

Leon County, Florida



Annual Financial Report *For the Fiscal Year Ended September 30, 2025*

Prepared by the Clerk of the Circuit Court and Comptroller
Department of Finance

LEON COUNTY, FLORIDA

PRINCIPAL OFFICERS

BOARD OF COUNTY COMMISSIONERS

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AND**

CLERK TO THE BOARD OF COUNTY COMMISSIONERS

Gwen Knight

DIRECTOR OF FINANCE

Kimberly Wilder

Leon County, Florida

THIS REPORT CONTAINS THE FOLLOWING SECTIONS

LEON COUNTY, FLORIDA (COUNTYWIDE) GENERAL PURPOSE FINANCIAL STATEMENTS, REPORT OF INDEPENDENT AUDITORS AND REPORTS ON COMPLIANCE AND ON INTERNAL CONTROL, AND FEDERAL FINANCIAL ASSISTANCE AND AUDITORS' REQUIRED DISCLOSURES

BOARD OF COUNTY COMMISSIONERS' FINANCIAL STATEMENTS, REPORT OF INDEPENDENT AUDITORS, REPORT ON COMPLIANCE AND INTERNAL CONTROL, MANAGEMENT COMMENTS, AND AUDITORS' REQUIRED DISCLOSURES

CLERK OF THE CIRCUIT COURT AND COMPTROLLERS' FINANCIAL STATEMENTS, REPORT OF INDEPENDENT AUDITORS, REPORT ON COMPLIANCE AND ON INTERNAL CONTROL, MANAGEMENT COMMENTS, AND AUDITORS' REQUIRED DISCLOSURES

PROPERTY APPRAISER'S FINANCIAL STATEMENTS, REPORT OF INDEPENDENT AUDITORS, REPORT ON COMPLIANCE AND ON INTERNAL CONTROL, MANAGEMENT COMMENTS, AND AUDITORS' REQUIRED DISCLOSURES

SHERIFF'S FINANCIAL STATEMENTS, REPORT OF INDEPENDENT AUDITORS, REPORT ON COMPLIANCE AND ON INTERNAL CONTROL, MANAGEMENT COMMENTS, AND AUDITORS' REQUIRED DISCLOSURES

SUPERVISOR OF ELECTIONS' FINANCIAL STATEMENTS, REPORT OF INDEPENDENT AUDITORS, REPORT ON COMPLIANCE AND ON INTERNAL CONTROL, MANAGEMENT COMMENTS, AND AUDITORS' REQUIRED DISCLOSURES

TAX COLLECTOR'S FINANCIAL STATEMENTS, REPORT OF INDEPENDENT AUDITORS, REPORT ON COMPLIANCE AND ON INTERNAL CONTROL, MANAGEMENT COMMENTS, AND AUDITORS' REQUIRED DISCLOSURES

Leon County, Florida,
Annual Financial Report

Year ended September 30, 2025

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Report of Independent Auditors

The Honorable Board of County Commissioners
Leon County, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information and the budgetary comparison statements of Leon County, Florida (the County) as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditor, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County as of September 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison statements for the General Fund, the Fine and Forfeiture Fund, the Grants Funds, and the Emergency Medical Services Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Housing Finance Authority of Leon County, a discretely presented component unit of Leon County, which represent 0.4%, 0.9%, and 0.1%, respectively, of the assets, net position, and revenues of the County as of September 30, 2025. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Housing Finance Authority of Leon County, is based solely on the report of the other auditors.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note XX to the financial statements, during the fiscal year ended September 30, 2025, the County adopted Governmental Accounting Standards Board Statement No. 101, *Compensated Absence*. As a result, October 1, 2024, net position has been restated. Our opinions are not modified with respect to this matter.

As discussed in Note XIX to the financial statements, previously reported disclosures and net position balances as of October 1, 2024, have been restated to correct previously reported misstatements. 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 County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5–15 and the supplementary schedules on pages 84–89 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2026, on our consideration of the Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Board's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Board's internal control over financial reporting and compliance.



Thomas Howell Ferguson P.A.
Tallahassee, Florida
June 22, 2026



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

Management's Discussion and Analysis

This discussion and analysis of Leon County's (the County) financial statements is designed to introduce the basic financial statements and provide an analytical overview of the County's financial activities for the fiscal year ended September 30, 2025. The basic financial statements are comprised of the government-wide financial statements, fund financial statements, and footnotes. We trust that the basic financial statements will assist readers in identifying significant financial issues and, in future years, changes in the County's financial position. In this Management's Discussion and Analysis (MD&A), all amounts, unless otherwise indicated, are expressed in thousands of dollars.

Overview of the Financial Statements

The County's basic financial statements are comprised of the following elements:

Government-wide Financial Statements

The government-wide financial statements (Statement of Net Position and Statement of Activities found on pages 16-17 and 18-19, respectively) concentrate on the County as a whole and do not emphasize fund types, but rather a governmental or a business-type classification, which are presented in separate columns. The governmental and business-type activities comprise the primary government and are reported separately from the component unit for which the County is accountable. In addition, neither fiduciary funds nor component units that are fiduciary in nature are included in the government-wide financial statements.

General governmental and intergovernmental revenues support the governmental activities, whereas user fees and charges for services primarily support the business-type activities. The purpose of the government-wide financial statements is to allow the user to be able to determine if the County is in a better or worse financial position than the prior year.

The Statement of Net Position presents information on all of the County's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The Statement of Activities reflects the expenses of a given function or segment, which are offset by program revenues. Program revenues are defined as charges for services, operating grants and contributions, and capital grants and contributions directly associated with a given function. Taxes, state shared revenues, and net change in fair market value of investments are reported under general revenue. The effects of interfund activity have been removed from the government-wide financial statements and internal service activity has been eliminated. However, the interfund services between functions have not been eliminated.

Fund Financial Statements

The accounts of the County are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts comprised of its assets, liabilities, deferred outflows of resources, deferred inflows of resources, net position, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to, and accounted for, in individual funds according to the purpose for which they are to be spent and the means by which spending activities are controlled.

Fund Financial Statements (continued)

The County's funds are presented in separate fund financial statements, the governmental fund financial statements and proprietary fund financial statements. The County's major funds are presented in separate columns on the fund financial statements. The definition of a major fund is one that meets certain criteria set forth in Governmental Accounting Standards Board Statement Number 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments (GASB 34). The funds that do not meet the criteria of a major fund are considered non-major funds and are combined into a single column on the fund financial statements. Table 1 below summarizes the major features of the basic financial statements.

Table 1 Major Features of the Basic Financial Statements

	<i>Government-wide Fund Financial Statements</i>	<i>Governmental Funds</i>	<i>Proprietary Funds</i>	<i>Fiduciary Funds</i>
Scope	Entire County government (except fiduciary funds) and the County's component unit	Activities of the County that are not proprietary or fiduciary	Activities of the County that are similar to private businesses	Instances in which the County is the trustee or agent for someone else's resources
Required financial statements	• Statement of Net Position • Statement of Activities	• Balance Sheet • Statement of Revenues, Expenditures, and Changes in Fund Balances	• Statement of Net Position • Statement of Revenues, Expenses, and Changes in Net Position • Statement of Cash Flows	• Statement of Fiduciary Net Position • Statement of Changes in Fiduciary Net Position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources, both, financial and capital, and short-term and long-term	Only assets and deferred outflows of resources expected to be used up and liabilities and deferred inflows of resources that come due during the year or soon thereafter; no capital assets included	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources, both financial and capital, and short-term and long-term	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources, both short-term and long-term
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	• Revenues for which cash is received during or soon after the end of the year • Expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All revenues and expenses during the year, regardless of when cash is received or paid

Notes to the Financial Statements

Notes to the financial statements provide additional information that is essential to the full understanding of the data provided in the government-wide and fund financial statements. Refer to Note I to the financial statements for more detailed information on the elements of the financial statements.

Infrastructure Assets

GASB 34 not only mandated changes in the financial statements, but it also set forth reporting changes. One such change is to capitalize infrastructure both prospectively and retrospectively for fiscal years that end after June 30, 1981. The County for FY 2002 and subsequent years has been reporting the entire valuation of infrastructure.

Condensed Statement of Net Position

The net investment in capital assets is the largest portion of the County's net position. This represents capital assets (land, buildings, improvements, equipment, furniture, vehicles, construction in progress, and infrastructure), net of accumulated depreciation, and the outstanding related debt used to acquire the assets in the amount of \$310.4 million as compared to \$303.8 million a year ago; this is an increase of \$6.6 million. These capital assets are used to provide services to the citizens and businesses in the County; consequently, the net position is not available for future spending.

Condensed Statement of Net Position (continued)

Table 2 below presents the County's condensed Statement of Net Position as of September 30, 2025 and 2024, as derived from the government-wide Statement of Net Position.

Table 2

Leon County, Florida Condensed Statement of Net Position As of September 30 (in thousands)						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Current and other assets	\$ 258,583	\$ 286,385	\$ 1,561	\$ 23,177	\$ 260,144	\$ 309,562
Capital assets	346,914	337,216	28,928	7,960	375,842	345,176
Total assets	605,497	623,601	30,489	31,137	635,986	654,738
Deferred outflows	59,550	69,036	-	-	59,550	69,036
Total assets and deferred outflows	665,047	692,637	30,489	31,137	695,536	723,774
Current liabilities	59,511	95,932	18,823	1,912	78,334	97,844
Noncurrent liabilities	232,181	268,053	8,341	27,925	240,522	295,978
Total liabilities	291,692	363,985	27,164	29,837	318,856	393,822
Deferred inflows	63,163	46,577	-	-	63,163	46,577
Total liabilities and deferred inflows	354,855	410,562	27,164	29,837	382,019	440,399
Net position:						
Net investment in capital assets	302,302	295,861	8,076	7,960	310,378	303,821
Restricted	117,919	111,705	-	-	117,919	111,705
Unrestricted	(110,028)	(125,491)	(4,751)	(6,660)	(114,779)	(132,151)
*Total net position	\$ 310,193	\$ 282,075	\$ 3,325	\$ 1,300	\$ 313,518	\$ 283,375

*Differences from financial statements due to rounding

Condensed Statement of Activities

Table 3 on page 10 presents the County's condensed Statement of Activities for the fiscal years ended September 30, 2025 and 2024, as derived from the Government-Wide Statement of Activities. Over time, increases and decreases in net position may measure whether the County's financial position is improving or deteriorating. During the fiscal year, the net position, prior to reinstatements, of the governmental activities increased by \$28.1 million, or 11 percent, and the net position of the business-type activities increased by \$2.0 million, or 156 percent. The increase in Governmental Activities is primarily due to across the board revenue increases which more than offset increased program expenses. The increase in Business-Type Activities is due to an increase in transfers to the Landfill in 2025.

In 2003, the Board of County Commissioners adopted an ordinance levying a Utility Services Tax on the unincorporated area of Leon County. This tax generated 10.8 million in FY 2024 versus \$11.2 million in FY 2025. The County also adopted a Communications Services Tax in FY 2003, with revenues in the amount of \$2.4 million in FY 2024 compared to revenues of \$2.5 million in FY 2025. These two taxes have been a stabilizing factor in the County's financial picture, which was the intent of the ordinances.

Condensed Statement of Activities (continued)

On January 29, 2008, the Florida electorate approved an amendment to the Florida Constitution relative to property taxation. This amendment (referred to as Amendment 1) was placed on the ballot by the Florida Legislature at a special session held in October 2007. With respect to homestead property, Amendment 1 increases the current \$25,000 homestead exemption by an additional \$25,000 (for property values ranging from \$50,000 to \$75,000), except for school district taxes. Since the new \$25,000 homestead exemption does not apply to school district taxes, this effectively amounts to a \$15,000 increase to the existing homestead exemption, resulting in an estimated annual savings of \$240 for an average homeowner. Amendment 1 also allows property owners to transfer (make portable) up to \$500,000 of their Save Our Homes benefits to their next homestead when they move. Save Our Homes became effective in 1995 and limits (caps) the annual increase in assessed value for homestead property to three percent (3%) or the percentage change in the Consumer Price Index, whichever is less. 'Save Our Homes' was an amendment passed by citizens to help limit the effects of fair value on property taxes.

With respect to non-homestead property, Amendment 1 limits (caps) the annual increase in assessed value for non-homestead property (businesses, industrial property, rental property, second homes, etc.) to ten percent (10%), except for school district taxes. The Amendment also provides a \$25,000 exemption for tangible personal property. Amendment 1 became effective on October 1, 2008, but the ten percent (10%) assessment cap on non-homestead property became effective on January 1, 2009. Property tax revenues in FY 25 increased by 10%, and future growth will be tempered by the above tax changes, with increases mirroring population growth.

The Board of County Commissioners (the Board) Investment Policy is very risk averse and places a premium on security. With the effective rate of return of the portfolio averaging 4.34% for the year, the net change in fair market value of investments in the portfolio totaled \$12.8 million, a decrease of \$2 million from 2024. The primary reasons for the decrease in fair market value are from unrealized gains marked to market totaling \$2 million, while the investment portfolio earned a total return of \$11.9 million.

Miscellaneous revenues are made up of revenues that will fluctuate annually as a result of various activities throughout the County. All other changes in activities are a result of the normal operations of the County.

Table 3

Leon County, Florida
Condensed Statement of Activities
For Fiscal Year Ended September 30
(in thousands)

	Governmental Activities		Business-Type		Total Primary Government		Total % Change 2024 to 2025
	2025	2024	2025	2024	2025	2024	
Revenues							
Program revenues:							
Charges for services	\$ 57,027	\$ 55,102	\$ 14,532	\$ 13,775	\$ 71,559	\$ 68,877	4%
Operating grants & contributions	34,434	31,066	-	-	34,434	31,066	11%
Total program revenues	91,521	86,168	14,532	13,775	106,053	99,943	6%
General revenues:							
Property taxes	225,712	205,793	-	-	225,712	205,793	10%
Local option taxes	39,539	65,006	-	-	39,539	65,006	-39%
Communications services taxes	2,496	2,423	-	-	2,496	2,423	3%
Motor fuel taxes	1,431	1,401	-	-	1,431	1,401	2%
Utility services taxes	11,186	10,835	-	-	11,186	10,835	3%
Other taxes	-	-	1,954	1,866	1,954	1,866	5%
State shared revenues	13,662	13,086	-	-	13,662	13,086	4%
Net change in fair market value of investments	11,747	14,454	1,005	325	12,752	14,779	-14%
Miscellaneous revenues	5,785	6,688	56	423	5,841	7,111	-18%
Total general Revenues	311,618	319,686	3,015	2,614	314,633	322,300	-2%
Total revenues	403,139	405,854	17,547	16,389	420,686	422,243	0%
Program Expenses							
General government	92,708	83,613	-	-	92,708	83,613	11%
Public safety	175,501	169,620	-	-	175,501	169,620	3%
Physical environment	19,971	20,756	18,825	22,480	38,796	43,236	-10%
Transportation	18,083	17,063	-	-	18,083	17,063	6%
Economic environment	13,406	12,116	-	-	13,406	12,116	11%
Human services	13,427	39,157	-	-	13,427	39,157	-66%
Culture and recreation	16,008	14,899	-	-	16,008	14,899	7%
Judicial	20,912	19,620	-	-	20,912	19,620	7%
Interest on long-term debt	1,022	1,091	-	-	1,022	1,091	-6%
*Total Program Expenses	371,038	377,935	18,825	22,480	389,863	400,415	-3%
Excess (deficiency) before transfers (net)	32,101	27,919	(1,278)	(6,091)	30,823	21,828	-41%
Transfers	(3,236)	(7,591)	3,372	7,591	136	-	N/A
Change In Net Position	28,865	20,328	2,094	1,500	30,959	21,828	-42%
Beginning net position	282,075	261,747	1,300	(200)	283,375	261,547	8%
Restatement of Prior Year	(748)	-	(69)	-	(817)	-	N/A
Beginning net position, as restated	281,327	261,747	1,231	(200)	282,558	261,547	8%
*Ending net position	\$ 310,192	\$ 282,075	\$ 3,325	\$ 1,300	\$ 313,517	\$ 283,375	11%

*Differences from financial statements due to rounding

Program Expenses and Revenues for Governmental Activities

Table 4 below presents program expenses and revenues for governmental activities. The nature of governmental activities is to be funded primarily from taxes and not to be self-supporting. As a result, overall program revenues were not sufficient to cover program expenses for governmental activities. General revenues, mainly taxes, therefore supported the net program expenses of these governmental activities. Program revenues as a percentage of program expenses increased from 23% in fiscal year 2024 to 25% in fiscal year 2025.

Table 4

Program Expenses and Revenues for Governmental Activities For the Fiscal Year Ended September 30 (in thousands)						
	Program Expenses	Less Program Revenues	Net Program Expenses (a)		Program Revenues as a Percentage Program Expenses	
	2025	2025	2025	2024	2025	2024
General government	\$ 92,708	\$ 9,228	\$ 83,480	\$ 75,339	10%	10%
Public safety	\$ 175,501	50,674	124,827	118,677	29%	30%
Physical environment	\$ 19,971	16,941	3,030	6,559	85%	68%
Transportation	\$ 18,083	398	17,685	16,683	2%	2%
Economic environment	\$ 13,406	1,084	12,322	10,629	8%	12%
Human services	\$ 13,427	1,175	12,252	39,053	9%	0%
Culture and recreation	\$ 16,008	1,525	14,483	14,162	10%	5%
Judicial	\$ 20,912	10,496	10,416	9,574	50%	51%
Interest on long-term debt	\$ 1,022	-	1,022	1,091	N/A	N/A
*Total governmental activities	<u>\$ 371,038</u>	<u>\$ 91,521</u>	<u>\$ 279,517</u>	<u>\$ 291,767</u>	<u>25%</u>	<u>23%</u>

(a) Net Program Expenses are mainly supported by taxes.

*Differences from financial statements due to rounding

Program Expenses and Revenues for Business-type Activities

Table 5 below presents program expenses and revenues for business-type activities. Revenues were not sufficient to cover program expenses in FY 2025. Program revenues as a percentage of expenses increased from 61% in 2024 to 77% in 2025. The program expenses decreased by \$4 million compared to 2024. In 2025, the estimated liability for closure/post closure cost for the Landfill decreased by \$13 million, whereas in 2024 there was an increase of \$5.5 million. This decreases, along with operating expense decreased resulted in an increase in the program revenues as a percentage of expenses.

Table 5

Program Expenses and Revenues for Business-type Activities For the Fiscal Year Ended September 30 (in thousands)					
	Program Expenses	Less Program Revenues	Net Program Expenses		Program Revenues as a Percentage Program Expenses
	2025	2025	2025	2024	2025 2024
Landfill	\$ 18,825	\$ 14,532	\$ 4,293	\$ 8,705	77% 61%

*Differences from financial statements due to rounding

Overall Analysis

Financial highlights for the County as a whole include the following:

The County's net position (excess of assets and deferred outflows over liabilities and deferred inflows) at the close of fiscal year 2025 is \$310,192,338, as compared to \$282,074,727 for fiscal year 2024, for governmental activities. The County's business-type activities net position (excess of assets and deferred outflows over liabilities and deferred inflows) at the close of fiscal year 2025 is \$3,325,449 as compared to \$1,300,011 for fiscal year 2024. (Please see the Statement of Activities discussed previously for an explanation of the differences above.) For comparison purposes, 2024 net position prior to restatements was used for this analysis.

The County's total net position increased by \$30,960,752 during fiscal year 2025, as compared to a \$21,826,483 increase in fiscal year 2024. The net position of governmental activities increased by \$28,866,089 in fiscal year 2025, as compared to an increase of \$20,326,739 in 2024. The net position of business-type activities increased by \$2,094,663 in 2025, as compared to an increase of \$1,499,744 in 2024. (Please see the Statement of Activities discussed previously for an explanation of the differences above.)

Fund Analysis

The following funds experienced significant changes during the year:

Governmental Funds

The County's governmental funds reported a combined ending fund balance of \$208,932,863 for fiscal year 2025, as compared to \$197,724,042 for fiscal year 2024 (before restatements). This increase in fund balance is due to earlier planned appropriation of expenditures primarily in the General Fund, Grants Fund, Fine and Forfeiture Fund and the Capital Improvement Fund. These appropriations allow the Board to maintain existing infrastructure over the next five years.

General Fund

Fund balance at September 30, 2025 has decreased to a total of \$39,825,962, as compared to \$41,077,002 for September 30, 2024. This \$1,251,040 decrease in fund balance in the General Fund represents an increase in general government, public safety, and debt service expenditures. These expenditures were mostly for a one-time aid for the Capital Improvement fund to aid for several projects, as well as still having to pay for natural disaster invoices. The General Fund reserves are within policy limits and allow the County to maintain the same property millage rates for 2026.

The General Fund of the Board of County Commission, as displayed on the Combining Balance Sheet, contains both Countywide General Revenue funds and the Non-Countywide General Revenue fund. The sole purpose of the Non-Countywide General Revenue funds is to capture discrete revenues and transfer those revenues to the various funds needing support (i.e. various Debt Service, Municipal Services, Growth Management, etc.) from unincorporated revenues. The Non-Countywide General Revenue funds do not contain any countywide property tax revenues.

Fine & Forfeiture Fund

Fund balance at September 30, 2025 totaled \$13,488,121, as compared to \$11,291,635, for September 30, 2024. This is an increase for the fiscal year and can be attributed to significant increases in tax revenues related to property value increases.

Grants Fund

The fund balance at September 30, 2025 totaled \$2,715,608, as compared to the September 30, 2024 balance of \$5,326,885. This was a decrease of \$2,611,277, primarily related to grant expenditure increases as expected and will continue in following years to increase as projects close.

Emergency Medical Services Fund

Fund balance at September 30, 2025 totaled \$20,318,154, as compared to \$15,524,853 for September 30, 2024. This was an increase of \$4,793,301. This increase can be attributed to increased tax revenue resulting from increased property values and an increase in the MTSU millage rate from 0.50 to 0.75.

Capital Improvement Fund

Fund balance at September 30, 2025 totaled \$39,156,913, as compared to \$37,046,179 for September 30, 2024. This was an increase of \$2,110,734. This increase can be attributed to an increase in intergovernmental revenue and transfers in during fiscal year 2025.

