

**Report of Independent Accountant on Compliance
with Local Government Investment Policies**

To the Honorable Mayor and Board of County Commissioners
Orange County, Florida

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

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

The purpose of this report is to comply with the audit requirements of Section 218.415, Florida Statutes, and Rules of the Auditor General.

In our opinion, the Board complied, in all material respects, with the local investment policy requirements of Section 218.415, Florida Statutes, during the year ended September 30, 2022.

Cherry Bekaert LLP

Orlando, Florida
March 28, 2023

**CLERK OF THE CIRCUIT AND
COUNTY COURTS**

ORANGE COUNTY, FLORIDA

FINANCIAL STATEMENTS

Year Ended September 30, 2022

Report of Independent Auditor

To the Honorable Tiffany Moore Russell
Clerk of the Circuit and County Courts of Orange County, Florida

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the Orange County, Florida Clerk of the Circuit and County Courts (the "Clerk") as of and for the year ended September 30, 2022, and the related notes to the financial statements, as listed in the table of contents. We also have audited the Other Postemployment Benefits Trust Fund, as displayed in the Clerk's financial statements, and the financial statements of each of the Clerk's custodial funds as of and for the year ended September 30, 2022, presented as other supplementary information in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the Clerk as of September 30, 2022, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Other Postemployment Benefits Trust Fund and each custodial fund of the Clerk as of September 30, 2022, and the respective changes in financial position 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Clerk, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

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 fund of Orange County, Florida that is attributable to the Clerk. They do not purport to, and do not, present fairly the financial position of Orange County, Florida as of September 30, 2022, and the changes in its financial position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 Clerk's ability to continue as a going concern for one year 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 generally accepted 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 generally accepted auditing standards and Government Auditing Standards, we:

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

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 supplementary information on pages 18 through 22 be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the 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 financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated March 6, 2023 on our consideration of the Clerk's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Clerk's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Clerk's internal control over financial reporting and compliance.

Cherry Bekaert LLP

Orlando, Florida
March 6, 2023

FINANCIAL STATEMENTS

**ORANGE COUNTY, FLORIDA
CLERK OF THE CIRCUIT AND COUNTY COURTS
BALANCE SHEET -
GOVERNMENTAL FUNDS**

SEPTEMBER 30, 2022

	Major Funds		Totals
	General Fund	Public Records Modernization	
ASSETS			
Cash	\$ 5,916,383	\$ 2,740,758	\$ 8,657,141
Investments, at net asset value	-	2,034,159	2,034,159
Due from General Fund	-	303,178	303,178
Due from Board of County Commissioners	2,444	-	2,444
Due from other governmental agencies	386,826	238,100	624,926
Total Assets	\$ 6,305,653	\$ 5,316,195	\$ 11,621,848
LIABILITIES AND FUND BALANCE			
Liabilities:			
Accounts payable and accrued liabilities	\$ 711,353	\$ 37,353	\$ 748,706
Due to individuals	1,158,324	-	1,158,324
Due to Board of County Commissioners	224,495	-	224,495
Due to other governmental agencies	3,633,783	-	3,633,783
Due to Public Records Modernization Fund	303,178	-	303,178
Due to OPEB Trust Fund	274,520	-	274,520
Total Liabilities	6,305,653	37,353	6,343,006
Fund Balance:			
Restricted for public records modernization	-	5,278,842	5,278,842
Total Fund Balance	-	5,278,842	5,278,842
Total Liabilities and Fund Balance	\$ 6,305,653	\$ 5,316,195	\$ 11,621,848

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

ORANGE COUNTY, FLORIDA
CLERK OF THE CIRCUIT AND COUNTY COURTS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS

YEAR ENDED SEPTEMBER 30, 2022

	Major Funds		Totals
	General Fund	Public Records Modernization	
Revenues:			
Court related:			
Intergovernmental:			
State jury appropriation	\$ 1,309,714	\$ -	\$ 1,309,714
State cumulative excess of court related revenue	781,967	-	781,967
Charges for services:			
Filing fees	16,840,481	-	16,840,481
Service charges	5,010,692	-	5,010,692
Court costs	6,032,105	-	6,032,105
Fines and forfeitures	7,410,199	-	7,410,199
Interest income	45	-	45
Non-court related:			
Charges for services:			
Marriage and passport	1,925,287	-	1,925,287
Recording fees from Comptroller	-	3,705,022	3,705,022
Intergovernmental:			
County funded items	120,000	-	120,000
Child support federal reimbursement	1,378,754	-	1,378,754
Interest income	-	16,741	16,741
Total Revenues	<u>40,809,244</u>	<u>3,721,763</u>	<u>44,531,007</u>
Expenditures:			
Court related:			
Current:			
General government:			
Salaries and benefits	26,671,456	-	26,671,456
Operating	3,590,783	-	3,590,783
Capital outlay	4,522	-	4,522
Distribution of excess fees	7,118,442	-	7,118,442
Non-court related:			
Current:			
General government:			
Salaries and benefits	1,770,978	3,248,150	5,019,128
Operating	1,138,881	439,030	1,577,911
Capital outlay	514,182	993,802	1,507,984
Total Expenditures	<u>40,809,244</u>	<u>4,680,982</u>	<u>45,490,226</u>
Deficiency of revenues under expenditures	-	(959,219)	(959,219)
Fund balance, beginning of year	-	6,238,061	6,238,061
Fund balance, end of year	<u>\$ -</u>	<u>\$ 5,278,842</u>	<u>\$ 5,278,842</u>

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

**ORANGE COUNTY, FLORIDA
CLERK OF THE CIRCUIT AND COUNTY COURTS
STATEMENT OF FIDUCIARY NET POSITION –
FIDUCIARY FUNDS**

SEPTEMBER 30, 2022

	Other Postemployment Benefits Trust Fund	Custodial Funds
ASSETS		
Cash	\$ 360,058	\$ 39,136,179
Investments, at net asset value	7,883,286	-
Due from General Fund	274,520	-
Due from individuals	-	8,952
Total Assets	8,517,864	39,145,131
LIABILITIES		
Due to individuals	-	310,402
Due to Board of County Commissioners	-	775,043
Due to other governmental agencies	-	3,690,217
Total Liabilities	-	4,775,662
NET POSITION		
Restricted for:		
Postemployment benefits other than pension	8,517,864	-
Individuals, Board of County Commissioners, and Other Governmental agencies	-	34,369,469
Net Position	\$ 8,517,864	\$ 34,369,469

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

ORANGE COUNTY, FLORIDA
CLERK OF THE CIRCUIT AND COUNTY COURTS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION –
FIDUCIARY FUNDS

YEAR ENDED SEPTEMBER 30, 2022

	Other Postemployment Benefits	
	Trust Fund	Custodial Funds
Additions:		
Proceeds from court related activity	\$ -	\$ 61,135,596
Registry deposits	-	56,237,414
Foreclosure sale bidder deposits	-	37,268,870
Criminal cash bond payments	-	3,212,366
Restitution payments from defendants	-	1,346,672
State witness funding	-	218,108
Employer contributions	500,000	-
Total Additions	<u>500,000</u>	<u>159,419,026</u>
Deductions:		
Other payments to individuals and governmental agencies	-	60,695,267
Registry payments to individuals and governmental agencies	-	52,455,575
Foreclosure sale bidder deposits applied to sales or refunded to depositor	-	35,941,290
Criminal cash bond payments to individuals and other governmental agencies	-	2,824,228
Restitution payments to individuals	-	1,349,297
Witness payments	-	223,918
Benefits paid to participants	225,480	-
Net investment loss	262,469	-
Total Deductions	<u>487,949</u>	<u>153,489,575</u>
Increase in net position	12,051	5,929,451
Net position, beginning of year	<u>8,505,813</u>	<u>28,440,018</u>
Net position, end of year	<u>\$ 8,517,864</u>	<u>\$ 34,369,469</u>

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

**ORANGE COUNTY, FLORIDA
CLERK OF THE CIRCUIT AND COUNTY COURTS
NOTES TO THE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

Note 1—Nature of operations and summary of significant accounting policies

Reporting Entity – The Orange County, Florida Clerk of the Circuit and County Courts (the “Clerk”) is a separately elected county official established pursuant to the Constitution of the State of Florida. The Clerk’s financial statements do not purport to reflect the financial position or the results of operations of Orange County, Florida (the “County”) taken as a whole. The financial statements of the Clerk have been prepared in accordance with the accounting principles and reporting guidelines established by the Governmental Accounting Standards Board (“GASB”).

Entity status for financial reporting purposes is governed by GASB Statement 14, as amended. Although the Clerk’s office is operationally autonomous and legally separate from the Orange County Board of County Commissioners (the “Board”), it does not hold sufficient corporate powers of its own to be considered a separate entity for financial reporting purposes. Therefore, under GASB guidelines, the Clerk is reported as a part of the primary government of the County.

Description of Funds – The accounting records are organized for reporting purposes on the basis of governmental funds and fiduciary funds.

General Fund – The General Fund is used to account for all revenues and expenditures applicable to the general operations of the Clerk.

Special Revenue Funds – The special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted or committed to expenditures for specified purposes.

Public Records Modernization Trust Fund – This fund was established pursuant to an act of the 1987 Florida Legislature, receives 25% of the additional recording fees which are collected by the Orange County, Florida Comptroller’s office, a Constitutional officer, and are earmarked for the modernization of recording service operations. Effective July 1, 2004, this fund also began receiving \$1.90 of the additional recording fees which are collected by the Orange County, Florida Comptroller’s office and are earmarked for the Clerk’s technology needs.

Fiduciary Funds – Fiduciary funds of the Clerk include an Other Postemployment Benefits (“OPEB”) Trust Fund, which is used to account for the receipt and disbursement of assets held in trust for participants of the Clerk’s other postemployment benefit plan, and custodial funds, which are used to account for the receipt and disbursement of assets held for other agencies, governments, or individuals.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation – The Clerk’s financial statements are prepared for the purpose of complying with Section 218.39(2), Florida Statutes, and Chapter 10.550, Rules of the Auditor General, which require the Clerk to only present fund financial statements.

The General Fund and special revenue fund are governmental funds which use the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when 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 amounts collected on grants within 120 days after year-end, and amounts collected on all other government funds within 60 days after year-end, to be available and thus recognizes them as revenues of the current year.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

**ORANGE COUNTY, FLORIDA
CLERK OF THE CIRCUIT AND COUNTY COURTS
NOTES TO THE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

Note 1—Nature of operations and summary of significant accounting policies (continued)

The Clerk reports the General Fund and the Public Records Modernization Trust Fund as major governmental funds.

The fiduciary funds use a flow of economic resources measurement focus to determine net position. The accounting principles used are similar to those applicable to businesses in the private sector and, thus, are maintained on the accrual basis of accounting. Additions are recognized when earned and deductions are recognized when incurred.

Effective July 1, 2004, as a result of Revision 7 to Article V of the Constitution of the State of Florida, the passage of Senate Bill 2962 and the revision of numerous Sections of Florida Statutes (collectively, "Article V"), the Clerk became an entirely fee-based Constitutional Officer. Effective July 1, 2009, as a result of the passage of Senate Bills 2108 and 1718, the Clerk became part of the state appropriation process, wherein the Clerk received a predetermined share of a statewide appropriation to all State of Florida Clerks of Court. 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.

During the 2019 and 2021 legislative sessions, Section 28.37, Florida Statutes, was amended to allow Clerks of Court on a statewide basis to retain any unspent budget authority at year end, plus 50% of any funds received which exceed the authorized budget.

The Clerk's operations are segregated between court related and non-court related activities as defined in Article V. Any excess of court related revenue over court related expenditures as of September 30 each year is paid to the State of Florida Department of Revenue Clerks' Trust Fund ("DOR"). Any excess of non-court related revenue over non-court related expenditures is reflected as a liability to the Board.

Fund Balance Presentation – All fund balances of the governmental funds are classified as restricted. This classification includes amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors or the laws or regulations of other governments.

Budgetary Requirements – Expenditures are controlled by appropriations in accordance with the budgetary requirements set forth in the Florida Statutes. The budget is prepared on the modified accrual basis of accounting, which is a basis consistent with accounting principles generally accepted in the United States of America.

The Florida Clerks of Court Operations Corporation ("CCOC") approved the budget for the Clerk's court related activities for the twelve months ended September 30, 2022. The Clerk is not required to submit its non-court related activities budget for approval. These budgets collectively comprise the Clerk's General Fund budget. The Clerk is not required to submit its special revenue funds budgets for approval.

The State legislature allocated \$12 million for Clerks statewide for jury services. If a Clerk is not expected to expend its specific allocation, the CCOC is authorized to move funds to another Clerk that is projected to expend more than its allocated funds.

**ORANGE COUNTY, FLORIDA
CLERK OF THE CIRCUIT AND COUNTY COURTS
NOTES TO THE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

Note 1—Nature of operations and summary of significant accounting policies (continued)

Investments – All investments are stated at fair value. The Clerk’s investments consist of shares in the Florida Local Government Investment Trust (“FLGIT”), a public entity investment trust organized under the laws of the state of Florida. This fund is considered to be a qualifying external investment pool, and the stated share price is substantially the same as fair value.

Capital Assets – Tangible personal property used by the Clerk’s operations is recorded in the General Fund as an expenditure at the time assets are received and a liability is incurred. Purchased assets are recorded at historical cost in the government-wide financial statements of the County.

Compensated Absences – The Clerk permits employees to accumulate earned but unused vacation and sick pay benefits. The Clerk is not legally required to and does not accumulate expendable available financial resources to liquidate this obligation. The obligation for compensated absences is accrued in the government-wide financial statements of the County. A summary of activity for the Clerk’s compensated absences obligation is as follows:

Beginning Balance, October 1, 2021	\$ 2,435,944
Earned	2,263,453
Used	<u>(2,385,262)</u>
Ending Balance, September 30, 2022	<u>\$ 2,314,135</u>

Use of Estimates – The preparation of financial statements requires management to make use of estimates that affect reported amounts. Actual results could differ from estimates.

Subsequent Events – The Clerk has evaluated subsequent events through March 6, 2023, in connection with the preparation of these financial statements, which is the date they were available to be issued.

Note 2—Cash and investments

Deposits – Cash accounts are maintained in demand deposits, which are insured by the Federal Deposit Insurance Corporation or covered by the state of Florida collateral pool, a multiple financial institution pool with the ability to assess its members for collateral shortfalls if a member institution fails.

The Clerk follows Florida Statutes for its investment policy, which authorizes interest-bearing time deposits, savings accounts, repurchase agreements, the Florida Prime Investment Pool administered by the Florida State Board of Administration, the FLGIT, and obligations of the U.S. Government and government agencies unconditionally guaranteed by the U.S. government.

The Clerk’s deposits include \$48,153,378 in interest-bearing and non-interest-bearing demand deposits at September 30, 2022, which are insured by the Federal Deposit Insurance Corporation or covered by the state of Florida collateral pool, a multiple financial institution pool with the ability to assess its members for collateral shortfalls if a member institution fails. Cash on hand amounted to \$26,600.

**ORANGE COUNTY, FLORIDA
CLERK OF THE CIRCUIT AND COUNTY COURTS
NOTES TO THE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

Note 2—Cash and investments (continued)

Investments – The Clerk follows the guidance in Section 218.415(17), Florida Statutes, as its investment policy for both the general government and OPEB Trust Fund purposes, which allows investment in:

- a) The Local Government Surplus Funds Trust Fund, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act of 1969, as provided in s. 163.01.
- b) Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency.
- c) Interest-bearing time deposits or savings accounts in qualified public depositories, as defined in s. 280.02.
- d) Direct obligations of the U.S. Treasury.

The Clerk invests in the FLGIT, a public entity investment trust organized under the laws of the state of Florida. At September 30, 2022, the FLGIT portfolio included certain corporate securities. These securities amounted to 23.9% of the FLGIT Day to Day Fund portfolio and 45.3% of the Short-Term Bond Fund portfolio. The corporate securities are rated by Standard & Poor’s as “BBB+” or higher and the mortgage-backed securities are rated “AA+”. FLGIT reports its Day to Day Fund at amortized cost and its Short-Term Bond Fund at net asset value (“NAV”), which reflects estimates of fair value of securities. The fair value of the cash positions of the Clerk in this external investment pool is the same as the value of the pool shares held by the Clerk. There are no restrictions or terms and conditions on the Clerk in redeeming the investment. Shares are marked to market on a daily basis. There is no regulatory oversight of the external investment pool. The Clerk has no unfunded commitments that are related to this investment. The pool’s Day to Day Fund has a current Standard & Poor’s rating of “AAAm” and a volatility rating of “S1”, and the Short-Term Bond Fund has a current Standard & Poor’s rating of “AAAF” and a volatility rating of “S1”. Standard & Poor’s monitors the fund on a monthly basis.

The Clerk’s investment policy limits the credit risk of its investment by limiting authorized investments, thus reducing the risk of potential default of investments that are not sound. In investing public funds, the Clerk strives to maximize return on the portfolio while minimizing investment risk. The Clerk limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

The FLGIT investments held by the Clerk in its Records Modernization Trust Fund and its OPEB Trust Fund, which follow guidance in Section 218.415(17), Florida Statutes, are measured and recorded using fair value measurement guidelines established by generally accepted accounting principles and amounted to \$2,034,159 and \$7,883,286, respectively, at September 30, 2022. The Clerk has \$3,180,564 invested in the Day to Day Fund and \$6,736,881 invested in the Short-Term Bond Fund at September 30, 2022.

Note 3—Interfund receivables and payables

Interfund receivables and payables at September 30, 2022 consist of the following:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ -	\$ 577,698
Public Records Modernization Fund	303,178	-
OPEB Trust Fund	274,520	-
	<u>\$ 577,698</u>	<u>\$ 577,698</u>

**ORANGE COUNTY, FLORIDA
CLERK OF THE CIRCUIT AND COUNTY COURTS
NOTES TO THE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

Note 4—Retirement system

Plan Description – The Clerk’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 (“Pension 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 Pension Plan, which is administered by the State Board of Administration.

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 Legislature.

Benefits under the Pension Plan are computed on the basis of age, average final compensation, and service credit. For Pension 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. 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% of their final average compensation based on the five highest years of salary for each year of credited service.

Substantial changes were made to the Pension Plan during fiscal year 2011, affecting new members enrolled on or after July 1, 2011 by extending the vesting requirement to eight years of credited service and increasing normal retirement to age 65 or 33 years of service regardless of age. Also, the final average compensation for these members is based on the eight highest years of salary.

The HIS Plan provides a monthly benefit to assist retirees in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement. Eligible retirees and beneficiaries receive a monthly health insurance subsidy payment of \$5 for each year of creditable service, with a minimum payment of \$30 and a maximum payment of \$150 per month. The HIS Plan is funded by required contributions from FRS participating employees as set forth by the Florida Legislature, based on a percentage of gross compensation for all active FRS members.

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

**ORANGE COUNTY, FLORIDA
CLERK OF THE CIRCUIT AND COUNTY COURTS
NOTES TO THE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

Note 4—Retirement system (continued)

For those members who elect participation in the Investment Plan, rather than the Pension Plan, vesting occurs at one year of service. These participants receive a contribution for self-direction in an investment product with a third-party administrator selected by the State Board of Administration. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% of payroll and by forfeited benefits of plan members.

The Clerk recognizes pension expenditures in an amount equal to amounts paid to the Pension Plan, the HIS Plan, and the defined contribution plan, amounting to \$1,762,872, \$341,312, and \$649,073, respectively, for the fiscal year ended September 30, 2022. The Clerk's payments for the Pension Plan and the HIS Plan after June 30, 2022, the measurement date used to determine the net pension liability associated with the Pension Plan and HIS Plan, amounted to \$423,075 and \$79,712, respectively. The Clerk is not legally required to and does not accumulate expendable available resources to liquidate the retirement obligation related to its employees. Accordingly, the net pension liability and associated deferred outflows and deferred inflows are presented on the government-wide financial statements of the County, following requirements of GASB Statement 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement 27*, and GASB Statement 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement 68*.

Funding Policy – All enrolled members of the FRS Pension Plan are required to contribute 3.0% 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. The employer contribution rates by job class for the periods from October 1, 2021 through June 30, 2022 and July 1, 2022 through September 30, 2022, respectively, were as follows: regular – 10.82% and 11.91%; County elected officers – 51.42% and 57.00%; senior management – 29.01% and 31.57%; and DROP participants – 18.34% and 18.60%. During the fiscal year ended September 30, 2022, the Clerk contributed to the plan an amount equal to 12.34% of covered payroll.

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. That report may be viewed on the Florida Department of Management Services website located at www.dms.myflorida.com/workforce_operations/retirement/publications.

**ORANGE COUNTY, FLORIDA
CLERK OF THE CIRCUIT AND COUNTY COURTS
NOTES TO THE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

Note 5—Insurance coverage

Orange County maintains a self-insurance program that provides for coverage of substantially all risks. Various excess catastrophe insurance policies with a commercial carrier are also in force for claims exceeding the amount chargeable against the loss fund. The Clerk participated in the County’s self-insurance program during fiscal year 2022 at a cost of \$144,984. There have been no claim settlements in excess of insurance coverage during the three fiscal years ended September 30, 2022.

Additionally, Orange County maintains a self-insured plan for employee medical benefits. The plan covers all regular employees and certain retirees and former employees of the County and their eligible dependents. In accordance with the Affordable Care Act, the lifetime maximum for a covered individual is unlimited. The Clerk participated in the County’s employee medical benefits plan during the fiscal year 2022 at a cost of \$5,033,183.

Note 6—Other postemployment benefit plan

Plan Description – The Clerk offers a single-employer defined benefit plan (“OPEB Plan”) that subsidizes the cost of health care for its retirees and eligible dependents. Retirees with at least 10 years of service under the Clerk who are receiving benefits from the FRS are eligible to receive a monthly benefit of five dollars per year of service up to a maximum of \$150 per month. Additionally, Clerk employees who retire and immediately begin receiving benefits from the FRS have the option of continuing in the County health insurance plan at the same group rate as for active employees.

In June 2009, the Clerk established the Orange County Clerk of the Circuit and County Courts Retiree Health Insurance Subsidy Trust (“Trust”), a qualifying trust, and began funding its OPEB Plan obligation. Separate stand-alone financial statements for the Trust are not prepared.

