governmental fund 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.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. The basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become both measurable and available as net current assets. The Supervisor of Elections considers receivables collected within sixty days after year-end to be available and recognizes them as revenues of the current year. Expenditures are recognized when the related fund liability is incurred.

NOTE 1: Summary of Significant Accounting Policies (continued)

Cash and Cash Equivalents

The Supervisor of Elections' cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the acquisition date.

Budget and Budgetary Accounting

The Supervisor of Elections operates under budget procedures pursuant to Section 195.087, Florida Statutes. Budgets are adopted for governmental and special revenue funds. Budget control is exercised at the fund level. Budgetary changes within the fund are made at the discretion of the Supervisor of Elections. Appropriations lapse at the end of the fiscal year to the extent they have not been expended. The budgetary revenues and expenditures in the accompanying budgetary comparison statement reflect all approved amendments.

Compensated Absences

Employees may accumulate a limited amount of earned but unused sick leave, annual leave, and compensatory time, which will be paid upon separation of service. Unpaid compensated absences are recorded as a liability when the benefits are earned in the Madison County Government-Wide Financial Statements. For the governmental fund statements, expenditures are recognized when payments are made to employees.

NOTE 2: Interfund Transactions

During the course of normal operations, numerous transactions occur between funds, such as expenditures or transfers of resources to provide services, service debt, or construct assets. The interfund transactions are not eliminated and no interest is charged on such advances. Interfund receivable and payable balances at September 30, 2022, were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Board of County Commissioners*	Supervisor of Elections	<u>\$ 12,018</u>
Total		<u><u>\$ 12,018</u></u>

Operating transfers between funds during the year were as follows:

<u>Transfers in</u>	<u>Transfers Out</u>	<u>Amount</u>
Supervisor of Elections	Board of County Commissioners*	<u>\$ 508,001</u>
Total		<u><u>\$ 508,001</u></u>

* Not included in the Supervisor of Elections' financial statements.

NOTE 3: Long-Term Liabilities

Under the GASB 34 reporting model, long-term liabilities are not due and payable in the current period and accordingly are not reported as fund liabilities. All long-term liabilities for the Supervisor of Elections are reported in the government-wide Statement of Net Position. The compensated absences of the Supervisor of Elections are accounted for in the Statement of Net Position as follows:

	Balance			Balance
	<u>October 01, 2021</u>	<u>Additions</u>	<u>Reductions</u>	<u>September 30, 2022</u>
Compensated Absences	\$ 605	\$ 2,688	\$ (1,595)	\$ 1,698

NOTE 4: Retirement

The Supervisor of Elections participates in the State of Florida Retirement System (FRS), a multiple-employer, cost-sharing defined public employee retirement system which covers all of the Supervisor of Elections' full-time employees. The system is administered by the State of Florida, Department of Administration, Division of Retirement to provide retirement and survivor benefits to participating public employees. 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. The FRS is a single retirement system administered by the Department of Management Services, Division of Retirement, and consists of two cost-sharing, multiple-employer retirement plans and other nonintegrated programs. These include a defined-benefit pension (Plan), with a Deferred Retirement Option Program (DROP), and a defined-contribution plan, referred to as the FRS Investment Plan (Investment Plan).

In addition, all regular employees of the entity are eligible to enroll as members of the Retiree Health Insurance Subsidy (HIS) Program. The HIS is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. For the fiscal year ended September 30, 2022, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of services credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month, pursuant to section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under one of the state-administered retirement systems must provide proof of eligible health insurance coverage, which may include Medicare.

For financial reporting purposes, the Supervisor of Elections is deemed to be part of the primary government of Madison County, Florida. A liability related to the Supervisor of Elections' proportionate share of FRS retirement benefits, along with a detailed plan description, is reported in the financial statements of Madison County, Florida for the fiscal year ended September 30, 2022.