Enterprise Funds

The County's enterprise funds reported net position of \$2,544,780 for September 30, 2025, as compared to \$719,152 for September 30, 2024, which is an increase, before restatements, of \$1,825,628. The increase in net position is due to an increase in transfers in from other funds to cover increased closure cost liabilities.

Budget Variances in the General Fund

The County made no significant revisions and had no significant variations in its budget during the year. Refer to the budgetary comparison schedule for the General Fund in the Other Required Supplementary Information section of the ACFR.

Capital Asset and Long-term Debt Activity

Capital Asset Activity

The County reported \$342,674,139 in capital assets for governmental activities and \$8,076,139 in capital assets for business-type activities at September 30, 2025, versus \$341,331,844 for governmental and \$7,960,059 for business-type activities at September 30, 2024. Please refer to Note V in the Notes to the Financial Statements for additional information on capital assets and Note XVI in the Notes to the Financial Statements for additional information on construction commitments.

Debt Administration Activity

At September 30, 2025, the County had \$6,191,109 of outstanding bonded debt, as compared to \$10,462,967 at September 30, 2024. All of the County's debt is secured by specific general fund revenues, including sales tax, state revenue sharing, and specific other general fund revenues. The County has no general obligation bonds, which would be backed by the full faith and credit of the County. Leon County will finish paying off debt in 2036. There are no plans for financing any future infrastructure projects over the next five years. For more information on long-term debt activity, please see Note IX on Long-term Obligations in the Notes to the Financial Statements.

Economic Factors

Economic activity was mixed in 2025 within Leon County as interest rate and inflation concerns affected construction, housing, and other sectors, but were offset by relatively strong employment numbers and continued post-pandemic tourism growth.

- Leon County's unemployment rate increased to 4.3% in FY 2025, which was higher compared to the State of Florida's unemployment rate of 3.1%.
- Visitors to Leon County had an economic impact of \$1.4 billion in 2025, an increase of \$120.6 million or 8% compared to 2024.
- The Florida Price Index Level for Leon County increased from 91.05 in 2024 to 92.07 in 2025.
- The total fair value of parcels with homestead exemption in Leon County increased from \$17.59 billion in 2024 to \$18.24 billion in 2025.
- Total employment in Leon County decreased by 0.2% compared to the prior year.
- The estimated population in Leon County increased from 301,724 to 305,866 during FY 2025.
- Residential building permits issued in Leon County decreased by 7% in 2025, from 6,388 to 5,966.
- Mortgage foreclosure cases in Leon County increased by 54% in 2025 when compared to 2024.

Request for Information

This financial report is designed to provide a general overview of Leon County Government's finances for all those with an interest in our government's finances. Questions concerning any of the information provided in this report or request for additional financial information may be addressed to the Clerk of Circuit Court & Comptroller, Finance Department Leon County, 301 S. Monroe Street, Room #700, Tallahassee, Florida 32301. Requests can also be made telephonically at (850) 606-4020 or by fax at (850) 606-4171. We also suggest visiting our website at www.clerk.leon.fl.us for further financial information.

Leon County, Florida
Statement of Net Position
September 30, 2025

	Governmental Activities	Business-type Activities - Landfill Fund	Total	Component Unit - Housing Finance Authority
Assets				
Current assets:				
Cash	\$ 46,274,061	\$ 650	\$ 46,274,711	\$ 2,512,545
Investments	175,002,143	-	175,002,143	-
Accounts receivable	11,893,278	1,558,856	13,452,134	36,071
Lease receivables	1,656,047	-	1,656,047	-
Receivables from other governments	20,233,402	-	20,233,402	2,110
Special assessments receivable	762,353	-	762,353	-
Inventories	1,487,779	1,876	1,489,655	-
Prepays	1,274,089	-	1,274,089	-
Total current assets	258,583,152	1,561,382	260,144,534	2,550,726
Noncurrent assets:				
Restricted assets:				
Investments	-	20,851,845	20,851,845	-
Lease receivables	4,239,544	-	4,239,544	-
Mortgage loans, net of allowance	-	-	-	278,092
Capital assets:				
Land and construction in progress, nondepreciable	88,996,031	1,809,844	90,805,875	-
Capital assets (net)	253,678,107	6,266,295	259,944,402	-
Total noncurrent assets	346,913,682	28,927,984	375,841,666	278,092
Total assets	605,496,834	30,489,366	635,986,200	2,828,818
Deferred outflows of resources:				
Deferred outflows of resources	59,549,845	-	59,549,845	-
Total deferred outflows of resources	59,549,845	-	59,549,845	-
Total assets and deferred outflows of resources	\$ 665,046,679	\$ 30,489,366	\$ 695,536,045	\$ 2,828,818

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

	Governmental Activities	Business-type Activities - Landfill Fund	Total	Component Unit - Housing Finance Authority
Liabilities				
Current liabilities:				
Accounts payable and accrued liabilities	\$ 22,693,737	\$ 2,785,165	\$ 25,478,902	\$ 880
Payable to other governments	8,968,102	9,442	8,977,544	-
Internal balances	(1,858,872)	1,858,872	-	-
Estimated liability for landfill closure	-	14,045,374	14,045,374	-
Accrued compensated absences	7,310,839	111,469	7,422,308	-
Unearned revenues	6,121,003	13,122	6,134,125	-
Bonds payable	901,109	-	901,109	-
Notes payable	1,045,000	-	1,045,000	-
Other post employment benefits obligations	4,027,684	-	4,027,684	-
Claims payable	4,695,941	-	4,695,941	-
Good faith deposits	-	-	-	-
Lease liability	2,465,782	-	2,465,782	-
Subscription liability	3,140,187	-	3,140,187	-
Total current liabilities	59,510,512	18,823,444	78,333,956	880
Noncurrent liabilities:				
Deposits	269,214	-	269,214	-
Estimated liability for landfill closure and postclosure care costs	-	7,897,467	7,897,467	-
Arbitrage rebate liability	25,000	-	25,000	-
Accrued compensated absences	18,901,785	211,776	19,113,561	-
Other postemployment benefits obligation	26,942,817	231,230	27,174,047	-
Net pension liability	157,022,079	-	157,022,079	-
Bonds payable	5,290,000	-	5,290,000	-
Notes payable	11,510,000	-	11,510,000	-
Lease liability	8,567,954	-	8,567,954	-
Subscription liability	3,651,836	-	3,651,836	-
Total noncurrent liabilities	232,180,685	8,340,473	240,521,158	-
Total liabilities	291,691,197	27,163,917	318,855,114	880
Deferred inflows of resources:				
Deferred inflows of resources	63,163,144	-	63,163,144	-
Total deferred inflows of resources	63,163,144	-	63,163,144	-
Net position				
Net investment in capital assets	302,301,659	8,076,140	310,377,799	-
Restricted for:				
Federal and state grants and other purpose	5,071,626	-	5,071,626	-
Major non-transportation related capital projects and facilities	79,122,400	-	79,122,400	-
Public improvement revenue bond projects	17,905,719	-	17,905,719	-
Enabling legislation	14,744,384	-	14,744,384	-
User restricted	1,074,476	-	1,074,476	-
Unrestricted	(110,027,926)	(4,750,691)	(114,778,617)	2,827,938
Total net position	310,192,338	3,325,449	313,517,787	2,827,938
Total liabilities and net position	\$ 665,046,679	\$ 30,489,366	\$ 695,536,045	\$ 2,828,818

Leon County, Florida

Statement of Activities

September 30, 2025

	Program Revenues			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Function/Programs	Expenses			
Primary Government				
Governmental activities:				
General government	\$ 92,708,179	\$ 8,527,977	\$ 700,962	\$ -
Public safety	175,501,449	38,457,525	12,215,925	-
Physical environment	19,970,954	1,008,386	15,932,746	-
Transportation	18,082,522	397,460	-	-
Economic environment	13,406,121	1,058,871	25,700	-
Human services	13,426,994	-	1,175,000	-
Culture and recreation	16,007,909	289,501	1,234,895	-
Judicial	20,911,983	7,287,311	3,208,933	-
Interest on long-term debt	1,021,664	-	-	-
Total governmental activities	371,037,775	57,027,031	34,494,161	-
Business-type activities:				
Landfill	18,825,100	14,532,547	-	-
Total business-type activities	18,825,100	14,532,547	-	-
Total primary government	\$ 389,862,875	\$ 71,559,578	\$ 34,494,161	\$ -
Component Unit:				
Economic environment	176,514	203,041	-	-
Total component unit	\$ 176,514	\$ 203,041	\$ -	\$ -

General Revenues:

Property taxes
 Local option taxes
 Communication services taxes
 Motor fuel taxes
 Utility services taxes
 Other taxes
 State shared revenues
 Net increase (decrease) in fair value of investments
 Miscellaneous revenues
 Transfers and contributions
 Total general revenues and transfers
 Change in net position
 Net position - beginning
 Restatements
 Net position - beginning, as restated
 Net position - ending

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

Net (Expenses) Revenues and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Housing Finance Authority
\$ (83,479,240)	\$ -	\$ (83,479,240)	\$ -
(124,827,999)	-	(124,827,999)	-
(3,029,822)	-	(3,029,822)	-
(17,685,062)	-	(17,685,062)	-
(12,321,550)	-	(12,321,550)	-
(12,251,994)	-	(12,251,994)	-
(14,483,513)	-	(14,483,513)	-
(10,415,739)	-	(10,415,739)	-
(1,021,664)	-	(1,021,664)	-
(279,516,583)	-	(279,516,583)	-
-	(4,292,553)	(4,292,553)	-
-	(4,292,553)	(4,292,553)	-
\$ (279,516,583)	\$ (4,292,553)	\$ (283,809,136)	\$ -
-	-	-	26,527
\$ -	\$ -	\$ -	\$ 26,527
\$ 225,711,865	\$ -	\$ 225,711,865	\$ -
39,598,391	-	39,598,391	-
2,496,256	-	2,496,256	-
1,431,213	-	1,431,213	-
11,185,780	-	11,185,780	-
-	1,953,840	1,953,840	-
13,662,418	-	13,662,418	-
11,747,903	1,005,200	12,753,103	103,862
5,784,805	56,449	5,841,254	121,310
(3,235,959)	3,371,727	135,768	-
308,382,672	6,387,216	314,769,888	225,172
28,866,089	2,094,663	30,960,752	251,699
282,074,727	1,300,011	283,374,738	2,576,239
(748,478)	(69,225)	(817,703)	-
281,326,249	1,230,786	282,557,035	2,576,239
\$ 310,192,338	\$ 3,325,449	\$ 313,517,787	\$ 2,827,938

Leon County, Florida

Balance Sheet - Governmental Funds

September 30, 2025

	General Fund	Fine and Forfeiture Fund	Grants Fund	Emergency Medical Services Fund
Assets				
Cash	\$ 37,710,739	\$ 61,700	\$ 696,449	\$ -
Investments	8,536,934	11,843,964	2,929,368	15,141,089
Receivables:				
Accounts	208,066	41,584	-	8,113,330
Lease receivables	1,003,734	-	-	-
Due from other governments	3,532,412	-	9,373,503	-
Special assessments	-	-	-	-
Due from other funds	8,508,114	2,645,507	418,406	1,073
Inventories	1,439,122	-	-	-
Prepays	777,170	-	23,744	21,716
Total assets	<u>\$ 61,716,291</u>	<u>\$ 14,592,755</u>	<u>\$ 13,441,470</u>	<u>\$ 23,277,208</u>
Liabilities, deferred inflows of resources, and fund balances				
Liabilities:				
Accounts payable	\$ 5,602,786	\$ 7,110	\$ 2,428,105	\$ 371,814
Accrued liabilities	7,227,782	-	7,086	525,003
Due to other governments	2,421,063	10,583	-	2,062,237
Due to other funds	5,641,419	915,412	3,321,027	-
Deposits	47,967	171,529	-	-
Unearned revenues	-	-	4,969,644	-
Total liabilities	<u>20,941,017</u>	<u>1,104,634</u>	<u>10,725,862</u>	<u>2,959,054</u>
Deferred inflows of resources:				
Deferred inflow of resources	949,312	-	-	-
Total deferred inflows	<u>949,312</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Nonspendable	2,216,292	-	23,744	21,716
Restricted	-	225,998	2,261,372	-
Committed	5,973,895	2,023,218	696,449	20,296,438
Assigned	6,663,512	11,238,905	-	-
Unassigned	24,972,263	-	(265,957)	-
Total fund balances	<u>39,825,962</u>	<u>13,488,121</u>	<u>2,715,608</u>	<u>20,318,154</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 61,716,291</u>	<u>\$ 14,592,755</u>	<u>\$ 13,441,470</u>	<u>\$ 23,277,208</u>

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

Capital Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 6,260,280	\$ 44,729,168
40,847,236	86,507,982	165,806,573
142,155	1,821,695	10,326,830
-	4,891,857	5,895,591
-	7,308,315	20,214,230
-	762,353	762,353
-	1,728,087	13,301,187
-	711	1,439,833
101,626	323,697	1,247,953
<u>\$ 41,091,017</u>	<u>\$ 109,604,977</u>	<u>\$ 263,723,718</u>

\$ 1,534,104	\$ 3,974,427	\$ 13,918,346
-	470,501	\$ 8,230,372
-	4,456,306	\$ 8,950,189
400,000	695,814	\$ 10,973,672
-	49,718	\$ 269,214
-	1,151,359	\$ 6,121,003
<u>1,934,104</u>	<u>10,798,125</u>	<u>48,462,796</u>

<u>-</u>	<u>5,378,747</u>	<u>6,328,059</u>
<u>-</u>	<u>5,378,747</u>	<u>6,328,059</u>

101,626	324,408	2,687,786
39,055,287	76,375,948	117,918,605
-	13,594,023	42,584,023
-	3,214,875	21,117,292
-	(81,149)	24,625,157
<u>39,156,913</u>	<u>93,428,105</u>	<u>208,932,863</u>
<u>\$ 41,091,017</u>	<u>\$ 109,604,977</u>	<u>\$ 263,723,718</u>

Leon County, Florida

Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position

September 30, 2025

Total fund balances of governmental funds \$ 208,932,863

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources, and therefore are not reported as assets in governmental funds.

Governmental capital assets	888,744,568	
Less accumulated depreciation/amortization	<u>(546,070,430)</u>	342,674,138

Long-term liabilities and deferred outflows/inflows of resources including bonds payable are not due or payable in the current period and, therefore, are not reported in the governmental funds.

Bonds and notes payable	(18,746,109)	
Unamortized premium on bonds payable	-	
Lease liability	(11,033,736)	
Subscription liability	(6,792,023)	
OPEB related deferred inflows	(23,165,687)	
OPEB related deferred outflows	14,672,475	
Pension related deferred outflows	44,877,370	
Pension related deferred inflows	(33,669,398)	
Net pension liability	(157,022,079)	
Compensated absences, net of internal service amount	(25,727,672)	
Other postemployment benefits, net of internal service amount	(30,873,672)	
Arbitrage rebate liability	<u>(25,000)</u>	(247,505,531)

Internal service funds are used by management to charge the costs of gasoline, vehicle repair, risk management, and telephone services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.

	6,090,868	
Total net position of governmental activities	<u>\$ 310,192,338</u>	

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

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Leon County, Florida

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

Year ended September 30, 2025

	General Fund	Fine and Forfeiture Fund	Grants Fund	Emergency Medical Services Fund
Revenues				
Taxes	\$ 99,709,332	\$ 122,121,951	\$ -	\$ 18,366,728
Licenses and permits	-	-	-	-
Intergovernmental	13,325,792	19,328	21,113,819	-
Charges for services	8,168,101	567,050	175,334	22,463,470
Fines and forfeitures	-	60,545	-	-
Interest	2,903,886	1,436,287	242,293	803,778
Net increase (decrease) in fair value of investments	38,221	29,003	-	34,288
Miscellaneous	957,329	-	541,892	545,041
Total revenues	<u>125,102,661</u>	<u>124,234,164</u>	<u>22,073,338</u>	<u>42,213,305</u>
Expenditures				
Current:				
General government	50,495,772	-	-	-
Public safety	110,067,191	3,952,136	1,593,490	34,545,690
Physical environment	2,406,293	-	855,929	-
Transportation	90	-	192,094	-
Economic environment	4,018,759	-	1,263,514	-
Human services	10,838,323	-	68,806	-
Culture and recreation	6,501,131	-	540,686	-
Judicial	11,250,820	2,552,288	4,089	-
Debt service:				
Principal retirement	5,566,894	-	-	-
Interest and fiscal charges	596,750	-	-	-
Capital outlay	7,900,667	-	18,570,606	2,500,859
Total expenditures	<u>209,642,690</u>	<u>6,504,424</u>	<u>23,089,214</u>	<u>37,046,549</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(84,540,029)</u>	<u>117,729,740</u>	<u>(1,015,876)</u>	<u>5,166,756</u>
Other financing sources (uses)				
Transfers in	121,354,548	2,584,247	460,324	-
Lease financing	3,512,290	-	-	-
Subscription financing	-	-	-	-
Transfers out	(41,577,849)	(118,117,501)	(2,055,725)	(373,455)
Total other financing sources (uses)	<u>83,288,989</u>	<u>(115,533,254)</u>	<u>(1,595,401)</u>	<u>(373,455)</u>
Net change in fund balances	(1,251,040)	2,196,486	(2,611,277)	4,793,301
Fund balances, October 1	41,077,002	11,291,635	5,326,885	15,524,853
Restatements	-	-	-	-
Fund balances, October 1, as restated	<u>41,077,002</u>	<u>11,291,635</u>	<u>5,326,885</u>	<u>15,524,853</u>
Fund balances, September 30	<u>\$ 39,825,962</u>	<u>\$ 13,488,121</u>	<u>\$ 2,715,608</u>	<u>\$ 20,318,154</u>

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

Capital Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 40,225,494	\$ 280,423,505
-	2,982,926	2,982,926
100,000	13,422,395	47,981,334
-	22,311,143	53,685,098
-	298,462	359,007
1,510,487	4,404,825	11,301,556
108,511	223,301	433,324
-	3,915,819	5,960,081
1,718,998	87,784,365	403,126,831
4,015,302	1,257,898	55,768,972
1,369	23,705,582	173,865,458
624,955	9,715,786	13,602,963
-	15,475,262	15,667,446
-	8,445,528	13,727,801
-	3,500,973	14,408,102
237,444	8,778,488	16,057,749
471,756	7,280,742	21,559,695
581,710	5,351,715	11,500,319
53,644	418,662	1,069,056
14,903,831	13,106,857	56,982,820
20,890,011	97,037,493	394,210,381
(19,171,013)	(9,253,128)	8,916,450
20,087,705	31,730,819	176,217,643
1,194,042	-	4,706,332
-	-	-
-	(16,450,669)	(178,575,199)
21,281,747	15,280,150	2,348,776
2,110,734	6,027,022	11,265,226
37,046,179	87,457,488	197,724,042
-	(56,405)	(56,405)
37,046,179	87,401,083	197,667,637
\$ 39,156,913	\$ 93,428,105	\$ 208,932,863

Leon County, Florida

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of
Governmental Funds to the to the Statement of Activities

Year ended September 30, 2025

Net change in fund balances - total governmental funds	\$	11,265,226
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Expenditures for capital assets/leases	33,921,577	
Less current year depreciation and amortization	<u>(33,833,341)</u>	88,236
Repayment of leases/subscription liabilities/bond/loan principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		11,353,923
Lease financings and debt issuances provide current financial resources to governmental funds, but increase long-term liabilities in the Statement of Net Position.		(4,551,854)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Amortization of current year bond discount/premium	47,392	
Impairment of capital assets	1,352,362	
Change in other postemployment benefits	(1,992,343)	
Change in compensated absences	(3,151,646)	
Change in net pension liability	<u>13,856,309</u>	10,112,074
Internal service funds are used by management to charge the costs of gasoline, vehicle repair, risk management, and telephone services to individual funds.		<u>598,484</u>
Change in net position of governmental activities	<u>\$</u>	<u>28,866,089</u>

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

Leon County, Florida

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

Year ended September 30, 2025

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 98,521,948	\$ 98,906,783	\$ 99,709,332	\$ 802,549
Intergovernmental	12,185,049	12,185,049	13,325,792	1,140,743
Charges for services	7,515,519	7,639,359	8,168,101	528,742
Interest	2,125,495	2,556,841	2,903,886	347,045
Net increase (decrease) in fair value of investments	-	-	38,221	38,221
Miscellaneous	246,300	583,681	957,329	373,648
Total revenues	120,594,311	121,871,713	125,102,661	3,230,948
Expenditures				
Current:				
General government	59,524,053	64,874,395	50,495,772	14,378,623
Public safety	112,470,874	111,457,963	110,067,191	1,390,772
Physical environment	2,892,663	2,892,663	2,406,293	486,370
Transportation	-	-	90	(90)
Economic environment	3,765,830	4,103,069	4,018,759	84,310
Human services	10,822,936	11,120,013	10,838,323	281,690
Culture and recreation	6,780,575	6,646,574	6,501,131	145,443
Judicial	5,960,009	7,150,195	11,250,820	(4,100,625)
Debt service:				
Principal retirement	-	1,464,991	5,566,894	(4,101,903)
Interest and fiscal charges	-	244,028	596,750	(352,722)
Capital outlay	2,693,894	5,920,445	7,900,667	(1,980,222)
Total expenditures	204,910,834	215,874,336	209,642,690	6,231,646
Excess (deficiency) of revenues over (under) expenditures	(84,316,523)	(94,002,623)	(84,540,029)	9,462,594
Other financing sources (uses)				
Transfers in	146,872,742	150,746,559	121,354,548	(29,392,011)
Lease financing	-	-	3,512,290	3,512,290
Transfers out	(63,087,380)	(67,763,216)	(41,577,849)	26,185,367
Total other financing sources (uses)	83,785,362	82,983,343	83,288,989	305,646
Net change in fund balances	(531,161)	(11,019,280)	(1,251,040)	9,768,240
Fund balances at October 1	41,077,002	41,077,002	41,077,002	-
Fund balances at September 30	\$ 40,545,841	\$ 30,057,722	\$ 39,825,962	\$ 9,768,240