Employees Covered by Benefit Terms – At September 30, 2022, the date of the last actuarial study, the following employees were covered by the benefits terms:

Active participants	\$	389
Inactive participants currently receiving benefit payments		172
Total	\$	<u>561</u>

Funding Policy – The Clerk funds its OPEB obligations on a pay-as-you-go basis and has the authority to establish and amend its funding policy. For the fiscal year 2022, the Clerk made a \$500,000 contribution into the Trust and in the prior years a total of \$8,705,000. This Trust is to be used to fund current subsidy payments to participants for upcoming fiscal years.

Rate of Return – For the year ended September 30, 2022, the annual money-weighted rate of return on investments, net of investment expense, was -3.13%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**ORANGE COUNTY, FLORIDA
CLERK OF THE CIRCUIT AND COUNTY COURTS
NOTES TO THE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

Note 6—Other postemployment benefit plan (continued)

Net OPEB Liability – The Clerk’s net OPEB liability was measured as of September 30, 2022 based on an actuarial valuation as of that date. This net OPEB liability will be presented on the County’s government-wide statement of net position for the year ended September 30, 2022, changes of which during the year ended September 30, 2022 were as follows:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Recognized at September 30, 2021	\$ 10,459,089	\$ 8,505,813	\$ 1,953,276
Changes in the year:			
Service cost	388,245	-	388,245
Interest	240,762	-	240,762
Differences between expected and actual experience	(246,424)	-	(246,424)
Changes in assumptions	(1,808,995)	-	(1,808,995)
Benefit payments	(390,418)	(225,480)	(164,938)
Contributions - employer	-	500,000	(500,000)
Net investment loss	-	(262,469)	262,469
Net changes	(1,816,830)	12,051	(1,828,881)
Recognized at September 30, 2022	\$ 8,642,259	\$ 8,517,864	\$ 124,395

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

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

The actuarial methods are:

- | | |
|------------------------|------------------|
| Actuarial cost method | Entry Age normal |
| Asset valuation method | Fair value |

**ORANGE COUNTY, FLORIDA
CLERK OF THE CIRCUIT AND COUNTY COURTS
NOTES TO THE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

Note 6—Other postemployment benefit plan (continued)

The actuarial assumptions are:

General inflation	2.5%
Projected annual salaries increase	4.5%
Healthcare cost trend rate	Pre-65 increase of 6.4% and post-65 increase of 6.7% for the 2021 fiscal year, grading to an ultimate rate of 4.5% for the 2031 fiscal year

Mortality rates were based on the Pub-2010 Headcount Weighted General tables, projected with Scale MP-2021 as of the September 30, 2022 measurement date.

The claims and trend used for the Clerk of the Court valuation are the same as those used for Orange County Government and were developed based on the aggregated County population and experience. The assumptions noted above are applicable for the valuation as of September 30, 2022.

Discount Rate – The funds in the trust are not aggressively invested and are assumed to grow at the Bond Buyer General Obligation 20-bond Municipal Bond Index 20-year municipal bond rate as of the beginning of the year, the same rate at which the liability is expected to grow. Therefore, the discount rate used to determine the total OPEB liability is equal to the expected rate of return applied to the assets in the trust fund. The long-term expected rate of return on OPEB plan investments as of the September 30, 2021 measurement date was 2.26% and increased 1.76 percentage points to 4.02% as of the September 30, 2022 measurement date.

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Discount Rate – The following presents the net OPEB liability of the Clerk, as well as what the Clerk’s net OPEB liability (asset) would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current discount rate of 4.02% at September 30, 2022:

<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
\$ 1,072,076	\$ 124,395	\$ (693,457)

Sensitivity of the OPEB Liability (Asset) to Changes in the Healthcare Cost Trend Rates – The following presents the net OPEB liability (asset) of the Clerk, as well as what the Clerk’s net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower or 1% higher than the healthcare cost trend rate of 7.20% for pre-65 and 7.35% for post-65 at September 30, 2022:

<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
\$ (185,105)	\$ 124,395	\$ 482,165

**ORANGE COUNTY, FLORIDA
CLERK OF THE CIRCUIT AND COUNTY COURTS
NOTES TO THE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

Note 6—Other postemployment benefit plan (continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – For the year ended September 30, 2022, the Clerk recognized OPEB expense of \$225,480 on a pay as you go basis. OPEB expense related to the Clerk, presented on the County’s government-wide statement of activities was \$545,561 for the year ended September 30, 2022. At September 30, 2022, the County’s government-wide statement of net position presents the Clerk’s deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 493,440
Net difference between projected and actual earnings on OPEB plan investments	554,590	-
Change of assumptions	1,522,493	1,784,072
	<u>\$ 2,077,083</u>	<u>\$ 2,277,512</u>

Amounts recognized as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized on the County’s government-wide statement of activities in OPEB expense as follows:

Years Ended September 30,

2023	\$ 76,928
2024	46,975
2025	19,974
2026	(14,834)
2027	(106,388)
Thereafter	(223,084)

Note 7—Related party lease assistance

The Board provides administrative office space used by the Clerk at no charge. The Board incurred \$629,233 for lease costs in connection with the office space during fiscal 2022.

Note 8—Commitments and contingencies

Litigation – The Clerk is involved in certain litigation and claims as a defendant or plaintiff arising in the ordinary course of operations. The Clerk, based on the advice of legal counsel, is of the opinion that the range of potential recoveries or liabilities will not materially affect the financial position of the Clerk.

REQUIRED SUPPLEMENTARY INFORMATION

ORANGE COUNTY, FLORIDA
CLERK OF THE CIRCUIT AND COUNTY COURTS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – GENERAL FUND

SEPTEMBER 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues:				
Court-related:				
Intergovernmental:				
State jury appropriation	\$ 2,153,472	\$ 2,153,472	\$ 1,309,714	\$ (843,758)
State cumulative excess of court related revenue	-	-	781,967	781,967
Charges for services:				
Filing fees	19,877,000	19,877,000	16,840,481	(3,036,519)
Service charges	4,801,000	4,801,000	5,010,692	209,692
Court costs	6,140,500	6,140,500	6,032,105	(108,395)
Fines and forfeitures	7,180,500	7,180,500	7,410,199	229,699
Interest income	1,000	1,000	45	(955)
Non-court related:				
Charges for services:				
Marriage and passport	1,470,000	1,845,000	1,925,287	80,287
Intergovernmental:				
County funded items	150,000	150,000	120,000	(30,000)
Child support federal reimbursement	1,450,000	1,450,000	1,378,754	(71,246)
Total Revenues	<u>43,223,472</u>	<u>43,598,472</u>	<u>40,809,244</u>	<u>(2,789,228)</u>
Expenditures:				
Court related:				
Current:				
General government:				
Salaries and benefits	26,580,500	26,771,500	26,671,456	100,044
Operating	3,020,571	3,672,071	3,590,783	81,288
Capital outlay	-	-	4,522	(4,522)
Distribution of excess fees	10,552,401	9,704,901	7,118,442	2,586,459
Non-court related:				
Current:				
General government:				
Salaries and benefits	1,993,000	1,777,500	1,770,978	6,522
Operating	1,077,000	1,144,500	1,138,881	5,619
Capital outlay	-	528,000	514,182	13,818
Total Expenditures	<u>43,223,472</u>	<u>43,598,472</u>	<u>40,809,244</u>	<u>2,789,228</u>
Excess of revenues over expenditures	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ORANGE COUNTY, FLORIDA
CLERK OF THE CIRCUIT AND COUNTY COURTS
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
 BUDGET AND ACTUAL – PUBLIC RECORDS MODERNIZATION TRUST FUND

SEPTEMBER 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues:				
Charges for services:				
Recording fees from Comptroller	\$ 4,020,000	\$ 4,020,000	\$ 3,705,022	\$ (314,978)
Interest income	4,100	4,100	16,741	12,641
Total Revenues	<u>4,024,100</u>	<u>4,024,100</u>	<u>3,721,763</u>	<u>(302,337)</u>
Expenditures:				
Current:				
General government:				
Salaries and benefits	3,240,500	3,240,500	3,248,150	(7,650)
Operating	639,100	639,100	439,030	200,070
Capital outlay	<u>1,096,000</u>	<u>1,096,000</u>	<u>993,802</u>	<u>102,198</u>
Total Expenditures	<u>4,975,600</u>	<u>4,975,600</u>	<u>4,680,982</u>	<u>294,618</u>
Deficiency of revenues under expenditures	(951,500)	(951,500)	(959,219)	(7,719)
Fund balance, beginning of year	<u>6,238,061</u>	<u>6,238,061</u>	<u>6,238,061</u>	<u>-</u>
Fund balance, end of year	<u>\$ 5,286,561</u>	<u>\$ 5,286,561</u>	<u>\$ 5,278,842</u>	<u>\$ (7,719)</u>

**ORANGE COUNTY, FLORIDA
CLERK OF THE CIRCUIT AND COUNTY COURTS
SCHEDULE OF SCHEDULE OF CHANGES IN THE
NET OPEB LIABILITY AND RELATED RATIOS**

SEPTEMBER 30, 2022

	2022	2021	2020	2019	2018	2017
Total OPEB Liability:						
Service cost	\$ 388,245	\$ 363,737	\$ 337,770	\$ 236,990	\$ 255,038	\$ 316,591
Interest	240,762	220,747	257,529	332,013	295,395	279,383
Differences between expected and actual experience	(246,424)	(168,580)	(48,030)	(194,254)	-	(168,975)
Changes of assumptions	(1,808,995)	601,322	103,611	1,610,125	(391,026)	(1,072,831)
Benefit payments	(390,418)	(363,832)	(375,410)	(317,848)	(310,067)	(305,490)
Net change in total OPEB liability	(1,816,830)	653,394	275,470	1,667,026	(150,660)	(951,322)
Total OPEB liability - beginning	10,459,089	9,805,695	9,530,225	7,863,199	8,013,859	8,965,181
Total OPEB liability - ending	<u>\$ 8,642,259</u>	<u>\$ 10,459,089</u>	<u>\$ 9,805,695</u>	<u>\$ 9,530,225</u>	<u>\$ 7,863,199</u>	<u>\$ 8,013,859</u>
Plan Fiduciary Net Position:						
Contributions - employer	\$ 500,000	\$ 360,460	\$ -	\$ 1,090,745	\$ 416,475	\$ 613,515
Net investment income	(262,469)	11,988	87,382	177,830	87,302	11,326
Benefit payments	(225,480)	(210,460)	(207,705)	(200,745)	(191,475)	(188,515)
Net change in plan fiduciary net position	12,051	161,988	(120,323)	1,067,830	312,302	436,326
Plan fiduciary net position - beginning	8,505,813	8,343,825	8,464,148	7,396,318	7,084,016	6,647,690
Plan fiduciary net position - ending	<u>\$ 8,517,864</u>	<u>\$ 8,505,813</u>	<u>\$ 8,343,825</u>	<u>\$ 8,464,148</u>	<u>\$ 7,396,318</u>	<u>\$ 7,084,016</u>
Net OPEB liability - ending	<u>\$ 124,395</u>	<u>\$ 1,953,276</u>	<u>\$ 1,461,870</u>	<u>\$ 1,066,077</u>	<u>\$ 466,881</u>	<u>\$ 929,843</u>
Plan fiduciary net position as a percentage of the total OPEB liability	98.56%	81.32%	85.09%	88.81%	94.06%	88.40%
Covered-employee payroll	\$ 22,304,653	\$ 20,513,984	\$ 20,481,239	\$ 20,488,703	\$ 19,848,166	\$ 20,348,289
Net OPEB liability as a percentage of covered-employee payroll	0.56%	9.52%	7.14%	5.20%	2.35%	4.57%

Note: Information is not available for years preceding fiscal 2017.

**ORANGE COUNTY, FLORIDA
CLERK OF THE CIRCUIT AND COUNTY COURTS
SCHEDULE OF EMPLOYER CONTRIBUTIONS AND
SCHEDULE OF INVESTMENT RETURNS – OPEB**

SEPTEMBER 30, 2022

Schedule of Employer Contributions

Year Ended September 30	Actuarially Determined Contribution	Contributions Made in Relation to Actuarially Determined Contribution	Contribution Deficiency (Excess)
2022	\$ 545,561	\$ 500,000	\$ 45,561
2021	681,589	360,460	321,129
2020	568,010	-	568,010
2019	306,208	1,090,745	(784,537)
2018	211,676	416,475	(204,799)
2017	311,213	613,515	(302,302)

Note A: Information is not available for years preceding fiscal 2017.

Note B: The Clerk does not utilize a measure of pay to determine its contributions to the OPEB Trust; therefore, covered-employee payroll information is not included above.

Schedule of Investment Returns - OPEB

Year	Annual Money-Weighted Rate of Return, Net of Investment Expense
2022	-3.13%
2021	0.14%
2020	1.03%
2019	2.31%
2018	1.23%
2017	0.17%

Note: Information is not available for years preceding fiscal 2017.

**ORANGE COUNTY, FLORIDA
CLERK OF THE CIRCUIT AND COUNTY COURTS
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**

SEPTEMBER 30, 2022

Note 1—Budgets

The budgets presented on pages 18 and 19 have been prepared on the modified accrual basis of accounting.

Note 2—Actuarial methods and assumptions

The schedule presented on page 20 is based upon the following actuarial methods and assumptions:

Actuarial cost method	Entry Age normal
Asset valuation method	Fair value
General inflation	2.5%
Projected annual salaries increase	4.5%

Healthcare Cost Trend Rate – Pre-65 increase of 7.20% and post-65 increase of 7.35% for the 2023 fiscal year, grading to an ultimate rate of 4.5% for the 2032 fiscal year

Mortality – Pub-2010 Headcount Weighted General tables, projected with Scale MP-2021

Discount Rate	4.02%
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OTHER SUPPLEMENTARY INFORMATION

**ORANGE COUNTY, FLORIDA
CLERK OF THE CIRCUIT AND COUNTY COURTS
CUSTODIAL FUND DESCRIPTIONS**

SEPTEMBER 30, 2022

The Combining Statement of Fiduciary Net Position – Custodial Funds and Combining Statement of Changes in Fiduciary Net Position – Custodial Funds is presented on the following pages. The purpose of each fund shown on these statements is described below.

Domestic Relations Fund – This fund supports the collection and disbursement of child support and alimony payments.

Registry of the Court Fund – This fund is maintained for civil actions, which result in the court ordering the Clerk to collect and disburse funds in a specific manner. The court orders are a result of civil actions initiated by individuals or organizations.

Fines Fund – This fund is used for the collection, disbursement, and maintenance of funds resulting from various illegal acts. These actions may involve traffic, felony, misdemeanor, ordinance, or juvenile violations, as well as other illegal actions.

Witness Payroll Fund – This fund is maintained to support the payment of witnesses for the County and Circuit Courts.

Other State Funds – This fund supports the collection and disbursement of funds resulting from mortgage foreclosure actions, the filing of civil action cases, and the issuance of marriage licenses as well as other civil actions. Other civil actions may result in the court ordering the clerk to manage the funds in a specific manner. The funds are disbursed to governmental agencies, private and nonprofit organizations, and individuals.

Criminal Cash Bond Fund – This fund is maintained for the collection and disbursement of funds resulting from cash posted to release individuals charged with criminal activities from jail.

Online Foreclosure Sales Fund – This fund is maintained for the collection and disbursement of funds resulting from mortgage foreclosure actions that occur using the Clerk's online foreclosure sales website. The funds are disbursed to individuals and private and nonprofit organizations.

**ORANGE COUNTY, FLORIDA
CLERK OF THE CIRCUIT AND COUNTY COURTS
COMBINING STATEMENT OF FIDUCIARY NET POSITION –
CUSTODIAL FUNDS**

SEPTEMBER 30, 2022

	<u>Domestic Relations</u>	<u>Registry of the Court</u>	<u>Fines</u>	<u>Witness Payroll</u>	<u>Other State</u>	<u>Criminal Cash Bond</u>	<u>Online Foreclosure Sales</u>	<u>Total</u>
ASSETS								
Cash and cash equivalents	\$ (8,952)	\$ 11,304,296	\$ 3,878,928	\$ 20,337	\$ 4,696,978	\$ 1,673,394	\$ 17,571,198	\$ 39,136,179
Due from individuals	8,952	-	-	-	-	-	-	8,952
Total Assets	-	11,304,296	3,878,928	20,337	4,696,978	1,673,394	17,571,198	39,145,131
LIABILITIES								
Due to individuals	-	5,070	13,865	-	-	1,070	290,397	310,402
Due to Board of County Commissioners	-	-	775,043	-	-	-	-	775,043
Due to other governmental agencies	-	-	2,371,391	-	1,318,826	-	-	3,690,217
Total Liabilities	-	5,070	3,160,299	-	1,318,826	1,070	290,397	4,775,662
NET POSITION								
Restricted for Individuals, Board of County Commissioners, and Other Governmental agencies	\$ -	\$ 11,299,226	\$ 718,629	\$ 20,337	\$ 3,378,152	\$ 1,672,324	\$ 17,280,801	\$ 34,369,469

**ORANGE COUNTY, FLORIDA
CLERK OF THE CIRCUIT AND COUNTY COURTS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION –
CUSTODIAL FUNDS**

SEPTEMBER 30, 2022

	<u>Domestic Relations</u>	<u>Registry of the Court</u>	<u>Fines</u>	<u>Witness Payroll</u>	<u>Other State</u>	<u>Criminal Cash Bond</u>	<u>Online Foreclosure Sales</u>	<u>Total</u>
Additions:								
Proceeds from court related activity	\$ -	\$ -	\$ 39,406,540	\$ -	\$ 21,729,056	\$ -	\$ -	\$ 61,135,596
Registry deposits	-	16,086,193	-	-	2,579,662	-	37,571,559	56,237,414
Foreclosure sale bidder deposits	-	-	-	-	-	-	37,268,870	37,268,870
Criminal cash bond payments	-	-	-	-	-	3,212,366	-	3,212,366
Restitution payments from defendants	-	-	1,346,672	-	-	-	-	1,346,672
State witness funding	-	-	-	218,108	-	-	-	218,108
Total Additions	-	16,086,193	40,753,212	218,108	24,308,718	3,212,366	74,840,429	159,419,026
Deductions:								
Other payments to individuals and governmental agencies	-	-	39,378,610	-	21,316,657	-	-	60,695,267
Registry payments to individuals and governmental agencies	-	17,386,390	-	-	339,257	-	34,729,928	52,455,575
Foreclosure sale bidder deposits applied to sales or refunded to depositor	-	-	-	-	-	-	35,941,290	35,941,290
Criminal cash bond payments to individuals and other governmental agencies	-	-	-	-	-	2,824,228	-	2,824,228
Restitution payments to individuals	-	-	1,349,297	-	-	-	-	1,349,297
Witness payments	-	-	-	223,918	-	-	-	223,918
Total Deductions	-	17,386,390	40,727,907	223,918	21,655,914	2,824,228	70,671,218	153,489,575
Increase (decrease) in net position	-	(1,300,197)	25,305	(5,810)	2,652,804	388,138	4,169,211	5,929,451
Net position, beginning of year	-	12,599,423	693,324	26,147	725,348	1,284,186	13,111,590	28,440,018
Net position, end of year	\$ -	\$ 11,299,226	\$ 718,629	\$ 20,337	\$ 3,378,152	\$ 1,672,324	\$ 17,280,801	\$ 34,369,469

SUPPLEMENTARY REPORTS

Report of Independent Auditor 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

To the Honorable Tiffany Moore Russell
Clerk of the Circuit and County Courts of Orange County, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of each major fund and the aggregate remaining fund information of the Orange County, Florida Clerk of the Circuit and County Courts (the “Clerk”) as of and for the year ended September 30, 2022, and the related notes to the financial statements, and have issued our report thereon dated March 6, 2023 for the purpose of compliance with Section 218.39(2), Florida Statutes, and Chapter 10.550, *Rules of the Auditor General – Local Governmental Entity Audits*. We also have audited the Other Postemployment Benefit Trust Fund and each custodial fund of the Clerk as of and for the year ended September 30, 2022.

Report on Internal Control over Financial Reporting

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

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

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

Orlando, Florida
March 6, 2023

Independent Auditor's Management Letter

To the Honorable Tiffany Moore Russell
Clerk of the Circuit and County Courts of Orange County, Florida

Report on the Financial Statements

We have audited the financial statements of the Orange County, Florida Clerk of the Circuit and County Courts (the "Clerk") as of and for the fiscal year ended September 30, 2022 and have issued our report thereon dated March 6, 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 Report of Independent Auditor on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on 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, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 6, 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 audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The Clerk is a separately elected county official established pursuant to the Constitution of the State of Florida. 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 have any such recommendations.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we 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

The purpose of this management letter is solely to communicate certain matters prescribed by Chapter 10.550, Rules of the Auditor General. Accordingly, this management letter is not suitable for any other purpose.

Cherry Bekaert LLP

Orlando, Florida
March 6, 2023

**Independent Accountant's Report 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**

To the Honorable Tiffany Moore Russell
Clerk of the Circuit and County Courts of Orange County, Florida

We have examined the Orange County, Florida Clerk of the Circuit and County Courts' (the "Clerk's") compliance with the local government investment policy requirements of 218.415, Florida Statutes, Article V requirements of Sections 28.35 and 28.36, Florida Statutes, and requirements of Section 61.181, Florida Statutes, during the year ended September 30, 2022. Management of the Clerk is responsible for the Clerk's compliance with those specific requirements. Our responsibility is to express an opinion on the Clerk's compliance with these specific requirements based on our examination.

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

The purpose of this report is to comply with the audit requirements of Section 218.415, Florida Statutes, Article V requirements of Sections 28.35 and 28.36, Florida Statutes, requirements of Section 61.181, Florida Statutes, and Rules of the Auditor General.

In our opinion, the Clerk complied, in all material respects, with the local investment policy requirements of Section 218.415, Florida Statutes, Article V requirements of Section 28.35 and 28.36, Florida Statutes, and requirements of Section 61.181, Florida Statutes, during the year ended September 30, 2022.