NOTE 5: *Risk Management*

The Supervisor of Elections is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors or omissions; injuries to employees and/or the public; and damage to property of others. The Supervisor of Elections participates in the risk management program through the Board of County Commissioners which uses commercial insurance.

NOTE 6: *Subsequent Events*

Subsequent events were reviewed through June 2, 2023, which is the date the financial statements were available to be issued. As of this date there were no subsequent events that required disclosure.

INTERNAL CONTROL AND COMPLIANCE SECTION

SEPTEMBER 30, 2022

LANIGAN & ASSOCIATES, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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

The Honorable Heath Driggers

Supervisor of Elections

Madison 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 Madison County, Florida Supervisor of Elections (the "Supervisor of Elections") as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Supervisor of Election'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 Supervisor of Elections' internal control over financial reporting (internal control) as a basis for designing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Supervisor of Elections' internal control. Accordingly, we do not express an opinion on the effectiveness of the Supervisor of Elections' internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Supervisor of Elections' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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 organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Lanigan & Associates, PC

Tallahassee, Florida

June 2, 2023

LANIGAN & ASSOCIATES, P.C.

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INDEPENDENT AUDITOR'S MANAGEMENT LETTER

The Honorable Heath Driggers
Supervisor of Elections
Madison County, Florida

Report on the Financial Statements

We have audited the financial statements of the General fund of the Madison County, Florida Supervisor of Elections as of and for the fiscal year ended September 30, 2022, and have issued our report thereon dated June 2, 2023.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in that report, which is 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 recommendations made in the preceding 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 letter, unless disclosed in the notes to the financial statements. This information is disclosed in Note 1 of the notes to the financial statements. There are no component units related to the Supervisor of Elections.

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 note 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 Board of County Commissioners, 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.

We wish to take this opportunity to thank you and your staff for the cooperation and courtesy extended to us during the course of our audit. We have enjoyed our association with you and look forward to a continuing relationship.

Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.

Lanigan & Associates, PC

Tallahassee, Florida
June 2, 2023

**Special Purpose
Financial Statements**

**Madison County, Florida
Tax Collector**



**Year Ended September 30, 2022
with Independent Auditor's Report**

**Madison County, Florida
Tax Collector**

Special Purpose Financial Statements

Year Ended September 30, 2022

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INDEPENDENT AUDITOR'S REPORT

The Honorable Lisa Tuten
Tax Collector
Madison County, Florida

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the General fund and aggregate remaining fund information of Madison 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 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 remaining aggregate fund information of the Tax Collector, as of September 30, 2022, and the respective changes in financial position and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Tax Collector and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The Tax Collector's 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 Tax Collector'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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if 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, we:

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

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

Emphasis of Matter

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

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 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 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.

Lanigan & Associates, PC

Tallahassee, Florida
June 2, 2023

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

ASSETS

Cash and cash equivalents \$ 31,667

Total assets \$ 31,667

LIABILITIES AND FUND BALANCE

Liabilities:

 Due to other funds \$ 31,348

 Accounts payable 319

Total liabilities 31,667

Fund balance -

Total liabilities and fund balance \$ 31,667

**MADISON COUNTY, FLORIDA
TAX COLLECTOR
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	<u>Budgeted amounts</u>			Variance with final budget - favorable (unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Total revenues	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Current				
General government	642,374	649,371	616,724	32,647
Total expenditures	642,374	649,371	616,724	32,647
Excess (deficiency) of revenues over (under) expenditures	(642,374)	(649,371)	(616,724)	32,647
OTHER FINANCING SOURCES				
Transfers in	642,374	649,371	616,724	(32,647)
Total other financing sources	642,374	649,371	616,724	(32,647)
Net changes in fund balance	-	-	-	-
Fund balance - beginning	-	-	-	-
Fund balance - ending	\$ -	\$ -	\$ -	\$ -

MADISON COUNTY, FLORIDA
TAX COLLECTOR
STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
SEPTEMBER 30, 2022

ASSETS

Cash and cash equivalents	\$ 22,982
Accounts receivable	<u>8,891</u>
Total assets	<u>31,873</u>