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

Leon County, Florida

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

Year ended September 30, 2025

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 120,258,813	\$ 121,174,225	\$ 122,121,951	\$ 947,726
Intergovernmental	13,347	13,347	19,328	5,981
Charges for services	546,269	546,269	567,050	20,781
Fines and forfeitures	79,976	79,976	60,545	(19,431)
Interest	797,451	797,451	1,436,287	638,836
Net increase (decrease) in fair value of investments	-	-	29,003	29,003
Total revenues	121,695,856	122,611,268	124,234,164	1,622,896
Expenditures				
Current:				
Public safety	4,020,075	4,240,075	3,952,136	287,939
Judicial	2,864,905	2,844,905	2,552,288	292,617
Total expenditures	6,884,980	7,084,980	6,504,424	580,556
Excess (deficiency) of revenues over (under) expenditures	114,810,876	115,526,288	117,729,740	2,203,452
Other financing sources (uses)				
Transfers in	-	-	2,584,247	2,584,247
Transfers out	(114,810,876)	(118,117,501)	(118,117,501)	-
Total other financing sources (uses)	(114,810,876)	(118,117,501)	(115,533,254)	2,584,247
Net change in fund balances	-	(2,591,213)	2,196,486	4,787,699
Fund balances at October 1	11,291,635	11,291,635	11,291,635	-
Fund balances at September 30	\$ 11,291,635	\$ 8,700,422	\$ 13,488,121	\$ 4,787,699

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

Leon County, Florida

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

Year ended September 30, 2025

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 565,085	\$ 37,482,116	\$ 21,113,819	\$ (16,368,297)
Charges for services	79,610	312,939	175,334	(137,605)
Interest	-	519,295	242,293	(277,002)
Miscellaneous	-	1,013,839	541,892	(471,947)
Total revenues	644,695	39,328,189	22,073,338	(17,254,851)
Expenditures				
Current:				
Public safety	791,530	4,480,627	1,593,490	2,887,137
Physical environment	-	2,058,878	855,929	1,202,949
Transportation	-	527,729	192,094	335,635
Economic environment	75,000	2,299,505	1,263,514	1,035,991
Human services	38,026	122,862	68,806	54,056
Culture and recreation	5,500	825,959	540,686	285,273
Judicial	94,088	176,360	4,089	172,271
Capital outlay	69,500	39,273,307	18,570,606	20,702,701
Total expenditures	1,073,644	49,765,227	23,089,214	26,676,013
Excess (deficiency) of revenues over (under) expenditures	(428,949)	(10,437,038)	(1,015,876)	9,421,162
Other financing sources (uses)				
Transfers in	428,949	460,324	460,324	-
Transfers out	(1,955,725)	(2,055,725)	(2,055,725)	-
Total other financing sources (uses)	(1,526,776)	(1,595,401)	(1,595,401)	-
Net change in fund balances	(1,955,725)	(12,032,439)	(2,611,277)	9,421,162
Fund balances at October 1	5,326,885	5,326,885	5,326,885	-
Fund balances at September 30	\$ 3,371,160	\$ (6,705,554)	\$ 2,715,608	\$ 9,421,162

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

Leon County, Florida

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

Year ended September 30, 2025

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 18,074,780	\$ 18,077,489	\$ 18,366,728	\$ 289,239
Charges for services	19,206,959	21,172,718	22,463,470	1,290,752
Interest	512,843	512,843	803,778	290,935
Net increase (decrease) in fair value of investments	-	-	34,288	34,288
Miscellaneous	79,588	79,588	545,041	465,453
Total revenues	<u>37,874,170</u>	<u>39,842,638</u>	<u>42,213,305</u>	<u>2,370,667</u>
Expenditures				
Current:				
Public safety	33,255,341	35,477,596	34,545,690	931,906
Capital outlay	4,490,209	7,581,697	2,500,859	5,080,838
Total expenditures	<u>37,745,550</u>	<u>43,059,293</u>	<u>37,046,549</u>	<u>6,012,744</u>
Excess (deficiency) of revenues over (under) expenditures	<u>128,620</u>	<u>(3,216,655)</u>	<u>5,166,756</u>	<u>8,383,411</u>
Other financing sources (uses)				
Transfers out	(364,400)	(398,484)	(373,455)	25,029
Total other financing sources (uses)	<u>(364,400)</u>	<u>(398,484)</u>	<u>(373,455)</u>	<u>25,029</u>
Net change in fund balances	(235,780)	(3,615,139)	4,793,301	8,408,440
Fund balances at October 1	15,524,853	15,524,853	15,524,853	-
Fund balances at September 30	<u>\$ 15,289,073</u>	<u>\$ 11,909,714</u>	<u>\$ 20,318,154</u>	<u>\$ 8,408,440</u>

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

Leon County, Florida

Statement of Net Position - Proprietary Funds

September 30, 2025

	Business-type Activities - Landfill Fund	Business-type Activities - Internal Service Funds
Assets		
Current assets:		
Cash	\$ 650	\$ 1,244,893
Cash with fiscal agent	-	300,000
Investments	-	9,195,570
Accounts receivable	1,558,856	1,566,448
Due from other funds	370	58,378
Due from other governments	-	19,172
Inventories	1,876	47,946
Prepays	-	26,136
Total current assets	<u>1,561,752</u>	<u>12,458,543</u>
Noncurrent assets:		
Restricted investments	20,851,845	-
Capital assets:		
Nondepreciable capital assets	1,809,844	-
Depreciable capital assets, net	<u>6,012,647</u>	<u>302,802</u>
Total noncurrent assets	<u>28,674,336</u>	<u>302,802</u>
Total assets	<u><u>\$ 30,236,088</u></u>	<u><u>\$ 12,761,345</u></u>
Liabilities		
Current liabilities:		
Accounts payable	\$ 2,756,257	\$ 534,330
Accrued liabilities	28,908	10,689
Due to other governments	9,442	17,913
Due to other funds	2,386,263	-
Compensated absences	111,469	263,880
Claims payable	-	4,695,941
Deferred revenue	13,122	-
Liability for closure costs	<u>14,045,374</u>	<u>-</u>
Total current liabilities	<u>19,350,835</u>	<u>5,522,753</u>
Noncurrent liabilities:		
Liability for closure costs	7,897,467	-
Liability for compensation absences	211,776	221,072
Other post employment benefits	<u>231,230</u>	<u>96,829</u>
Total noncurrent liabilities	<u>8,340,473</u>	<u>317,901</u>
Total liabilities	<u>27,691,308</u>	<u>5,840,654</u>
Net position		
Net investment in capital assets	7,822,491	302,802
Unrestricted	<u>(5,277,711)</u>	<u>6,617,889</u>
Total net position	<u>2,544,780</u>	<u>6,920,691</u>
Total liabilities and net position	<u><u>\$ 30,236,088</u></u>	<u><u>\$ 12,761,345</u></u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	<u>780,669</u>	
Net position of business-type activities	<u><u>3,325,449</u></u>	

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

Leon County, Florida

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

Year ended September 30, 2025

	Business-type Activities - Landfill Fund	Business-type Activities - Internal Service Funds
Operating revenues		
Charges for services	\$ 14,492,264	\$ 12,365,581
Insurance proceeds	-	717,082
Total operating revenues	<u>14,492,264</u>	<u>13,082,663</u>
Operating expenses		
Personnel services	2,291,993	907,547
Contractual services	13,691,582	187,947
Supplies	410,594	2,041,565
Communications services	34,190	741,213
Insurance	72,432	4,773,122
Utility services	97,091	3,038,344
Depreciation	521,662	117,711
Other services and charges	1,865,083	-
Total operating expenses	<u>18,984,627</u>	<u>11,807,449</u>
Operating (loss) income	<u>(4,492,363)</u>	<u>1,275,214</u>
Nonoperating revenues		
Taxes	1,953,840	-
Interest	1,005,168	401,483
Net increase (decrease) in fair value of investments	32	-
Miscellaneous	56,449	-
Total nonoperating revenues	<u>3,015,489</u>	<u>401,483</u>
Income (loss) before transfers	(1,476,874)	1,676,697
Transfers in	3,454,042	234,620
Transfers out	(82,315)	(1,113,023)
Change in net position	<u>1,894,853</u>	<u>798,294</u>
Net position, October 1	719,152	6,122,110
Restatements	(69,225)	287
Net position at beginning of year, as restated	<u>649,927</u>	<u>6,122,397</u>
Net position, September 30	<u>\$ 2,544,780</u>	<u>\$ 6,920,691</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	<u>199,810</u>	
Change in net position of business-type activities	<u>2,094,663</u>	
<i>The accompanying notes are an integral part of these financial statements.</i>		

Leon County, Florida

Statement of Cash Flows - Proprietary Funds

Year ended September 30, 2025

	Business-type Activities - Landfill Fund	Business-type Activities - Internal Service Funds
Cash flows from operating activities		
Receipts from customers fees and other income	\$ 14,560,312	\$ -
Payments to suppliers	(21,610,395)	(9,221,818)
Payments to employees	(2,245,542)	(917,363)
Internal activity - payments to other funds	-	(2,319)
Internal activity - cash received from other funds	2,313,831	12,411,409
Claims paid	-	(1,662,321)
Net cash provided by (used in) operating activities	<u>(6,981,794)</u>	<u>607,588</u>
Cash flows from noncapital financing activities		
Tax proceeds	1,953,840	-
Receipts (payments) on interfund loans	365,917	-
Transfers received from other funds	3,454,042	238,279
Transfers to other funds	(81,946)	(1,113,023)
Net cash provided by (used in) noncapital financing activities	<u>5,691,853</u>	<u>(874,744)</u>
Cash flows from capital and related financing activities		
Acquisition and/or construction of capital assets	(421,766)	(323,899)
Net cash provided by (used in) capital and related financing activities	<u>(421,766)</u>	<u>(323,899)</u>
Cash flows from investing activities		
Net (purchases) proceeds from sales and maturities of investments	706,757	1,209,139
Interest and dividends received	1,005,168	396,308
Increase (decrease) in fair value of investments	32	-
Net cash provided by (used in) investing activities	<u>1,711,957</u>	<u>1,605,447</u>
Net cash increase (decrease) in cash	250	1,014,392
Cash at beginning of year	400	530,501
Cash at end of year	<u>\$ 650</u>	<u>\$ 1,544,893</u>

(continued)

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

Leon County, Florida

Statement of Cash Flows - Proprietary Funds (continued)

Year ended September 30, 2025

	Business-type Activities - Landfill Fund	Business-type Activities - Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities		
Operating income (loss)	\$ (4,492,363)	\$ 1,275,214
Adjustments to reconcile operating income (loss) to net cash provided by (used) in operating activities:		
Other income	-	2,681
Depreciation expense	521,662	117,711
Changes in assets and liabilities:		
Accounts receivable	57,637	(989,118)
Prepays	-	76,610
Inventories	(143)	47,025
Due from other funds	-	-
Due from other governments	-	317,864
Accounts payable	111,789	(55,289)
Due to other funds	2,386,263	(2,319)
Accrued liabilities	46,453	(10,648)
Claims payable	-	(172,143)
Revenue received in advance	10,411	-
Liability for closure costs	(5,623,503)	-
Net cash provided by (used in) operating activities:	<u>\$ (6,981,794)</u>	<u>\$ 607,588</u>

Leon County, Florida

Statement of Fiduciary Net Position
Custodial Funds

September 30, 2025

	Total Custodial Funds
Assets	
Cash	\$ 8,797,083
Investments	2,557,468
Accounts receivable	502,548
Total assets	<u>\$ 11,857,099</u>
Liabilities	
Accounts payable	\$ 532,142
Due to other governments	1,824,029
Installment tax deposits	2,692,453
Total liabilities	<u>5,048,624</u>
Net position	
Restricted for:	
Individuals, organizations, and other governments	<u>6,808,475</u>
Total net position	<u>6,808,475</u>
Total liabilities and net position	<u>\$ 11,857,099</u>

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

Leon County, Florida

Statement of Changes in Fiduciary Net Position
Custodial Funds

Year ended September 30, 2025

	Total Custodial Funds
Additions	
Property taxes and fees collected	\$ 462,961,511
Fees and other amounts collected on behalf of other governments	855,833
Tourist development taxes collected	9,628,996
License, registrations, and vessel fees collected	20,896,968
Receipt of registry for court from citizens	12,646,989
Sales taxes collected	6,067,923
Bonds, deposits, and other court related collections	5,705,874
Other taxes and fees collected	37,531
Interest earnings	1,327,112
Inmate funds collected	651,830
Contracts and other miscellaneous collected	291,743
Evidence monies collected	138,182
Fines and forfeitures fees collected	564,434
Total additions	<u>521,774,926</u>
Deductions	
Property taxes and fees distributed	462,961,511
Fees and other amounts distributed to other governments	849,652
Tourist development taxes distributed	9,628,996
License, registrations, and vessel fees distributed	20,896,968
Disbursement of registry for court from citizens	12,850,984
Sales taxes distributed	6,067,923
Bonds, deposits, and other court related distributions	5,150,044
Other taxes and fees distributed	37,531
Interest earnings	1,191,344
Inmate funds disbursed	662,783
Contracts and other miscellaneous disbursed	293,958
Evidence monies disbursed	158,291
Fines and forfeitures and fees disbursed	564,434
Transfers out	135,768
Total deductions	<u>521,450,187</u>
Net increase (decrease) in fiduciary net position	<u>324,739</u>
Net position at beginning of year	6,483,736
Net position at end of year	<u><u>\$ 6,808,475</u></u>

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

LEON COUNTY, FLORIDA
NOTES TO FINANCIAL
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Leon County, Florida
Notes to Financial Statements

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

The accompanying financial statements present the combined financial position and results of operations of the entity as a whole, by major fund and nonmajor fund in the aggregate, that are governed by the Board and the Constitutional Officers of Leon County, Florida.

The Board of County Commissioners funds a portion, or in some cases all, of the operating budgets of the County's Constitutional Officers. The payments by the Board of County Commissioners to fund the operating budgets of the Constitutional Officers are recorded as expenditures on the financial statements of the Board and as appropriations or charges for services on the financial statements of the Constitutional Officers. Accordingly, such amounts and the budgets relating to those amounts, have been eliminated in the accompanying combined financial statements.

Component Unit

The component units discussed below have been reviewed to determine whether they should be included in the County's reporting entity. They would be included in the County's reporting entity either because of the significance of the operational relationship or if the County is financially accountable for the component unit. The County is financially accountable for an organization when the County appoints a voting majority of the organization's governing body and is able to impose its will on the organization. The County is also financially accountable when there is potential for the organization to provide a financial benefit or impose a financial burden on the County, or if the organization is fiscally dependent on the County.

Specific criteria used to determine financial accountability are:

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

Leon County, Florida
Notes to Financial Statements

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. Reporting Entity (continued)

Component Unit (continued)

Financial statements of component units are included in the financial reporting entity either as a blended component unit or as a discretely presented component unit in accordance with governmental accounting standards. As of September 30, 2025, the only component unit of the County is the Housing Finance Authority of Leon County (the Authority) which is discretely presented in a separate column on the County's financial statements.

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

The Authority's governing board is appointed by the Board of County Commissioners; the budget is reviewed by the County; all bonds issued and contracts entered into must be approved by the County; the County may, at its sole discretion, and at any time, alter or change the structure, organization, programs, or activities of the Authority, including the power to terminate the Authority. This component unit is reported in a separate column to emphasize that it is legally separate from the County. Separate financial information for the Authority is available at 615 Paul Russell Road, Tallahassee, Florida 32301.

Excluded from the Reporting Entity

The Leon County Health Facilities Authority, Leon County Research and Development Authority, Leon County Education Facilities Authority, and Leon County Energy Improvement District have been established under Florida Statutes, Chapter 159, Part V, Chapter 154, Part III, Chapter 243 and Chapter 189, Part II respectively. Operations of the above authorities are not included in this report because they do not meet the criteria for inclusion in the reporting entity as set forth in GASB Statement No. 39 and No. 61.

Other public entities located within Leon County and not included in the financial statements of the County include municipalities and the following independent taxing districts authorized and established by the laws of Florida:

Children's Service Council of Leon County

Leon County School Board District

Fallschase Special Taxing District

Northwest Florida Water Management District

Tallahassee-Leon County Civic Center Authority

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

Leon County, Florida
Notes to Financial Statements

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. Reporting Entity (continued)

Consolidated Dispatch Agency

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

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

Capital Region Transportation Planning Agency

In December 2004, the Capital Region Transportation Planning Agency (CRTPA) was created through an inter-local agreement between the Florida Department of Transportation; the Counties of Leon, Gadsden, Jefferson and Wakulla; the Cities of Tallahassee, Chattahoochee, Gretna, Midway, Monticello, Quincy, St. Marks, Sopchoppy, Greensboro and Havana; and the Leon County School Board as authorized by Section 163.01 Florida Statutes. It was established in order for the members to participate cooperatively in the development of transportation related plans and programs.

The governing board consists of voting representatives from the Counties of Leon, Gadsden, Jefferson, and Wakulla; the Cities of Tallahassee, Gretna, Midway, Quincy, Greensboro and Havana; and the Leon County School Board. The Gadsden County representative also represents the City of Chattahoochee; the Jefferson County representative also represents the City of Monticello; and the Wakulla representative also represents the Cities of St. Marks and Sopchoppy. There is one nonvoting representative from the Florida Department of Transportation.

The CRTPA receives federal and state transportation funds for the performance of its transportation planning and programming activities. If operating expenses exceed the external funding obtained, the deficit is funded by the members of the CRTPA in proportion to their weighted votes. As a participating member of CRTPA, Leon County has a limited share of financial responsibility for any such deficits. Current audited financial statements may be obtained from the Capital Region Transportation Planning Agency, 300 S. Adams Street, Box A-19, Tallahassee, Florida 32301.

Blueprint Intergovernmental Agency

In October 2000, Leon County entered into an interlocal agreement with the City of Tallahassee as authorized by Section 163.01(7) Florida Statutes. This agreement created the Blueprint 2000 Intergovernmental Agency, now known as the Blueprint Intergovernmental Agency (Blueprint) to govern the project management for the project planning and construction of a list of projects known as the Blueprint projects. The Board of County Commissioners and the City Commission constitute Blueprint's Board of Directors and jointly govern the organization. The revenues to fund the projects under this agreement are the collections of the local government infrastructure sales surtax, which began December 1, 2004. This tax was extended pursuant to the provisions in Section 212.055, Florida Statutes, until December 31, 2039.

The County and Blueprint have entered into a Joint Partnership Agreement whereby the County receives an annual allocation of \$3,875,000 from Blueprint for the performance of various infrastructure initiatives. Current audited financial statements may be obtained from Blueprint, 315 S. Calhoun Street, Suite 450, Tallahassee, Florida 32301.

Leon County, Florida
Notes to Financial Statements

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Measurement Focus and Basis of Accounting

The basic financial statements of the County are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the financial statements
- Required Supplementary Information

Government-wide Financial Statements

The government-wide financial statements (the Statement of Net Position and Statement of Activities) provide financial information about the Leon County government as a whole, except for its fiduciary activities. These statements include separate columns for the governmental and business-type activities of the primary government, as well as its discretely presented component unit, and provide for a consolidated financial picture of the government. The Statement of Net Position reports all financial and capital resources of Leon County's governmental and business-type activities. The Statement of Activities reports functional categories of programs provided by the County and demonstrates how and to what degree those programs are supported by specific revenue. As part of the consolidation process, the effect of interfund activity has been removed from these statements to avoid distorted financial results. Any interfund services provided and used are not eliminated during this process and are reassigned to governmental activities. Any amounts reported as interfund balances represent the residual amounts due between governmental and business-type activities. Fiduciary funds of the government are also removed from this presentation since the resources are not available for general government funding purposes. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities. Business-type activities rely, to a significant extent, on fees and charges for support.

Likewise, the primary government is reported separately from the legally separate component unit for which the primary government is financially accountable. Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and custodial fund financial statements. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of Governmental Accounting Standards Board Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*. Program revenues include charges for services, fines and forfeitures, licenses and permits, and payments made by parties outside of the reporting government's citizenry if that money is restricted to a particular program. Program revenues are netted with program expenses in the Statement of Activities to present the net cost of each program. Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements rather than being reported as expenditures. Proceeds of long-term debt are recorded as liabilities in the government-wide financial statements rather than as other financing sources. Amounts paid to reduce long-term indebtedness of the reporting government are reported as reductions of the related liability rather than as expenditures.

Leon County, Florida
Notes to Financial Statements

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Measurement Focus and Basis of Accounting (continued)

Fund Financial Statements

The accounts of the County are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenue, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

A fund financial statement for the primary government's governmental, proprietary, and fiduciary funds are presented after the government-wide financial statements. These statements report major funds individually and nonmajor funds in the aggregate for governmental and proprietary funds. The fiduciary statements report the custodial funds. The custodial funds of the County primarily represent assets held by the County in a custodial capacity for other individuals or governments.

Governmental Funds

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Franchise fees, licenses, sales taxes, gas taxes, operating and capital grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues for the current fiscal period. All other revenue items are considered to be measurable only when the County receives cash.

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

Noncurrent portions of long-term receivables (special assessments) due to governmental funds are reported on their balance sheets in spite of their spending measurement focus. Noncurrent portions of other long-term receivables are offset by deferred inflows of resources.

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

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

Leon County, Florida
Notes to Financial Statements

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Measurement Focus and Basis of Accounting (continued)

Fund Financial Statements (continued)

Proprietary Funds

The County's enterprise funds and internal service funds are proprietary funds. In the fund financial statements, proprietary funds are presented using the accrual basis of accounting.

Revenues are recognized when they are earned and expenses are recognized when the related goods or services are delivered. In the fund financial statements, proprietary funds are presented using the economic resources measurement focus. Under the economic resources measurement focus, all assets and liabilities (whether current or noncurrent) are included on the balance sheet. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net position.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies, taxes, and investment earnings, result from nonexchange transactions or ancillary activities. Amounts paid to acquire capital assets are capitalized as assets in the fund financial statements rather than reported as an expense. The proceeds of long-term debt are recorded as a liability in the fund financial statements rather than as an other financing source. Amounts paid to reduce long-term indebtedness are reported as a reduction of the related liabilities rather than as an expense.

C. Basis of Presentation

GASB 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category and governmental and enterprise combined) for the determination of major funds. Nonmajor funds are combined in a column in the fund financial statements and detailed in the combining section.