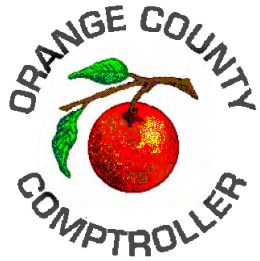
Cherry Bekaert LLP

Orlando, Florida
March 6, 2023

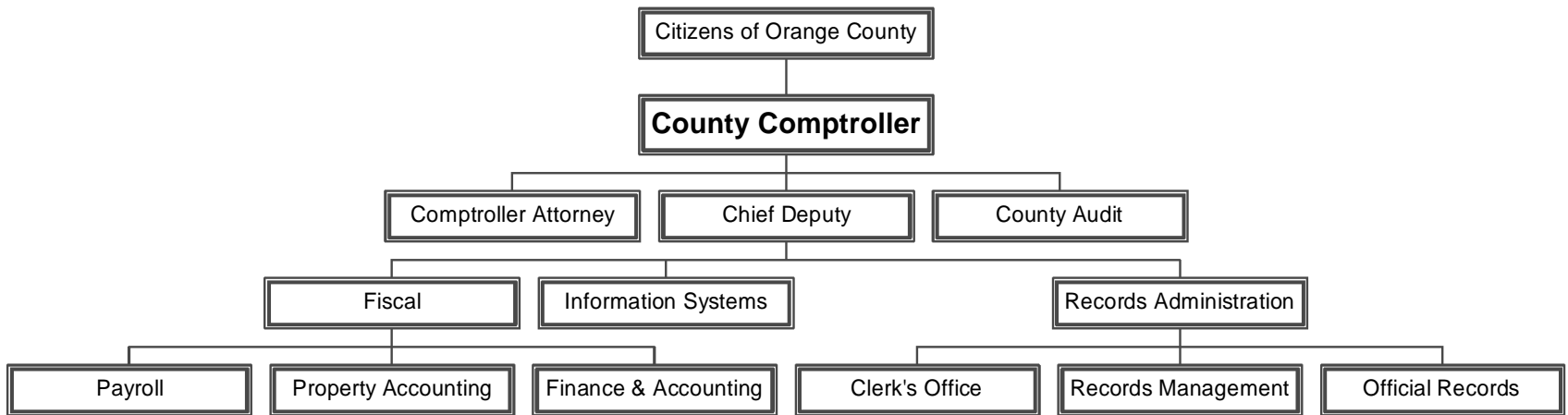
COMPTROLLER
ORANGE COUNTY, FLORIDA

FINANCIAL STATEMENTS

Year Ended September 30, 2022



Orange County Comptroller's Office



Report of Independent Auditor

To the Honorable Phil Diamond
Comptroller of Orange County, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the Orange County, Florida Comptroller (the "Comptroller") as of and for the year ended September 30, 2022, and the related notes to the financial statements, as listed in the table of contents. We also have audited the financial statements of each of the Comptroller's custodial funds as of and for the year ended September 30, 2022, presented as other supplementary information in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the Comptroller, as of September 30, 2022, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each custodial fund of the Comptroller as of September 30, 2022, and the respective changes in net position 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 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 Orange County, Florida, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note A 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 ("Rules"). In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of each fund of Orange County, Florida that is attributable to the Comptroller. They do not purport to, and do not, present fairly the financial position of Orange County, Florida as of September 30, 2022, and the changes in its financial position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

Auditor's Responsibility 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 generally accepted 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 generally accepted auditing standards and *Government Auditing Standards*, we:

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

Other Matter

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 19 through 22 be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the 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 financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the organizational chart 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 a report dated February 7, 2023, on our consideration of the Comptroller's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Comptroller's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Comptroller's internal control over financial reporting and compliance.

Cherry Bekaert LLP

Orlando, Florida
February 7, 2023

FINANCIAL STATEMENTS

**ORANGE COUNTY, FLORIDA COMPTROLLER
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2022**

<u>ASSETS</u>	Major Funds				Totals
	General	Documentary and Intangible Tax	Public Records Modernization	Court Technology Fees	
Cash and cash equivalents	\$ 7,480,673	\$ 7,537,162	\$ 444,761	\$ 461,043	\$ 15,923,639
Accounts receivable	48,819	640	1,464	18,465	69,388
Due from Board of County Commissioners	144,716	-	-	-	144,716
Prepaid costs	100,545	-	752,237	-	852,782
Total assets	<u>\$ 7,774,753</u>	<u>\$ 7,537,802</u>	<u>\$ 1,198,462</u>	<u>\$ 479,508</u>	<u>\$ 16,990,525</u>
<u>LIABILITIES AND FUND BALANCES</u>					
Liabilities:					
Accounts payable	\$ 357,354	\$ -	\$ 142,704	\$ -	\$ 500,058
Accrued liabilities	887,424	7,537,802	-	-	8,425,226
Due to Clerk of Circuit and County Courts	-	-	-	238,100	238,100
Due to Board of County Commissioners	6,529,975	-	-	229,912	6,759,887
Due to other governmental agencies	-	-	-	11,496	11,496
Total liabilities	7,774,753	7,537,802	142,704	479,508	15,934,767
Fund balances:					
Nonspendable:					
Prepaid costs	100,545	-	752,237	-	852,782
Restricted:					
General government	-	-	303,521	-	303,521
Unassigned	(100,545)	-	-	-	(100,545)
Total fund balances	-	-	1,055,758	-	1,055,758
Total liabilities and fund balances	<u>\$ 7,774,753</u>	<u>\$ 7,537,802</u>	<u>\$ 1,198,462</u>	<u>\$ 479,508</u>	<u>\$ 16,990,525</u>

See accompanying notes to financial statements.

**ORANGE COUNTY, FLORIDA COMPTROLLER
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
for the year ended September 30, 2022**

	Major Funds				Totals
	General	Documentary and Intangible Tax	Public Records Modernization	Court Technology Fees	
Revenues:					
Intergovernmental revenues:					
Fees from Board of County Commissioners	\$ 16,897,571	\$ -	\$ -	\$ -	\$ 16,897,571
Contributed goods and services	2,586,421	-	-	-	2,586,421
Charges for services:					
Recording fees	7,774,822	-	896,666	-	8,671,488
Copy and certification fees	206,952	-	-	-	206,952
Documentary stamp commissions	-	1,579,641	-	-	1,579,641
Other fees and commissions	224,961	265,732	-	-	490,693
Court technology fees for Board of County Commissioners	-	-	-	3,579,113	3,579,113
Court technology fees for Clerk of Circuit and County Courts	-	-	-	3,699,046	3,699,046
Court technology fees for other governmental agencies	-	-	-	178,956	178,956
Tax collections for other governmental agencies	-	346,345,569	-	-	346,345,569
Miscellaneous revenues:					
Interest income	152,959	-	10,705	-	163,664
Other	386,874	-	17	-	386,891
Total revenues	28,230,560	348,190,942	907,388	7,457,115	384,786,005
Expenditures:					
Current:					
General government:					
Personal services	18,984,132	-	-	-	18,984,132
Operating expenditures:					
Contributed data processing	38,078	-	-	-	38,078
Contributed OPEB contribution	188,201	-	-	-	188,201
Contributed office space and utilities	2,360,142	-	-	-	2,360,142
Tax payments to other governmental agencies	-	346,345,569	-	-	346,345,569
Court technology fees to Board of County Commissioners	-	-	-	3,579,113	3,579,113
Court technology fees to Clerk of Circuit and County Courts	-	-	-	3,699,046	3,699,046
Court technology fees to other governmental agencies	-	-	-	178,956	178,956
Other operating expenditures	1,910,799	-	1,150,688	-	3,061,487
Capital outlay	179,746	-	168,754	-	348,500
Total expenditures	23,661,098	346,345,569	1,319,442	7,457,115	378,783,224
Excess of revenues over (under) expenditures	4,569,462	1,845,373	(412,054)	-	6,002,781
Other financing sources (uses):					
Operating transfers in (out)	1,845,373	(1,845,373)	-	-	-
Transfer to the Board of County Commissioners	(6,414,835)	-	-	-	(6,414,835)
Total other financing uses	(4,569,462)	(1,845,373)	-	-	(6,414,835)
Excess of expenditures over revenues and other financing uses	-	-	(412,054)	-	(412,054)
Fund balances, October 1, 2021	-	-	1,467,812	-	1,467,812
Fund balances, September 30, 2022	\$ -	\$ -	\$ 1,055,758	\$ -	\$ 1,055,758

See accompanying notes to financial statements.

**ORANGE COUNTY, FLORIDA COMPTROLLER
STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
September 30, 2022**

<u>ASSETS</u>	<u>Custodial Funds</u>
Cash and cash equivalents	\$ 7,671,412
Total assets	<u>\$ 7,671,412</u>
<u>LIABILITIES</u>	
Due to other governmental agencies	\$ 25
Due to individuals	<u>117,463</u>
Total liabilities	<u>\$ 117,488</u>
<u>NET POSITION</u>	
Restricted for:	
Individuals, organizations, other governments	<u>\$ 7,553,924</u>
Total liabilities and net position	<u>\$ 7,671,412</u>

See accompanying notes to financial statements.

**ORANGE COUNTY, FLORIDA COMPTROLLER
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
for the year ended September 30, 2022**

	<u>Custodial Funds</u>
ADDITIONS:	
Deposits collected on behalf of others	\$ 13,603,358
Taxes collected on behalf of other governments	<u>63</u>
Total additions	<u>13,603,421</u>
DEDUCTIONS:	
Payments disbursed to individuals	13,049,732
Payments disbursed to other governments	63
Miscellaneous disbursements	<u>1,980</u>
Total deductions	<u>13,051,775</u>
Change in net position	551,646
Net position, October 1, 2021	<u>7,002,278</u>
Net position, September 30, 2022	<u><u>\$ 7,553,924</u></u>

See accompanying notes to financial statements.

**ORANGE COUNTY, FLORIDA COMPTROLLER
NOTES TO FINANCIAL STATEMENTS
for the year ended September 30, 2022**

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Orange County Comptroller (Comptroller) is a separately elected officer of Orange County, Florida (County), established pursuant to the Constitution of the State of Florida. The Comptroller's duties include serving the Board of County Commissioners (Board) and the public in the areas of financial services, audit, and records administration. The Comptroller's financial statements do not purport to reflect the financial position or the results of operations of the County as a whole. The financial statements of the Comptroller have been prepared in accordance with the accounting principles and reporting guidelines established by the Governmental Accounting Standards Board (GASB).

Entity status for financial reporting purposes is governed by GASB Statement No. 14, as amended. Although the Comptroller's Office is operationally autonomous and legally separate from the Board, it does not hold sufficient corporate powers of its own to be considered a separate entity for financial reporting purposes. Therefore, under GASB guidelines, the Comptroller is reported as a part of the primary government of the County.

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

Description of Funds:

The accounting records are organized for reporting purposes using Governmental Funds and Fiduciary Funds.

Governmental Funds:

General Fund:

The General Fund is used to account for all revenues and expenditures applicable to the general operations of the Comptroller which are not accounted for in another fund. All general operating revenues that are not restricted as to use by outside sources are recorded in the General Fund. The General Fund, presented as a major fund, uses a current financial resources measurement focus -- that is, the focus is upon determination of sources, uses and balances of current financial resources rather than upon net income determination.

Continued

**ORANGE COUNTY, FLORIDA COMPTROLLER
NOTES TO FINANCIAL STATEMENTS, Continued
for the year ended September 30, 2022**

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Special Revenue Funds:

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. Like the General Fund, Special Revenue Funds use the current financial resources measurement focus.

Documentary and Intangible Tax Fund: This fund accounts for taxes imposed on certain recorded documents that are collected on behalf of and remitted to the State of Florida. This fund is presented as a major fund of the Comptroller.

Public Records Modernization Trust Fund: This fund was established pursuant to an act of the 1987 Florida Legislature. The fund, presented as a major fund of the Comptroller, accounts for certain recording fees that are restricted for modernizing the public records system of the office.

Court Technology Fees Fund: This fund, presented as a non-major fund, accounts for the portion of recording fees that are collected on behalf of the Board, the Clerk of the Circuit and County Courts, and the Florida Association of Court Clerks, and must be used exclusively for court-related technology improvements.

Fiduciary Funds:

The Fiduciary Funds of the Comptroller consist of Custodial Funds, which are used to account for assets held by the Comptroller as an agent for individuals or other governmental agencies. Specific Custodial Funds used by the Comptroller are as follows:

Lien Escrow Fund: This fund accounts for assets held for individuals who are seeking court resolutions to liens filed against their property.

Tax Deed Sales Fund: This fund accounts for amounts due to individuals which are received during the tax deed auction sales.

Tax Deed Deposits Fund: This fund accounts for assets held for individuals seeking to participate in tax deed auctions.

Comptroller Employees Fund: This fund accounts for assets derived from vending machine proceeds and fund raising activities, and are held for employees' activities. All vending sales are made to employees, which fully covers the cost of the equipment and operations.

Continued

**ORANGE COUNTY, FLORIDA COMPTROLLER
NOTES TO FINANCIAL STATEMENTS, Continued
for the year ended September 30, 2022**

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Basis of Accounting and Financial Statement Presentation:

The Comptroller's financial statements are prepared in accordance with Section 218.39(2), Florida Statutes, and Chapter 10.550, *Rules of the Auditor General - Local Governmental Entity Audits*, which only require the Comptroller to present fund financial statements. The accounts of the Governmental Funds are maintained on the modified accrual basis of accounting. Under this basis, expenditures are recorded at the time liabilities are incurred and revenues are recorded when they are considered both measurable and available and as such, susceptible to accrual. For this purpose, the Comptroller considers revenues to be available if they are collected within 30 days of the end of the current fiscal period. The extent to which General Fund revenues exceed General Fund expenditures is reflected as a liability to the Board in compliance with Florida Statutes. Custodial Funds use the accrual basis of accounting to report assets, liabilities, and net position.

Use of Estimates:

The preparation of financial statements requires management to make use of estimates that affect reported amounts. Actual results could differ from estimates.

Fund Balance Presentation:

In accordance with GASB Statement No. 54, fund balances of the Governmental Funds are classified as follows:

Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact.

Restricted: This classification includes amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation, or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Unassigned: This classification represents the residual fund balance that does not meet other fund balance classification requirements. The negative balance exists since there is a nonspendable balance in prepaid costs and since all excess fees are returned to the Board.

Continued

**ORANGE COUNTY, FLORIDA COMPTROLLER
NOTES TO FINANCIAL STATEMENTS, Continued
for the year ended September 30, 2022**

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Net Position Presentation:

Fund balances of the Custodial Funds are classified as restricted and can only be spent for specific purposes because of constitutional provisions or enabling legislation, or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Budgetary Requirements:

Expenditures are controlled by budget appropriations in accordance with requirements set forth in the Florida Statutes. The budgeted revenues and expenditures in the accompanying financial statements were prepared on a basis consistent with generally accepted accounting principles (GAAP), except for certain contributed goods and services further described below.

Some data processing services are provided to the Comptroller by the Board's Information Systems and Services Division (ISS). ISS expenditures are funded in the Board's General Fund, at no direct charge to the Comptroller. However, in order to provide full disclosure of the costs of operation of the Comptroller, the total value of data processing services provided for the 2022 fiscal year by the Board has been reflected as a revenue and expenditure in the Comptroller's operating statement. The cost of the ISS services to the Comptroller is calculated in the County's annual Cost Allocation Plan. No budget has been provided for such data processing services.

The Board also provides at no direct charge all office space and utilities to the Comptroller and an actuarially determined contribution for other postemployment benefits (OPEB). As with data processing services provided by the Board, the total value of office space and utilities and the OPEB contribution provided for the 2022 fiscal year by the Board has been reflected as a revenue and expenditure in the Comptroller's operating statement. Valuation of office space and utilities is calculated by the Board's Real Estate Management Division based on current market rates for office space with utilities. No budget has been provided for the value of office space and utilities or for the OPEB contribution.

For the 2022 fiscal year, the following adjustments were necessary to present the actual data on a budgetary basis for the General Fund:

	<u>Revenues</u>	<u>Expenditures</u>
GAAP basis	\$ 28,230,560	\$ 23,661,098
Non-budgeted contributed goods and services	<u>(2,586,421)</u>	<u>(2,586,421)</u>
Non-GAAP budgetary basis	<u>\$ 25,644,139</u>	<u>\$ 21,074,677</u>

Continued

**ORANGE COUNTY, FLORIDA COMPTROLLER
NOTES TO FINANCIAL STATEMENTS, Continued
for the year ended September 30, 2022**

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Cash and Cash Equivalents and Investments:

The Comptroller's cash and cash equivalents consist of cash on hand, demand deposits, and highly liquid investments with a maturity of 90 days or less when purchased. All investments are stated at fair value, which is based on quoted market prices, except for money market mutual funds, which are stated at amortized cost.

Capital Assets:

Tangible personal property used in the Comptroller's operations is recorded as expenditures at the time the assets are purchased and placed into service. The assets are capitalized at historical cost in the government-wide financial statements of the County. Office space and utilities used in the Comptroller's operations are provided by the Board, as required by law.

Compensated Absences:

The Comptroller accrues a liability for employees' rights to receive compensation for future absences when certain conditions are met. The Comptroller is not legally required to, and does not, accumulate expendable available financial resources to liquidate this obligation. The liability for compensated absences is included in the government-wide financial statements of the County.

For the 2022 fiscal year, the activity for the Comptroller's compensated absences liability was as follows:

Balance, October 1, 2021	\$ 2,643,449
Additions	1,543,383
Deductions	(1,548,509)
Balance, September 30, 2022	<u>\$ 2,638,323</u>

Transfers:

In accordance with Florida Statutes, all revenues in excess of expenditures as of year end in the General Fund are owed to the Board. These "excess fees," in the amount of \$6,414,835 are reported as a transfer out. The Comptroller transfers funds from the Documentary and Intangible Tax Fund to the General Fund for the allowable commission for collection and submission of these taxes to the State of Florida.

Continued

**ORANGE COUNTY, FLORIDA COMPTROLLER
NOTES TO FINANCIAL STATEMENTS, Continued
for the year ended September 30, 2022**

B. DEPOSIT AND INVESTMENT RISK

As of September 30, 2022, the carrying value of the Comptroller's deposits and investments was as follows:

Demand deposits	\$ 8,442,690
Money market mutual funds	<u>15,150,010</u>
Total deposits and investments	<u><u>\$ 23,592,700</u></u>

This amount, together with \$2,351 petty cash funds on hand, comprises the total \$23,595,051 cash and cash equivalents reported at September 30, 2022 (\$15,923,639 in the governmental funds and \$7,671,412 in the custodial funds). Money market mutual funds are reported at amortized cost.

Credit Risk:

The Comptroller's Investment Policy limits credit risk by restricting authorized investments to the following: Florida PRIME administered by the Florida State Board of Administration (a qualifying external investment pool), direct obligations of the United States or its agencies and instrumentalities, or repurchase agreements or money market mutual funds comprised only of those investments in direct obligations of the United States or its agencies or instrumentalities. The Standard & Poor's and Moody's Investors Service credit ratings of the money market mutual funds are AAAM and Aaa-mf, respectively.

Concentration of Credit Risk:

The Comptroller's Investment Policy establishes limitations on portfolio composition in order to control concentration of credit risk. As of September 30, 2022, the Comptroller's investments are not subject to concentration of credit risk disclosure.

Custodial Credit Risk:

The Comptroller's Investment Policy requires that bank deposits be secured as provided by Chapter 280, Florida Statutes. This law requires local governments to deposit funds only in financial institutions designated as qualified public depositories by the Chief Financial Officer of the State of Florida. At September 30, 2022, all of the Comptroller's demand deposits were in qualified public depositories.

The Comptroller's Investment Policy requires execution of a third-party custodial safekeeping agreement for all purchased securities, and requires that securities be held in the Comptroller's name. As of September 30, 2022, the Comptroller does not have securities exposed to custodial credit risk.

Continued

**ORANGE COUNTY, FLORIDA COMPTROLLER
NOTES TO FINANCIAL STATEMENTS, Continued
for the year ended September 30, 2022**

B. DEPOSIT AND INVESTMENT RISK, Continued

Interest Rate Risk:

The Comptroller's Investment Policy limits the maturity of all purchased securities to no more than one year. The money market mutual funds have a weighted average maturity of not more than 60 days.

C. RETIREMENT SYSTEM

Plan Description:

The Comptroller'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 (Pension 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 Pension Plan, which is administered by the Florida State Board of Administration. 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 Legislature.

Benefits under the Pension Plan are computed on the basis of age, average final compensation, and service credit. For Pension 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. 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. Substantial changes were made to the Pension Plan during fiscal year 2011 affecting new members enrolled on or after July 1, 2011 by extending the vesting requirement to eight years of credited service and increasing normal retirement to age

Continued

**ORANGE COUNTY, FLORIDA COMPTROLLER
NOTES TO FINANCIAL STATEMENTS, Continued
for the year ended September 30, 2022**

C. RETIREMENT SYSTEM, Continued

65 or 33 years of service regardless of age. Also, the final average compensation for these members will be based on the eight highest years of salary.

The HIS Plan provides a monthly benefit to assist retirees in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement. Eligible retirees and beneficiaries receive a monthly health insurance subsidy payment of \$5 for each year of creditable service, with a minimum payment of \$30 and a maximum of \$150 per month. The HIS Plan is funded by required contributions from FRS participating employees as set forth by the Florida Legislature, based on a percentage of gross compensation for all active FRS members.

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

For those members who elect participation in the Investment Plan, rather than the Pension Plan, vesting occurs at one year of service. These participants receive a contribution for self-direction in an investment product with a third party administrator selected by the Florida State Board of Administration. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by Statute, 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 Pension Plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of plan members.

The Comptroller recognizes pension expenditures in an amount equal to amounts paid to the Pension Plan, the HIS Plan and the Investment Plan, amounting to \$1,402,586, \$220,573 and \$251,468, respectively, for the fiscal year ended September 30, 2022. Of the total amount, the Comptroller's payments for the Pension Plan and the HIS Plan after June 30, 2022, the measurement date used to determine the net pension liability associated with the Pension Plan and HIS Plan, amounted to \$393,278 and \$59,986, respectively. The Comptroller is not legally required to, and does not, accumulate expendable available resources to liquidate the retirement obligation related to its employees. Accordingly, the net pension liability and associated deferred outflows and deferred inflows are presented on the government-wide financial statements of the County, following requirements of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement*

Continued

**ORANGE COUNTY, FLORIDA COMPTROLLER
NOTES TO FINANCIAL STATEMENTS, Continued
for the year ended September 30, 2022**

C. RETIREMENT SYSTEM, Continued

No. 27, and GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68, both effective October 1, 2014.