LIABILITIES

Due to other governmental units	<u>31,873</u>
Total liabilities	<u>31,873</u>

NET POSITION

Restricted	<u>-</u>
Total net position	<u><u>\$ -</u></u>

MADISON COUNTY, FLORIDA
TAX COLLECTOR
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

ADDITIONS	\$ 20,036,287
DEDUCTIONS	<u>20,036,287</u>
Net increase (decrease) in fiduciary net position	-
Net position - beginning	<u>-</u>
Net position - ending	<u><u>\$ -</u></u>

**MADISON COUNTY, FLORIDA
TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

NOTE 1: *Summary of Significant Accounting Policies*

The accounting policies of the Madison County, Florida Tax Collector (the “Tax Collector”) conform with generally accepted accounting principles (GAAP), as applicable to other governments. The following is a summary of significant accounting principles and policies used in the preparation of these special purpose financial statements.

Reporting Entity

The Madison County, Florida Tax Collector (“the Tax Collector”), as established by Article VIII of the Constitution of the State of Florida, is an elected official of Madison County, Florida. Although the Tax Collector is operationally autonomous from the Madison County Board of County Commissioners, it does not hold sufficient corporate powers to be considered a legally separate entity for financial reporting purposes. Therefore, the Tax Collector is considered part of the County’s primary government.

These special purpose financial statements of the Tax Collector are not intended to be a complete presentation of the financial position and results of operations of Madison County, Florida taken as a whole. As permitted by Chapter 10.556, *Rules of the Auditor General*, the special purpose financial statements consist of only fund level financial statements as defined by GASB 34, and do not include presentations of government-wide financial statements of the Tax Collector.

Fund Accounting

The accounting records are organized for reporting purposes on the basis of fund accounting. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounting records.

The General Fund, which is a governmental fund, is used to account for all revenues and expenditures applicable to the general operations of the Tax Collector. All general operating revenues which are not restricted or designated as to use by outside sources are recorded in the general fund. The governmental fund 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.

The Custodial Funds of the Tax Collector are used to account for assets held by the Tax Collector as an agent for individuals, private organizations, other governments, and/or other funds.

Please refer to the government-wide financial statements of Madison County, Florida for disclosure on accounting policies, deposits and employee’ retirement plan.

NOTE 1: *Summary of Significant Accounting Policies (Continued)*

Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. The basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become both measurable and available as net current assets. The Tax Collector considers receivables collected within sixty days after year-end to be available and recognizes them as revenues of the current year. Expenditures are recognized when the related fund liability is incurred.

Cash and Cash Equivalents

The Tax Collector's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the acquisition date.

Budget and Budgetary Accounting

The Tax Collector operates under budget procedures pursuant to Section 195.087, Florida Statutes. Budgets are adopted for governmental and special revenue funds. Budget control is exercised at the fund level. Budgetary changes within the fund are made at the discretion of the Tax Collector. Appropriations lapse at the end of the fiscal year to the extent they have not been expended. The budgetary revenues and expenditures in the accompanying budgetary comparison statement reflect all approved amendments.

Compensated Absences

Employees may accumulate a limited amount of earned but unused sick leave, annual leave, and compensatory time, which will be paid upon separation of service. Unpaid compensated absences are recorded as a liability when the benefits are earned in the Madison County Government-Wide Financial Statements. For the governmental fund statements, expenditures are recognized when payments are made to employees.

NOTE 2: *Interfund Transactions*

During the course of normal operations, numerous transactions occur between funds, such as expenditures or transfers of resources to provide services, service debt, or construct assets. The interfund transactions are not eliminated and no interest is charged on such advances.