Governmental Major Funds:

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

General — The General Fund is the general operating fund of the County. This fund is used to account for and report all financial resources not required to be accounted for and reported in another fund.

Fine & Forfeiture — This fund was established to account for and report the proceeds of specific revenues collected pursuant to the provisions of Section 142.01, Florida Statutes. It also accounts for and reports the financial resources restricted, committed, or assigned to the costs of criminal prosecutions, the proceeds of certain court fines and costs, and ad valorem tax revenues collected and used to support the Sheriff's Department.

Grants — This fund is used to account for and report the proceeds of revenues that are restricted or committed to expenditures of federal, state, and local grants awarded to the County. This fund also includes the corresponding County matching funds for various grants.

Emergency Medical Services — This fund is used to account for and report the financial resources committed to the costs of providing emergency medical and transport services. The major revenue sources are transport fees paid primarily by medical insurance and Medicare and the EMS Municipal Services Taxing Unit.

Leon County, Florida
Notes to Financial Statements

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Presentation (continued)

Governmental Major Funds: (continued)

Capital Improvement — This fund is used to account for and report the financial resources restricted to expenditures related to the acquisition or construction of major non-transportation related capital facilities and/or projects other than those financed by proprietary funds.

Proprietary Major Fund:

Landfill — This fund is used to account for and report the revenues, expenses, assets, and liabilities associated with the County landfill and transfer station.

Note: The determination of which funds are major funds will vary from year to year because the determination is made using the calculation requirements established in GASB 34.

Other Fund Types:

Internal Service Funds — These funds are used to account for and report the revenues, expenses, assets, and liabilities associated with fleet management, communications, and self-insurance services provided to other departments of the County on a cost-reimbursement basis, as well as report the funded and accrued compensated absences for the Clerk of the Circuit Court and Comptroller (the Clerk) only.

Custodial Funds — These funds are used to account for and report the collection and disbursement of monies by the County on behalf of other individuals, private organizations, and/or governments, such as cash bonds, traffic fines, support payments, and ad valorem taxes.

Noncurrent Governmental Assets/Liabilities

GASB 34 requires noncurrent governmental assets, such as land and buildings, and noncurrent governmental liabilities, such as general obligation bonds, revenue bonds, and leases, be reported in the governmental activities column on the government-wide Statement of Net Position.

D. Assets, Liabilities, and Net Position

Cash and Cash Equivalents

Cash and cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash and have an original maturity of three months or less. This includes cash held in banks, repurchase agreements with financial institutions, petty cash, and cash with claims administrators.

Investments

Florida Statutes authorize the County to invest in various instruments. The County reports investments in accordance with the requirements of GASB pronouncements.

Receivables and Payables

Receivables are shown net of an allowance for uncollectibles. The emergency medical services allowance used for the year ended September 30, 2025 is equal to 58% of current year billings. Additionally, allowances have been placed on intergovernmental revenues of the Grants Fund. These allowances are for receivables not collected after a significant period of time and collection is not certain. Such allowances for doubtful accounts total \$791,131 as of September 30, 2025.

Leon County, Florida
Notes to Financial Statements

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Liabilities, and Net Position (continued)

Inventories and Prepaid Items

Inventories, consisting primarily of expendable items (materials and supplies), are determined by a physical count performed at the County's fiscal year-end and are valued at cost using the "first-in first-out" method of accounting. Inventory shown in the governmental funds consists of fuel, medical supplies, vehicle parts, and road materials. Inventory is recorded as an expenditure when consumed (consumption method) rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The County records expenditures related to prepaid items when consumed (consumption method) rather than when purchased.

Restricted Assets

Certain funds of the County are classified as restricted assets on the Statement of Net Position because the restriction is either imposed by law through constitutional provisions or enabling legislation or imposed externally by creditors, grantors, contributors, or laws or regulations of other governments. Therefore, their use is limited by applicable laws and regulations. It is the practice of the County to utilize its restricted net position before its unrestricted net position. Certain Landfill Fund assets, including those related to landfill closure and post-closure care, are legally restricted for specific purposes and are required to be segregated from other assets.

Capital Assets

Capital assets include property, plant, equipment, and infrastructure assets. Infrastructure assets are defined as public domain fixed assets such as roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, lighting systems, and similar assets that are immovable and of value only to the government unit. All qualified infrastructure assets have been capitalized and included in the September 30, 2025 financial statements. Capital assets are reported on the government-wide financial statements in the applicable governmental or business-type activities column, as well as on the proprietary fund financial statements. Capital assets are defined by Section 274.02, Florida Statutes, to include items of a nonconsumable nature with a value of at least \$1,000 and a life of one year or more. The County maintains an administrative record of these assets. However, for reporting purposes, the capitalization threshold is \$20,000 for property, plant, and equipment; \$100,000 for building improvements; \$50,000 for improvements other than buildings; and \$200,000 for infrastructure. It is the County's policy to capitalize all acquired land and buildings. Capital assets are recorded at cost or estimated historical cost. Donated capital assets, donated works of art or similar items, and capital assets received in any service concession arrangement are reported at acquisition value. Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets.

The ranges of useful lives are as follows:

Assets	Years
Buildings	40
Building improvements	5-30
Improvements other than buildings	20-30
Machinery, vehicle, and equipment	5-20
Library collection	5
Works of art, historical treasures, & similar assets	20-50
Infrastructure	20-50

Florida Statutes require that the County maintain accountability for all assets used in operations, except those maintained by the Sheriff.

Leon County, Florida
Notes to Financial Statements

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Liabilities, and Net Position (continued)

Leases

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

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

Subscription Based Information Technology Arrangements

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

Leon County, Florida
Notes to Financial Statements

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Liabilities, and Net Position (continued)

Unearned Revenues

On the government-wide financial statements, revenues received in advance are reported as unearned revenues. Unearned revenues are recognized as revenue in the fiscal year in which they are earned, in accordance with the accrual basis of accounting. On the governmental fund financial statements, revenues received in advance or revenues which are measurable but not available are reported as unearned revenues, in accordance with the modified accrual basis of accounting.

Landfill Closure Costs

In accordance with the County's policy, based on U.S. Environmental Protection Agency rules and in accordance with Florida Law, the County sets aside funds for costs related to the County's landfill closure and post-closure care.

Within the Landfill Fund, deposits are made to the fund's Special Purpose Investment Account (SPIA) and Florida PRIME escrow accounts for the purpose of complying with the escrow requirements of Rule 17-701.630, Florida Administrative Code. This rule requires the County to annually deposit funds in an interest-bearing escrow account for the purpose of funding the minimum estimated landfill closure cost. These amounts are reported as "restricted assets" on the government-wide Statement of Net Position.

Per the above rule, an audited report is filed each year with the Florida Department of Environmental Protection. The liability on the face of the County's statements is equal to the total estimated cost of closure and post-closure care. The estimates are reviewed and adjusted each year to account for changes in inflation, technology, or applicable laws or regulations.

Accrued Compensated Absences

The County accrues accumulated unpaid vacation and sick leave once earned by the employee. All amounts are calculated and reported consistent with GASB Statement No. 101, *Compensated Absences*. The current portion is the amount estimated to be used in the following year. The noncurrent portion is the amount estimated to be used in subsequent fiscal years. Both the current and noncurrent estimated accrued compensated absences amounts for governmental funds are reported separately and represent a reconciling item between the fund and the government-wide presentations. The Clerk is not legally required to accumulate expendable available financial resources to liquidate this obligation. However, to mitigate the impact of such obligations on future budgets, the Clerk fully funds the cost of the liability. Accordingly, an internal service fund has been established to record compensated absences earned but not paid for both the court and non-court functions.

Net Obligation for Pension Benefits

The County offers retiree pension benefits for qualifying employees through the Florida Retirement System (FRS) pension plan. Following the provisions of GASB Statement No. 68 *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*, the County recognizes pension expenses and the related net pension liability, and deferred inflows and outflows of resources, which are reported as reconciling items between the fund and the government-wide presentations.

Leon County, Florida
Notes to Financial Statements

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Liabilities, and Net Position (continued)

Net Obligation for Other Postemployment Benefits

The County offers retiree medical and life insurance benefits for qualifying employees that have retired from the Florida Retirement System (FRS) pension plan. Following the provisions of GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the County recognizes OPEB expenses and the related OPEB liability, and deferred inflows and outflows of resources. The OPEB liability is the difference between the total OPEB liability and the Plan's fiduciary net position. The Plan is currently unfunded. The OPEB liability is reported as a reconciling item between the fund and the government-wide presentations.

Obligation for Bond Arbitrage Rebate

Pursuant to Section 148(f) of the U.S. Internal Revenue Code, the County must rebate to the United States Government the excess of interest earned from the investment of certain debt proceeds and pledged revenues over the yield rate of the applicable debt. The County uses the "revenue reduction" approach in accounting for rebatable arbitrage, which treats excess earnings as a reduction of revenue. The County recognizes an arbitrage liability as of September 30, 2025.

Due to/from Other Funds

These are activities between funds. Such amounts are representative of lending/borrowing arrangements outstanding at the end of the fiscal year and referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Net Position/Fund Balance

Net position is the difference between fund assets and liabilities on the government-wide, proprietary, and fiduciary fund statements. Fund balance is the difference between assets and liabilities on the governmental fund statements. Net investment in capital assets consists of capital assets, net of accumulated depreciation and outstanding balances related to bonds, mortgages, notes, or other debt resulting from the acquisition, construction, or improvement of the assets.

In order to implement GASB Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions*, a County financial policy was written to define the different fund balance classifications for governmental funds and the order in which resources are used. There are five fund balance classifications for governmental funds.

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

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

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

Leon County, Florida
Notes to Financial Statements

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Assets, Liabilities, and Net Position (continued)

Net Position/Fund Balance (continued)

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

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

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

Reserves/Designations of Net Position

The net position of the Insurance Service Fund is reserved for anticipated future catastrophic losses pursuant to County policy and GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*.

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgets and Budgetary Accounting

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

Annual budgets for the governmental fund types of Leon County are adopted on a basis consistent with generally accepted accounting principles. Budgets are not adopted for the fiduciary funds. The legal level of budgetary control is at the fund level; however, budgets are monitored at varying levels of detail. All annual appropriations lapse at fiscal year end, although the County expects to honor purchase orders and contracts in process, subject to authority provided in the subsequent year's budget.

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

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

1. On or before May 1 of each year, the Clerk, Sheriff, and Supervisor of Elections submit to the Board of County Commissioners a tentative budget for the ensuing fiscal year. The tentative budget includes proposed expenditures and funding sources.
2. Section 195.087, Florida Statutes, governs the preparation, adoption and administration of the annual budget of the Property Appraiser and Tax Collector. The proposed operating budget is presented to the Board of County Commissioners on or before June 1 of each year by the Property Appraiser and on or before August 1 of each year by the Tax Collector. Their budgets are simultaneously submitted to the State of Florida, Department of Revenue, from which the approval of the budget of the Property Appraiser and Tax Collector must emanate.

Leon County, Florida
Notes to Financial Statements

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (continued)

Budgets and Budgetary Accounting (continued)

3. The tentative budget must be posted on the county's official website at least 2 days before the public hearing to consider such budget and must remain on the website for at least 45 days. Pursuant to the provisions of Section 129.01, Florida Statutes, the proposed budget as submitted contains balanced statements of estimated revenues (including unexpended fund balances to be carried forward) and proposed appropriations for each fund required to be presented by law or by sound financial practices, including the general, special revenue, debt service, and capital projects funds.
4. The County shall require such changes to be made as deemed necessary, provided the budget remains in balance and subject to the notice and public hearing requirements of Section 200.065, Florida Statutes, and the budget preparation and adoption procedures, as defined in Section 129.03, Florida Statutes.
5. Following the successful completion of the above referenced public hearings, the County advertises and subsequently conducts a second public hearing to finally adopt a millage rate and budget for each of the taxing entities under their jurisdiction. These public hearings are ordinarily held prior to October 1, of each year. If, however, for some reason the County is unable to finally adopt a budget prior to October 1, state law permits the readoption by resolution of the budget of the preceding year as an interim measure. In its effort to get as much citizen input as possible, the County holds a third public hearing prior to the adoption of a tentative millage rate.
6. Pursuant to the provisions of Section 129.07, Florida Statutes, the Board of County Commissioners is prohibited from expending or contracting for the expenditure of any amount in excess of the total amount budgeted in any fund. It is, however, legally permissible at the present time for the budgets of individual departments included within a particular fund to be overexpended in total without requiring mandatory action by either the Board of County Commissioners, the Clerk of the Circuit Court and Comptroller (as Clerk to the Board of County Commissioners and finance officer), or the County Administrator (as budget officer). Transfers of appropriate amounts between funds require approval of the Board of County Commissioners.
7. Adoption and execution of the budgets of the Clerk of the Circuit Court and Comptroller, Property Appraiser, Sheriff, Supervisor of Elections, and Tax Collector are governed by applicable provisions of the Florida Statutes. Budgets for the Courts for each Clerk will be submitted by June 1 to be approved by the legislature. All court revenues will be collected monthly and available for use by the Clerks in the month following collection. By the 10th day of each month, the Clerk will submit that portion of all fines, fees, service charges, and costs collected in the previous month that exceeds one twelfth of the Clerks' total budget. The remainder of the available revenues will be appropriated for the following month's court expenditures up to the budget cap authorized by the legislature. Any revenue deficits will be certified by the Florida Clerk of the Court Operations Corporation. Any unexpended appropriation for the court's budget will be paid to the State of Florida by January 25 of the following year.
8. Formal budgetary integration at the object level is used as a management control device for all governmental funds of the County for which annual budgets are adopted, including the general, special revenue, debt service, and capital projects funds. Proforma project length budgets are provided to the County for certain capital projects for informational purposes only. Expenditures may not legally exceed appropriations at the fund level.

Leon County, Florida
Notes to Financial Statements

III. CASH AND INVESTMENTS

As of September 30, 2025, the value of the County's deposits and investments, with their respective credit ratings, was as follows:

	Fair Value	Credit Rating	Duration
Deposits in qualified public depositories	\$ 54,760,162	NA	NA
External investment in government pools:			
Florida State Treasury Special Purpose Investment Account (SPIA)	1,005,213	AA-f	3.47
Florida Local Government Investment Trust Day to Day Fund (FLGIT)	51,647,261	AAAm	0.09
Florida PRIME investment pool	69,712,424	AAAm	0.13
Externally managed portfolio:			
Money market	132,946	NA	NA
U.S. treasuries	26,735,674	AA+	2.22
Government sponsored agencies:			
Federal Home Loan Bank	4,848,384	AA+	0.96
Federal National Mortgage Association	683,443	AA+	1.18
Other government sponsored agencies	12,938,294	AA+	1.18
Mortgage-backed securities	3,643,400	AA+	2.48
Corporate bonds	12,743,539	A-	1.47
State and local obligations	1,076,738	AA-	1.65
Asset-backed securities	382,764	AAA	0.12
Short-term bills and notes	13,329,787	A-1+	0.13
Total cash and investments	<u>\$253,640,029</u>		

*FLGIT Day to Day Fund and the Florida PRIME Investment Pool duration are calculated using the weighted average maturity method.

The County's deposits and investments excludes cash on hand and amounts held by third parties in trust for the county, but include \$468,411 of accrued interest as of September 30, 2025.

Credit Risk

The County Investment Policy (the Policy) provides a structure for the portfolio that is designed to minimize credit risk. The majority of the securities held will be those of the highest available credit quality ratings. Staff will notify the Investment Oversight Committee (IOC) any time holdings drop below the minimum credit ratings specified in the Policy.

The IOC will consider the market environment and make recommendations to hold and continue to monitor the investments or liquidate the investments. To further limit the County's risk against possible credit losses, a maximum of 3% per issuer of the total portfolio managed by the County's external manager may be held in corporate notes and bonds and 5% per issuer in commercial paper. The Policy also provides the following limits on the Board's external portfolio: 45% may be invested in Federal Instrumentalities, with a limit of 15% of the portfolio in any one issuer; 100% may be invested in United States Federal Agencies, with a limit of 20% of the portfolio in any one issuer; and if longer than one day, 15% may be invested in Repurchase Agreements, with a limit of 5% of the portfolio in any one issuer.

Effective July 9, 2024, new investments in Mortgage-Backed Securities, Asset-Backed Securities, Commercial Mortgage-Backed Securities, Bankers' Acceptances, or Constant Net Asset Value Money Market Mutual Funds are prohibited.

Leon County, Florida
Notes to Financial Statements

III. CASH AND INVESTMENTS (continued)

Credit Risk (continued)

Section 218.415(16), Florida Statutes, stipulates the state-approved investment policy for all governmental entities and includes the following investments:

1. The Florida PRIME (formerly the Local Government Surplus Funds Trust Fund) or any authorized intergovernmental investment pool.
2. Securities and Exchange Commission (SEC) registered money market funds with the highest credit quality rating from a nationally recognized rating agency.
3. Interest-bearing time deposits or savings accounts in qualified public depositories.
4. Direct obligations of the U.S. Treasury.
5. Federal agencies and instrumentalities.
6. Rated or unrated bonds, notes, or instruments backed by the full faith and credit of the government of Israel.
7. Securities of, or other interests in, any management-type investment company or trust registered under the Investment Company Act of 1940, where the investment portfolio is limited to United States Government Obligations.
8. Other investments authorized by law or by ordinance for a county or a municipality.
9. Other investments authorized by law or by resolution for a school district or a special district.

In addition, Section 17.61(1), Florida Statutes permits organizations created by the Florida Constitution to participate in the existing State Treasury Investment Pool "Special Purpose Investment Account (SPIA)."

The Board's Investment Policy limits credit risk by restricting authorized investments to the following: Florida PRIME (Local Government Surplus Funds Trust Fund), State of Florida Special Purpose Investment Account (SPIA), direct obligations of the United States or its agencies and instrumentalities, direct obligations of states and municipalities, repurchase agreements, corporate debt securities, commercial paper, money market mutual funds, financial deposit instruments, the Florida Local Government Investment Trust (FLGIT), and the Florida Municipal Investment Trust (FMIVT).

The Chief Financial Officer for the State of Florida (formerly the State Treasurer) has been investing state revenues, excess revenues of state universities and community colleges, and certain other public agencies in a commingled investment portfolio for several years. This program is authorized under Section 17.61(1), Florida Statutes and is called the Treasury Special Purpose Investment Account (SPIA). Historically, SPIA participants have received higher earnings reflecting the higher risk associated with longer maturities and lower credit quality. The financial details and disclosures for the SPIA are made in Note 2 to the State of Florida Annual Comprehensive Financial Report (ACFR). The rating as of September 30, 2025, was AA-f. A copy of SPIA's most recent financial statements can be found at <http://www.myfloridacfo.com/Division/Treasury/>. Investments in this pool are limited to a maximum of 100% of the portfolio. At September 30, 2025, the County had \$1,005,213 invested in SPIA.

Leon County, Florida
Notes to Financial Statements

III. CASH AND INVESTMENTS (continued)

Credit Risk (continued)

The Florida Local Government Investment Trust (FLGIT) is a local government investment pool developed through the joint efforts of the Florida Court Clerks and Comptrollers (FCCC) and the Florida Association of Counties (FAC) for providing opportunities for the investment of excess public funds. FLGIT offers two investment funds to its participants, the Short Term Bond Fund and the Day to Day Fund. The Short Term Bond Fund is a longer term higher yielding fund, which is accounted for as a fluctuating Net Asset Value (NAV) pool. At September 30, 2025, the County did not have any balances in the Short Term Bond Fund. The Day to Day Fund is a highly liquid fund with underlying investments having a weighted average maturity of less than 90 days. The Day to Day Fund does meet the criteria and has adopted operating procedures consistent with the requirements for a SEC Rule 2a-7 fund. The Day to Day Fund maintained a credit rating of AAAM by Fitch as of September 30, 2025. At September 30, 2025, the County had \$51,647,261 invested in the FLGIT Day to Day Fund. A copy of FLGIT's most recent financial statement can be found at <http://www.floridatrusionline.com/funds-reports/day-to-day/>. Investments with FLGIT are limited to a maximum of 45% of the portfolio.

The County also invests in Florida PRIME administered by the Florida State Board of Administration (SBA). Florida PRIME is an external investment pool that is not a registrant with the SEC; however, the SBA has adopted operating procedures consistent with the requirements for a SEC Rule 2a-7 fund. Florida PRIME is governed by Chapter 19-7 of the Florida Administrative Code, which identifies the Rules of the SBA. These rules provide guidance and establish the general operating procedures for the administration of Florida PRIME. Additionally, the State of Florida's Office of the Auditor General performs the operational audit of the activities and investments of the SBA. On September 30, 2025, Florida PRIME was invested in fixed rate and floating rate bank instruments, repurchase agreements, fixed rate and floating rate corporate commercial paper, floating rate corporate notes, money market mutual funds, and fixed rate and floating rate asset backed commercial paper. Investments in this pool are limited to a maximum of 45% of the portfolio. Investments in Florida PRIME are not evidenced by securities that exist in physical or book entry form. The current rating for the Florida PRIME is AAAM by Standard and Poor's. The weighted average of days to maturity of the Florida PRIME at September 30, 2025 is 47 days. The fair value of the County's position in the pool approximates the value of the pool shares. At September 30, 2025, the County had \$69,712,424 invested in Florida PRIME. Florida PRIME's most recent financial statements can be found at <https://prime.sbafla.com/audits/>.

Custodial Credit Risk

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

Qualified public depositories of public funds are required to provide collateral each month pursuant to Chapter 280.04, Florida Statutes. The collateral is held by the Florida Division of Treasury or other custodian with full legal rights maintained by the Florida Division of Treasury to transfer ownership. Any loss not covered by the pledged securities and deposit insurance would be assessed by the Florida Division of Treasury and paid by the other public depositories. The County's deposits are therefore considered fully insured or collateralized. Bank balances at September 30, 2025, were \$58,148,361. Due to the nature of the County's cash and investments, there is no exposure to custodial credit risk and concentration of credit risk.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of investments. The County manages interest rate risk by setting the range of duration for the County's portfolio as 0.5 years to 2.0 years. Unusual market or economic conditions may mandate moving the portfolio outside of this range. The Investment Oversight Committee will be convened and will approve any portfolio duration outside of the range specified above. The effective duration of investments is listed in the preceding table.