Funding Policy:

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. The employer contribution rates by job class for the periods from October 1, 2021 through June 30, 2022 and July 1, 2022 through September 30, 2022, respectively, were as follows: regular—10.82% and 11.91%; county elected officers—51.42% and 57.00%; senior management—29.01% and 31.57%; and DROP participants—18.34% and 18.60%. During the fiscal year ended September 30, 2022, the Comptroller contributed to the plan an amount equal to 14.11% of covered payroll. Comptroller contributions to the FRS for the fiscal years ending September 30, 2020 through 2022 were \$1,485,156, \$1,694,989, and \$1,874,627 respectively, which were equal to the required contributions for each fiscal year.

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

D. OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN

In addition to the pension benefits described in Note C, the Comptroller offers an OPEB Plan that subsidizes the cost of health care for its retirees and eligible dependents. Comptroller employees with at least 10 years of combined service under the Comptroller and/or the Board, Property Appraiser, Sheriff, Supervisor of Elections, or Tax Collector who retire and immediately begin receiving benefits from the FRS are eligible to receive a monthly benefit of three dollars per year of service up to a maximum of \$90 per month. Effective January 1, 2022, the monthly health insurance subsidy has been increased from three dollars to five dollars per month for each whole year of service, up to a maximum payment of \$150 per month. If combined service is at least 20 years and receipt of FRS benefits is deferred to a later date, the monthly benefit may be vested for commencement at such deferral date. Additionally, Comptroller employees who retire and immediately begin receiving benefits from the FRS have the option of continuing in the County health insurance plan at the same group rate as for active employees.

In September 2007, the County established the Orange County Retiree Health Care Benefit Trust (Trust) for the Board, Comptroller and the other county officers noted above. As

Continued

**ORANGE COUNTY, FLORIDA COMPTROLLER
NOTES TO FINANCIAL STATEMENTS, Continued
for the year ended September 30, 2022**

D. OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN, Continued

required by GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, the Board engages an actuarial firm to calculate the County's accrued net OPEB liability and related deferred outflows and deferred inflows. In doing so, the actuary also calculated the actuarially determined contribution to the Trust for the 2022 fiscal year, which was made by the Board, and which included an amount of \$188,201 attributable to the Comptroller. A full presentation of the Trust and OPEB Plan assets, liabilities, funding status, and actuarial methods and assumptions is included in the government-wide financial statements of the County.

E. INSURANCE COVERAGE

The County maintains a self-insurance program that provides for coverage of substantially all risks. Various excess catastrophe insurance policies with a commercial carrier are also in force for claims exceeding the amount chargeable against the loss fund. The Comptroller participated in the self-insurance program during the 2022 fiscal year at a cost of \$68,132. There have been no claim settlements in excess of insurance coverage during the three fiscal years ended September 30, 2022.

Additionally, the County maintains a self-insured plan for employee medical benefits in which the Comptroller participates. The self-insurance plan covers all regular employees and certain retirees of the County and their eligible dependents. In accordance with the Affordable Care Act, the lifetime maximum for a covered individual is unlimited. The Comptroller participated in the County's employee medical benefits plan during the 2022 fiscal year at a cost of \$2,707,634.

F. LITIGATION

From time to time, the Comptroller is a party to various lawsuits and claims which it vigorously defends. Such matters arise out of the normal course of its operation, some of which are covered by insurance policies. While the results of litigation cannot be predicted with certainty, management believes the final outcome of such litigation will not have a material, adverse effect on the Comptroller's financial position.

REQUIRED SUPPLEMENTARY INFORMATION

**ORANGE COUNTY, FLORIDA COMPTROLLER
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
GENERAL FUND
for the year ended September 30, 2022**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental revenue:				
Fees from Board of County Commissioners	\$ 16,655,133	\$ 16,655,133	\$ 16,897,571	\$ 242,438
Charges for services:				
Recording fees	5,850,000	6,732,890	7,774,822	1,041,932
Copy and certification fees	180,000	180,000	206,952	26,952
Documentary stamp commissions	799,200	799,200	-	(799,200)
Other fees and commissions	110,000	110,000	224,961	114,961
Miscellaneous revenues:				
Interest income	10,000	10,000	152,959	142,959
Other	160,000	160,000	386,874	226,874
Total revenues	<u>23,764,333</u>	<u>24,647,223</u>	<u>25,644,139</u>	<u>996,916</u>
Expenditures:				
Current:				
General government:				
Personal services	21,652,126	21,652,128	18,984,132	2,667,996
Other operating expenditures	2,112,207	2,623,839	1,910,799	713,040
Capital outlay	-	371,256	179,746	191,510
Total expenditures	<u>23,764,333</u>	<u>24,647,223</u>	<u>21,074,677</u>	<u>3,572,546</u>
Excess of revenues over (under) expenditures	-	-	4,569,462	(4,569,462)
Other financing sources (uses):				
Operating transfers in	-	-	1,845,373	1,845,373
Transfer to the Board of County Commissioners	-	-	(6,414,835)	(6,414,835)
Total other financing uses	<u>-</u>	<u>-</u>	<u>(4,569,462)</u>	<u>(4,569,462)</u>
Excess of revenues over expenditures and other financing uses	-	-	-	-
Fund balance, October 1, 2021	-	-	-	-
Fund balance, September 30, 2022	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**ORANGE COUNTY, FLORIDA COMPTROLLER
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL, Continued
DOCUMENTARY AND INTANGIBLE TAX FUND
for the year ended September 30, 2022**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Miscellaneous revenues:				
Documentary stamp commissions	\$ -	\$ -	\$ 1,579,641	\$ 1,579,641
Other fees and commissions	-	-	265,732	265,732
Tax collections for other governmental agencies	-	346,400,000	346,345,569	(54,431)
Total revenues	-	346,400,000	348,190,942	1,790,942
Expenditures:				
Current:				
Tax payments to other governmental agencies	-	346,400,000	346,345,569	54,431
Total expenditures	-	346,400,000	346,345,569	54,431
Excess of revenues over expenditures	-	-	1,845,373	1,845,373
Other financing uses:				
Operating transfers out	-	-	(1,845,373)	(1,845,373)
Excess of revenues over expenditures and other financing uses	-	-	-	-
Fund balance, October 1, 2021	-	-	-	-
Fund balance, September 30, 2022	\$ -	\$ -	\$ -	\$ -

Continued

**ORANGE COUNTY, FLORIDA COMPTROLLER
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL, Continued
PUBLIC RECORDS MODERNIZATION TRUST FUND
for the year ended September 30, 2022**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services:				
Recording fees	\$ 815,000	\$ 815,000	\$ 896,666	\$ 81,666
Miscellaneous revenues:				
Interest income	10,000	10,000	10,705	705
Other	-	-	17	17
Total revenues	<u>825,000</u>	<u>825,000</u>	<u>907,388</u>	<u>82,388</u>
Expenditures:				
Current:				
Other operating expenditures	1,080,645	1,250,320	1,150,688	99,632
Capital outlay	799,250	629,575	168,754	460,821
Reserve for future capital outlay	788,654	788,654	-	788,654
Total expenditures	<u>2,668,549</u>	<u>2,668,549</u>	<u>1,319,442</u>	<u>1,349,107</u>
Excess of revenues over (under) expenditures	(1,843,549)	(1,843,549)	(412,054)	1,431,495
Fund balance, October 1, 2021	<u>1,843,549</u>	<u>1,843,549</u>	<u>1,467,812</u>	<u>(375,737)</u>
Fund balance, September 30, 2022	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,055,758</u>	<u>\$ 1,055,758</u>

Continued

**ORANGE COUNTY, FLORIDA COMPTROLLER
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL, Continued
COURT TECHNOLOGY FEES FUND
for the year ended September 30, 2022**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Miscellaneous revenues:				
Court technology fees for Board of County Commissioners	\$ -	\$ 4,550,000	\$ 3,579,113	\$ (970,887)
Court technology fees for Clerk of Circuit and County Courts	-	4,600,000	3,699,046	(900,954)
Court technology fees for other governmental agencies	-	355,000	178,956	(176,044)
Total revenues	-	9,505,000	7,457,115	(2,047,885)
Expenditures:				
Current:				
Court technology fees to Board of County Commissioners		4,550,000	3,579,113	970,887
Court technology fees to Clerk of Circuit and County Courts		4,600,000	3,699,046	900,954
Court technology fees to other governmental agencies	-	355,000	178,956	176,044
Total expenditures	-	9,505,000	7,457,115	2,047,885
Excess of revenues over expenditures	-	-	-	-
Fund balance, October 1, 2021	-	-	-	-
Fund balance, September 30, 2022	\$ -	\$ -	\$ -	\$ -

OTHER SUPPLEMENTARY INFORMATION

**ORANGE COUNTY, FLORIDA COMPTROLLER
COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
September 30, 2022**

<u>ASSETS</u>	<u>Lien Escrow</u>	<u>Tax Deed Sales</u>	<u>Tax Deed Deposits</u>	<u>Comptroller Employee Fund</u>	<u>Totals</u>
Cash and cash equivalents	\$ 1,204,393	\$ 3,767,808	\$ 2,698,169	\$ 1,042	\$ 7,671,412
Total assets	<u>\$ 1,204,393</u>	<u>\$ 3,767,808</u>	<u>\$ 2,698,169</u>	<u>\$ 1,042</u>	<u>\$ 7,671,412</u>
<u>LIABILITIES</u>					
Due to other governmental agencies	\$ -	\$ -	\$ -	\$ 25	\$ 25
Due to individuals	<u>58,448</u>	<u>22,725</u>	<u>36,290</u>	<u>-</u>	<u>117,463</u>
Total liabilities	<u>\$ 58,448</u>	<u>\$ 22,725</u>	<u>\$ 36,290</u>	<u>\$ 25</u>	<u>\$ 117,488</u>
<u>NET POSITION</u>					
Restricted for:					
Individuals, organizations, other governments	\$ 1,145,945	\$ 3,745,083	\$ 2,661,879	\$ 1,017	\$ 7,553,924
Total net position	<u>1,145,945</u>	<u>3,745,083</u>	<u>2,661,879</u>	<u>1,017</u>	<u>7,553,924</u>
Total liabilities and net position	<u>\$ 1,204,393</u>	<u>\$ 3,767,808</u>	<u>\$ 2,698,169</u>	<u>\$ 1,042</u>	<u>\$ 7,671,412</u>

**ORANGE COUNTY, FLORIDA COMPTROLLER
 COMBINING STATEMENT OF CHANGES
 IN FIDUCIARY NET POSITION
 CUSTODIAL FUNDS
 for the year ended September 30, 2022**

	Lien Escrow	Tax Deed Sales	Tax Deed Deposits	Comptroller Employee Fund	Totals
ADDITIONS:					
Deposits collected on behalf of others	\$ 1,220,360	\$ 5,776,079	\$ 6,605,557	\$ 1,362	\$ 13,603,358
Taxes collected on behalf of other governments	-	-	-	63	63
Total additions	<u>1,220,360</u>	<u>5,776,079</u>	<u>6,605,557</u>	<u>1,425</u>	<u>13,603,421</u>
DEDUCTIONS:					
Payments disbursed to individuals	471,749	5,935,525	6,642,458	-	13,049,732
Payments disbursed to other governments	-	-	-	63	63
Miscellaneous disbursements	-	-	-	1,980	1,980
Total deductions	<u>471,749</u>	<u>5,935,525</u>	<u>6,642,458</u>	<u>2,043</u>	<u>13,051,775</u>
Change in net position	748,611	(159,446)	(36,901)	(618)	551,646
Net position, October 1, 2021	<u>397,334</u>	<u>3,904,529</u>	<u>2,698,780</u>	<u>1,635</u>	<u>7,002,278</u>
Net position, September 30, 2022	<u>\$ 1,145,945</u>	<u>\$ 3,745,083</u>	<u>\$ 2,661,879</u>	<u>\$ 1,017</u>	<u>\$ 7,553,924</u>

SUPPLEMENTARY REPORTS OF INDEPENDENT AUDITOR

Report of Independent Auditor 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

To the Honorable Phil Diamond
Comptroller of Orange County, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of each major fund and the aggregate remaining fund information of the Orange County, Florida Comptroller (the "Comptroller") as of and for the year ended September 30, 2022, and the related notes to the financial statements, and have issued our report thereon dated February 7, 2023, for the purpose of compliance with Section 218.39(2), Florida Statutes, and Chapter 10.550, *Rules of the Auditor General-Local Governmental Entity Audits*. We also have audited the financial statements of each of the Comptroller's custodial funds, presented as other supplementary information in the accompanying combining statement of changes in net position, as of and for the year ended September 30, 2022.

Report on Internal Control over Financial Reporting

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Comptroller'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 Comptroller'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 Comptroller's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Cherry Bekaert LLP

Orlando, Florida
February 7, 2023

Independent Auditor's Management Letter

To the Honorable Phil Diamond
Comptroller of Orange County, Florida

Report on the Financial Statements

We have audited the financial statements of the Orange County, Florida Comptroller (the "Comptroller") as of and for the fiscal year ended September 30, 2022, and have issued our report thereon dated February 7, 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 Report of Independent Auditor on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on Compliance with Local Government Investment Policies regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated February 7, 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 audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The Comptroller is a separately elected county official established pursuant to the Constitution of the State of Florida. There are no component units related to the Comptroller.

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 that we 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

The purpose of this management letter is to communicate certain matters prescribed by Chapter 10.550, Rules of the Auditor General. Accordingly, this management letter is not suitable for any other purpose.

Cherry Bekaert LLP

Orlando, Florida
February 7, 2023

**Independent Accountant’s Report on Compliance
with Local Government Investment Policies**

To the Honorable Phil Diamond
Comptroller of Orange County, Florida:

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

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

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

In our opinion, the Comptroller complied, in all material respects, with the local investment policy requirements of Section 218.415, Florida Statutes, during the year ended September 30, 2022.

The purpose of this report is to comply with the audit requirements of Section 218.415, Florida Statutes, and Rules of the Auditor General.

Cherry Bekaert LLP

Orlando, Florida
February 7, 2023

PROPERTY APPRAISER
ORANGE COUNTY, FLORIDA

FINANCIAL STATEMENTS

Year Ended September 30, 2022

Report of Independent Auditor

To the Honorable Amy Mercado,
Property Appraiser of Orange County, Florida:

Opinion

We have audited the accompanying financial statements of the general fund of the Orange County, Florida Property Appraiser (the "Property Appraiser") as of and for the fiscal year September 30, 2022, and the related notes to the 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 major fund of the Property Appraiser as of September 30, 2022, and the respective changes in financial position thereof 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 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 the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

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

Responsibilities of Management for the Financial Statements

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

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 Property Appraiser's ability to continue as a going concern for one year 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 generally accepted 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 generally accepted auditing standards and *Government Auditing Standards*, we:

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 11 and 12 be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the 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 financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated February 8, 2023, on our consideration of the Property Appraiser's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Property Appraiser's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Property Appraiser's internal control over financial reporting and compliance.

Cherry Bekaert LLP

Orlando, Florida
February 8, 2023

**ORANGE COUNTY, FLORIDA
PROPERTY APPRAISER
BALANCE SHEET –
GENERAL FUND**

SEPTEMBER 30, 2022

ASSETS

Cash	\$ 3,957,712
Prepaid items	14,241
Total Assets	<u><u>\$ 3,971,953</u></u>

LIABILITIES AND FUND BALANCE

Liabilities:

Accounts payable and accrued liabilities	\$ 788,474
Due to Board of County Commissioners	3,051,254
Due to other governmental agencies	132,225
Total Liabilities	<u><u>3,971,953</u></u>

Fund Balance:

Non-spendable	14,241
Unassigned	(14,241)
Fund balance	<u><u>-</u></u>
Total Liabilities and Fund Balance	<u><u>\$ 3,971,953</u></u>

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

ORANGE COUNTY, FLORIDA

PROPERTY APPRAISER

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
GENERAL FUND**

YEAR ENDED SEPTEMBER 30, 2022

Revenues:

Charges for Services:

Commissions	\$ 21,267,257
Fees	103,609
Total Revenues	<u>21,370,866</u>

Expenditures

Current - General Government:

Salaries and benefits	12,763,571
Operating expenditures	3,963,323
Capital outlay	<u>1,542,207</u>
Total Expenditures	<u>18,269,101</u>
Excess of Revenues Over Expenditures	<u>3,101,765</u>

Other Financing Uses:

Transfer to the Board of County Commissioners	(2,969,540)
Transfer to other governmental agencies	<u>(132,225)</u>
Total Other Financing Uses	<u>(3,101,765)</u>

Net change in fund balance	-
Fund balance, beginning of the year	<u>-</u>
Fund balance, end of the year	<u><u>\$ -</u></u>

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

ORANGE COUNTY, FLORIDA
PROPERTY APPRAISER
NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2022

Note 1—Summary of significant accounting policies

Reporting Entity – The Orange County, Florida Property Appraiser (the “Property Appraiser”) is a separately elected county official established pursuant to the Constitution of the state of Florida. These financial statements present only the Property Appraiser’s Office and do not purport to reflect the financial position or the results of operations of Orange County, Florida (the “County”), taken as a whole.

Entity status for financial reporting purposes is governed by Governmental Accounting Standards Board (“GASB”) Statement 14, as amended. Although the Property Appraiser’s office is operationally autonomous, it does not hold sufficient corporate powers of its own to be considered a legally separate entity for financial reporting purposes. Therefore, under GASB guidelines, the Property Appraiser is reported as a part of the primary government of the County.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation – The Property Appraiser’s financial statements are prepared for the purpose of complying with Section 218.39(2), Florida Statutes, and Chapter 10.550, Rules of the Auditor General (the “Rules”), which require the Property Appraiser to only present fund financial statements.

The General Fund is used to account for all revenues and expenditures applicable to the general operations of the Property Appraiser that are not legally required or by accounting principles generally accepted in the United States of America (“U.S. GAAP”) to be accounted for in another fund. The General Fund is presented as a major governmental fund and uses the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when 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 Property Appraiser considers typically revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

The extent to which General Fund revenues exceed expenditures is reflected as transfers out and as liabilities to the Orange County Board of County Commissioners (the “Board”) and other governmental agencies in the same proportion as fees paid by each governmental unit to total fees earned by the Property Appraiser.

Budgetary Requirements – General Fund expenditures are controlled by budget appropriations in accordance with the requirements set forth in the Florida Statutes. The budget is prepared on a basis consistent with U.S. GAAP.

Cash – The Property Appraiser’s cash consists of cash on hand and demand deposits. All cash is insured by the Federal Deposit Insurance Corporation or covered by the state of Florida collateral pool, a multiple financial pool with the ability to access its members for collateral shortfalls if a member institution fails.

The Property Appraiser follows Florida Statutes for its Investment Policy which limits investment risks by restricting authorized investments to the following: the Local Government Surplus Funds Trust Fund, direct obligations of the United States or its agencies or instrumentalities, repurchase agreements and money market mutual funds comprised only of those investments in direct obligations of the United States or its agencies or instrumentalities. The Property Appraiser’s Investment Policy also limits the maturity of all purchased securities to no more than one year.

**ORANGE COUNTY, FLORIDA
PROPERTY APPRAISER
NOTES TO THE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

Note 1—Summary of significant accounting policies (continued)

Prepaid items – Certain payments to postage vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Capital Assets – Tangible personal property used in the Property Appraiser's operations are recorded as expenditures in the General Fund at the time assets are received and a liability is incurred. Purchased assets are capitalized at historical cost in the government-wide financial statements of the County.

Compensated Absences – The Property Appraiser permits employees to accumulate earned but unused vacation and sick pay benefits. The Property Appraiser is not legally required to, and does not, accumulate expendable available financial resources to liquidate this obligation. The obligation for compensated absences is accrued in the government-wide financial statements of the County. A summary of activity for the Property Appraiser's compensated absences obligation, in accordance with GASB Statement 16, *Accounting for Compensated Balances*, is as follows:

Balance, October 1, 2021	\$ 1,166,168
Additions	909,095
Deletions	<u>(794,642)</u>
Balance, September 30, 2022	<u>\$ 1,280,621</u>

Distribution of Excess Revenues – Florida Statutes provide that the excess of the Property Appraiser's fee revenue over expenditures is to be distributed to each governmental agency in the same proportion as the fees paid by the governmental agency bear to total fee income of the Property Appraiser. The amount of undistributed excess fees at the end of the fiscal year is reported as amounts due to the Board and other governmental agencies on the balance sheet. The transfer and distribution of excess fees from other governmental agencies are reported as general government operating expenditures because there is a reduction in financial resources of the County. In contrast, the transfers and distribution of excess fees from the Board are reported as other financing uses.

Use of Estimates – The preparation of financial statements requires management to make use of estimates that affect reported amounts. Actual results could differ from estimates.

Note 2—Retirement system

Plan Description – The Property Appraiser'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 ("Pension 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 Pension Plan, which is administered by the State Board of Administration.

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 Legislature.

**ORANGE COUNTY, FLORIDA
PROPERTY APPRAISER
NOTES TO THE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

Note 2—Retirement system (continued)

Benefits under the Pension Plan are computed on the basis of age, average final compensation, and service credit. For Pension 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 1.60% 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. 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 2.00% 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 3.00% (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. Substantial changes were made to the Pension Plan during fiscal year 2011, affecting new members enrolled on or after July 1, 2011, by extending the vesting requirement to eight years of credited service and increasing normal retirement to age 65 or 33 years of service regardless of age. Also, the final average compensation for these members is based on the eight highest years of salary.

The HIS Plan provides a monthly benefit to assist retirees in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement. Eligible retirees and beneficiaries receive a monthly health insurance subsidy payment of \$5 for each year of creditable service, with a minimum payment of \$30 and a maximum payment of \$150 per month. The HIS Plan is funded by required contributions from FRS participating employees as set forth by the Florida Legislature, based on a percentage of gross compensation for all active FRS members.

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

For those members who elect participation in the Investment Plan, rather than the Pension Plan, vesting occurs at one year of service. These participants receive a contribution for self-direction in an investment product with a third party administrator selected by the state Board of Administration. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% of payroll and by forfeited benefits of plan members.