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Board of County Commissioners - General*	Tax Collector - General	<u>\$ 31,348</u>
Total		<u><u>\$ 31,348</u></u>

NOTE 2: Interfund Transactions (Continued)

Operating transfers between funds during the year were as follows:

Transfers in	Transfers Out	Amount
Tax Collector - General	Board of County Commissioners - General*	\$ 616,724
Total		<u>\$ 616,724</u>

**Not included in the Tax Collector’s special purpose financial statements.*

NOTE 3: Long-Term Liabilities

Under the GASB 34 reporting model, long-term liabilities are not due and payable in the current period and accordingly are not reported as fund liabilities. All long-term liabilities for the Tax Collector are reported in the government-wide Statement of Net Position. The compensated absences of the Tax Collector are accounted for in the Statement of Net Position as follows:

	Balance				Balance
	September 30, 2021	Additions	Reductions		September 30, 2022
Compensated absences	\$ 11,007	\$ 11,899	\$ (5,987)		\$ 16,919

NOTE 4: Retirement

The Tax Collector participates in the State of Florida Retirement System (FRS), a multiple-employer, cost-sharing defined public employee retirement system which covers all of the Tax Collector’s full-time employees. The system is administered by the State of Florida, Department of Administration, Division of Retirement to provide retirement and survivor benefits to participating public employees. 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. The FRS is a single retirement system administered by the Department of Management Services, Division of Retirement, and consists of two cost-sharing, multiple-employer retirement plans and other nonintegrated programs. These include a defined-benefit pension (Plan), with a Deferred Retirement Option Program (DROP), and a defined-contribution plan, referred to as the FRS Investment Plan (Investment Plan).

In addition, all regular employees of the entity are eligible to enroll as members of the Retiree Health Insurance Subsidy (HIS) Program. The HIS is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. For the fiscal year ended September 30, 2022, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of services credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month, pursuant to section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under one of the state-administered retirement systems must provide proof of eligible health insurance coverage, which may include Medicare.

NOTE 4: *Retirement (Continued)*

For financial reporting purposes, the Tax Collector is deemed to be part of the primary government of Madison County, Florida. A liability related to the Tax Collector's proportionate share of FRS retirement benefits, along with a detailed plan description, is reported in the financial statements of Madison County, Florida for the fiscal year ended September 30, 2022.

NOTE 5: *Risk Management*

The Tax Collector is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors or omissions; injuries to employees and/or the public; and damage to property of others. The Tax Collector participates in the risk management program through the Board of County Commissioners which uses commercial insurance.

NOTE 6: *Subsequent Events*

Subsequent events were reviewed through June 2, 2023, which is the date the financial statements were available to be issued. As of this date there were no subsequent events that required disclosure.

INTERNAL CONTROL AND COMPLIANCE SECTION

SEPTEMBER 30, 2022

LANIGAN & ASSOCIATES, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

BUSINESS ADVISORS

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

The Honorable Lisa Tuten
Tax Collector
Madison County, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the General fund and remaining aggregate fund information of Madison 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, 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 Tax Collector’s internal control over financial reporting (internal control) as a basis for designing 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that 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 of 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 Tax Collector's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Lanigan & Associates, PC

Tallahassee, Florida
June 2, 2023

**INDEPENDENT AUDITOR'S
MANAGEMENT LETTER**

The Honorable Lisa Tuten
Tax Collector
Madison County, Florida

Report on the Financial Statements

We have audited the financial statements of the General fund and the aggregate remaining fund information of Madison County, Florida Tax Collector as of and for the fiscal year ended September 30, 2022, and have issued our report thereon dated June 2, 2023.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in those reports, which is 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. In connection with the preceding annual financial audit report, there were no significant findings or recommendations.

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. This information is disclosed in Note 1 of the notes to financial statements. There are no component units related to the Tax Collector.

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 recommend the Tax Collector reviews outstanding checks and deposits greater than six months old.

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 Board of County Commissioners, the Tax Collector, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

We wish to take this opportunity to thank you and your staff for the cooperation and courtesy extended to us during the course of our audit. We have enjoyed our association with you and look forward to a continuing relationship.

Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.

Lanigan & Associates, PC

Tallahassee, Florida
June 2 2023