Leon County, Florida
Notes to Financial Statements

III. CASH AND INVESTMENTS (continued)

Interest Rate Risk (continued)

The externally managed portfolio totaled \$76,514,969 at September 30, 2025, and was invested for a weighted average term of approximately 531 days, as compared to a weighted average term of 364 days in fiscal year 2024. In accordance with the Policy, the County requires a minimum balance of short-term investments. To meet the day-to-day operating needs of the County and to provide the ready cash to meet unforeseen temporary cash requirements, a liquidity base of approximately at least three months of anticipated disbursements is kept in relatively short term investments. This includes investments in government pools with daily liquidity such as FLGIT Day to Day Fund, Florida PRIME, or money markets. The County was in compliance with this requirement.

Foreign Currency Risk

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

Fair Value Measurements

In February 2015, GASB issued GASB Statement No. 72 *Fair Value Measurement and Application*. GASB 72 applicability related to the application of fair value is limited to assets and liabilities that are currently measured at fair value and certain investments are not currently measured at fair value.

FLGIT Day to Day Fund and Florida PRIME currently meet all the necessary criteria to elect to measure all the investments in FLGIT Day to Day Fund and Florida PRIME at amortized cost. Therefore, the County participant account balance is considered the fair value of the investment. FLGIT Day to Day Fund and Florida PRIME investments are exempt from the GASB 72 fair value hierarchy disclosures.

FLGIT Short Term Bond Fund reports based on the fair market values of the underlying securities. Therefore, any participant account balance is measured at net asset value per share. Investments measured at net asset value are not subject to fair value hierarchy level classification under GASB 72. The County did not have a balance with the FLGIT Short Term Bond Fund at September 30, 2025.

The fair value factor for SPIA at September 30, 2025 was 1.0065. SPIA funds are combined with State of Florida funds and are invested in a combination of short-term liquid instruments and intermediate-term fixed income securities. SPIA is measured at net asset value per share. Investments measured at net asset value are not subject to fair value hierarchy level classification under GASB 72.

Fair value measurement - The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset or liability. Level 1 inputs are quoted prices in active markets for identical assets or liabilities; Level 2 inputs are significant other observable inputs of which are quoted prices on assets and liabilities in similar markets; Level 3 inputs are significant unobservable inputs.

Leon County, Florida
Notes to Financial Statements

III. CASH AND INVESTMENTS (continued)

Fair Value Measurements (continued)

The following table summarizes the assets and liabilities of the County for which fair values are determined on a recurring basis as of September 30, 2025:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Fair Value
Asset-backed security (mortgage-backed) - non-US				
Agency sponsored	\$ -	\$ 382,764	\$ -	\$ 382,764
Corporate Bonds	-	12,743,539	-	12,743,539
Government Sponsored Agencies	-	18,470,121	-	18,470,121
US Government Obligations	26,735,674	-	-	26,735,674
Mortgage-Backed Security - US Agency Sponsored	-	3,643,400	-	3,643,400
State and Local Obligations	-	1,076,738	-	1,076,738
Short-term bills and notes	-	13,329,787	-	13,329,787
Investments at fair value	<u>\$ 26,735,674</u>	<u>\$ 49,646,349</u>	<u>\$ -</u>	<u>\$ 76,382,023</u>

IV. PROPERTY TAXES

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

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

All taxes are due and payable on November 1 of each year, or as soon thereafter as the assessment roll is certified and delivered to the Tax Collector. All unpaid taxes become delinquent on April 1 following the year in which they are assessed. Discounts are allowed for early payment at the rate of 4% in the month of November, 3% in the month of December, 2% in the month of January, and 1% in the month of February. The taxes paid in March are without discount. No accrual for the property tax levy becoming due in November 2025 is included in the accompanying financial statements, since such taxes are collected to finance expenditures of the subsequent period.

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

Delinquent taxes on personal property bear interest at 18% per year until the tax is satisfied either by seizure and sale of the property or by the seven-year statute of limitations. Since tax certificates were sold for substantially all current year delinquent property taxes, there were no material property taxes receivable at September 30, 2025.

V. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2025 was as follows:

Leon County, Florida
Notes to Financial Statements

V. CAPITAL ASSETS (continued)

Primary Government

	Beginning Balance (as Restated)	Additions	Reductions	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 22,718,691	\$ —	\$ —	\$ 22,718,691
Improvements other than buildings	25,105,583	—	—	25,105,583
Construction in progress	56,516,080	37,924,628	(53,268,951)	41,171,757
Total not being depreciated	104,340,354	37,924,628	(53,268,951)	88,996,031
Capital assets being depreciated:				
Buildings	250,370,198	12,755,503	(1,352,362)	261,773,339
Equipment	92,412,076	9,940,026	(5,338,728)	97,013,374
Library collection	2,741,685	612,886	(442,078)	2,912,493
Improvements other than buildings	26,440,536	6,302,312	—	32,742,848
Infrastructure	355,664,302	17,344,833	—	373,009,135
Leasehold Improvements	1,580,627	—	—	1,580,627
Total being depreciated	729,209,424	46,955,560	(7,133,168)	769,031,816
Less accumulated depreciation:				
Buildings	(157,008,856)	(6,427,105)	309,472	(163,126,489)
Equipment	(54,311,963)	(8,112,823)	5,019,538	(57,405,248)
Library collection	(1,573,086)	(582,498)	442,078	(1,713,506)
Improvements other than buildings	(5,703,321)	(1,333,878)	—	(7,037,199)
Infrastructure	(291,310,358)	(11,060,527)	—	(302,370,885)
Leasehold Improvements	(1,580,627)	—	—	(1,580,627)
Total accumulated depreciation	(511,488,211)	(27,516,831)	5,771,088	(533,233,954)
Total being depreciated, net	217,721,213	19,438,729	(1,362,080)	235,797,862
Right-to-use assets, being amortized				
Leased building	7,932,450	—	—	7,932,450
Leased equipment	7,260,107	595,455	(806,345)	7,049,217
Leased other	1,860,169	220,233	(118,974)	1,961,428
Subscription asset	9,908,044	4,039,764	(174,182)	13,773,626
Total right-to-use assets, being amortized	26,960,770	4,855,452	(1,099,501)	30,716,721
Less accumulated amortization:				
Leased building	(2,046,811)	(682,271)	—	(2,729,082)
Leased equipment	(2,308,127)	(1,539,955)	787,687	(3,060,395)
Leased other	(312,346)	(390,738)	118,974	(584,110)
Subscription asset	(3,023,209)	(3,703,545)	263,866	(6,462,888)
Total accumulated amortization	(7,690,493)	(6,316,509)	1,170,527	(12,836,475)
Right-to-use assets, net	19,270,277	(1,461,057)	71,026	17,880,246
Governmental activities capital assets, net	\$ 341,331,844	\$ 55,902,300	\$ (54,560,005)	\$ 342,674,139
Business-type activities capital assets not being depreciated:				
Land	\$ 1,809,844	\$ —	\$ —	\$ 1,809,844
Construction in progress	1,544,359	294,266	(1,838,625)	—
Total not being depreciated	3,354,203	294,266	(1,838,625)	1,809,844
Business-type activities capital assets being depreciated:				
Buildings	3,622,268	—	—	3,622,268
Improvements other than buildings	15,361,025	1,838,626	—	17,199,651
Equipment	5,874,539	530,418	(237,886)	6,167,071
Total being depreciated	24,857,832	2,369,044	(237,886)	26,988,990
Less accumulated depreciation:				
Buildings	(1,555,058)	(74,646)	—	(1,629,704)
Improvements other than buildings	(15,358,493)	(48,601)	—	(15,407,094)
Equipment	(3,338,425)	(417,820)	70,348	(3,685,897)
Total accumulated depreciation	(20,251,976)	(541,067)	70,348	(20,722,695)
Total being depreciated, net	4,605,856	1,827,977	(167,538)	6,266,295
Business-type activities capital assets, net	\$ 7,960,059	\$ 2,122,243	\$ (2,006,163)	\$ 8,076,139

Leon County, Florida
Notes to Financial Statements

V. CAPITAL ASSETS (continued)

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

Governmental activities:

General government	\$ 22,364,864
Public safety	6,189,748
Physical environment	2,500,450
Transportation	2,222,623
Human services	151,694
Culture and recreation	277,828
Judicial	126,134
Total depreciation/amortization expense - governmental activities	<u>\$ 33,833,341</u>

Business-type activities:

Landfill Fund	521,662
Internal Service Funds	19,405
Total depreciation expense - business-type activities	<u>\$ 541,067</u>

VI. LEASES

The primary objective of GASB Statement No. 87, *Leases*, this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

Lessee

The County through the Leon County Tax Collector's office has entered into two leases as lessee for the use of office space. One lease has been extended through June 30, 2033 and the second lease has been extended through December 31, 2027 and contains provisions for one five year renewal option, with a stated increase. It is anticipated that the lease will be renewed for an additional five years at that time. An initial lease liability was recorded in the amount of \$7,932,450. As of September 30, 2025, the value of the lease liability is \$5,361,573. The Tax Collector is required to make monthly payments ranging from \$14,950 to \$46,618 through the terms of the leases. The leases have interest rates of 1.4800%. The value of the right to use asset as of September 30, 2025, of \$5,203,368, net of accumulated amortization of \$2,729,082 is included with Leased buildings on the lease class activities table found in Note V.

The County through the Leon County Board of County Commissioners has entered into two leases as lessee for the use of various pieces of equipment. The terms range from 36 to 48 months beginning on the contract commencement date. An initial lease liability was recorded in the amount of \$279,905. As of September 30, 2025, the value of the lease liability is \$141,813. The County is required to make annual payments of \$8,004 and \$160,029, respectively, through the terms of the leases. The leases have an interest rate of 2.00%. The value of the right to use asset as of September 30, 2025, of \$143,951, net of accumulated amortization of \$135,954 is included with Leased equipment on the lease class activities table found in Note V.

The County through the Leon County Supervisor of Elections' office, has entered into eleven leases as lessee for the use of various pieces of office equipment. The terms of the leases range from 24 to 60 months beginning on the contract commencement date. An initial lease liability was recorded in the amount of \$1,356,148. As of September 30, 2025, the value of the lease liability is \$660,772. The County is required to make monthly and quarterly payments ranging from \$566 to \$61,902 per year through the term of the lease. The leases have interest rate between 2.00% and 4.00%. The value of the right to use asset as of September 30, 2025, of \$657,932, net of accumulated amortization of \$698,216 and is included with Leased equipment on the lease class activities table found in Note V.

Leon County, Florida
Notes to Financial Statements

VI. LEASES (continued)

Lessee (continued)

The County through the Leon County Tax Collector's office, has entered into one lease as lessee for the use of office equipment. The term is 48 months beginning on the contract commencement date. An initial lease liability was recorded in the amount of \$44,330. As of September 30, 2025, the value of the lease liability is \$27,145. The County is required to make monthly payments of \$982 through the term of the lease. The lease has an interest rate of 4.1900%. The value of the right to use asset as of September 30, 2025, of \$26,236, net of accumulated amortization of \$18,094 and is included with Leased equipment on the lease class activities table found in Note V.

The County through the Leon County Sheriff's office, has entered into two leases as a lessee for the use of office equipment. The terms of the leases range from 51 to 59 months beginning on the contract commencement date. An initial lease liability was recorded in the amount of \$109,956. As of September 30, 2025, the value of the lease liability is \$0. The County is required to make annual payments ranging from \$9,366 to \$18,732 through the terms of the leases. The leases have interest rate of 0.9800%. The value of the right to use assets as of September 30, 2025 of \$15,807, net of accumulated amortization of \$94,149 and is included with equipment on the lease class activities table found below.

The County through the Leon County Sheriff's office, has entered into five leases as a lessee for the use of law enforcement equipment. The terms of the leases range from 24 to 64 months beginning on the contract commencement date. An initial lease liability was recorded in the amount of \$5,258,878. As of September 30, 2025, the value of the lease liability is \$3,404,663. The County is required to make annual payments ranging from \$16,724 to \$1,112,185 through the terms of the leases. The leases have an interest rate of 5.0000%. The value of the right to use assets as of September 30, 2025, of \$3,144,896, net of accumulated amortization of \$2,113,982 and is included with Leased equipment on the lease class activities table found in Note V.

The County through the Leon County Sheriff's office, has entered into three leases as lessee for the use of office and training space. The terms of the leases range from 60 to 70 months beginning on the contract commencement date. An initial lease liability was recorded in the amount of \$1,961,428. As of September 30, 2025, the value of the lease liability is \$1,437,770. The County is required to make monthly payments ranging from \$1,025 to \$32,893 or annual payments of \$48,000 through the term of the lease. The leases have interest rate of 5.0000%. The value of the right to use asset as of September 30, 2025, of \$1,377,318 net of accumulated amortization of \$584,110 is included with Leased other on the lease class activities table found in Note V.

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

September 30,	Governmental Activities		
	Principal	Interest	Total
2026	\$ 2,464,074	\$ 271,324	\$ 2,735,398
2027	2,425,349	176,347	2,601,696
2028	2,421,627	82,344	2,503,971
2029	1,056,835	48,612	1,105,447
2030	750,854	33,539	784,393
2031-2035	1,914,997	36,485	1,951,482
Total	<u>\$ 11,033,736</u>	<u>\$ 648,651</u>	<u>\$ 11,682,387</u>

Leon County, Florida
Notes to Financial Statements

VI. LEASES (continued)

Leases Receivable

In October 2009, the Board purchased the Lake Jackson Huntington Oaks Property. There are several non-cancellable lease agreements for the rental of its building. The lease agreements provide for monthly rentals, which escalate over the lease terms and expire on various dates. During the fiscal year, the Board had a total of 11 active leases as lessor for the use of commercial building space with remaining terms ranging from 0 to 106 months. As of September 30, 2025, the value of the lease receivable is \$943,961. The lessees are required to make monthly payments ranging from \$1,043 to \$7,276. The leases have interest rates ranging from 2.00% to 4.44%. The value of the deferred inflow of resources as of September 30, 2025 was \$908,961, and the Board recognized lease revenue of \$394,436 during the fiscal year. The lessees have 1 or 2 extension option(s), for a range of 12 to 60 months each.

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

Fiscal year	Governmental Activities		
	Principal	Interest	Total
2026	\$ 264,404	\$ 20,936	\$ 285,340
2027	241,002	14,384	255,386
2028	215,618	8,175	223,793
2029	124,615	3,470	128,085
2030	36,082	1,474	37,556
2031-2035	62,240	2,513	64,753
Total	<u>\$ 943,961</u>	<u>\$ 50,952</u>	<u>\$ 994,913</u>

In June 2003, the Board purchased the Bank of America building. There are several non-cancellable lease agreements for the rental of its building. The lease agreements provide for monthly rentals, which escalate over the lease terms and expire on various dates. During the fiscal year, the Board had a total of 8 active leases as lessor for the use of office space with remaining terms at year end ranging from 9 to 138 months. As of September 30, 2025, the value of the lease receivable is \$3,947,896. The lessees are required to make monthly payments ranging from \$6,853 to \$29,126. The leases have an interest rate of 2.00%. The value of the deferred inflow of resources as of September 30, 2025 was \$3,817,893, and the Board recognized lease revenue of \$1,527,012 during the fiscal year. The lessees have 1 or 2 extension option(s), for a range of 14 to 60 months each.

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

Fiscal year	Governmental Activities		
	Principal	Interest	Total
2026	\$ 1,287,117	\$ 66,333	\$ 1,353,450
2027	654,610	46,245	700,855
2028	398,450	36,271	434,721
2029	363,009	28,839	391,848
2030	354,445	21,578	376,023
2031-2035	687,918	53,089	741,007
2036-2040	202,347	3,219	205,566
Total	<u>\$ 3,947,896</u>	<u>\$ 255,574</u>	<u>\$ 4,203,470</u>

In January 2021, the Board purchased the Supervisor of Elections Voting Operation Center. There is one non-cancellable lease agreement for the rental of its building. The lease agreement provides for a monthly rental, which escalates over the lease term and expires on August 31, 2027. As of September 30, 2025, the value of the lease receivable is \$1,003,734. The lessee is required to make monthly fixed payments ranging from \$9,971 to \$10,273. The lease has an interest rate of 2.00%. The value of the deferred inflow of resources as of September 30, 2025 was \$949,312, and the Board recognized lease revenue of \$117,230 during the fiscal year. The lessee has 2 extension options, for 3 years each.

Leon County, Florida
Notes to Financial Statements

VI. LEASES (continued)

Leases Receivable (continued)

Total future minimum lease payments under the lease agreement are as follows:

Fiscal Year	Governmental Activities		
	Principal	Interest	Total
2026	\$ 104,526	\$ 19,051	\$ 123,577
2027	110,307	16,908	127,215
2028	116,363	14,646	131,009
2029	122,798	12,260	135,059
2030	129,253	9,746	138,998
2031-2035	420,487	12,789	433,276
Total	<u>\$ 1,003,734</u>	<u>\$ 85,400</u>	<u>\$ 1,089,134</u>

VII. SUBSCRIPTION LIABILITIES

The primary objective of GASB Statement No. 96, *Subscription Based Information Technology Arrangements (SBITAs)* is to enhance the relevance and consistency of information about governments' information technology (IT) subscription activities. This statement establishes a single model for IT Subscription accounting based on the principle that SBITAs are financings of the right to use an underlying asset. Under this Statement, a government is required to recognize a subscription liability and an intangible right-to-use subscription asset.

The County through the Leon County Board of County Commissioners has entered into 23 IT Arrangements for the right to use another party's (a SBITA vendor's) information technology (IT) software. The terms of the arrangements extend through various times ranging between October 2025 and October 2030 beginning on the contract commencement date. An initial lease liability was recorded in the amount of \$11,972,013. As of September 30, 2025, the value of the subscription liability is \$5,741,708. The Board is required to make annual payments ranging from \$11,250 to \$1,097,162 through the term of the leases. The leases have interest rates ranging from 3.480% to 4.880%. The value of the right to use asset as of September 30, 2025 of \$6,113,862 net of accumulated amortization of \$5,858,152 and is included with the SBITA activities table found below.

The County through the Leon County Supervisor of Elections has entered into four IT Arrangements for the right to use another party's (a SBITA vendor's) information technology (IT) software. The terms of the arrangements extend through various times ranging between September 2025 and April 2035 beginning on the contract commencement date. An initial lease liability was recorded in the amount of \$1,406,831. As of September 30, 2025, the value of the subscription liability is \$1,020,592. The Supervisor of Elections is required to make annual payments ranging from \$10,100 to \$137,388 through the term of the lease. The leases have interest rates ranging from 3.670% to 4.120%. The value of the right to use asset as of September 30, 2025, of \$954,300 net of accumulated amortization of \$452,531 and is included with the SBITA activities table found below.

The County through the Leon County Clerk of the Circuit Court and Comptroller has entered into three IT Arrangements for the right to use another party's (a SBITA vendor's) information technology (IT) software. The terms of the arrangements extend through September 2027 beginning on the contract commencement date. An initial subscription liability was recorded in the amount of \$395,803. As of September 30, 2025, the value of the subscription liability is \$29,723. The Clerk made one time payments for two of the arrangements for \$273,846 and \$37,377 and makes annual payments ranging from \$28,074 to \$30,951 on the third arrangement. The SBITA have interest rates between 4.20% and 4.87%. The value of the right to use assets as of September 30, 2025 is \$242,576 net of accumulated amortization of \$152,205 and is included with the SBITA activities table found below.

Leon County, Florida
Notes to Financial Statements

VIII. SUBSCRIPTION LIABILITIES (continued)

Fiscal year	Governmental Activities		
	Principal	Interest	Total
2026	\$ 3,140,187	\$ 252,879	\$ 3,393,066
2027	1,861,543	108,909	1,970,452
2028	950,312	40,749	991,061
2029	237,344	28,269	265,613
2030	106,779	20,146	126,925
2031-2034	495,858	37,742	533,600
Total	<u>\$ 6,792,023</u>	<u>\$ 488,694</u>	<u>\$ 7,280,717</u>

VII. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund Balances as of September 30, 2025, consisted of the following:

	Interfund Receivables	Interfund Payables
Primary Government:		
By major funds:		
General Fund	\$ 8,508,114	\$ 5,641,419
Fine and Forfeiture Fund	2,645,507	915,412
Grants Fund	418,406	3,321,027
Emergency Medical Services Fund	1,073	-
Capital Improvement Fund	-	400,000
Total major funds	<u>11,573,100</u>	<u>10,277,858</u>
Nonmajor Special Revenue Funds:		
Probation Fund	1,480	544
Family Law Legal Services Fund	5,146	62,838
Growth Management Fund	-	352
Drug Abuse Trust Fund	2,031	-
Local Legal Programs Fund	9,706	-
MSBU Stormwater Utility Fund	461	-
SHIP Trust Fund	-	497
911 Emergency Communications Fund	-	-
Municipal Service Fund	10	-
Fire Rescue Services Fund	353,498	-
Tourist Development Trust Fund	919,732	-
Special Assessment Paving Fund	-	136,373
Special Assessment Sewer Fund	-	-
Huntington Oaks Plaza Fund	-	-
Special Grants Fund	388,343	367,020
Inmate Welfare Fund	-	24,525
Article V Court Operating Fund	47,680	-
Records Modernization Fund	-	103,665
Total Nonmajor Special Revenue Funds	<u>1,728,087</u>	<u>695,814</u>
Total Nonmajor Governmental Funds	<u>1,728,087</u>	<u>695,814</u>
Internal Service Funds	58,378	-
Total Governmental Funds	<u>13,359,565</u>	<u>10,973,672</u>
Proprietary Funds:		
Landfill Fund	370	2,386,263
Total Proprietary Funds	<u>370</u>	<u>2,386,263</u>
Total Primary Government	<u>13,359,935</u>	<u>13,359,935</u>

Leon County, Florida
Notes to Financial Statements

VIII. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (continued)

The General, Fine & Forfeiture, and Grant Funds have amounts due to and from Constitutional Officers, which represent the return of excess balances due at the end of the fiscal year, from either budget officers or fee officers. All remaining balances resulted from the time lag between the dates that (a) interfund goods and services are provided or reimbursable expenditures occur, (b) transactions are recorded in the accounting system, and (c) payments between funds are made.