**ORANGE COUNTY, FLORIDA
PROPERTY APPRAISER
NOTES TO THE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

Note 2—Retirement system (continued)

The Property Appraiser recognizes pension expenditures in an amount equal to amounts paid to the Pension Plan, the HIS Plan, and the defined contribution plan, amounting to \$840,394, \$149,251, and \$255,582, respectively, for the fiscal year ended September 30, 2022. The Property Appraiser's payments for the Pension Plan and the HIS Plan after June 30, 2022, the measurement date used to determine the net pension liability associated with the Pension Plan and HIS Plan, amounted to \$219,355 and \$29,009, respectively. The Property Appraiser is not legally required to, and does not, accumulate expendable available resources to liquidate the retirement obligation related to its employees. Accordingly, the net pension liability and associated deferred outflows and deferred inflows are presented on the government-wide financial statements of the County, following requirements of GASB Statement 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement 27*, and GASB Statement 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement 68*, effective October 1, 2014.

Funding Policy – All enrolled members of the FRS Pension Plan are required to contribute 3.00% 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. The employer contribution rates by job class for the periods from October 1, 2021 through June 30, 2022 and July 1, 2022 through September 30, 2022, respectively, were as follows: regular – 10.82% and 11.91%; County elected officers – 51.42% and 57.00%; senior management – 29.01% and 31.57%; and DROP participants – 18.34% and 18.60%. During the fiscal year ended September 30, 2022, the Property Appraiser contributed to the plan an amount equal to 14.51% of covered payroll.

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. That report may be viewed on the Florida Department of Management Services website located at www.dms.myflorida.com/workforce_operations/retirement/publications

Note 3—Other Postemployment Benefit (“OPEB”) Plan

In addition to the pension benefits described in Note 2, the Property Appraiser offers an OPEB Plan that subsidizes the cost of healthcare for its retirees and eligible dependents. Property Appraiser employees with at least 10 years of combined service under the Property Appraiser or the Board who retire and immediately begin receiving benefits from the FRS are eligible to receive a monthly benefit of \$5 per year of service up to a maximum of \$150 per month if employed prior to October 1, 2005, and a monthly benefit of \$3 per year of service up to a maximum of \$90 per month if employed thereafter. Additionally, Property Appraiser employees who retire and immediately begin receiving benefits from the FRS have the option of continuing in the County health insurance plan.

During fiscal year 2007, the Board established the Orange County Retiree Health Care Benefit Trust (“Trust”) for the Board, Property Appraiser, and the four other County officers to fund OPEB benefits at the level offered by the Board. As required by Governmental Accounting Standards Board Statement 75, *Accounting and Financial for Postemployment Benefits Other than Pensions*, the Board engaged an actuarial firm to determine each participant's actuarially determined Annual Required Contribution (“ARC”) and proportionate share of the accrued net OPEB liability and related deferred outflows and deferred inflows. In doing so, the actuary also calculated the actuarially determined contribution to the Trust for the 2022 fiscal year, which was made by the Board, and which included an amount of \$180,305 attributable to the Property Appraiser. Additionally, the Property Appraiser made direct contributions in the form of healthcare premium subsidy payments to retirees, in the amount of \$62,820. These direct contributions represent the Property Appraiser's OPEB expenditures for fiscal 2022, amounting to 0.74% of the Property Appraiser's covered-employee payroll of \$8,511,183. A full presentation of the Trust and OPEB Plan assets, liabilities, funding status, and actuarial methods and assumptions is included in the Orange County, Florida Annual Comprehensive Financial Report.

**ORANGE COUNTY, FLORIDA
PROPERTY APPRAISER
NOTES TO THE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

Note 4—Insurance coverage

The County maintains a self-insurance program that provides for coverage of substantially all risks. Various excess catastrophe insurance policies with a commercial carrier are also in force for claims exceeding the amount chargeable against the loss fund. The Property Appraiser participated in the County's self-insurance program during fiscal year 2022 at a cost of \$51,646, not including health insurance costs. There have been no claim settlements in excess of insurance coverage during the three fiscal years ended September 30, 2022.

Additionally, the County maintains a self-insured plan for employee medical benefits in which the Property Appraiser participates. The self-insurance plan covers all regular employees and certain retirees and former employees of the County and their eligible dependents. In accordance with the Affordable Care Act, the lifetime maximum for a covered individual is unlimited. The Property Appraiser participated in the County's employee medical benefits plan during the fiscal year 2022 at a cost of \$1,851,994.

Note 5—Commitments and contingencies

Litigation – The Property Appraiser is involved in certain litigation and claims as a defendant or plaintiff in the ordinary course of operations. The Property Appraiser, based on the advice of legal counsel, is of the opinion that the range of potential recoveries or liabilities will not materially affect the financial position of the Property Appraiser.

Note 6—Related party lease assistance

The Board provides office space used by the Property Appraiser at no charge. The Board incurred \$1,108,260 of lease cost in connection with this office space during fiscal 2022.

REQUIRED SUPPLEMENTARY INFORMATION

**ORANGE COUNTY, FLORIDA
PROPERTY APPRAISER
SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL –
GENERAL FUND**

SEPTEMBER 30, 2022

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for Services:				
Commissions	\$ 20,666,477	\$ 21,267,257	\$ 21,267,257	\$ -
Fees	-	-	103,609	103,609
Total Revenues	<u>20,666,477</u>	<u>21,267,257</u>	<u>21,370,866</u>	<u>103,609</u>
Expenditures:				
Current - General Government:				
Salaries and benefits	15,218,825	15,252,130	12,763,571	2,488,559
Operating expenditures	4,890,431	5,113,280	3,963,323	1,149,957
Capital outlay	377,957	722,583	1,542,207	(819,624)
Non-operating	179,264	179,264	-	179,264
Total Expenditures	<u>20,666,477</u>	<u>21,267,257</u>	<u>18,269,101</u>	<u>2,998,156</u>
Excess of Revenues over Expenditures	<u>-</u>	<u>-</u>	<u>3,101,765</u>	<u>3,101,765</u>
Other Financing Uses:				
Transfers to the Board of County Commissioners	-	-	(2,969,540)	(2,969,540)
Transfers to other governmental agencies	-	-	(132,225)	(132,225)
Total Other Financing Uses	<u>-</u>	<u>-</u>	<u>(3,101,765)</u>	<u>(3,101,765)</u>
Excess of revenues over expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ORANGE COUNTY, FLORIDA

PROPERTY APPRAISER

**NOTES TO SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
– GENERAL FUND**

SEPTEMBER 30, 2022

Budgetary Requirement

Expenditures are controlled by appropriations in accordance with the budget requirements set forth in the Florida Statutes. The budgeted revenues are expenditures reported in the schedule of revenues, expenditures, and changes in fund balances – budget to actual – general fund (provided as required supplementary information) and reflect all approval amendments.

On or before June 1 of each year, the Property Appraiser submits a tentative budget for the ensuing fiscal year to the Florida Department of Revenue, Division of Ad Valorem Tax (the “Division”), and the Orange County, Florida, Board of County Commissioners (the “Board”). The budget is prepared only for the General Fund. On or before July 15, the Division notifies the Property Appraiser and the Board of tentative budget amendments and changes. The Property Appraiser and the Board may submit additional information and testimony until August 15 when the Division makes final budget amendments and changes.

Budgetary control is maintained at the departmental major objective level. Amendments to the budget between major objective expenditure categories must be approved by the Division. Appropriations lapse at the end of the fiscal year to the extent they have not been expended.

SUPPLEMENTARY REPORTS

Report of Independent Auditor 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*

To the Honorable Amy Mercado
Property Appraiser of Orange County, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the General Fund of the Orange County, Florida Property Appraiser (the "Property Appraiser") as of and for the fiscal year ended September 30, 2022, and the related notes to the financial statements, and have issued our report thereon dated February 8, 2023, for the purpose of compliance with Section 218.39(2), Florida Statutes, and Chapter 10.550, *Rules of the Auditor General-Local Governmental Entity Audits*.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Property Appraiser's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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 have not been 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 Property Appraiser's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Property Appraiser's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Cherry Bekaert LLP

Orlando, Florida
February 8, 2023

Independent Auditor's Management Letter

To the Honorable Amy Mercado
Property Appraiser of Orange County, Florida

Report on the Financial Statements

We have audited the financial statements of the Orange County, Florida Property Appraiser (the "Property Appraiser"), as of and for the fiscal year ended September 30, 2022, and have issued our report thereon dated February 8, 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 Report of Independent Auditor on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on Compliance with Local Government Investment Policies regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated February 8, 2023, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The Property Appraiser is a separately elected County official established pursuant to the Constitution of the state of Florida. There are no component units related to the Property Appraiser.

Financial Management

Section 10.554(1)(i)2., Rules of the Auditor General, requires 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 we 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

The purpose of this management letter is solely to communicate certain matters prescribed by Chapter 10.550, Rules of the Auditor General. Accordingly, this management letter is not suitable for any other purpose.

Cherry Bekaert LLP

Orlando, Florida
February 8, 2023



Independent Accountant's Report on Compliance with Local Government Investment Policies

To the Honorable Amy Mercado
Property Appraiser of Orange County, Florida

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

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

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

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

The purpose of this report is to comply with the audit requirements of Section 218.415, Florida Statutes, and Rules of the Auditor General.

In our opinion, the Property Appraiser complied, in all material respects, with the local investment policy requirements of Section 218.415, Florida Statutes, during the fiscal year ended September 30, 2022.

Cherry Bekaert LLP

Orlando, Florida
February 8, 2023

SHERIFF
ORANGE COUNTY, FLORIDA

FINANCIAL STATEMENTS

Year Ended September 30, 2022

Report of Independent Auditor

To the Honorable John W. Mina
Sheriff of Orange County, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the Orange 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 as listed in the table of contents. We also have audited each of the Sheriff's internal service and custodial funds as of and for the year ended September 30, 2022, presented as other supplementary information in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the Sheriff as of September 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each internal service and custodial fund of the Sheriff 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 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 the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

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

Responsibilities of Management for the Financial Statements

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

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 Sheriffs' ability to continue as a going concern for one year 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 generally accepted auditing standards 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 generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Sheriffs' 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 Sheriffs' 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 budgetary comparison information on pages 18 through 20 be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the 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 financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards
In accordance with *Government Auditing Standards*, we have also issued a report dated March 7, 2023, on our consideration of the Sheriffs' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Sheriffs' 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 Sheriffs' internal control over financial reporting and compliance.

Cheney Bokant LLP

Orlando, Florida
March 7, 2023

**ORANGE COUNTY, FLORIDA
SHERIFF
BALANCE SHEET – GOVERNMENT FUNDS**

SEPTEMBER 30, 2022

	Major Funds		Totals
	General	Special Revenue	
ASSETS			
Cash	\$ 13,452,833	\$ 452,902	\$ 13,905,735
Due from Special Revenue Fund	3,570,008	-	3,570,008
Due from Board of County Commissioners	8,922,617	1,757,898	10,680,515
Due from other governments	-	3,448,583	3,448,583
Total Assets	\$ 25,945,458	\$ 5,659,383	\$ 31,604,841
LIABILITIES AND FUND BALANCE			
Current Liabilities:			
Accrued liabilities	\$ 8,922,617	\$ 1,636,473	\$ 10,559,090
Due to General Fund	-	3,570,008	3,570,008
Due to Board of County Commissioners	17,022,841	-	17,022,841
Unearned revenue	-	452,902	452,902
Total Current Liabilities	25,945,458	5,659,383	31,604,841
Fund balance	-	-	-
Total Liabilities and Fund Balance	\$ 25,945,458	\$ 5,659,383	\$ 31,604,841

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

**ORANGE COUNTY, FLORIDA
SHERIFF**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
– GOVERNMENT FUNDS**

YEAR ENDED SEPTEMBER 30, 2022

	Major Funds		Total
	General Fund	Special Revenue	
Revenues			
Intergovernmental Revenues:			
Board of County Commissioners' appropriations	\$ 301,342,027	\$ -	\$ 301,342,027
Grants and other revenues	1,197,522	48,406,907	49,604,429
Total Revenues	302,539,549	48,406,907	350,946,456
Expenditures			
Current:			
General Government:			
Salaries, benefits, and payroll taxes	15,908,323	-	15,908,323
Operating expenditures	104,933	-	104,933
Capital outlay	7,285	-	7,285
Public Safety:			
Salaries and benefits	207,713,958	42,879,099	250,593,057
Operating expenditures	46,659,192	2,469,813	49,129,005
Capital outlay	11,312,924	4,928,555	16,241,479
Debt Service:			
Principal retirement	1,263,807	-	1,263,807
Interest charges	31,257	-	31,257
Total Expenditures	283,001,679	50,277,467	333,279,146
Excess of Revenues Over (Under) Expenditures	19,537,870	(1,870,560)	17,667,310
Other Financing Sources (Uses):			
Sale of capital assets	545,643	-	545,643
Operating transfers (out) in	(1,870,560)	1,870,560	-
Transfer to Board of County Commissioners	(18,212,953)	-	(18,212,953)
Total Other Financing Sources (Uses)	(19,537,870)	1,870,560	(17,667,310)
Excess of revenues over expenditures and other financing sources (uses)	-	-	-
Fund balance, beginning of year, restricted	-	-	-
Fund balance, end of year, restricted	\$ -	\$ -	\$ -

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

**ORANGE COUNTY, FLORIDA
SHERIFF
STATEMENT OF NET POSITION – INTERNAL SERVICE FUNDS**

SEPTEMBER 30, 2022

Assets

Current Assets:

Cash and cash equivalents	<u>\$ 36,134,987</u>
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Total Assets	<u>36,134,987</u>
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Liabilities

Current liabilities - claims payable	7,015,290
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Noncurrent liabilities - claims payable	<u>10,674,237</u>
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Total Liabilities	<u>17,689,527</u>
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Net Position - Unrestricted	<u><u>\$ 18,445,460</u></u>
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The accompanying notes to the financial statements are an integral part of these statements.

**ORANGE COUNTY, FLORIDA
SHERIFF**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION
– INTERNAL SERVICE FUNDS**

YEAR ENDED SEPTEMBER 30, 2022

Operating Revenues:	
Charges for services	\$ 50,051,425
Total Operating Revenues	<u>50,051,425</u>
Operating Expenses:	
Claims expenses	<u>46,025,560</u>
Total Operating Expenses	<u>46,025,560</u>
Operating income	<u>4,025,865</u>
Net income	4,025,865
Net position, October 1, 2021	<u>14,419,595</u>
Net position, September 30, 2022	<u>\$ 18,445,460</u>

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

**ORANGE COUNTY, FLORIDA
SHERIFF
STATEMENT OF CASH FLOWS – INTERNAL SERVICE FUNDS**

YEAR ENDED SEPTEMBER 30, 2022

Cash flows from operating activities:

Receipts from charges for services	\$ 50,051,425
Reinsurance and other cash receipts	828,452
Cash payments for liability claims and expenses	<u>(46,825,260)</u>
Net cash flows from operating activities	4,054,617

Net change in cash and cash equivalents	4,054,617
Cash and cash equivalents, October 1, 2021	<u>32,080,370</u>
Cash and cash equivalents, September 30, 2022	<u><u>\$ 36,134,987</u></u>

Reconciliation of operating income

to cash flows from operating activities:

Operating income	\$ 4,025,865
Adjustment to reconcile operating income to net cash flows from operating activities:	
Increase in liabilities - claims payable	<u>28,752</u>
Net cash flows from operating activities	<u><u>\$ 4,054,617</u></u>

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

ORANGE COUNTY, FLORIDA
SHERIFF
STATEMENT OF FIDUCIARY NET POSITION – CUSTODIAL FUNDS

SEPTEMBER 30, 2022

Assets	
Cash	\$ 5,657,686
Total Assets	<u>5,657,686</u>
Net position	
Restricted for individuals	<u>\$ 5,657,686</u>

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

**ORANGE COUNTY, FLORIDA
SHERIFF**
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – CUSTODIAL FUNDS

YEAR ENDED SEPTEMBER 30, 2022

Additions:

Evidence collected	\$ 1,828,345
Suspense refund collected	156,268
Reimbursements and levies	38,934
Torch Run/United Way collected	19,224
DUI investigative costs collected	9,721
Abandoned property	4,251
Total Additions	<u>2,056,743</u>

Deductions:

Evidence payments	1,526,008
Suspense refund payments	151,798
Sheriffs conference payments	36,773
Torch Run/United Way payments	20,193
Abandoned property payments	4,251
Total Deductions	<u>1,739,023</u>
Increase in Net Position	<u>317,720</u>

Net position, beginning of year	<u>5,339,966</u>
Net position, end of year	<u>\$ 5,657,686</u>

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

**ORANGE COUNTY, FLORIDA
SHERIFF
NOTES TO FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

Note 1—Summary of significant accounting policies

Reporting Entity – The Orange County, Florida Sheriff (the “Sheriff”) is a separately elected county official established pursuant to the Constitution of the state of Florida. The Sheriff’s financial statements do not purport to reflect the financial position or the results of operations of Orange County, Florida (the “County”) taken as a whole. The financial statements of the Sheriff have been prepared in accordance with accounting principles and reporting guidelines established by the Governmental Accounting Standards Board (“GASB”).

Entity status for financial reporting purposes is governed by GASB Statement No. 14, as amended. Although the Sheriff’s Office is operationally autonomous from the board, it does not hold sufficient corporate powers of its own to be considered a legally separate entity for financial reporting purposes. Therefore, under GASB guidelines, the Sheriff is reported as a part of the primary government of the County.

Description of Funds – The accounting records are organized on the basis of funds classified for reporting purposes into three basic fund types:

Governmental Funds – The governmental funds consist of the General Fund and Special Revenue Fund. The governmental fund measurement focus is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources rather than upon net income determination).

The General Fund is used to account for all revenues and expenditures applicable to the general operations of the Sheriff.

The Special Revenue Fund accounts for the proceeds of specific revenue sources that are legally restricted or committed to expenditures for specified purposes. This fund also accounts for public safety programs financed in whole or in part by funds received under the Florida Contraband Forfeiture Act.

Proprietary Funds – Internal Service Funds are used to account for the Sheriff’s self-insurance activities and include the Health Insurance and Workers’ Compensation funds.

Fiduciary Funds – Fiduciary Funds of the Sheriff are Custodial Funds, which are used to account for assets held by the Sheriff as agent. Custodial funds are custodial in nature and do not involve measurement of results of operations.

Measurement Focus, Basis of Accounting and Financial Statement Presentation – The Sheriff’s financial statements are prepared for the purpose of complying with Section 218.39(2), *Florida Statutes*, and Chapter 10.550, Rules of the Auditor General, which require the Sheriff to only present fund financial statements. The General Fund and Special Revenue Fund are governmental funds that use the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when 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 amounts collected on grants within 120 days after year-end, and amounts collected on all other governmental funds within 60 days after year-end, to be available and thus recognizes them as revenues of the current year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences, long-term debt principal and interest, and claims and judgments are recorded only when payment is due.

**ORANGE COUNTY, FLORIDA
SHERIFF
NOTES TO FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

Note 1—Summary of significant accounting policies (continued)

The proprietary funds and fiduciary funds use a flow of economic resources measurement focus to determine net income and financial position. The accounting principles used are similar to those applicable to businesses in the private sector and, thus, these funds are maintained on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

The Sheriff reports the General Fund and Special Revenue Fund as major governmental funds, internal service funds as a proprietary fund type, and custodial funds as a fiduciary fund type.

Transfers – The Sheriff transfers funds from the General Fund to the Special Revenue Fund in order to provide local matching funds for grants administered under the Special Revenue Fund. In addition, the extent to which General Fund revenues exceed General Fund expenditures is reflected as transfers out and as liabilities to the Board of County Commissioners.

Fund Balance Presentation – In accordance with GASB Statement No. 54, the Special Revenue Fund fund balance is classified as restricted. This classification includes amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Cash and Cash Equivalents – For purposes of the Statement of Cash Flows, the Sheriff's cash and cash equivalents consist of deposits and highly liquid investments with maturities of 90 days or less when purchased.

Capital Assets – Tangible personal property used in the Sheriff's operations are recorded as expenditures in the General Fund and Special Revenue Fund at the time assets are received and a liability is incurred. Purchased assets are capitalized at historical cost in the government-wide financial statements of the County, as follows:

	<u>Equipment</u>	<u>Accumulated Depreciation</u>
Balance, October 1, 2021	\$ 125,829,979	\$ 92,288,309
Additions	14,199,754	9,750,401
Deletions	<u>(2,134,749)</u>	<u>(2,134,260)</u>
Balance, September 30, 2022	<u>\$ 137,894,984</u>	<u>\$ 99,904,450</u>

Depreciation is calculated on the straight-line method over useful lives of 3 to 15 years and amounted to \$9,750,401 for the year ended September 30, 2022. As with the Sheriff's capital assets and related accumulated depreciation, depreciation expense is recorded on the government-wide financial statements of the County, rather than on the financial statements of the Sheriff.

**ORANGE COUNTY, FLORIDA
SHERIFF
NOTES TO FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

Note 1—Summary of significant accounting policies (continued)

Compensated Absences – The Sheriff permits employees to accumulate earned but unused vacation and sick pay benefits. The Sheriff is not legally required to, and does not, accumulate expendable available financial resources to liquidate this obligation. The obligation for compensated absences is accrued in the government-wide financial statements of the County. A summary of activity for the Sheriff’s compensated absences obligation is as follows:

Balance, October 1, 2021	\$ 36,964,179
Additions	23,347,961
Deletions	<u>(26,216,228)</u>
Balance, September 30, 2022	<u>\$ 34,095,912</u>

Use of Estimates – The preparation of financial statements requires management to make use of estimates that affect reported amounts. Actual results could differ from estimates.

Note 2—Deposits

Cash and cash equivalents consist of demand deposits and money market mutual funds insured by the Federal Deposit Insurance Corporation or covered by the state of Florida collateral pool, a multiple-financial institution pool with the ability to assess its members for collateral shortfalls if a member institution fails.

Florida Statutes and the Sheriff’s investment policy authorize investments in certificates of deposit, savings accounts, repurchase agreements, the Local Government Surplus Funds Trust Fund administered by the Florida State Board of Administration, and obligations of the U.S. government and government agencies unconditionally guaranteed by the U.S. government.

Note 3—Interfund receivables and payables

Interfund receivables and payables at September 30, 2022 consist of the following:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 3,570,008	\$ -
Special Revenue Fund	-	3,570,008
	<u>\$ 3,570,008</u>	<u>\$ 3,570,008</u>

The amount due to the General Fund is related to expenditures made out of the fund for costs that are reimbursable by the Special Revenue Fund.

Note 4—Related party lease assistance

The Board of County Commissioners provides certain office space (including utilities) and services to the Sheriff at no cost. The Board incurred \$1,699,610 of cost associated with the Sheriff’s office space leases, human resource records management, professional development, supplies, and other specified items during fiscal 2022.

**ORANGE COUNTY, FLORIDA
SHERIFF
NOTES TO FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

Note 5—Debt financing

The Sheriff financed a helicopter with a term of seven years; the helicopter transfers ownership at the end of the financing period. The financing agreement was paid off in fiscal year 2022. The following is a summary of transactions relating to debt financing, which are presented as liabilities on the government-wide financial statements for the County, for the year ended September 30, 2022:

Balance, October 1, 2021	\$ 1,263,807
Payments on debt financing	<u>(1,263,807)</u>
Balance, September 30, 2022	<u><u>\$ -</u></u>

Note 6—Retirement system

Plan Description – The Sheriff’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 (“Pension 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 Pension Plan, which is administered by the State Board of Administration.

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 Legislature.

Benefits under the Pension Plan are computed on the basis of age, average final compensation, and service credit. For Pension 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. 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% of their final average compensation based on the five highest years of salary for each year of credited service. Special Risk Administrative Support 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% 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 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% of their final average compensation based on the five highest years of salary for each year of credited service. Substantial changes were made to the Pension Plan during fiscal year 2011 affecting members enrolled on or after July 1, 2011 by extending the vesting requirement for Regular, Senior Management Service, Elected Officers, and Special Risk Administrative Support class members to eight years of credited service and increasing normal retirement to age 65 with at least eight years of credited service or 33 years of service regardless of age.

**ORANGE COUNTY, FLORIDA
SHERIFF
NOTES TO FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

Note 6—Retirement system (continued)

The vesting requirement for Special Risk class members was extended to eight years of credited service and increasing normal retirement to age 60 with at least eight years of credited service or 30 years of service regardless of age or age 57 with 30 years of combined Special Risk Class service and military service. Also, the final average compensation of these members will be based on the eight highest years of salary. A postemployment health insurance subsidy is also provided to eligible retired members through the FRS in accordance with Florida Statutes.

The HIS Plan provides a monthly benefit to assist retirees in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement. Eligible retirees and beneficiaries receive a monthly health insurance subsidy payment of \$5 for each year of creditable service, with a minimum payment of \$30 and a maximum payment of \$150 per month. The HIS Plan is funded by required contributions from FRS participating employees as set forth by the Florida Legislature, based on a percentage of gross compensation for all active FRS members.

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

For those members who elect participation in the Investment Plan, rather than the Pension Plan, vesting occurs at one year of service. These participants receive a contribution for self-direction in an investment product with a third party administrator selected by the State Board of Administration. Employer and employee contributions, including amounts contributed to individual member’s accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% of payroll and by forfeited benefits of plan members.

The Sheriff recognizes pension expenditures in an amount equal to amounts paid to the Pension Plan, the HIS Plan, and the defined contribution plan, amounting to \$26,835,894, \$2,747,155, and \$8,170,333, respectively, for the fiscal year ended September 30, 2022. The Sheriff’s payments for the Pension Plan and the HIS Plan after June 30, 2022, the measurement date used to determine the net pension liability associated with the Pension Plan and HIS Plan, amounted to \$7,862,053 and \$751,253, respectively. The Sheriff is not legally required to, and does not, accumulate expendable available resources to liquidate the retirement obligation related to its employees. Accordingly, the net pension liability and associated deferred outflows and deferred inflows are presented on the government-wide financial statements of the County, following requirements of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*.

ORANGE COUNTY, FLORIDA
SHERIFF
NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2022

Note 6—Retirement system (continued)

Funding Policy – All enrolled members of the FRS other than DROP participants are required to contribute 3% 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. The employer contribution rates by job class for the periods from October 1, 2021 through June 30, 2022 and July 1, 2022 through September 30, 2022, respectively, were as follows: regular, 10.82% and 11.91%; special risk, 25.89% and 27.83%; special risk administrative support, 37.76% and 38.65%; County elected officers, 51.42% and 57.00%; senior management, 29.01% and 31.57%; and DROP participants, 18.34% and 18.60%. During the fiscal year ended September 30, 2022, the Sheriff contributed to the Plan an amount equal to 23.01% of covered payroll.

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.

Note 7—Other postemployment benefit (“OPEB”) plan

In addition to the pension benefits described in Note 6, the Sheriff offers a single-employer, defined benefit plan (“OPEB plan”) that subsidizes the cost of healthcare for its retirees and eligible dependents. Retirees with at least 10 years of service under the Sheriff who are receiving benefits from the Florida Retirement System are eligible to receive a monthly benefit of \$5 per year of service up to a maximum of \$150 per month. Additionally, Sheriff employees who retire and immediately begin receiving benefits from the FRS have the option of continuing in the County health insurance plan at the same group rate as for active employees.

During fiscal year 2007, the board established the Orange County Retiree Health Care Benefit Trust (“Trust”) for the board, the Sheriff, and four other County officers. As required by GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, the board engaged an actuarial firm to determine each participant’s actuarially determined contribution and proportionate share of the accrued net OPEB liability and related deferred outflows and deferred inflows. The actuary calculated the actuarially determined contribution to the Trust for the 2022 fiscal year, which was made by the board, and which included an amount of \$5,991,265 attributable to the Sheriff. Additionally, the Sheriff made direct contributions, in the form of credits to retirees that participate in the County’s health insurance plan, and in the form of healthcare premium subsidy payments to retirees that participate in a health insurance plan other than the County’s, in the amounts of \$334,198 and \$715,009, respectively. These direct contributions represent Sheriff OPEB expenditures for fiscal 2022, which amount to 0.64% of the Sheriff’s covered-employee payroll. A full presentation of the Trust and OPEB Plan assets, deferred outflows, liabilities, deferred inflows, funding status, and actuarial methods and assumptions is included in the Orange County, Florida Annual Comprehensive Financial Report.

Note 8—Insurance coverage

Pursuant to a memorandum of understanding between the Sheriff and the board, effective October 1, 1996, the Sheriff’s Office withdrew from the joint self-insurance/risk management program of the County. As a result, the Sheriff assumed responsibility for general liability, automobile, and workers’ compensation losses related to its operations. All assets, liabilities and operations related to general liability, automobile, and workers’ compensation claims incurred as of September 30, 1996 are accounted for in the Sheriff’s Workers’ Compensation Internal Service Fund. Excess insurance is generally provided for individual workers’ compensation claims in excess of \$500,000 and for automobile and general liability claims in excess of \$500,000 that were incurred prior to October 1, 1993.

**ORANGE COUNTY, FLORIDA
SHERIFF
NOTES TO FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

Note 8—Insurance coverage (continued)

All general liability and automobile claims incurred subsequent to September 30, 1996, with the exception of fiscal 2000 claims covered by a commercial insurance carrier, are covered by the Florida Sheriff's Self-Insurance Fund, a risk management pool to which risk is transferred in exchange for annual premium payments. Such payments are accounted for as General Fund expenditures. In addition, the General Fund accounts for all other insurance expenditures, which consist of premiums paid to insurance providers.

Workers' compensation claims since October 1, 1999 are covered by commercial insurance carriers, subject to a \$250,000 per claim deductible. Effective October 1, 2004, the Sheriff became self-insured for workers' compensation and claims are currently subject to a \$600,000 deductible and are accounted for in the Sheriff's Workers' Compensation Internal Service Fund.

The Sheriff has been self-insured for health claims since October 1, 2003, subject to reinsurance limitation thresholds. The self-insurance plan covers all regular employees and certain retirees and former employees of the Sheriff and their eligible dependents. The plan covers claims of up to \$250,000 per individual per year, plus \$245,000 in aggregate coverage. The Sheriff has purchased an insurance policy to cover claims in excess of these amounts. In accordance with the Affordable Care Act, the lifetime maximum for a covered individual is unlimited.

The Sheriff has bank deposits administered by the Sheriff's third party administrators that include certain contingency reserves, particularly for healthcare claims.

There have been no significant reductions in insurance coverage from coverage in the prior year. Also, there have been no settlements that have exceeded applicable insurance coverage during the past three fiscal years. The Sheriff has an aggregate fund surplus in internal service funds of \$18,445,460, including a fund surplus in its Health Insurance Internal Service Fund and a fund deficit of \$7,601,752 in its Workers' Compensation Internal Service Fund, which the Sheriff intends to eliminate through effective claims management, charges to the General Fund and, to the extent necessary, funding from future excess fees.

The claims liability reported at September 30, 2022 and 2021 is based on actuarial calculations. Liabilities are calculated at present value assuming a 3% discount rate in fiscal 2022 and 2021. The undiscounted liability as of September 30, 2022 is \$20,788,527. Changes to the claims liability for the Sheriff's internal service funds in fiscal years 2022 and 2021 were as follows:

Fiscal Year	Beginning Balance	Additions	Claims Payments	Ending Balance
2022	\$ 17,660,775	\$ 46,853,989	\$ 46,825,237	\$ 17,689,527
2021	\$ 16,545,735	\$ 50,548,076	\$ 49,433,036	\$ 17,660,775

Note 9—Litigation

From time to time, the Sheriff is a party to various lawsuits and claims which it vigorously defends. Such matters arise out of the normal course of its operation, some of which are covered by insurance policies. While the results of litigation cannot be predicted with certainty, management believes the final outcome of such litigation will not have a material, adverse effect on the Sheriff's financial position.

REQUIRED SUPPLEMENTARY INFORMATION

**ORANGE COUNTY, FLORIDA
SHERIFF**

**SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL –
GENERAL FUND (BUDGETARY BASIS)**

YEAR ENDED SEPTEMBER 30, 2022

	General Fund			Variance with Final Budget Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Intergovernmental Revenues:				
Board of County Commissioners' appropriations	\$ 295,647,092	\$ 300,647,092	\$ 300,647,092	\$ -
Total Revenues	295,647,092	300,647,092	300,647,092	-
Expenditures:				
Current:				
General Government:				
Salaries, benefits, and payroll taxes	16,277,078	16,277,078	15,864,890	412,188
Operating expenditures	101,044	108,759	104,933	3,826
Capital outlay	15,000	7,285	7,285	-
Public Safety:				
Salaries and benefits	231,986,421	227,479,709	207,062,456	20,417,253
Operating expenditures	37,304,794	40,727,668	46,659,192	(5,931,524)
Capital outlay	9,962,755	16,046,593	12,062,345	3,984,248
Total Expenditures	295,647,092	300,647,092	281,761,101	18,885,991
Excess of Revenues Over Expenditures	-	-	18,885,991	18,885,991
Other Financing Uses:				
Operating transfers out	-	-	(1,870,560)	(1,870,560)
Transfer to Board of County Commissioners	-	-	(17,015,431)	(17,015,431)
Total Other Financing Uses	-	-	(18,885,991)	(18,885,991)
Excess of revenues over expenditures and other financing uses	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -

**ORANGE COUNTY, FLORIDA
SHERIFF**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – SPECIAL REVENUE FUND (BUDGETARY BASIS)**

YEAR ENDED SEPTEMBER 30, 2022

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental Revenues:				
Grants and other revenues	\$ 35,532,139	\$ 35,759,741	\$ 22,072,958	\$ (13,686,783)
Total Revenues	35,532,139	35,759,741	22,072,958	(13,686,783)
Expenditures				
Current:				
Public Safety:				
Salaries and benefits	18,182,912	18,192,826	16,545,150	1,647,676
Operating expenditures	4,843,544	4,726,456	2,469,813	2,256,643
Capital outlay	12,505,683	12,840,459	4,928,555	7,911,904
Total Expenditures	35,532,139	35,759,741	23,943,518	11,816,223
Excess of Expenditures Over Revenues	-	-	(1,870,560)	(1,870,560)
Other Financing Sources:				
Operating transfers in	-	-	1,870,560	1,870,560
Total Other Financing Sources	-	-	1,870,560	1,870,560
Excess of expenditures over revenues and other financing sources	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -

**ORANGE COUNTY, FLORIDA
SHERIFF
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION**

YEAR ENDED SEPTEMBER 30, 2022

Budgetary Requirements

Fund expenditures are controlled by appropriations in accordance with the budget requirements set forth in the Florida Statutes. The General Fund budget is prepared on a basis consistent with accounting principles generally accepted in the United States of America, except that \$694,935 of salaries related to the year-end payroll accrual and \$1,197,522 of own-source revenues are not budgeted, as identified in the table below. Proceeds from capital asset sales of \$545,643 are budgeted as offsets to capital outlay expenditures and principal and interest payments on capital leases of \$1,295,064 are budgeted as capital outlay expenditures. The Special Revenue Fund budget is prepared on a basis consistent with accounting principles generally accepted in the United States of America ("U.S. GAAP"), except that \$26,108,661 and \$225,288 of salaries related to off duty services and salaries related to the year-end payroll accrual, respectively, as identified in the table below, are not budgeted.

For the 2022 fiscal year, the following adjustments were necessary to present General Fund activities on a budgetary basis:

	<u>Expenditures</u>	<u>Revenues</u>	<u>Other Financing Sources (Uses)</u>
Non-GAAP budgetary basis	\$ 281,761,101	\$ 300,647,092	\$ (18,885,991)
Nonbudgeted change in payroll accrual	694,935	694,935	-
Nonbudgeted change in capital outlay	(749,421)	-	(749,421)
Nonbudgeted own-source revenues *	-	1,197,522	(1,197,522)
Nonbudgeted change in debt service	1,295,064	-	1,295,064
GAAP basis	<u>\$ 283,001,679</u>	<u>\$ 302,539,549</u>	<u>\$ (19,537,870)</u>

* Amount represents own-source revenues as defined by GASB 84 including individual depositor fees for service of papers by the Sheriff as well as other suspense fees derived from Sheriff services rendered

For the 2022 fiscal year, the following adjustments were necessary to present Special Revenue Fund activities on a budgetary basis:

	<u>Expenditures</u>	<u>Revenues</u>	<u>Other Financing Sources (Uses)</u>
Non-GAAP budgetary basis	\$ 23,943,518	\$ 22,072,958	\$ 1,870,560
Nonbudgeted off duty payroll	26,108,661	26,108,661	-
Nonbudgeted change in payroll actual	225,288	225,288	-
GAAP basis	<u>\$ 50,277,467</u>	<u>\$ 48,406,907</u>	<u>\$ 1,870,560</u>

OTHER SUPPLEMENTARY INFORMATION

**ORANGE COUNTY, FLORIDA
SHERIFF
INTERNAL SERVICE FUNDS DESCRIPTIONS**

YEAR ENDED SEPTEMBER 30, 2022

The purpose of each internal service fund in the combining financial statements on the following pages is described below:

Health Insurance – To account for the Sheriff’s health insurance claims activity for claims incurred since October 1, 2003.

Workers’ Compensation – To account for the Sheriff’s workers’ compensation claims activity.

**ORANGE COUNTY, FLORIDA
SHERIFF**

COMBINING STATEMENT OF NET POSITION (DEFICIT) INTERNAL SERVICE FUNDS

SEPTEMBER 30, 2022

	<u>Health Insurance</u>	<u>Workers' Compensation</u>	<u>Total</u>
Current Assets:			
Cash and cash equivalents	\$ 29,118,739	\$ 7,016,248	\$ 36,134,987
Total Assets	<u>29,118,739</u>	<u>7,016,248</u>	<u>36,134,987</u>
Liabilities:			
Current liabilities - claims payable	3,071,527	3,943,763	7,015,290
Noncurrent liabilities - claims payable	-	10,674,237	10,674,237
Total Liabilities	<u>3,071,527</u>	<u>14,618,000</u>	<u>17,689,527</u>
Net position (deficit) - unrestricted	<u>\$ 26,047,212</u>	<u>\$ (7,601,752)</u>	<u>\$ 18,445,460</u>

**ORANGE COUNTY, FLORIDA
SHERIFF**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET
POSITION (DEFICIT) – INTERNAL SERVICE FUNDS**

YEAR ENDED SEPTEMBER 30, 2022

	Health Insurance	Workers' Compensation	Total
	<u> </u>	<u> </u>	<u> </u>
Operating Revenues:			
Charges for services	\$ 46,423,941	\$ 3,627,484	\$ 50,051,425
Total Operating Revenues	<u>46,423,941</u>	<u>3,627,484</u>	<u>50,051,425</u>
Operating Expenses:			
Claims expenses	43,237,398	2,788,162	46,025,560
Total Operating Expenses	<u>43,237,398</u>	<u>2,788,162</u>	<u>46,025,560</u>
Operating income	<u>3,186,543</u>	<u>839,322</u>	<u>4,025,865</u>
Net income	3,186,543	839,322	4,025,865
Net position (deficit), October 1, 2021	22,860,669	(8,441,074)	14,419,595
Net position (deficit), September 30, 2022	<u>\$ 26,047,212</u>	<u>\$ (7,601,752)</u>	<u>\$ 18,445,460</u>

**ORANGE COUNTY, FLORIDA
SHERIFF**

COMBINING STATEMENT OF CASH FLOWS – INTERNAL SERVICE FUNDS

YEAR ENDED SEPTEMBER 30, 2022

	Health Insurance	Workers' Compensation	Total
Cash flows from operating activities:			
Receipts from charges for services	\$ 46,423,941	\$ 3,627,484	\$ 50,051,425
Reinsurance and other cash receipts	(51,172)	879,624	828,452
Cash payments for liability claims and expenses	(42,881,474)	(3,943,786)	(46,825,260)
Net cash flows from operating activities	3,491,295	563,322	4,054,617
Net change in cash and cash equivalents	3,491,295	563,322	4,054,617
Cash and cash equivalents, October 1, 2021	25,627,444	6,452,926	32,080,370
Cash and cash equivalents, September 30, 2022	<u>\$ 29,118,739</u>	<u>\$ 7,016,248</u>	<u>\$ 36,134,987</u>
Reconciliation of operating income to cash flows from operating activities:			
Operating income	\$ 3,186,543	\$ 839,322	\$ 4,025,865
Adjustment to reconcile operating income to net cash flows from operating activities:			
Increase (decrease) in claims payable	304,752	(276,000)	28,752
Net cash flows from operating activities	<u>\$ 3,491,295</u>	<u>\$ 563,322</u>	<u>\$ 4,054,617</u>

**ORANGE COUNTY, FLORIDA
SHERIFF
CUSTODIAL FUNDS DESCRIPTIONS**

YEAR ENDED SEPTEMBER 30, 2022

The purpose of each custodial fund in the combining financial statement on the following page is described below.

Suspense – Other Funds – To account for receipt and disbursement of funds received and expended for writs, sales, auctions, and events.

Evidence – To account for receipt of evidential funds and the subsequent disbursement once the case is finalized and the funds are determined to be either forfeited, unclaimed or returned to the victim.

**ORANGE COUNTY, FLORIDA
SHERIFF
COMBINING STATEMENT OF FIDUCIARY NET POSITION – CUSTODIAL FUNDS**

SEPTEMBER 30, 2022

	Suspense - Other Funds	Evidence	Total
Assets:			
Cash	\$ 2,772,011	\$ 2,885,675	\$ 5,657,686
Total Assets	<u>2,772,011</u>	<u>2,885,675</u>	<u>5,657,686</u>
Net Position:			
Restricted for individuals	<u>\$ 2,772,011</u>	<u>\$ 2,885,675</u>	<u>\$ 5,657,686</u>

**ORANGE COUNTY, FLORIDA
SHERIFF**

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION –
CUSTODIAL FUNDS**

YEAR ENDED SEPTEMBER 30, 2022

	Suspense - Other Funds	Evidence	Total
Additions:			
Evidence collected	\$ -	\$ 1,828,345	\$ 1,828,345
Suspense refund collected	156,268	-	156,268
Reimbursements and levies	38,934	-	38,934
Torch Run/United Way collected	19,224	-	19,224
DUI investigative costs collected	9,721	-	9,721
Abandoned property	4,251	-	4,251
Total Additions	228,398	1,828,345	2,056,743
Deductions:			
Evidence payments	-	1,526,008	1,526,008
Suspense refund payments	151,798	-	151,798
Sheriffs conference payments	36,773	-	36,773
Torch Run/United Way payments	20,193	-	20,193
Abandoned property payments	4,251	-	4,251
Total Deductions	213,015	1,526,008	1,739,023
Increase in Net Position	15,383	302,337	317,720
Net position, beginning of year	2,756,628	2,583,338	5,339,966
Net position, end of year	\$ 2,772,011	\$ 2,885,675	\$ 5,657,686

SUPPLEMENTARY REPORTS

Report of Independent Auditor 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

To the Honorable John W. Mina
Sheriff of Orange County, Florida:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of each major fund and the aggregate remaining fund information of the Orange County, Florida Sheriff (the "Sheriff") as of and for the year ended September 30, 2022, and the related notes to the financial statements, and have issued our report thereon dated March 7, 2023 for the purpose of compliance with Section 218.39(2), *Florida Statutes*, and Chapter 10.550, *Rules of the Auditor General – Local Governmental Entity Audits*. We also have audited the financial statements of each of the Sheriff's internal service and custodial funds presented as other supplementary information in the accompanying combining fund financial statements as of and for the year ended September 30, 2022.

Report on Internal Control over Financial Reporting

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

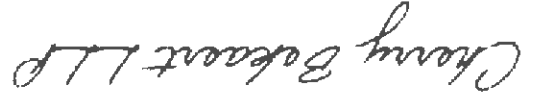
A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Sheriffs' 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*.