Interfund Transfers represent the movement of cash for operations in funds and constitutional officers. Transfers to or from other funds are based on budgetary requirements as determined by the Office of Management and Budget. These transfers are primarily established during initial budget adoption. However, transfers may also be established through Supplemental Budget Amendments as necessary throughout the fiscal year. At year end, the balances for the year ended September 30, 2025, consisted of the following:

Transfers to the General Fund from:

Fine & Forfeiture Fund	\$ 118,117,501
Emergency Medical Services Fund	342,080
Nonmajor Governmental Funds	856,927
Grants Fund	1,955,725
Landfill Fund	82,315
Total transfers to the General Fund	<u>121,354,548</u>

Transfers to the Fine & Forfeiture Fund from:

General Fund	2,556,731
Nonmajor Governmental Funds	27,516
Total transfers to the Fine & Forfeiture Fund	<u>2,584,247</u>

Transfers to the Grants Fund from:

General Fund	428,949
Emergency Medical Services Fund	31,375
Total transfers to the Grants Fund	<u>460,324</u>

Transfers to the Capital Improvement Fund from:

General Fund	12,815,334
Grants Fund	100,000
Nonmajor Governmental Funds	6,072,371
Internal Service Funds	1,100,000
Total transfers to the Capital Improvement Fund	<u>20,087,705</u>

Transfers to the Nonmajor Governmental Funds from:

General Fund	22,268,275
Nonmajor Governmental Funds	9,313,753
Internal Service Fund	13,023
Custodial Fund	135,768
Total transfers to the Nonmajor Governmental Funds	<u>31,730,819</u>
Total transfers to Governmental Funds	<u>176,217,643</u>

Transfers to the Internal Service Funds from:

General Fund	54,518
Nonmajor Governmental Funds	180,102
Total transfers to the Internal Service Funds	<u>234,620</u>

Transfers to the Enterprise Fund from:

General Fund	3,454,042
Total transfers to Enterprise Funds	<u>3,454,042</u>
Total Interfund Transfers	<u><u>179,906,305</u></u>

Leon County, Florida
Notes to Financial Statements

IX. LONG-TERM OBLIGATIONS

A. Long-term Obligations

The County has no general long-term obligations debt. The County's special revenue long-term obligations, excluding accrued compensated absences, at September 30, 2025, are comprised of the following:

	<u>Outstanding at September 30, 2025</u>
Revenue Bonds:	
\$1,298,120 Capital Improvement Revenue Note, Series 2020, is dated January 30, 2020, and bear interest of 1.89% per annum. The interest on the bonds is payable on June 1 and December 1, beginning June 1, 2020. The bond principal matures serially on December 1 of each year through the final maturity of December 1, 2025.	71,109
\$5,400,000 Capital Improvement Revenue note, Series 2021, is dated January 28, 2021, and bear interest of 1.85% per annum. The interest on the bonds is payable on December 1 and June 1, beginning December 1, 2021. The bond principal matures serially on December 1 of each year through the final maturity of December 1, 2036.	4,140,000
\$3,400,000 Capital Improvement Revenue note, Series 2021B, is dated November 16, 2021, and bear interest of 1.29% per annum. The interest on the bonds is payable on December 1, beginning December 1, 2022. The bond principal matures serially on December 1 of each year through the final maturity of December 1, 2028.	1,980,000
<i>The Capital Improvement Revenue Refunding Bonds Series 2020, Capital Improvement Revenue Refunding Bonds Series 2021, and the Capital Improvement Revenue Note Series 2021B are parity bonds payable from and secured by a lien upon certain non-ad valorem revenue. The pledged revenues include the local government half-cent sales tax, guaranteed entitlement, second guaranteed entitlement, and 50% of additional state revenue sharing funds received in the prior fiscal year (less the guaranteed entitlement and the second guaranteed entitlement). See schedule of pledged revenue at Note IX.I Debt Parity.</i>	
Total Special Revenue Bond Obligations	<u>\$ 6,191,109</u>

Leon County, Florida
Notes to Financial Statements

IX. LONG-TERM OBLIGATIONS (continued)

B. Schedule of Debt Service Requirements

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

Year Ending September 30,	Principal	Interest	Total
2026	\$ 901,109	\$ 102,804	\$ 1,003,913
2027	840,000	89,493	929,493
2028	855,000	76,697	931,697
2029	865,000	63,680	928,680
2030	370,000	50,505	420,505
2031-2035	1,950,000	147,445	2,097,445
2036-2040	410,000	7,585	417,585
Total	<u>\$ 6,191,109</u>	<u>\$ 538,209</u>	<u>\$ 6,729,318</u>

C. Changes in the Long-term Debt

	Balance October 1, 2024 (as Restated)	Reductions	Additions	Balance September 30, 2025	Due within One Year
Governmental Activities:					
Special revenue debt:					
Capital Improvement Revenue					
Refunding Bonds, Series 2017	\$ 3,203,000	\$ (3,203,000)	\$ —	\$ —	\$ —
Capital Improvement Revenue					
Refunding Bonds, Series 2020	324,967	(253,858)	—	71,109	71,109
Capital Improvement Revenue					
Refunding Bonds, Series 2021	4,475,000	(335,000)	—	4,140,000	345,000
Capital Improvement Revenue					
Refunding Bonds, Series 2021B	2,460,000	(480,000)	—	1,980,000	485,000
Unamortized premium on bonds					
Payable	47,392	(47,392)	—	—	—
Total special revenue debt	10,510,359	(4,319,250)	—	6,191,109	901,109
Liability for compensated absences	23,066,241	(8,187,625)	11,334,008	26,212,624	7,310,839
Net pension liability	189,305,702	(32,283,623)	—	157,022,079	—
Other postemployment benefits					
liability	37,864,360	(10,146,280)	3,252,421	30,970,501	4,027,684
Arbitrage rebate liability	25,000	—	—	25,000	—
Lease liability- equipment	12,711,184	(2,491,264)	813,816	11,033,736	2,465,782
Subscription liability	6,767,245	(3,713,261)	3,738,038	6,792,023	3,140,187
Financed purchase liability- ESCO	13,580,000	(1,025,000)	—	12,555,000	1,045,000
Governmental Activity Long-term					
Debt	<u>\$ 293,830,091</u>	<u>\$ (62,166,303)</u>	<u>\$ 19,138,283</u>	<u>\$ 250,802,072</u>	<u>\$ 18,890,601</u>

Leon County, Florida
Notes to Financial Statements

IX. LONG-TERM OBLIGATIONS (continued)

C. Changes in the Long-term Debt (continued)

	Balance October 1, 2024 (as restated)	Reductions	Additions	Balance September 30, 2025	Due within One Year
Business-type activities:					
Liability for compensated absences	\$ 278,279	\$ (105,532)	\$ 150,498	\$ 323,245	\$ 111,469
Other postemployment benefits liability	231,230	—	—	231,230	—
Landfill closure and post-closure costs	27,566,344	(6,285,095)	661,592	21,942,841	14,045,374
Business-type activity long-term liabilities	<u>\$ 28,075,853</u>	<u>\$ (6,390,627)</u>	<u>\$ 812,090</u>	<u>\$ 22,497,316</u>	<u>\$ 14,156,843</u>

The governmental activities, other postemployment benefits liability and the liability for the compensated absences is usually liquidated by the General Fund. The compensated absences liability attributable to governmental activities will be liquidated within the fund that the individual employees are paid in. Currently, the County pays approximately 70 percent of its salaries in the General Fund with the remainder being paid in the special revenue and proprietary funds.

D. Financed Purchase Liability - ESCO

The County has an agreement with US Bank to finance the funding of an energy savings project. The project completed by the Energy Systems Group LLC included the installation of energy, water, and wastewater efficiency and conservation measures and related upgrades at County facilities. Terms of the agreement include bi-annual payments on June 1 and December 1. The agreement expires December 1, 2035. As of September 30, 2025, future lease payments totaling \$13,809,404 consists of principal of \$12,555,000 and interest of \$1,254,404.

The future financed purchase liability and the net present value of the minimum payments related to the energy savings project as of September 30, 2025, were as follows:

	ESCO - Master Tax-Exempt Lease, Series 2020		
	Principal	Interest	Debt Service
2026	\$ 1,045,000	\$ 211,892	\$ 1,256,892
2027	1,065,000	193,314	1,258,314
2028	1,080,000	174,427	1,254,427
2029	1,100,000	155,232	1,255,232
2030	1,120,000	135,685	1,255,685
2031	1,140,000	115,786	1,255,786
2032	1,160,000	95,534	1,255,534
2033	1,180,000	74,931	1,254,931
2034	1,200,000	53,975	1,253,975
2035	1,220,000	32,667	1,252,667
2036	1,245,000	10,961	1,255,961
Total	<u>\$ 12,555,000</u>	<u>\$ 1,254,404</u>	<u>\$ 13,809,404</u>

E. Purchase Cards

The County currently utilizes purchasing cards with a cumulative credit limit of approximately \$2,250,000. The balance on the purchasing cards is paid within ten days of each billing cycle.

Leon County, Florida
Notes to Financial Statements

IX. LONG-TERM OBLIGATIONS (continued)

F. Special Assessment Debt

The County has no special assessment debt.

G. Demand Bonds

The County has no demand bonds.

H. Conduit Debt Obligations

From time to time, the County has issued Industrial Development Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of health care and industrial facilities deemed to be in the public interest. These bonds are secured by the property financed and are payable solely from the payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities is transferred to the private-sector entity served by the bond issuance. Neither the County, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. The County only has a limited commitment to maintain a tax-exempt status. The County has no voluntary commitments or additional commitments regarding these bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of September 30, 2025, the unaudited conduit debts outstanding were as follows:

Project Description	Fiscal Year Issued	Original Bond Issue	Principal Outstanding at September 30, 2025
Leon County, Florida			
Holy Comforter Episcopal School	2023	\$ 5,379,428	\$ 4,919,745
Housing Finance Authority	2020	11,760,000	10,847,338
	2021	18,900,000	11,388,316
	2023	51,000,000	51,000,000
	2024	13,354,200	7,875,000
Total Conduit Debt Principal Balance as of September 30, 2025			<u>\$ 86,030,399</u>

I. Debt Parity

The Capital Improvement Revenue Refunding Bonds Series 2017, the Capital Improvement Revenue Refunding Bonds Series 2020, the Capital Improvement Revenue Refunding Bonds Series 2021, and the Capital Improvement Revenue Note Series 2021B are parity bonds payable from and secured by a lien upon certain non-ad valorem revenue. The pledged revenues include the local government half-cent sales tax, guaranteed entitlement, second guaranteed entitlement, and 50% of additional state revenue sharing funds received in the prior fiscal year (less the guaranteed entitlement and the second guaranteed entitlement).

	<u>Actual 2022</u>	<u>Actual 2023</u>	<u>Actual 2024</u>	<u>Actual 2025</u>
Pledged revenues:				
Revenues available for debt service:				
Local government half-cent tax	\$ 15,415,389	15,740,767	15,806,814	15,609,898
Guaranteed entitlement	316,798	316,798	316,798	316,798
Second guaranteed entitlement	1,026,649	1,026,649	1,026,649	1,026,649
Additional state revenue sharing funds	1,938,954	2,735,722	2,850,939	2,656,372
Total revenues available for debt service	<u>\$ 18,697,790</u>	<u>\$ 19,819,936</u>	<u>\$ 20,001,200</u>	<u>\$ 19,609,717</u>

X. CLOSURE AND POSTCLOSURE CARE COST

State and federal laws and regulations require the County to place a final cover on each of its landfill cells when it stops accepting waste and to perform certain maintenance and monitoring functions on each cell for thirty years after closure. Although closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$21,942,841 reported as landfill closure and post-closure care liability at September 30, 2025, \$7,897,107 as noncurrent and \$14,045,374 as current, represents the cumulative amount reported to date based on the use of 100% of the estimated capacity of the landfill cells placed in use. These amounts are based on what it would cost to perform closure and post-closure care in 2025 on those cells placed in use. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. The landfill is no longer accepting waste.

The County is required by state and federal laws to make annual contributions to an escrow account to finance a minimum of all closure costs and at least one year of post-closure care costs. The County is in compliance with those minimum requirements, and at September 30, 2025, held investments in the amount of \$20,851,945 for these purposes that are reported as restricted assets on the balance sheet. The County expects that future inflation costs will be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional post-closure care requirements are determined; these costs may need to be covered by charges to future landfill users or from future tax revenue.

XI. EMPLOYEE BENEFITS

A. Florida Retirement System

Plan Description - The County participates in the Florida Retirement System (FRS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of Florida, Department of Management Services, Division of Retirement. The FRS provides retirement, disability or death benefits to retirees or their designated beneficiaries along with an annual cost-of-living adjustment. Employees are classified in either the regular service class, the special risk class, or the senior management service class. Currently, the active participants in the pension plan for Leon County are 1,513 out of a total of 414,327 active FRS participants.

The Florida Legislature created the Florida Retirement Investment Plan (the "Investment Plan"), a defined contribution plan qualified under Section 401 (a) of the Internal Revenue Code. The Investment Plan is administered by the State Board of Administration and is an alternative available to members of the Florida Retirement System in lieu of participation in the defined benefit retirement plan ("the Pension Plan"). If the Investment Plan is elected, active membership in the Pension Plan is terminated. Eligible members of the Investment Plan are vested at one year of service and receive a contribution in an investment product with a third-party administrator selected by the State Board of Administration.

Chapter 121, Florida Statutes, establishes the authority for benefit provisions and contribution requirements. Changes to the law can only occur through an act of the Florida Legislature. There are uniform contribution rates as discussed on the following page that cover both the defined benefit and defined contribution plans. Information for the required employer contributions made to the Investment Plan were unavailable from FRS.

Additional Financial and Actuarial Information - Additional audited financial information supporting the Schedules of Employer Allocations and the Schedule of Pension Amounts by Employer is located in the Florida Annual Comprehensive Financial Report (ACFR) and in the Florida Retirement System Pension Plan, and Other State-Administered Systems ACFR.

See <http://www.myfloridacfo.com/Division/AA/Reports/default.htm> for an available copy of the Florida ACFR online.

The FRS ACFR and actuarial valuation reports as of July 1, 2025 are available online at https://frs.fl.gov/forms/2025_Valuation.pdf.

Leon County, Florida
Notes to Financial Statements

XI. EMPLOYEE BENEFITS (continued)

A. Florida Retirement System (continued)

Reports may also be obtained by contacting the Division of Retirement at:

Department of Management Services
Division of Retirement
P.O. Box 9000
Tallahassee, Florida 32399-9000
850-907-6500 or toll free at 844-377-1888

Funding Policy - Prior to July 1, 2011, the FRS was employee noncontributory. Beginning July 1, 2011, employees who are not participating in the Deferred Retirement Option Plan (DROP) are required to contribute 3% of their salary to the FRS. The County is required to contribute at an actuarially-determined rate.

The FRS relies upon contributions from employees and employers, along with investment income, to meet the funding requirements of an actuarially determined accrued liability. As of July 1, 2025, the date of the latest valuation, the FRS' funded ratio was 82.2% on the valuation funding basis and 87.3% on a Fair Market Value of Assets basis.

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

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

System employer for a period not to exceed 60 months after electing to participate. DROP benefits are held in the FRS Trust Fund and accrue interest.

The HIS Program is funded by required contributions from FRS participating employers as set by the State Legislature. Employer contributions are a percentage of gross compensation for all active FRS employees and are reported by employers with monthly payroll reports and included with the amount submitted for retirement contributions. For the fiscal year ended September 30, 2025, the contribution rate was 2.0% of payroll pursuant to Section 112.363, Florida Statutes.

The amounts contributed for the years ended September 30, 2025, 2024, and 2023, were \$25,868,037, \$24,056,584, and \$19,281,057, respectively, which is equal to 100% of the required contribution for each year.

Leon County, Florida
Notes to Financial Statements

XI. EMPLOYEE BENEFITS (continued)

A. Florida Retirement System (continued)

The membership categories and contribution rates for 2025 and 2024 were as follows:

Membership Category	Benefit	Vesting	Employer Contribution Rate	
			July 1, 2024	July 1, 2025
Regular Class	For employees in the FRS as of June 30, 2011, normal retirement at age 62 or at least 30 years of service: 1.60% times average compensation (five highest years) times years of creditable service. For employees joining the FRS on or after July 1, 2011, normal retirement at age 65, or at least 33 years of service: 1.6% times average compensation (eight highest years) times years of creditable service.	After six years creditable service After eight years creditable service.	13.63%	14.03%
Senior Management Class	For employees in the FRS as of June 30, 2011, normal retirement at seven years and age 62: 2.00% times average compensation (five highest years) times years of creditable service.	After six years creditable service.	34.52%	33.24%
Special Risk (sworn employees)	For employees in the FRS as of June 30, 2011, normal retirement at age 55, or 25 years of special risk service: 2% to 3% times average compensation (five highest years) times years of creditable service.	After six years creditable service.	32.79%	35.19%
Elected County Officers' Class (ESCOC) Nonjudicial	For employees in the FRS as of June 30, 2011, normal retirement at eight years ESCOC service and age 62: 3.00% times average compensation (five highest years) times years of creditable service. For employees joining the FRS on or after July 1, 2011, normal retirement at age 65, or at least 33 years of service: 3.00% times average compensation (eight highest years) times years of creditable service.	After six years creditable service. After eight years creditable service.	58.68%	54.57%
Deferred Retirement Option Program (Drop)	For employees in DROP as of June 30, 2011, retirement benefit paid to DROP where it earns 6.5% interest, tax deferred, for up to five years while the member continues to work. For employees entered in DROP on or after July 1, 2011, retirement benefit paid to DROP where it earns 1.3% interest, tax deferred, for up to five years while the member continues to work.	Available to vested members at normal retirement age or date.	21.13%	22.02%

Net Pension Liability - At September 30, 2025, the County reported for its proportionate share of the FRS and HIS plans the amount for the net pension liability as shown below:

	FRS	Leon County HIS	Total
Total Pension Liability	\$ 954,798,257	\$ 37,791,861	\$ 992,590,118
Fiduciary Net Position	833,165,248	2,402,791	835,568,039
Net Pension Liability	<u>\$ 121,633,009</u>	<u>\$ 35,389,070</u>	<u>\$ 157,022,079</u>

Leon County, Florida
Notes to Financial Statements

XI. EMPLOYEE BENEFITS (continued)

A. Florida Retirement System (continued)

The net pension liability for each plan was determined by the plans' actuary and reported in the plans' valuations dated July 1, 2025 for the net pension liability as of June 30, 2025. "Plan fiduciary net position" represents cash and investment assets held to pay pension liabilities as they mature. "Net pension liability" represents the equity in the applicable pension plan. "Plan fiduciary net position" represents the portion of the total pension liability that is funded by cash and investments. Detailed information regarding the FRS Pension Plan and HIS Program fiduciary net position is available in the separately issued *FRS Pension Plan and Other State- Administered Systems Annual Comprehensive Financial Report*. To obtain this report, see contact information on page 67.

At September 30, 2025, the County reported for its proportionate share of the employer portion for the FRS and HIS net pension liability the percentages below:

	FRS	HIS
June 30, 2025	.391920395%	.276100835%
June 30, 2024	.384340527%	.270813768%
Increase (decrease) in Share for 2025	.007579868%	.005287067%

The County's proportionate share of the net pension liability was based on the County's 2024-2025 fiscal year contributions relative to the 2023-2024 fiscal year contributions of all participating members of FRS.

Actuarial Methods and Assumptions - Actuarial assumptions for both cost-sharing defined benefit plans are reviewed annually by the Florida Retirement System Actuarial Assumptions Conference. The FRS Pension Plan has a valuation performed annually. The HIS Program has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The most recent experience study for the FRS Pension Plan was completed in 2025 for the period July 1, 2019, through June 30, 2024. Because the HIS Program is funded on a pay-as-you-go basis, no experience study has been completed for that program. The actuarial assumptions that determined the total pension liability for the HIS Program were based on certain results of the most recent experience study for the FRS Pension Plan.

The total pension liability for each cost-sharing defined benefit plan was determined using the individual entry age actuarial cost method. Inflation increases for both plans is assumed at 2.40%. Payroll growth, including inflation, for both plans is assumed at 3.50%. Both the discount rate and the long-term expected rate of return used for FRS Pension Plan investments is 6.70%. The plans fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Because the HIS Program uses a pay-as-you-go funding structure, a municipal bond rate of 5.20% was used to determine the total pension liability for the program (Bond Buyer General Obligation 20-Bond Municipal Bond Index). Mortality assumptions for both plans were based on the Generational PUB-2010 with Projection Scale MP-2021 tables.

The following changes in actuarial assumptions occurred in 2025:

- FRS: The long-term expected rate of return remained at 6.70%. Payroll growth, including inflation remained at 3.50%.
- HIS: The municipal rate used to determine total pension liability was increased from 3.93% to 5.20%. Payroll growth, including inflation remained at 3.50%.
- All demographic assumptions and methods were reviewed as part of the 2024 Experience Study and changes were adopted by the 2024 FRS Actuarial Assumption Conference during its meetings in October 2024.

Leon County, Florida
Notes to Financial Statements

XI. EMPLOYEE BENEFITS (continued)

A. Florida Retirement System (continued)

- The coverage election assumptions were updated to reflect recent and anticipated future experience and were adopted by the 2024 FRS Actuarial Assumption Conference during its October 2024 meeting.

Valuation date	July 1, 2024	July 1, 2025
Measurement date	June 30, 2024	June 30, 2025
Inflation	2.40%	2.40%
Salary increases including inflation	3.50%	3.50%
Mortality	PUB-2010 base table varies by member category and sex, projected generationally with Scale MP-2021 details in valuation report	PUB-2010 base table varies by member category and sex, projected generationally with Scale MP-2021; details in the valuation report
Actuarial cost method	Individual Entry Age	Individual Entry Age

Investments - The long-term expected rate of return assumption of 6.70 percent used in GASB discount rate calculations consists of two building block components: 1) a long-term average annual inflation assumption of 2.40 percent as adopted in October 2024 by the FRS Actuarial Assumption Conference; and 2) an inferred real (in excess of inflation) return of 4.20 percent. Geometrically combining those building blocks using the formula $(1 + .024) \times (1 + .042) - 1$ generates an expected nominal return of 6.70 percent. In the opinion of the FRS consulting actuary, both building block components and the overall 6.70 percent return assumption were determined to be reasonable and appropriate per Actuarial Standards of Practice. The 6.70 percent reported investment return assumption is the same as the investment return assumption chosen by the 2024 FRS Actuarial Assumption Conference for funding policy purposes.