Orlando, Florida
March 7, 2023



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 Sheriffs' internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Sheriffs' internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Independent Auditor's Management Letter

To the Honorable John W. Mina
Sheriff of Orange County, Florida

Report on the Financial Statements

We have audited the financial statements of the Orange County, Florida Sheriff (the "Sheriff"), as of and for the fiscal year ended September 30, 2022, and have issued our report thereon dated March 7, 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 Report of Independent Auditor on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on Compliance with Local Government Investment Policies regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 7, 2023, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have not been taken to address findings and recommendations made in the preceding annual financial audit report. Finding 2022-A is provided to further address this matter in the current year.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The Sheriff is a separately elected county official established pursuant to the Constitution of the state of Florida. 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. Appendix A to this letter, Findings 2022-A and 2022-B, are provided to improve financial management. We did not audit the Sheriff's response to this matter provided in Appendix A or Appendix B to this letter.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we 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
The purpose of this management letter is to communicate certain matters prescribed by Chapter 10.550, Rules of the Auditor General. Accordingly, this management letter is not suitable for any other purpose.

Cherry Bokant LLP

Orlando, Florida
March 7, 2023

ORANGE COUNTY, FLORIDA

SHERIFF

INDEPENDENT AUDITOR’S MANAGEMENT LETTER – APPENDIX A

SEPTEMBER 30, 2022

Current Year Recommendation

Maintenance of Capital Asset Ledgers

Statement of Condition 2022-A: The Sheriff’s capital assets are recorded throughout the year on the capital asset software module known as Magic. The data input into the Magic software is copied into the ADG accounting software at fiscal year-end. In addition, the Sheriff maintains an internal Excel subsidiary capital asset listing of current year capital asset additions. When this Excel subsidiary listing was initially provided to the auditors, it had notable differences from the balances presented in the ADG accounting software, with certain current year additions not listed. This resulted in an untimely reconciliation process as the Sheriff worked to determine the current year additions balance in order to complete the process of completing the capital assets information.

Criteria: The Excel subsidiary detail should provide a clear record that supports general ledger balances recorded in the ADG accounting software.

Cause of Condition: Use of three capital asset modules makes the recording and analyzing of capital asset activity time consuming and allows for a greater likelihood for reconciling errors to occur.

Effect of Condition: The analysis of capital asset activity consumed considerable time and certain capital assets were not recorded.

Recommendation: We recommend capital asset recording process be further evaluated to enhance efficiency and eliminate future error.

Management Response: After a time consuming thorough review of all the capital assets modules and the reconciliation processes this fiscal year, we will be incorporating new processes that will enable us to complete the capital asset reconciliation on a monthly basis using our ADG software. This will ensure accurate and timely recording of the capital assets, correct any errors before the close of the fiscal year, and eliminate the time consuming year end reconciliation.

Recording of Own Source Revenues

Statement of Condition 2022-B: Fiduciary activities were not properly maintained and classified in order to appropriately comply with the criteria of Government Accounting Standards Board Statement No. 84, *Fiduciary Activities*. Own source revenues, defined by the standard as revenues generated by the government itself (e.g., fees), are not considered to be custodial in nature and, therefore, should be included in a governmental fund, rather than in a custodial fund. The Sheriff recorded certain own source revenues in the custodial funds, rather than the general fund, requiring research and analysis as to the extent of activities required to be reclassified to the general fund at year-end.

Criteria: The Sheriff’s own source revenues should be tracked and recorded in a governmental fund, such as the general fund, rather than a custodial fund.

Cause of Condition: The Sheriff recorded own source revenues in two custodial funds that should have been recorded in the general fund.

Effect of Condition: Own source revenue activity was misclassified between the general fund and custodial funds.

Recommendation: Own source revenues should be recorded in the general fund throughout the year or, if recorded in custodial funds during the year, should be reclassified to the general fund at year-end for financial statement purposes.

Management Response: A new procedure will be implemented to ensure the Sheriff’s own source revenues will be recorded in the general fund instead of a custodial fund throughout the fiscal year. This will ensure proper presentation in the financial statements and will eliminate time consuming reconciliation at year-end.

**Independent Accountant's Report on Compliance
with Local Government Investment Policies**

To the Honorable John W. Mina
Sheriff of Orange County, Florida

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

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

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

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

In our opinion, the Sheriff complied, in all material respects, with the local investment policy requirements of Section 218.415, Florida Statutes, during the year ended September 30, 2022.

The purpose of this report is to comply with the audit requirements of Section 218.415, Florida Statutes, and Rules of the Auditor General.

Cherry Bekaert LLP

Orlando, Florida
March 7, 2023

**SUPERVISOR OF ELECTIONS
ORANGE COUNTY, FLORIDA**

FINANCIAL STATEMENTS

Year Ended September 30, 2022

Report of Independent Auditor

To the Honorable Bill Cowles
Supervisor of Elections of Orange County, Florida

Opinion

We have audited the accompanying financial statements of the general fund of the Orange 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, 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 thereof 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 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 the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

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

Responsibilities of Management for the Financial Statements

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

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 Supervisor of Elections' ability to continue as a going concern for one year 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 generally accepted auditing standards 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 generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 11 and 12 be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the 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 financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated February 1, 2023, on our consideration of the Supervisor of Elections' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Supervisor of Elections' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Supervisor of Elections' internal control over financial reporting and compliance.

Cherry Bekaert LLP

Orlando, Florida
February 1, 2023

**ORANGE COUNTY, FLORIDA
 SUPERVISOR OF ELECTIONS
 BALANCE SHEET – GENERAL FUND**

SEPTEMBER 30, 2022

ASSETS	
Cash	<u>\$ 2,380,921</u>
Total Assets	<u><u>\$ 2,380,921</u></u>
 LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts payable and accrued liabilities	\$ 941,318
Due to Board of County Commissioners	<u>1,439,603</u>
Total Liabilities	<u>2,380,921</u>
Fund Balance:	
Restricted	<u>-</u>
Total Liabilities and Fund Balance	<u><u>\$ 2,380,921</u></u>

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

**ORANGE COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
GENERAL FUND**

YEAR ENDED SEPTEMBER 30, 2022

Revenues:		
Board of County Commissioners appropriation	\$	15,348,777
Intergovernmental revenue		40,730
Charges for services		203,669
Interest income		11,993
Total Revenues		<u>15,605,169</u>
Expenditures:		
Current - General Government:		
Salaries and benefits		4,681,228
Operating expenditures		9,020,016
Capital outlay		491,186
Total Expenditures		<u>14,192,430</u>
Excess of Revenues Over Expenditures		1,412,739
Other Financing Uses:		
Transfer to the Board of County Commissioners		<u>(1,412,739)</u>
Total Other Financing Uses		<u>(1,412,739)</u>
Excess of Expenditures and Other Financing Uses Over Revenues		-
Fund balance, beginning of year		<u>-</u>
Fund Balance, End of Year	\$	<u><u>-</u></u>

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

**ORANGE COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
NOTES TO THE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

Note 1—Summary of significant accounting policies

Reporting Entity – The Orange County, Florida Supervisor of Elections (the “Supervisor of Elections”) is a separately elected county official established pursuant to the Constitution of the state of Florida. The Supervisor of Elections’ financial statements do not purport to reflect the financial position or the results of operations of Orange County, Florida (the “County”) taken as a whole. The financial statements of the Supervisor of Elections have been prepared in accordance with the accounting principles and reporting guidelines established by the Governmental Accounting Standards Board (“GASB”).

Entity status for financial reporting purposes is governed by GASB Statement 14, as amended. Although the Supervisor of Elections’ office is operationally autonomous and legally separate from the Board of County Commissioners (the “Board”), it does not hold sufficient corporate powers of its own to be considered a separate entity for financial reporting purposes. Therefore, under GASB guidelines, the Supervisor of Elections is reported as part of the primary government of the County.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation – The Supervisor of Elections’ financial statements are prepared for the purpose of complying with Section 218.39(2), Florida Statutes, and Chapter 10.550, Rules of the Auditor General-Local Governmental Entity Audits (the “Rules”), which require the Supervisor of Elections to only present fund financial statements.

The General Fund is a governmental fund used to account for all revenues and expenditures applicable to the general operations of the Supervisor of Elections that are not required legally or by accounting principles generally accepted in the United States of America to be accounted for in another fund. The General Fund is governmental funds which use the current financial resources measurement focus and modified accrual basis of accounting. Revenues are recognized when 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 amounts collected within 60 days after year-end to be available and thus recognizes them as revenues of the current year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

The extent to which General Fund revenues exceed General Fund expenditures is reflected as transfers out and as liabilities due to the Board.

Cash and Cash Equivalents – The Supervisor of Elections’ presents as cash and cash equivalents all demand deposits and other highly liquid investments with maturities of 90 days or less when purchased.

Capital Assets – Tangible personal property used in the Supervisor of Elections’ operations are recorded as expenditures in the General Fund at the time assets are received and a liability is incurred. Purchased assets are capitalized at historical cost in the government-wide financial statements of the County.

**ORANGE COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
NOTES TO THE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

Note 1—Summary of significant accounting policies (continued)

Compensated Absences – The Supervisor of Elections permits employees to accumulate earned but unused vacation and sick pay benefits. The Supervisor of Elections is not legally required to, and does not, accumulate expendable available financial resources to liquidate this obligation. The obligation for compensated absences is accrued in the government-wide financial statements of the County. A summary of activity for the Supervisor of Elections’ compensated absences obligation is as follows:

Balance, October 1, 2021	\$ 201,556
Additions	127,940
Deletions	<u>(113,566)</u>
Balance, September 30, 2022	<u>\$ 215,930</u>

Use of Estimates – The preparation of financial statements requires management to make use of estimates that affect reported amounts. Actual results could differ from estimates.

Note 2—Deposits and investments

The Supervisor of Elections follows Florida Statutes for its investment policy, which authorizes investments in certificates of deposit, savings accounts, repurchase agreements, the Local Government Surplus Funds Trust Fund administered by the Florida State Board of Administration, and obligations of the U.S. government and government agencies unconditionally guaranteed by the U.S. government.

Cash at September 30, 2022 consists of bank deposits insured by the Federal Deposit Insurance Corporation or covered by the state of Florida collateral pool, a multiple financial institution pool with the ability to assess its members for collateral shortfalls if a member institution fails.

Note 3—Retirement system

Plan Description – The Supervisor of Elections’ 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 (“Pension 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 Pension Plan, which is administered by the state Board of Administration.

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 Legislature.

**ORANGE COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
NOTES TO THE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

Note 3—Retirement system (continued)

Benefits under the Pension Plan are computed on the basis of age, average final compensation, and service credit. For Pension 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 1.60% 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. 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 2.00% 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 3.00% (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. Substantial changes were made to the Pension Plan during fiscal year 2011, affecting new members enrolled on or after July 1, 2011 by extending the vesting requirement to eight years of credited service and increasing normal retirement to age 65 or 33 years of service regardless of age. Also, the final average compensation for these members is based on the eight highest years of salary.

The HIS Plan provides a monthly benefit to assist retirees in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement. Eligible retirees and beneficiaries receive a monthly health insurance subsidy payment of \$5 for each year of creditable service, with a minimum payment of \$30 and a maximum payment of \$150 per month. The HIS Plan is funded by required contributions from FRS participating employees as set forth by the Florida Legislature, based on a percentage of gross compensation for all active FRS members.

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

For those members who elect participation in the Investment Plan, rather than the Pension Plan, vesting occurs at one year of service. These participants receive a contribution for self-direction in an investment product with a third party administrator selected by the state Board of Administration. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% of payroll and by forfeited benefits of plan members.

**ORANGE COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
NOTES TO THE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

Note 3—Retirement system (continued)

The Supervisor of Elections recognizes pension expenditures in an amount equal to amounts paid to the Pension Plan, the HIS Plan, and the defined contribution plan, amounting to \$372,412, \$50,124, and \$37,002, respectively, for the fiscal year ended September 30, 2022. The Supervisor of Elections' payments for the Pension Plan and the HIS Plan after June 30, 2022, the measurement date used to determine the net pension liability associated with the Pension Plan and HIS Plan, amounted to \$99,900 and \$12,371, respectively. The Supervisor of Elections is not legally required to, and does not, accumulate expendable available resources to liquidate the retirement obligation related to its employees. Accordingly, the net pension liability and associated deferred outflows and deferred inflows are presented on the government-wide financial statements of the County, following requirements of GASB Statement 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement 27*, and GASB Statement 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement 68*, effective October 1, 2014.

Funding Policy – All enrolled members of the FRS Pension Plan are required to contribute 3.00% 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. The employer contribution rates by job class for the periods from October 1, 2021 through June 30, 2022 and July 1, 2022 through September 30, 2022, respectively, were as follows: regular – 10.82% and 11.91%; County elected officers – 51.42% and 57.00%; senior management – 29.01% and 31.57%; and DROP participants – 18.34% and 18.60%. During the fiscal year ended September 30, 2022, the Supervisor of Elections contributed to the plan an amount equal to 13.56% of covered payroll.

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. That report may be viewed on the Florida Department of Management Services website located at www.dms.myflorida.com/workforce_operations/retirement/publications.

Note 4—Other Postemployment Benefit (“OPEB”) Plan

In addition to the pension benefits described in Note 3, the Supervisor of Elections offers an OPEB Plan that subsidizes the cost of healthcare for its retirees and eligible dependents. Supervisor of Elections employees with at least 10 years of combined service under the Supervisor of Elections and/or the Board, County Comptroller, Property Appraiser, Sheriff, or Tax Collector who retire and immediately begin receiving benefits from the FRS are eligible to receive a monthly benefit of \$5 per year of service up to a maximum of \$150 per month if employed prior to October 1, 2005, and a monthly benefit of \$3 per year of service up to a maximum of \$90 per month if employed thereafter. Additionally, Supervisor of Elections employees who retire and immediately begin receiving benefits from the FRS have the option of continuing in the County health insurance plan.

During fiscal year 2007, the Board established the Orange County Retiree Health Care Benefit Trust (“Trust”) for the Board, Supervisor of Elections, and the four other County officers noted above. As required by GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, the Board engaged an actuarial firm to determine each participant's actuarially determined Annual Required Contribution (“ARC”) and proportionate share of the accrued net OPEB liability and related deferred outflows and deferred inflows. In doing so, the actuary also calculated the actuarially determined contribution to the Trust for the 2022 fiscal year, which was made by the Board, and which included an amount of \$35,919 attributable to the Supervisor of Elections. Additionally, the Supervisor of Elections made direct contributions, in the form of healthcare premium subsidy payments to retirees, in the amount of \$16,993. These direct contributions represent the Supervisor of Elections OPEB expenditures for fiscal 2022, amounting to 0.56% of the Supervisor of Elections covered-employee payroll of \$3,018,435. A full presentation of the Trust and OPEB Plan assets, liabilities, funding status, and actuarial methods and assumptions is included in the Orange County, Florida Annual Comprehensive Financial Report.

**ORANGE COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
NOTES TO THE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

Note 5—Insurance coverage

Orange County maintains a self-insurance program that provides for coverage of substantially all risks. Various excess catastrophe insurance policies with a commercial carrier are also in force for claims exceeding the amount chargeable against the loss fund. The Supervisor of Elections participated in the County's self-insurance program during fiscal year 2022 at a cost of \$30,538. There have been no claim settlements in excess of insurance coverage during the three fiscal years ended September 30, 2022.

Additionally, Orange County maintains a self-insured plan for employee medical benefits in which the Supervisor of Elections participates. The self-insurance plan covers all regular employees and certain retirees and former employees of the County and their eligible dependents. In accordance with the Affordable Care Act, the lifetime maximum for a covered individual is unlimited. The Supervisor of Elections participated in the County's employee medical benefits plan during the fiscal year 2022 at a cost of \$659,525.

Note 6—Commitments and contingencies

Litigation – The Supervisor of Elections is a party from time to time in various lawsuits and other claims incidental to the ordinary course of its operation, some of which are covered by the Board's self-insurance program. While the results of litigation cannot be predicted with certainty, management believes the final outcome of such litigation will not have a material, adverse effect on the Supervisor of Elections' financial position.

Note 7—Related party lease assistance

The Board provides administrative office and warehouse space used by the Supervisor of Elections at no charge. The Board incurred \$800,969 of lease cost in connection with this office space during fiscal year 2022.

REQUIRED SUPPLEMENTARY INFORMATION

**ORANGE COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS**

**SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL –
GENERAL FUND**

YEAR ENDED SEPTEMBER 30, 2022

	General Fund			Variance with Final Budget Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Board of County Commissioners appropriation	\$ 15,348,777	\$ 15,348,777	\$ 15,348,777	\$ -
Intergovernmental revenue	-	-	40,730	40,730
Charges for services	-	-	203,669	203,669
Interest income	-	-	11,993	11,993
Total Revenues	15,348,777	15,348,777	15,605,169	256,392
Expenditures:				
Current - General Government:				
Salaries and benefits	5,193,283	5,193,283	4,681,228	512,055
Operating expenditures	10,129,754	10,129,754	9,020,016	1,109,738
Capital outlay	25,740	25,740	491,186	(465,446)
Total Expenditures	15,348,777	15,348,777	14,192,430	1,156,347
Excess of Revenues Over Expenditures	-	-	1,412,739	1,412,739
Other Financing Uses:				
Transfers to the Board of County Commissioners	-	-	(1,412,739)	(1,412,739)
Total Other Financing Uses	-	-	(1,412,739)	(1,412,739)
Excess of Revenues Over Expenditures and Other Financing Uses	\$ -	\$ -	\$ -	\$ -

**ORANGE COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS**

**NOTE TO THE SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND
ACTUAL – GENERAL FUND**

YEAR ENDED SEPTEMBER 30, 2022

Budgetary Requirements – General Fund expenditures are controlled by appropriations in accordance with the budget requirements set forth in the Florida Statutes. The budget is prepared on a basis consistent with accounting principles generally accepted in the United States of America.

SUPPLEMENTARY REPORTS

Report of Independent Auditor 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*

To the Honorable Bill Cowles
Supervisor of Elections of Orange County, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the general fund of the Orange 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, and have issued our report thereon dated February 1, 2023 for the purpose of compliance with Section 218.39(2), *Florida Statutes*, and Chapter 10.550, *Rules of the Auditor General – Local Governmental Entity Audits*.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Supervisor of Elections' internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness 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 or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

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

Purpose of this Report

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

Cherry Bekaert LLP

Orlando, Florida
February 1, 2023



Independent Auditor's Management Letter

To the Honorable Bill Cowles
Supervisor of Elections of Orange County, Florida

Report on the Financial Statements

We have audited the financial statements of the Orange County, Florida Supervisor of Elections (the "Supervisor of Elections") as of and for the fiscal year ended September 30, 2022 and have issued our report thereon dated February 1, 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 Report of Independent Auditor on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on Compliance with Local Government Investment Policies regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated February 1, 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 audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The Supervisor of Elections is a separately elected county official established pursuant to the Constitution of the state of Florida. 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 have any such recommendations.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we 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

The purpose of this management letter is solely to communicate certain matters prescribed by Chapter 10.550, Rules of the Auditor General. Accordingly, this management letter is not suitable for any other purpose.

Cherry Bekaert LLP

Orlando, Florida
February 1, 2023

**Independent Accountant’s Report on Compliance
with Local Government Investment Policies**

To the Honorable Bill Cowles
Supervisor of Elections of Orange County, Florida

We have examined the Orange County, Florida Supervisor of Elections’ (the “Supervisor of Elections”) compliance with the local government investment policy requirements of Section 218.415, Florida Statutes, during the year ended September 30, 2022. Management of the Supervisor of Elections’ is responsible for the Supervisor of Elections’ compliance with the specific requirements. Our responsibility is to express an opinion on the Supervisor of Elections’ compliance with the specific requirements based on our examination.

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

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

Our examination does not provide a legal determination on the Supervisor of Elections’ compliance with the specified requirements.

The purpose of this report is to comply with the audit requirements of Section 218.415, Florida Statutes, and Rules of the Auditor General.

In our opinion, the Supervisor of Elections complied, in all material respects, with the local investment policy requirements of Section 218.415, Florida Statutes, during the year ended September 30, 2022.

Cherry Bekaert LLP

Orlando, Florida
February 1, 2023

TAX COLLECTOR
ORANGE COUNTY, FLORIDA

FINANCIAL STATEMENTS

Year Ended September 30, 2022

Report of Independent Auditor

To the Honorable Scott Randolph
Tax Collector of Orange County, Florida

Opinions

We have audited the accompanying financial statements of the General Fund and the aggregate remaining fund information of the Orange County, Florida Tax Collector (the "Tax Collector") as of and for the fiscal year ended September 30, 2022, and the related notes to the financial statements, as listed in the table of contents. We also have audited the financial statements of each of the Tax Collector's Custodial Funds as of and for the fiscal year ended September 30, 2022, presented as other supplementary information 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 major fund of the Tax Collector as of September 30, 2022, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each Custodial Fund of the Tax Collector as of September 30, 2022, and the respective changes in financial position 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 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 the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

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

Responsibilities of Management for the Financial Statements

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

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 Tax Collector's ability to continue as a going concern for one year 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 generally accepted 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 generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 14 and 15 be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the 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 financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated January 31, 2023, on our consideration of the Tax Collector's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Tax Collector's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Tax Collector's internal control over financial reporting and compliance.

Cherry Bekaert LLP

Orlando, Florida
January 31, 2023

FINANCIAL STATEMENTS

**ORANGE COUNTY, FLORIDA
TAX COLLECTOR
BALANCE SHEET—
GENERAL FUND**

SEPTEMBER 30, 2022

ASSETS

Cash and cash equivalents	\$ 27,083,478
Due from Business Tax Fund	144,776
Accounts receivable	<u>78,785</u>
Total Assets	<u><u>\$ 27,307,039</u></u>

LIABILITIES AND FUND BALANCE

Liabilities:

Accounts payable and accrued liabilities	\$ 1,255,594
Due to Board of County Commissioners	25,127,837
Due to other governmental agencies	<u>923,608</u>
Total Liabilities	27,307,039

Fund Balance	<u>-</u>
Total Liabilities and Fund Balance	<u><u>\$ 27,307,039</u></u>

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

**ORANGE COUNTY, FLORIDA
TAX COLLECTOR**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
GENERAL FUND**

YEAR ENDED SEPTEMBER 30, 2022

Revenues:		
Charges for Services:		
Fees and commissions	\$	54,552,157
Interest Income		<u>38,616</u>
Total Revenues		<u>54,590,773</u>
Expenditures:		
Current:		
General Government:		
Salaries and benefits		21,104,343
Operating expenditures		6,671,823
Capital outlay		<u>763,162</u>
Total Expenditures		<u>28,539,328</u>
Excess of Revenues Over Expenditures		<u>26,051,445</u>
Other Financing Uses:		
Transfer to Board of County Commissioners		(25,127,837)
Transfer to other governmental agencies		<u>(923,608)</u>
Total Other Financing Uses		<u>(26,051,445)</u>
Excess of revenues over expenditures and other financing uses		-
Fund balance at the beginning of the year		<u>-</u>
Fund balance at the end of the year	\$	<u><u>-</u></u>

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

**ORANGE COUNTY, FLORIDA
TAX COLLECTOR
STATEMENT OF FIDUCIARY NET POSITION –
FIDUCIARY FUNDS**

SEPTEMBER 30, 2022

	<u>Custodial Funds</u>
ASSETS	
Cash and cash equivalents	\$ 19,509,146
Total Assets	<u>19,509,146</u>
LIABILITIES	
Due to Board of County Commissioners	3,961,556
Due to other governmental agencies	5,691,219
Due to individuals	1,500,928
Deposits - installment taxes	8,171,702
Other deposits	183,741
Total Liabilities	<u>19,509,146</u>
Fiduciary Net Position	<u>\$ -</u>

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

**ORANGE COUNTY, FLORIDA
TAX COLLECTOR
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION –
FIDUCIARY FUNDS**

YEAR ENDED SEPTEMBER 30, 2022

	<u>Custodial Funds</u>
Additions:	
Property taxes and fees collected	\$ 2,856,037,218
Licenses and tag fees collected	<u>89,727,375</u>
Total Additions	<u>2,945,764,593</u>
Deductions:	
Property taxes and fees collected	2,856,037,218
Licenses and tag fees collected	<u>89,727,375</u>
Total Deductions	<u>2,945,764,593</u>
Change in fiduciary net position	-
Fiduciary net position, beginning of year	<u>-</u>
Fiduciary net position, end of year	<u><u>\$ -</u></u>

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

**ORANGE COUNTY, FLORIDA
TAX COLLECTOR
NOTES TO THE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

Note 1—Nature of operations and summary of significant accounting policies

Reporting Entity – The Orange County, Florida Tax Collector (the “Tax Collector”) is a separately elected county official established pursuant to the Constitution of the state of Florida. The Tax Collector’s financial statements do not purport to reflect the financial position or the results of operations of Orange County, Florida (the “County”) taken as a whole.

Entity status for financial reporting purposes is governed by Governmental Accounting Standards Board (“GASB”) Statement 14, as amended. Although the Tax Collector’s Office is operationally autonomous, it does not hold sufficient corporate powers of its own to be considered a legally separate entity for financial reporting purposes. Therefore, under GASB guidelines, the Tax Collector is reported as a part of the primary government of the County.

Description of Funds – The accounting records are organized for reporting purposes on the basis of a governmental fund and fiduciary funds.

General Fund – The General Fund is used to account for all revenues and expenditures applicable to the general operations of the Tax Collector that are not required legally or by accounting principles generally accepted in the United States of America (“U.S. GAAP”) to be accounted for in another fund.

Fiduciary Funds – Fiduciary Funds of the Tax Collector are custodial funds, which are used to account for assets held by the Tax Collector as agent.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation – The Tax Collector’s financial statements are prepared for the purpose of complying with Section 218.39(2), Florida Statutes, and Chapter 10.550, Rules of the Auditor General for Local Governmental Entity Audits (the “Rules”), which require the Tax Collector to only present fund financial statements.

The General Fund is a governmental fund which uses the current financial resources measurement focus and the modified accrual basis of accounting. Revenues, including fees and commissions and interest income, are recognized when 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 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

The extent to which General Fund revenues exceed General Fund expenditures is reflected as transfers out and as liabilities to the Orange County Board of County Commissioners (the “Board”) and to other governmental agencies in the same proportion as the fees paid by each governmental unit to total fees earned by the Tax Collector.

The Tax Collector reports the General Fund as a major governmental fund and custodial funds as a fiduciary fund type. Custodial funds do not involve measurement of results of operations.

Budgetary Requirements – Expenditures are controlled by budget appropriations in accordance with the budget requirements set forth in the Florida Statutes. The budget is prepared on a basis consistent with U.S. GAAP.

**ORANGE COUNTY, FLORIDA
TAX COLLECTOR
NOTES TO THE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

Note 1—Nature of operations and summary of significant accounting policies (continued)

Cash and Cash Equivalents – The Tax Collector’s cash and cash equivalents consist of demand deposits and highly liquid investments with maturities of 90 days or less when purchased. Investments are reported at fair value or at net asset value.

Capital Assets – Tangible personal property used in the Tax Collector’s operations are recorded as expenditures in the General Fund at the time assets are received and a liability is incurred. Purchased assets are capitalized at historical cost in the government-wide financial statements of the County.

Compensated Absences – The Tax Collector permits employees to accumulate earned but unused vacation and sick pay benefits. The Tax Collector is not legally required to, and does not, accumulate expendable available financial resources to liquidate this obligation. The obligation is accrued in the government-wide financial statements of the County. A summary of activity for the Tax Collector’s compensated absences obligations is as follows:

	<u>Balance</u> <u>October 31, 2021</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>September 30, 2022</u>
Accrued compensated absences	\$ 1,219,141	\$ 1,220,342	\$ (1,291,985)	\$ 1,147,498

Use of Estimates – The preparation of financial statements requires management to make use of estimates that affect reported amounts. Actual results could differ from estimates.

Distribution of Excess Revenues – Florida Statutes provide that the excess of the Tax Collector’s fee revenues over expenditures is to be distributed to each governmental custodial in the same proportion as the fees paid by the governmental custodial bear to total fee income received by the Tax Collector. The amount of undistributed excess fees at the end of the fiscal year is reported as amounts due to the Board of County Commissioners and other governmental agencies; the transfer of total excess fees is reported as other financing uses.

Subsequent Events – The Tax Collector has evaluated subsequent events through January 31, 2023, in connection with the preparation of these financial statements, which is the date the financial statements were available to be issued.

Note 2—Deposits and investments

The Tax Collector had demand deposits of \$3,059,329 and investments in the Florida Cooperative Liquid Assets Securities System (“FLCLASS”) of \$43,500,000 at September 30, 2022.

FLCLASS is an external investment pool reported at net asset value. FLCLASS invests in high-quality, fixed income securities for which objectives are safety and preservation of principle, daily liquidity, transparency, and competitive yields, resulting in a Standard & Poor’s (“S&P”) Principle Stability Fund AAAM rating. The Tax Collector may redeem its investment in FLCLASS upon written notice; however, the FLCLASS administrator, with the consent of the governing board, may temporarily suspend or postpone right of withdrawal should an event occur in financial markets which entitles such suspension or postponement. The Tax Collector considers amounts invested in FLCLASS to be cash equivalents with a weighted average maturity of 47 days.

Demand deposits and investments in FLCLASS, together with \$33,295 petty cash funds on hand, comprises the total \$46,592,624 cash and cash equivalents reported at September 30, 2022 (\$27,083,478 in the General Fund and \$19,509,146 in the Custodial Funds).

**ORANGE COUNTY, FLORIDA
TAX COLLECTOR
NOTES TO THE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

Note 2—Deposits and investments (continued)

The Tax Collector's investment policy limits investment risk by restricting authorized investments to the following: certificates of deposit; interest bearing savings accounts; repurchase agreements; Florida PRIME and similar investment pools authorized by the Florida Interlocal Cooperation Act; obligations of the U.S. government; obligations of government agencies unconditionally guaranteed by the U.S. government; certain federal instrumentalities which are U.S. government sponsored agencies which are non-full faith and credit; money market mutual funds registered under the Federal Investment Company Act of 1940 that have an average weighted maturity of 90 days or less and be rated at least AAm or AAm-G or better by S&P's or the equivalent by another rating agency; mutual funds with any open-end or closed-end management type investment company or investment fund operated under specified sections of the Federal Investment Company Act of 1940 and advised by a Registered Investment Advisor with a rating of at least AAAM or AAA-G by S&P or the equivalent by another rating agency; bankers acceptances with credit quality ratings of Prime-1 and A by Moody's and A-1 by S&P and ranked in the top 50 United States banks in terms of total assets; commercial paper with credit quality ratings of Prime-1 by Moody's and A-1 by S&P; mortgage-backed securities which are based on mortgages that are guaranteed by a government agency for payment of principal and a guarantee of timely payment; state and/or local government taxable and/or tax-exempt debt which are general obligation and/or revenue bonds rated at least Aa by Moody's or AA by S&P for long-term debt and MIG-2 by Moody's or SP-2 by S&P for short-term debt; and investment funds (Section 3(c)(1) or 3(c)(7) of the Investment Company Act of 1940).

The Tax Collector's investment policy provides that, to the extent possible, investment maturities should match known cash needs and anticipated cash flow requirements.

Note 3—Retirement system

Plan Description:

The Tax Collector'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 ("Pension 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 Pension Plan, which is administered by the State Board of Administration.

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 Legislature.

**ORANGE COUNTY, FLORIDA
TAX COLLECTOR
NOTES TO THE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

Note 3—Retirement system (continued)

Benefits under the Pension Plan are computed on the basis of age, average final compensation, and service credit. For Pension 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. 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. Substantial changes were made to the Pension Plan during fiscal year 2011, affecting new members enrolled on or after July 1, 2011 by extending the vesting requirement to eight years of credited service and increasing normal retirement to age 65 or 33 years of service regardless of age. Also, the final average compensation for these members is based on the eight highest years of salary.

The HIS Plan provides a monthly benefit to assist retirees in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement. Eligible retirees and beneficiaries receive a monthly health insurance subsidy payment of \$5 for each year of creditable service, with a minimum payment of \$30 and a maximum payment of \$150 per month. The HIS Plan is funded by required contributions from FRS participating employees as set forth by the Florida Legislature, based on a percentage of gross compensation for all active FRS members.

In addition to the above benefits, the FRS administers a Deferred Retirement Option Program ("DROP"). This 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.

For those members who elect participation in the Investment Plan, rather than the Pension Plan, vesting occurs at one year of service. These participants receive a contribution for self-direction in an investment product with a third party administrator selected by the state Board of Administration. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements for the Investment Plan, are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% of payroll and by forfeited benefits of plan members.

**ORANGE COUNTY, FLORIDA
TAX COLLECTOR
NOTES TO THE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

Note 3—Retirement system (continued)

The Tax Collector recognizes pension expenditures in an amount equal to amounts paid to the Pension Plan, the HIS Plan, and the defined contribution plan, amounting to \$1,579,253, \$154,285, and \$293,257, respectively, for the fiscal year ended September 30, 2022. The Tax Collector's payments for the Pension Plan and the HIS Plan after June 30, 2022, the measurement date used to determine the net pension liability associated with the Pension Plan and HIS Plan, amounted to \$477,506 and \$39,344, respectively. The Tax Collector is not legally required to, and does not, accumulate expendable available resources to liquidate the retirement obligation related to its employees. Accordingly, the net pension liability and associated deferred outflows and deferred inflows are presented on the government-wide financial statements of the County, following requirements of GASB Statement 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement 27*, and GASB Statement 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement 68*, effective October 1, 2014.

Funding Policy:

All enrolled members of the Pension Plan are required to contribute 3.0% 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. The employer contribution rates by job class for the periods from October 1, 2021 through June 30, 2022 and July 1, 2022 through September 30, 2022, respectively, were as follows: regular – 10.82% and 11.91%; County elected officers – 51.42% and 57.00%; senior management – 29.01% and 31.57%; and DROP participants – 18.34% and 18.60%. During the fiscal year ended September 30, 2022, the Tax Collector contributed to the plan an amount equal to 13.14% of covered payroll.

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. That report may be viewed on the Florida Department of Management Services website located at www.dms.myflorida.com/workforce_operations/retirement/publications.

Note 4—Other postemployment benefit (“OPEB”) Plan

In addition to the pension benefits described in Note 3, the Tax Collector offers an OPEB Plan that subsidizes the cost of healthcare for its retirees and eligible dependents. Tax Collector employees with at least 10 years of combined service under the Tax Collector and/or Board, County Comptroller, Property Appraiser, Sheriff, or Supervisor of Elections who retire and immediately begin receiving benefits from the FRS are eligible to receive a monthly benefit of \$5 per year of service up to a maximum of \$150 per month if employed prior to October 1, 2005, and a monthly benefit of \$3 per year of service up to a maximum of \$90 per month if employed thereafter. Additionally, Tax Collector employees who retire and immediately begin receiving benefits from the FRS have the option of continuing in the County health insurance plan at the same group rate as for active employees.

**ORANGE COUNTY, FLORIDA
TAX COLLECTOR
NOTES TO THE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

Note 4—Other postemployment benefit (“OPEB”) Plan (continued)

During fiscal year 2007, the Board established the Orange County Retiree Health Care Benefit Trust (“Trust”) for the Board, Tax Collector, and the four other County officers noted above. As required by GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the Board engaged an actuarial firm to determine each participant’s actuarially determined Annual Required Contribution (ARC) and proportionate share of the accrued net OPEB liability and related deferred outflows and deferred inflows. In doing so, the actuary also calculated the actuarially determined contribution to the Trust for the 2022 fiscal year, which was made by the Board, and which included an amount of \$467,344 attributable to the Tax Collector. Additionally, the Tax Collector made direct contributions, in the form of healthcare premium subsidy payments to retirees, in the amount of \$154,285. These direct contributions represent the Tax Collector’s OPEB Plan expenditures for fiscal 2022, amounting to 1.08% of the Tax Collector’s covered-employee payroll of \$14,247,242. A full presentation of the Trust and OPEB Plan assets, liabilities, funding status, and actuarial methods and assumptions is included in the Orange County, Florida Annual Comprehensive Financial Report.

Note 5—Insurance coverage

Orange County maintains a self-insurance program that provides for coverage of substantially all risks. Various excess catastrophe insurance policies with a commercial carrier are also in force for claims exceeding the amount chargeable against the loss fund. The Tax Collector participated in the County’s self-insurance program during fiscal year 2022 at a cost of \$200,277. There have been no claim settlements in excess of insurance coverage during the three fiscal years ended September 30, 2022.

Additionally, Orange County maintains a self-insured plan for employee medical benefits in which the Tax Collector participated until December 31, 2021. The self-insurance plan covers all regular employees and certain retirees and former employees of the County and their eligible dependents. In accordance with the Affordable Care Act, the lifetime maximum for a covered individual is unlimited. Effective January 1, 2022, the Tax Collector has purchased insurance through a carrier.

Note 6—Related party lease assistance

The Board provides office space used by the Tax Collector at no charge. The Board incurred \$942,671 of lease cost in connection with this office space during fiscal 2022.

REQUIRED SUPPLEMENTARY INFORMATION

ORANGE COUNTY, FLORIDA

TAX COLLECTOR

**SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL –
GENERAL FUND**

YEAR ENDED SEPTEMBER 30, 2022

	General Fund			Variance With Final Budget - Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Charges for services:				
Fees and commissions	\$ 54,197,805	\$ 51,096,662	\$ 54,552,157	\$ 3,455,495
Interest income	25,000	25,000	38,616	13,616
Total Revenues	<u>54,222,805</u>	<u>51,121,662</u>	<u>54,590,773</u>	<u>3,469,111</u>
Expenditures:				
Current:				
General Government:				
Salaries and benefits	24,057,097	24,057,097	21,104,343	2,952,754
Operating expenditures	7,209,742	7,209,742	6,671,823	537,919
Capital outlay	878,902	878,902	763,162	115,740
Total Expenditures	<u>32,145,741</u>	<u>32,145,741</u>	<u>28,539,328</u>	<u>3,606,413</u>
Excess of Revenues Over Expenditures	<u>22,077,064</u>	<u>18,975,921</u>	<u>26,051,445</u>	<u>7,075,524</u>
Other Financing Uses:				
Transfer to Board of County Commissioners	(22,077,064)	(18,975,921)	(25,127,837)	(6,151,916)
Transfer to other governmental agencies	-	-	(923,608)	(923,608)
Total Other Financing Uses	<u>(22,077,064)</u>	<u>(18,975,921)</u>	<u>(26,051,445)</u>	<u>(7,075,524)</u>
Excess of Revenues Over Expenditures and Other Financing Uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ORANGE COUNTY, FLORIDA

TAX COLLECTOR

**NOTES TO SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
GENERAL FUND**

YEAR ENDED SEPTEMBER 30, 2022

Budgetary Requirements – General Fund expenditures are controlled by appropriations in accordance with the budget requirements set forth in the Florida Statutes. The budget is prepared on a basis consistent with U.S. GAAP.

OTHER SUPPLEMENTARY INFORMATION

**ORANGE COUNTY, FLORIDA
TAX COLLECTOR
CUSTODIAL FUND DESCRIPTIONS**

SEPTEMBER 30, 2022

The Combining Statement of Fiduciary Net Position – Custodial Funds and Combining Statement of Changes in Fiduciary Net Position – Custodial Funds are presented on the following pages. The purpose of each fund shown on these statements is described below.

Property Tax Custodial Fund – To account for the collection and distribution of local property tax funds.

Business Tax and Tag Custodial Fund – To account for the collection and distribution of funds generated from the sale of local and state licenses.

**ORANGE COUNTY, FLORIDA
TAX COLLECTOR
COMBINING STATEMENT OF FIDUCIARY NET POSITION –
CUSTODIAL FUNDS**

SEPTEMBER 30, 2022

	<u>Property Tax</u>	<u>Business Tax and Tag</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 17,700,457	\$ 1,808,689	\$ 19,509,146
Total Assets	<u>17,700,457</u>	<u>1,808,689</u>	<u>19,509,146</u>
LIABILITIES			
Due to Board of County Commissioners	3,852,873	108,683	3,961,556
Due to other governmental agencies	4,005,345	1,685,874	5,691,219
Due to individuals	1,486,796	14,132	1,500,928
Deposits - installment taxes	8,171,702	-	8,171,702
Other deposits	183,741	-	183,741
Total Liabilities	<u>17,700,457</u>	<u>1,808,689</u>	<u>19,509,146</u>
Fiduciary Net Position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**ORANGE COUNTY, FLORIDA
TAX COLLECTOR**

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION –
CUSTODIAL FUNDS**

YEAR ENDED SEPTEMBER 30, 2022

	<u>Property Tax</u>	<u>Business Tax and Tag</u>	<u>Total</u>
Additions:			
Property taxes and fees collected	\$ 2,856,037,218	\$ -	\$ 2,856,037,218
Licenses and tag fees collected	-	89,727,375	89,727,375
Total Additions	<u>2,856,037,218</u>	<u>89,727,375</u>	<u>2,945,764,593</u>
Deductions:			
Property taxes and fees collected	2,856,037,218	-	2,856,037,218
Licenses and tag fees collected	-	89,727,375	89,727,375
Total Deductions	<u>2,856,037,218</u>	<u>89,727,375</u>	<u>2,945,764,593</u>
Change in fiduciary net position	-	-	-
Fiduciary net position, beginning of year	-	-	-
Fiduciary net position, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SUPPLEMENTARY REPORTS

Report of Independent Auditor 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*

To the Honorable Scott Randolph
Tax Collector of Orange 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 the aggregate remaining fund information of the Orange County, Florida Tax Collector (the "Tax Collector") as of and for the fiscal year ended September 30, 2022, and the related notes to the financial statements, and have issued our report thereon dated January 31, 2023 for the purpose of compliance with Section 218.39(2), Florida Statutes, and Chapter 10.550, *Rules of the Auditor General-Local Governmental Entity Audits*. We also have audited the financial statements of each of the Tax Collector's Custodial Funds presented as other supplementary information in the accompanying combining fund financial statements as of and for the fiscal year ended September 30, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Tax Collector's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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 or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

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

Purpose of this Report

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

Cherry Bekaert LLP

Orlando, Florida
January 31, 2023

Independent Auditor's Management Letter

To the Honorable Scott Randolph
Tax Collector of Orange County, Florida

Report on the Financial Statements

We have audited the financial statements of the Orange County, Florida Tax Collector (the "Tax Collector") as of and for the fiscal year ended September 30, 2022 and have issued our report thereon dated January 31, 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 Report of Independent Auditor on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on Compliance with Local Government Investment Policies regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated January 31, 2023, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The Tax Collector is a separately elected County official established pursuant to the Constitution of the state of Florida. 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 did not have any such recommendations.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we 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

The purpose of this management letter is solely to communicate certain matters prescribed by Chapter 10.550, Rules of the Auditor General. Accordingly, this management letter is not suitable for any other purpose.

Cherry Bekaert LLP

Orlando, Florida
January 31, 2023

**Independent Accountant's Report on Compliance
with Local Government Investment Policies**

To the Honorable Scott Randolph
Tax Collector of Orange County, Florida

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

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

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

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

The purpose of this report is to comply with the audit requirements of Section 218.415, Florida Statutes, and Rules of the Auditor General.

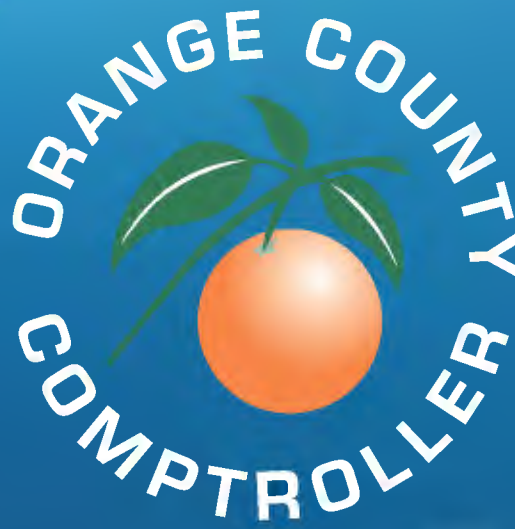
In our opinion, the Tax Collector complied, in all material respects, with the local investment policy requirements of Section 218.415, Florida Statutes, during the fiscal year ended September 30, 2022.

Cherry Bekaert LLP

Orlando, Florida
January 31, 2023

Annual Comprehensive Financial Report

Year Ended
September 30, 2022



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