For reference, the table below contains a summary of Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the long-term target asset allocation. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	3.2%	3.2%	1.1%
Fixed income	29.0%	5.5%	5.4%	4.0%
Global equity	45.0%	8.5%	6.9%	18.3%
Real estate (property)	12.0%	8.4%	7.1%	16.8%
Private equity	11.0%	12.4%	8.8%	28.4%
Strategic investments	2.0%	6.5%	6.1%	8.7%
	<u>100%</u>			
Assumed inflation - mean			2.4%	1.5%

(1) As outlined in the FRS Pension Plan's investment policy available from Funds We Manage on the SBA's website at www.sbafla.com.

Leon County, Florida
Notes to Financial Statements

XI. EMPLOYEE BENEFITS (continued)

A. Florida Retirement System (continued)

Sensitivity Analysis - the following tables present the sensitivity of the net pension liability to changes in the discount rate of 6.70%. The sensitivity analysis shows the impact to the County's net pension liability if the discount rate shows as 1.00% higher or 1.00% lower than the current discounted rate at June 30, 2025.

FRS Net Pension Liability		
1% Decrease 5.70%	Current Discount Rate 6.70%	1% Increase 7.70%
\$ 238,702,904	\$ 121,633,009	\$ 23,483,303

HIS Net Pension Liability		
1% Decrease 4.20%	Current Discount Rate 5.20%	1% Increase 6.20%
\$ 39,906,874	\$ 35,389,070	\$ 31,600,069

Pension Expense and Deferred Outflows/(Inflows) of Resources - In accordance with GASB 68, paragraphs 54 and 71, changes in the net pension liability are recognized in pension expense in the current measurement period, except as indicated below. For each of the following, a portion is recognized in pension expense in the current reporting period, and the balance is amortized as deferred outflows or deferred inflows of resources using a systematic and rational method over a closed period, as defined below:

- Differences between expected and actual experience with regard to economic and demographic factors which are amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan, both active and inactive.
- Changes of assumptions or other inputs which are amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan, both active and inactive.
- Changes in proportion and differences between contributions and proportionate share of contributions which are amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan, both active and inactive.
- Differences between expected and actual earnings on pension plan investments are amortized over five years.

Employer contributions to the pension plans from employers are not included in collective pension expense; however, employee contributions are used to reduce pension expense.

For the fiscal year ended September 30, 2025, the total pension expense and deferred inflows and outflows related to the FRS and HIS plans were as follows:

	FRS	HIS	Total
Pension expense (income)	\$ 12,338,834	\$ 76,883	\$ 12,415,717
Deferred outflows of resources	41,675,914	3,201,456	44,877,370
Deferred inflows of resources	(23,855,244)	(9,814,154)	(33,669,398)

Leon County, Florida
Notes to Financial Statements

XI. EMPLOYEE BENEFITS (continued)

A. Florida Retirement System (continued)

For the fiscal year ended September 30, 2025, the County recognized pension expense of \$12,338,834 for the FRS plan. In addition the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources for the FRS Plan	Deferred Inflows of Resources for the FRS Plan
Differences between expected and actual experience	\$ 12,991,686	\$ -
Change of assumptions	14,124,752	-
Net difference between projected and actual earnings on FRS Plan investments	-	(20,307,858)
Changes in proportion and differences between County FRS Plan contributions and proportionate share of contributions	7,699,364	(3,547,386)
County FRS Plan contributions subsequent to the measurement date	6,860,112	-
Total	<u>\$ 41,675,914</u>	<u>\$ (23,855,244)</u>

The deferred outflows of resources related to the Pension Plan, totaling \$6,860,112 and resulting from County contributions to the Plan subsequent to the measurement date, will be recognized as a reduction to net pension liability in the fiscal year ended September 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

Reporting Period Ending June 30,	FRS Net Deferred Outflows/(Inflows)
2026	\$ 20,137,417
2027	(2,123,653)
2028	(3,605,852)
2029	(3,447,354)
2030	-
Thereafter	-
Total	<u>\$ 10,960,558</u>

For the fiscal year ended September 30, 2025, the County recognized pension expense of \$76,883 for the HIS plan. In addition the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources for the HIS Plan	Deferred Inflows of Resources for the HIS Plan
Differences between expected and actual experience	\$ 211,249	\$ (56,138)
Change of assumptions	313,233	(8,559,708)
Net difference between projected and actual earnings on HIS Plan investments	-	(29,455)
Changes in proportion and differences between County HIS Plan contributions and proportionate share of contributions	2,002,583	(1,168,853)
County HIS Plan contributions subsequent to the measurement date	674,391	-
Total	<u>\$ 3,201,456</u>	<u>\$ (9,814,154)</u>

Leon County, Florida
Notes to Financial Statements

XI. EMPLOYEE BENEFITS (continued)

A. Florida Retirement System (continued)

The deferred outflows of resources related to the HIS Plan, totaling \$674,391 resulting from County contributions to the HIS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2026. Other amounts reported by the County as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense as follows:

Reporting Period Ending June 30,	FRS Net Deferred Outflows/(Inflows)
2026	\$ (1,749,108)
2027	(2,020,564)
2028	(1,610,942)
2029	(1,148,450)
2030	(758,025)
Total	<u>\$ (7,287,089)</u>

B. Deferred Compensation Plan

The County offers their employees deferred compensation plans created in accordance with Internal Revenue Code Section 457. The County complied with the requirements of subsection (g) of IRC Section 457 and, accordingly, all assets and income of the plan are held in trust for the exclusive benefit of the participants and their beneficiaries. Deferred compensation amounts withheld from participating employees' pay are not taxable as current income until withdrawn from the plan. Annual contributions by a participant may not exceed the lesser of \$19,500 or 50% of gross annual compensation. There is an "age 50 catch-up" provision that allows an additional \$6,500 contribution from the year the employee reaches age 50 until the employee terminates employment.

C. Liability for Compensated Absences

The County accrues a liability for employees' rights to receive compensation for future absences when certain conditions are met. Except for the Clerk, the County does not, nor is it legally required to, accumulate expendable available financial resources to liquidate this obligation. Accordingly, the liability for the compensated absences is not reported in the governmental funds. However, the current and long-term portion of the liability for compensated absences is reported at the entity-wide financial statement level. The liability associated with compensated absences is reported on the fund level in the internal service fund for the Clerk only.

D. Executive Service Plan

Executive service and senior management employees of Leon County are entitled to severance pay if terminated from employment. If there is a contract or an employment agreement, they are entitled to up to twenty weeks of severance pay. If there is no contract, severance pay is limited to six weeks.

E. Post Employment Benefits Other Than Pension Benefits

Plan Description

The County participates and administers an agent multiple-employer plan under which qualified retired employees are permitted to participate in the health and life insurance benefits program (the Program) at the same rate as active participants. In medical insurance plans where a government's retirees and current employees are insured together as a group, the premiums paid by the retirees may be lower than they would have been if the retirees were insured separately. This is called an implicit rate subsidy. A stand-alone financial report is not issued for the Program.

Leon County, Florida
Notes to Financial Statements

XI. EMPLOYEE BENEFITS (continued)

E. Post Employment Benefits Other Than Pension Benefits (continued)

Plan Description (continued)

OPEB Plan membership at September 30, 2025, was as follows:

Membership Status as of September 30, 2025	Life	Medical
Active plan members	1,526	1,526
Retirees and DROP participants	453	203
Total	1,979	1,729

Benefits- Retirees continue active employee life insurance benefits, with coverage amount equaling 2 x final salary for Senior Management and 1 x final salary for all other retirees. Once a retiree reaches the age of 65, the coverage reduces to 65% of the original amount. Coverage is provided at a monthly rate of \$0.59 per \$1,000 benefit except for Sheriff. Sheriff coverage is provided at a monthly rate of \$0.47 per \$1,000 benefit. Retirees continue active employee medical insurance benefits. Coverage ends upon death of the retiree or if the retiree cancels retiree medical insurance coverage. Retirees who cancel coverage may not re-enroll in health insurance. There are no surviving spouse benefits.

Effective October 1, 2019, future retirees may be eligible for a subsidy to help offset the cost of the retiree medical insurance premiums. The contribution is available for the retiree only and paid only while the retiree is under the age of 65 and not Medicare eligible. Eligible retirees will receive \$5 per month for each year of service; up to a maximum of 30 years (\$150 per month). The \$5 per month subsidy does not increase with health care cost trend.

Eligibility- Participants are eligible for postretirement life insurance upon attaining eligibility for retirement benefits under FRS. Therefore participants are eligible to leave County service with life insurance benefits after 6 years of service; 10 years of service if hired on or after July 1, 2013. Participants are eligible for postretirement medical insurance upon attaining eligibility for retirement benefits under FRS. Therefore participants are eligible to leave County service with life insurance benefits after 10 years of service.

Funding Policy

Retired employees and their spouses for their lifetime are eligible for continuation of the benefits offered to active employees and are responsible for paying the required premium contributions. The County has the authority to establish and amend the OPEB funding policy, and is not required by law or other contractual agreement to provide funding for the implicit rate subsidy other than the pay-as-you-go amount necessary to provide current benefits for participants in its health insurance plan. Post-employment benefits are extended to retirees and continued at the discretion of the Employer, which reserves the right (subject to State Statutes and any collective bargaining agreements) to change or terminate benefits and to change premium contributions required from retirees in the future. There is no separate trust through which benefits for retirees are funded. No assets are currently accumulated or earmarked for this purpose. All approved benefits are paid from the Employer's general assets when due.

Net OPEB liability

As described in Note 1, the County consists of elected constitutional officers of the County. The annual OPEB liability of constitutional officers is recognized in the county-wide financial statements of the County. The County's Net OPEB liability is calculated in accordance with the guidance provided by Governmental Accounting Standards Board Statement Number 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*.

Leon County, Florida
Notes to Financial Statements

XI. EMPLOYEE BENEFITS (continued)

E. Post Employment Benefits Other Than Pension Benefits (continued)

Net OPEB liability (continued)

The total OPEB liability for the year ended September 30, 2025, measured as of September 30, 2025, is \$31,201,731. The following table outlines the changes in Net OPEB Liability for the fiscal year ending September 30, 2025:

	FY 2025	FY 2024
Service cost	\$ 1,666,045	\$ 1,263,548
Interest	1,586,376	1,566,896
Change of benefit terms	-	961,621
Differences between expected and actual experience	(2,146,994)	46,230
Changes of assumptions or other input	(6,608,806)	4,029,142
Expected benefit payments	(1,390,480)	(1,349,473)
Net Changes	(6,893,859)	6,517,964
Net OPEB liability at beginning of year	38,095,590	31,577,626
Net OPEB liability at end of year	<u>\$ 31,201,731</u>	<u>\$ 38,095,590</u>

The total OPEB liability and contribution rates were determined by an actuarial valuation as of October 1, 2025. The total OPEB liability was rolled forward two years. The significant assumptions used were as follows:

Valuation Date	September 30, 2025
Measurement Date	September 30, 2025
Actuarial Cost Method	Entry Age Normal, Level Percent of Salary. Service Costs are attributed through all assumed ages of exit from active service.
Asset Valuation Method	Not Applicable. The plan operates on a pay-as-you-go basis and thus, has no assets.
Miscellaneous	The valuation was prepared on an on-going plan basis. This assumption does not necessarily imply that an obligation to continue the plan actually exists.
Discount Rate	The discount rate at the measurement date is 4.90%. Benefit payments are funded on a pay-as-you go basis. The discount rate is based on the S&P Municipal Bond 20 Year High Grade Rate Index as of September 30, 2025.
Consumer Price Index	N/A
Future Salary Increase	3.50%
Administrative Expenses	Life Insurance administrative expenses are assumed to be 5% of claims based on experience for similar plans. Medical insurance administrative expenses are assumed to be included in the premiums.
Mortality	According to the Benefit-Weighted Pub-2010 Mortality Tables with a public safety adjustment for sheriffs and the general table for all others, projected generationally with the MP-2021 Mortality Improvement scale. For disabled retirees, according to the Benefit- Weighted Pub-2010 Disabled Mortality Tables with a public safety adjustment for sheriffs and the general table for all others, projected generationally with MP-2021 Mortality Improvement scales.
Withdrawal	Same as the Florida Retirement System (FRS) pension plan.
Disability	Same as the Florida Retirement System (FRS) pension plan.
Retirement age	Same as the Florida Retirement System (FRS) pension plan.

Leon County, Florida
Notes to Financial Statements

XI. EMPLOYEE BENEFITS (continued)

E. Post Employment Benefits Other Than Pension Benefits (continued)

Net OPEB liability (continued)

Plan participation	
Life insurance:	50% and 20% of future retirees are assumed to elect Basic and Supplemental life insurance benefits at retirement, respectively, based on a mix of actual experience and experience for similar plans. For non-Senior Management employees who can elect up to 2x salary at retirement for Supplemental life insurance benefit up to a maximum of \$250,000 combined maximum for Basic and Supplemental life insurance, we have assumed that they will elect 1x salary at retirement.
Medical insurance:	40% of special risk future retirees and 20% of all other future retirees are assumed to elect health coverage with the County at retirement based on a mix of actual experience and experience for similar plans. Current retirees are assumed to coverage under the County's health plans if they are currently enrolled. Current retirees who are not currently enrolled in the County's health plans are not assumed to re-enroll in the future. 100% of surviving spouses are assumed to elect coverage with the County upon retirees' death.
Health care cost trends	Eligible health care costs, per capita costs, and retiree contributions, are assumed to decrease each year from 9% for the year ended 9/30/2025 to 4.50% for the year beginning 10/1/2038 and thereafter. The initial trend rate was established based on the influences of the health care marketplace as a whole as published in Gallagher's National Health Care Trend Survey The trend rates are based on the "core" trend components (i.e., medical inflation, utilization and intensity of services) but exclude the impact of the aging of the covered population and other noncore components of trend (e.g., profit margins typically included in an insurer's trend assumptions). It is assumed that over the long-term, health care costs ultimately will be constrained by the public's ability and willingness to pay the higher cost of health care services. This assumption implies that the ultimate trend rate should be related to the nominal per capita GDP. Therefore, ultimate trend is assumed to be comprised of (i) real growth in per capita GDP, (ii) long-term growth attributable to technology innovations, and (iii) assumed long-term inflation rate.
Per capita costs	Our valuation reflects the following fiscal year 2025 annual per capita plan costs for retirees and their spouses: Per Capita Plan Cost at Male Age 65- Retiree \$25,128, Spouse \$26,664, Family \$41,052. Medical per capita plan costs for retirees and spouses were developed using 2026 premium information and de-trended to a level appropriate for the fiscal year beginning October 1, 2025. The premiums are assumed to include administrative expenses. The valuation relied upon the premium information which was assumed to be suitable for this purpose. The Pre-Morbidity factors are then applied to the premium rates to produce age-adjusted rates prior to Medicare. The annual per capita plan costs for retirees and their spouses for the year beginning on October 1, 2025 are as discussed above.

Leon County, Florida
Notes to Financial Statements

XI. EMPLOYEE BENEFITS (continued)

E. Post Employment Benefits Other Than Pension Benefits (continued)

Net OPEB liability (continued)

Spouse assumptions	For future retirees, female spouses are assumed to be three years younger than their male spouses. For existing retirees, actual spouses age are used if available, otherwise female spouses are assumed to be three years younger than their male spouses.
Age/Gender - related morbidity	The age/gender health care cost relativities implemented in this valuation to reflect associated differences in medical costs are based on data from the recent study, "Health Care Costs - From Birth to Death" prepared by Dale H. Yamamoto and sponsored by the Society of Actuaries.

Sensitivity of Net OPEB Liability to changes in the Single Discount Rate

The following presents the plan's net OPEB liability, calculated using a single discount rate of 4.90%, as well as what the plan's net OPEB liability would be if it were calculated using a single Discount Rate that is one percent lower or one percentage higher:

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate	1% Decrease 3.90%	Current Discount Rate 4.90%	1% Increase 5.90%
Net OPEB Liability	\$ 35,371,651	\$ 31,201,731	\$ 27,745,510

Sensitivity of Net OPEB Liability to changes in Health Care Cost Trends

The following presents the plan's net OPEB liability, calculated using the current health care cost trend, as well as what the plan's net OPEB liability would be if it were calculated using a health care cost trend that is one percent lower or one percentage higher:

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend	1% Decrease	Current Health Care Cost Trend	1% Increase
Net OPEB Liability	\$ 29,484,957	\$ 31,201,731	\$ 33,230,206

OPEB Expense and Deferred Outflows/(Inflows) of Resources Related to OPEB

In accordance with GASB 75, changes in the net OPEB liability are recognized as OPEB expense in the current measurement period, except as shown below. For each of the following, a portion is recognized in OPEB expense in the current measurement period, and the balance is amortized as deferred outflows or inflows of resources using a systematic and rational method over a closed period, as defined below:

- Differences between expected and actual experience with regard to economic and demographic factors which are amortized over the average expected remaining service life of all employees that are provided with benefits through the OPEB plan, both active and inactive.
- Changes of assumptions or other inputs which are amortized over the average expected remaining service life of all employees that are provided with benefits through the OPEB plan, both active and inactive.
- Changes in proportion and differences between contributions and proportionate share of contributions which are amortized over the average expected remaining service life of all employees that are provided with benefits through the OPEB plan, both active and inactive.

Leon County, Florida
Notes to Financial Statements

XI. EMPLOYEE BENEFITS (continued)

E. Post Employment Benefits Other Than Pension Benefits (continued)

OPEB Expense and Deferred Outflows/(Inflows) of Resources Related to OPEB (continued)

The below table presents the OPEB expense and its components:

<u>Components of OPEB Expense</u>	<u>For the year ended September 30, 2025</u>
Service cost	\$ 1,666,045
Interest on the total OPEB liability and net cash flow	1,586,376
Differences between expected and actual experience	(184,450)
Changes of assumptions or other input	(567,767)
Prior year deferred outflows, net	882,619
Total OPEB expense	<u>\$ 3,382,823</u>

At September 30, 2025, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows</u>	<u>Deferred Inflow County</u>	<u>Total County Deferred Outflow (Deferred Inflow)</u>
Differences between expected and actual experience	\$ 8,186,827	\$ (5,199,035)	\$ 2,987,792
Changes in assumptions and other inputs	6,485,648	(17,966,652)	(11,481,004)
Total	<u>\$ 14,672,475</u>	<u>\$ (23,165,687)</u>	<u>\$ 8,493,212</u>

The average of the expected remaining service lives of all employees that are provided with benefits through the plan (active and inactive employees) determined at October 1, 2025 is 11.64 years. The following deferred inflows of resources will be recognized in pension expense as follows:

<u>For the year ended September 30,</u>	<u>County Total Deferred Outflow (Deferred Inflow)</u>
2026	\$ 182,219
2027	259,939
2028	259,939
2029	(2,118,518)
2030	(2,067,715)
Thereafter	(5,009,076)
Total	<u>\$ 8,493,212</u>

Funded Status and Funding Progress

As of September 30, 2025, the County's actuarial accrued liability for benefits recognized in the County's financial statements was \$31,201,731, all of which was unfunded.

Leon County, Florida
Notes to Financial Statements

XII. DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

A deferred outflow of resources represents a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. The County's reported deferred outflows of resources are derived from \$14,672,475 from OPEB related activities and \$44,877,370 from pension related activities.

A deferred inflow of resources represents an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until then. The County's reported deferred inflows of resources are derived from \$23,165,687 from OPEB related activities, \$33,669,398 from pension related activities, \$5,676,166 from Lessor activities, and \$651,893 from special assessment related activities.

XIII. RISK MANAGEMENT AND CONVENTIONALLY INSURED CLAIMS & LOSSES

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; error and omissions; injuries to employees; and natural disasters. The following is a summary of the County's coverage and exposure relating to the various risks of loss retained as of September 30, 2025.

A. General Liability

Effective December 15, 2016, the County purchased commercial insurance for general liabilities from Travelers, which has a \$25,000 deductible.

The actuarially determined liability determined below reflects open claims associated with this carrier.

Changes in the County's claim liability amount were as follows:

	Beginning of Fiscal Year	Current Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year End
September 30, 2024	\$ —	\$ 178,369	\$ —	\$ 178,369
September 30, 2025	\$ 178,369	\$ (48,652)	\$ —	\$ 129,717

B. Workers' Compensation

The County maintains a self-insurance Internal Service Fund (the Fund) to account for insurance activities relating to workers' compensation, which is administered by a third-party administrator, Commercial Risk Management, Inc. (previously administered by Preferred Governmental Claims Solutions). Under this program, the County absorbs losses up to a maximum of \$500,000 for each claim. At September 30, 2025, the County had \$300,000 deposited with the third-party administrator for use against future claims. The County purchases commercial insurance for workers' compensation claims in excess of coverage provided by the Fund. Settled claims have not exceeded the retention level for this commercial coverage in the current year or any of the past five years.

All funds of the County participate in this program and make payments to the Fund based on payroll exposure in the amounts needed to pay prior and current year claims and to establish a reserve for catastrophic losses. The net position of the Fund is reserved for anticipated future catastrophic losses pursuant to County policy and GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*.

The actuarially-determined claims liability for workers' compensation of \$4,518,180, which includes incurred but not reported claims of \$2,813,104, reported in the Fund at September 30, 2025, is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred as of the date of the financial statements and the amount of the loss can be reasonably estimated.

Leon County, Florida
Notes to Financial Statements

XIII. RISK MANAGEMENT AND CONVENTIONALLY INSURED CLAIMS & LOSSES (continued)

B. Workers' Compensation (continued)

Changes in the Fund's claims liability amount were as follows:

	Beginning of Fiscal Year	Current Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year End
September 30, 2024	\$ 6,800,211	\$ (687,286)	\$ (1,463,000)	\$ 4,649,925
September 30, 2025	\$ 4,649,925	\$ 1,460,255	\$ (1,592,000)	\$ 4,518,180

C. Automobile Liability

The County purchases commercial coverage for automobile liability insurance through the same provider of its general liability insurance. All vehicles are covered for physical damage with a \$5,000 deductible and for liability with a \$5,000 deductible. All funds of the County participate in this program and pay premiums to the Fund based on the vehicles used by their personnel.

Changes in the Fund's claims liability were as follows:

	Beginning of Fiscal Year	Current Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year End
September 30, 2024	\$ 46,936	\$ (7,146)	\$ —	\$ 39,790
September 30, 2025	\$ 39,790	\$ 8,254	\$ —	\$ 48,044

The actuarially-determined claims liability for automobile liability insurance of \$48,044 includes incurred but not reported claims of \$16,341.

As a member of the Florida Sheriffs Association, the Sheriff participates in the Sheriffs Automobile Risk Program for automobile liability insurance. Coverage includes liability for bodily injury and property damage, personal injury protection, auto medical payments, and bodily injury for uninsured motorists. Coverage for physical damage is also maintained on certain vehicles. The contribution required for the year ended September 30, 2025 was \$376,849.

D. Professional Liability

The Sheriff is currently a member of the Florida Sheriffs Association and participates in the Florida Sheriffs Risk Management Fund. The Florida Sheriffs Risk Management Fund administers insurance activities related to professional liability and covers compensatory damages (except back pay), employment benefits, punitive damages, attorney fees or costs awarded to a prevailing plaintiff, and all legal fees involved in defense of the Sheriff. The contribution required for the year ended September 30, 2025 was \$755,233.

The limits of the Florida Sheriffs Risk Management Fund for the above-mentioned damages, fees, and defense costs are \$5,000,000 per incident or occurrence and \$10,000,000 in the aggregate for the policy year. Settled claims did not exceed this coverage in the current year or any of the past three years.

XIV. SEGMENT INFORMATION - ENTERPRISE FUNDS

The County maintained one enterprise fund. The Leon County Landfill Fund accounts for revenues and expenditures related to the operation of the landfill and collection of revenues from the sale of processed recyclables and related costs to support the program. The County has not issued bonds to finance the activity of the enterprise fund. Further, none of the revenues streams of the enterprise fund are pledged in support of outstanding debt.

XV. OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

A. Excess of Expenditures Over Budget Appropriations

Certain funds show an excess of expenditures over budget appropriations. This excess is due to the appropriation and use of fund balance during the fiscal year.

B. Excess of Expenditures Over Revenues in the Budget Column

Certain funds show an excess of expenditures over revenues in the budget column of the applicable funds' Statement of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual. This excess is due to the appropriation and use of fund balance (which is not reported in the budget or variance column) during the fiscal year.

C. Deficit Fund Balances

At fiscal year end, the Family Law Legal Service fund had a deficit of \$58,507, the SHIP Trust fund had a deficit of \$13,723, the Motor Pool fund had a deficit of \$42,762, and the Special Assessment Paving fund had a deficit of \$2,344. All funds are nonmajor special revenue funds, except for the Motor Pool fund which is an Internal Service fund.

D. Minimum Fund Balance Policy

On September 16, 2008, Leon County adopted Policy Number 07-2 called "Reserves." The first section, Emergency Reserves, includes the general revenue emergency reserves which are maintained at an amount not to be less than three percent and not to exceed eight percent of the projected General Fund and Fine & Forfeiture Fund operating expenditures for the ensuing fiscal year. Additionally, a catastrophe reserve will be maintained at two percent to provide immediate cash flow in the event of a natural disaster. The Reserve for Contingency is separate from the Reserves for Cash Balances and is determined annually by the Board of County Commissioners as a part of the budget. Any funds not included under this category will be included as part of the unreserved fund balance.

Reserves for Cash Balances are maintained by the County as an annual unassigned reserve for cash balance at a level sufficient to maintain adequate cash flow and to eliminate the need for short-term borrowing. The fund balance shall be no less than ten percent and no greater than twenty percent of projected General Fund and Fine & Forfeiture Fund operating expenditures. All major funds will retain sufficient cash balances to eliminate the need for short-term borrowing.

As a part of the annual budget process, the County determines the minimum and maximum amounts based on the above requirements. Funds in excess of the minimums established can be utilized to support one-time capital expenditures.

Leon County, Florida
Notes to Financial Statements

XV. OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES (continued)

E. Fund Balance

	General Fund	Major Funds	Other Funds	Total
Nonspendable:				
Inventory	\$ 1,439,122	\$ —	\$ 711	\$ 1,439,833
Prepaid assets	777,170	147,086	323,697	1,247,953
Total nonspendable	2,216,292	147,086	324,408	2,687,786
Restricted for:				
Federal and state grants and other purpose	—	2,487,370	2,584,256	5,071,626
Major non-transportation related capital projects and facilities	—	39,055,287	40,067,113	79,122,400
Public improvement revenue bond projects	—	—	17,905,719	17,905,719
Enabling legislation	—	—	14,744,384	14,744,384
User restricted	—	—	1,074,476	1,074,476
Total restricted	—	41,542,657	76,375,948	117,918,605
Committed for:				
Minimum reserve requirements	5,973,895	2,023,218	—	7,997,113
Fire protection services	—	—	1,555,489	1,555,489
Emergency medical services	—	20,296,438	3,169,206	23,465,644
Building inspections	—	—	2,554,442	2,554,442
Unincorporated stormwater maintenance	—	—	2,272,127	2,272,127
City sewer services distribution	—	—	65,177	65,177
Environmental management	—	—	3,977,582	3,977,582
Pandemic recovery efforts	—	696,449	—	696,449
Total committed	5,973,895	23,016,105	13,594,023	42,584,023
Assigned for:				
General government	6,663,512	11,238,905	—	17,902,417
Public safety	—	—	3,214,875	3,214,875
Total assigned	6,663,512	11,238,905	3,214,875	21,117,292
Unassigned	24,972,263	(265,957)	(81,149)	24,625,157
Total fund balances	\$ 39,825,962	\$ 75,678,796	\$ 93,428,105	\$ 208,932,863

XVI. COMMITMENTS AND CONTINGENCIES

A. Contract Commitments

Grants

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

Long-Term Construction Projects

The County is committed to various material long-term construction projects at September 30, 2025. These commitments have been included in the 2025-2026 fiscal year budget and the five-year Capital Improvement Program and certain amounts have been reserved in the capital projects funds. Current contracts outstanding as of September 30, 2025, approximate \$18.8 million.

The Sheriff, the County, and the City of Tallahassee (the Parties) entered into an inter-local agreement on December 20, 2007 to establish parameters relating to ownership, expansion, operation, maintenance, and the use of the 800MHz Project 25 Digital Trunked Simulcast Radio (TSR) System. The agreement provides 50% ownership of the TSR System's backbone equipment by the Sheriff and the County. The agreement also provides that the Sheriff and the County are required to pay 50% of the TSR System's operating costs. Absent a prior notice to withdraw, the agreement shall continue until the date the agreement is terminated by mutual written agreement of the Parties. Activity related to the agreement is accounted for as a joint operation.

Leon County, Florida
Notes to Financial Statements

XVI. COMMITMENTS AND CONTINGENCIES (continued)

B. Potential Liabilities Resulting from Litigation

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

C. Subsequent Events

The County has evaluated subsequent events through June 19, 2026, the date the financial statements were available to be issued. No subsequent events were identified that required disclosure except for the transaction described below.

XVII. CONTINGENCIES - DEBT

The County participates in federal and state assisted grant programs. These programs are subject to special compliance audits by the grantors or their representatives that may result in disallowed expense amounts. Such amounts, if any, constitute a contingent liability of the County. Accordingly, such liabilities are not reflected within these financial statements. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

In the normal course of business, the County, its agencies, and its employees are defendants in legal proceedings including but not limited to claims against the County for property damage, personal injury, personnel and contract matters, and alleged violations of state and federal laws. It is the opinion of management that the disposition or resolution of such claims and lawsuits will not have a material adverse effect on the financial position, changes in the financial position, or cash flows of the County.

XVIII. IMPAIRMENT OF CAPITAL ASSETS

For the year ended September 30, 2025, the County identified a building that was impaired as a result of damage caused by a tornado. The event constituted an identifiable impairment indicator under GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*, as the damage resulted in a significant and unexpected decline in the service utility of the asset.

The impairment loss was measured using the restoration cost approach, which estimates the loss in service utility by comparing the cost to restore the asset to its pre-event condition with the carrying value of the asset. As a result of this analysis, the County recognized an impairment loss of \$1,352,362, which is reported as an expense in the Statement of Activities for the year ended September 30, 2025.

The Board recorded insurance recoveries related to this impairment as other income in the insurance services funds. Insurance recoveries of \$717,082 and \$500,000 were recognized during fiscal years 2025 and 2024, respectively.

As of September 30, 2025, the Board had expended \$923,036 toward the restoration of the impaired building and related capital assets. The Board expects to incur an additional \$1,242,278 in restoration costs in future periods.

Leon County, Florida
Notes to Financial Statements

XIX. CORRECTIONS OF ERRORS

During the year ended September 30, 2025, the Leon County Board of County Commission management identified one SBITA where the SBITA liability and right of use asset was not properly reported in the prior year. This error had no impact on the previously recorded net position. To correct this error, the related amounts previously reported for SBITA liability and right of use SBITA assets net of accumulated amortization as of September 30, 2024, increased by \$2,137,710.

During the year ended September 30, 2025, the Leon County Supervisor of Election's management identified one lease where the lease liability and right of use asset was incorrectly calculated. This led to an understatement of the lease liability and right of use lease assets net of accumulated amortization by \$76,156 and \$86,647, respectively. In order to correct this error, the October 1, 2024 net position has been restated to correct previously reported misstatements. This correction results in an increase in beginning net position by \$10,491.

During the year ended September 30, 2025, the Leon County Sheriff's management identified an error in the previously reported values of capital assets and leased asset values and accumulated amortization. In the previous year, a bargain purchase option on leased assets was executed but the underlying assets were not reclassified out of leased assets and into capital assets. The error resulted in an overstatement of lease asset values of \$5,159,048 and a corresponding understatement of capital assets by the same amount. The lease liability was \$0 as of September 30, 2024, and therefore had no impact. Additionally, management noted the accumulated amortization on these leased assets was originally amortized over a 36-month period but should have been amortized over a 60-month period. This error resulted in a \$1,891,650 overstatement of reported accumulated amortization in the previous year. In order to correct this error, the October 1, 2024 net position has been restated to correct previously reported misstatements. This correction results in an increase in beginning net position of \$1,891,650.

During the year ended September 30, 2025, the Leon County Clerk's management identified one expenditure where the basis of accounting required an expense and related payable to be recorded in a prior year but was not. To correct this error, the expense and related payable have been recorded to the year ended September 30, 2024. As such, this correction results in a decrease to the beginning fund balance of the Records Modernization Fund by \$(56,405).

XX. CHANGE IN ACCOUNTING PRINCIPLE

During the year ended September 30, 2025, management adopted GASB Statement No. 101, *Compensated Absences*. This adoption resulted in changes to the process for estimating the compensated absences liability reported in Note I and Note IX. This change in accounting principle resulted in the previously disclosed balance as of September 30, 2024 for compensated absences to be increased by \$2,594,214 for governmental activities and \$69,225 for business type activities. This change in accounting principle increased (reduced) the reported net position of the Landfill Fund and the combined Internal Service funds as of September 30, 2024 by \$(69,225) and \$287, respectively. This change in accounting principle reduced the reported net position of the governmental activities, net of internal service as of September 30, 2024 by \$(2,594,214). This change in accounting principle had no impact on the reported fund balance of the balance sheet for governmental funds for the year ended September 30, 2024.

During the year ended September 30, 2025, management adopted GASB Statement No. 102, *Certain Risk Disclosures*. This change in accounting principle had no impact on the financial statements for the year ended September 30, 2024.

Required Supplementary Information

Leon County, Florida
Proportionate Share of Net Pension Liability
Florida Retirement System
Last 10 Fiscal Years*
(unaudited)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Leon County's proportion of the net pension liability	0.391920395%	0.384340527%	0.36490781%	0.367963030%	0.373660617%	0.394768166%	0.405622105%	0.401636460%	0.404240284%	0.426742954%
Leon County's proportionate share of the net pension liability	\$ 121,633,010	\$ 148,680,991	\$ 145,404,215	\$ 136,911,817	\$ 28,225,813	\$ 171,098,341	\$ 139,690,606	\$ 120,974,984	\$ 119,571,564	\$ 107,752,931
Leon County's covered payroll	\$ 122,846,792	\$ 120,271,936	\$ 110,522,187	\$ 104,064,221	\$ 101,609,419	\$ 100,077,822	\$ 95,981,978	\$ 92,298,471	\$ 89,031,824	\$ 84,165,836
Leon County's proportionate share of the net pension liability as a percentage of its covered payroll	99.01%	123.62%	131.56%	131.56%	27.78%	170.97%	145.54%	131.07%	134.30%	128.02%
Plan fiduciary net position as a percentage of the total pension liability	87.26%	83.70%	82.38%	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%

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

See report of independent auditors.

Leon County, Florida
Schedule of Contributions
Florida Retirement System
Last 10 Fiscal Years*
(unaudited)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	\$ 23,400,351	\$ 21,763,795	\$ 17,544,413	\$ 15,701,652	\$ 14,234,855	\$ 13,116,397	\$ 12,577,212	\$ 11,446,316	\$ 10,523,370	\$ 10,406,807
Actual employer contribution	(23,400,351)	(21,763,795)	(17,544,413)	(15,701,652)	(14,234,855)	(13,116,397)	(12,577,212)	(11,446,316)	(10,523,370)	(10,406,807)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Leon County's covered payroll	\$ 122,832,738	\$ 122,888,954	\$ 112,420,882	\$ 104,826,103	\$ 101,778,575	\$ 101,101,949	\$ 97,005,441	\$ 92,911,582	\$ 90,549,137	\$ 84,749,884
Contributions as a percentage of covered payroll	19.05%	17.71%	15.61%	14.98%	13.99%	12.97%	12.97%	12.32%	11.62%	12.28%

* The amounts presented for each fiscal year were determined as of June 30 except for the covered payroll determined as of September 30.

See report of independent auditors.

Leon County, Florida
Proportionate Share of Net Pension Liability
Health Insurance Subsidy Program
Last 10 Fiscal Years*
(unaudited)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Leon County's proportion of the net pension liability	0.276100835%	0.270813768%	0.26400088%	0.269692073%	0.274214019%	0.274310017%	0.281605365%	0.279643167%	0.275303556%	0.286548096%
Leon County's proportionate share of the net pension liability	\$ 35,389,070	\$ 40,624,711	\$ 41,926,860	\$ 28,564,698	\$ 33,636,472	\$ 33,492,806	\$ 31,508,822	\$ 29,597,747	\$ 29,436,726	\$ 33,395,994
Leon County's covered payroll	\$ 122,846,792	\$ 120,271,936	\$ 110,522,187	\$ 104,064,221	\$ 101,609,419	\$ 100,077,822	\$ 95,981,978	\$ 92,298,471	\$ 89,031,824	\$ 84,165,836
Leon County's proportionate share of the net pension liability as a percentage of its covered payroll	28.81%	33.78%	37.94%	27.45%	33.10%	33.47%	32.83%	32.07%	33.06%	39.68%
Plan fiduciary net position as a percentage of the total pension liability	6.36%	4.80%	4.12%	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%

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

See report of independent auditors.

Leon County, Florida
Schedule of Contributions
Health Insurance Subsidy Program
Last 10 Fiscal Years*
(unaudited)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	\$ 2,467,686	\$ 2,292,789	\$ 1,736,644	\$ 1,631,864	\$ 1,611,832	\$ 1,580,720	\$ 1,563,727	\$ 1,516,512	\$ 1,456,986	\$ 1,468,742
Actual employer contribution	(2,467,686)	(2,292,789)	(1,736,644)	(1,631,864)	(1,611,832)	(1,580,720)	(1,563,727)	(1,516,512)	(1,456,986)	(1,468,742)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Leon County's covered payroll	\$ 122,832,738	\$ 122,888,954	\$ 112,420,882	\$ 104,826,103	\$ 101,778,575	\$ 101,101,949	\$ 97,005,441	\$ 92,911,582	\$ 90,549,137	\$ 84,749,884
Contributions as a percentage of covered payroll	2.01%	1.87%	1.54%	1.56%	1.58%	1.56%	1.61%	1.63%	1.61%	1.73%

* The amounts presented for each fiscal year were determined as of June 30 except for the covered payroll determined as of September 30.

See report of independent auditors.

Leon County, Florida
Schedule of Changes in the County's Net OPEB Liability and Related Ratios
Last 10 Fiscal Years*
(unaudited)

Net OPEB Liability	2025	2024	2023	2022	2021	2020	2019
Service cost	\$ 1,666,045	\$ 1,263,548	\$ 1,407,503	\$ 2,333,956	\$ 2,501,300	\$ 540,572	\$ 492,162
Interest	1,586,376	1,566,896	1,657,783	1,141,365	934,003	607,217	666,184
Changes of benefit terms	-	961,621	-	-	-	1,067,856	-
Difference between expected & actual experience	(2,146,994)	46,230	(3,619,718)	-	5,600,923	15,714,047	(2,282,605)
Changes in assumptions & other inputs	(6,608,806)	4,029,142	(598,706)	(13,608,670)	(4,618,076)	7,277,059	(31,667)
Benefit payments	<u>(1,390,480)</u>	<u>(1,349,473)</u>	<u>(1,217,979)</u>	<u>(1,100,812)</u>	<u>(753,917)</u>	<u>(215,848)</u>	<u>(249,553)</u>
Net change in total OPEB liability	(6,893,859)	6,517,964	(2,371,117)	(11,234,161)	3,664,233	24,990,903	(1,405,479)
Net OPEB liability - beginning	<u>38,095,590</u>	<u>31,577,626</u>	<u>33,948,743</u>	<u>45,182,904</u>	<u>41,518,671</u>	<u>16,527,768</u>	<u>17,933,247</u>
Net OPEB liability - ending	<u>31,201,731</u>	<u>\$ 38,095,590</u>	<u>\$ 31,577,626</u>	<u>\$ 33,948,743</u>	<u>\$ 45,182,904</u>	<u>\$ 41,518,671</u>	<u>\$ 16,527,768</u>
Covered-employee payroll	\$ 122,846,792	\$ 120,271,936	\$ 110,522,187	\$ 104,826,103	\$ 101,778,576	\$ 101,101,949	\$ 97,005,441
Net OPEB liability as a percentage of covered employee payroll	25.40%	31.67%	28.57%	32.39%	44.39%	41.07%	17.04%

*This Schedule is presented to illustrate the requirement to show information for 10 years. However until a full 10-year trend is compiled, governments should present information for those years which information is available.

See report of independent auditors.

Leon County, Florida
Notes to the Required Supplementary Information
September 30, 2025
(unaudited)

The following changes in actuarial assumptions occurred in 2025:

PENSION RELATED NOTES TO SCHEDULE:

FRS: There were no changes in benefit terms. The inflation rate assumption remained at 2.40%. Payroll growth, including inflation remained at 3.50%. The long-term expected rate of return remained at 6.7%.

HIS: The municipal rate used to determine total pension liability was increased from 3.93% to 5.20%. Payroll growth, including inflation remained at 3.50%.

All demographic assumptions and methods were reviewed as part of the 2024 Experience Study and changes were adopted by the 2024 FRS Actuarial Assumption Conference during its October 2024 meeting.

The coverage election assumptions were updated to reflect recent and anticipated future experience and were adopted by the 2024 FRS Actuarial Assumption Conference during its October 2024 meeting.

There are no assets accumulated in a trust to pay for related benefits for the pension plan.

OPEB RELATED NOTES TO SCHEDULE:

The assumptions, methods, and plan provisions used were the same as those in Leon County's GASB 75 valuation report for FYE September 30, 2024 dated January 08, 2025, except for the following:

The discount rate was updated from 4.06% as of September 30, 2024 based on the S&P Municipal Bond 20-Year High Grade Rate Index to 4.90% as of September 30, 2025 based on the Bond Buyer 20-Bond Index. This caused a decrease in liability.

Salary scale and demographic assumptions (mortality, termination, disability, and retirement) have been updated based on the FRS 2024 Experience Study results used in the FRS Pension Plan Actuarial Valuation as of July 1, 2025. The net impact of these changes is an increase in liability.

Health care trend rates assumption has been updated based on recent trend survey and industry-wide expectation, tempered with actuarial judgment, which caused an increase in the liability.

Medical participation rate has been reduced from 45% for all employees to 40% for Special Risk employees and 20% for non-Special Risk employees based on historical review of 2019 to 2025 valuation census data, tempered with actuarial judgment. This change caused a decrease in liability.

Basic life insurance participation rate has been reduced from 95% to 50% for all employees based on historical review of 2019 to 2025 valuation census data, tempered with actuarial judgment, which caused a decrease in liability.

Medical liability for employees meeting the FRS disability retirement eligibility requirements has been added to this year's valuation. These employees will have access to the County's group health plan at retirement but not the medical subsidy. Additionally, all Special Risk disability is assumed to be duty disability while all non-Special Risk disability is assumed to be non-duty disability. This change caused an increase in liability.

There are no assets accumulated in a trust to pay for related benefits for the OPEB plan.

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

The Honorable Board of County Commissioners
Leon County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, the aggregate remaining fund information, and the budgetary comparison statements of Leon County, Florida (the County), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the County's financial statements, and have issued our report thereon dated June 22, 2026. Our report includes reference to other auditors who audited the financial statements of the Housing Finance Authority of Leon County, a discretely presented component unit of Leon County, as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported separately by these auditors.

Report on Internal Control Over Financial Reporting

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying *Management Letter* as items 2025-002, 2025-003, 2025-004, 2025-009, & 2025-010 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying *Management Letter* as item 2025-001, 2025-005, 2025-007, 2025-008, & 2025-011 to be significant deficiencies.

Report on Compliance and Other Matters

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

Leon County, Florida's Response to Findings

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

Purpose of This Report

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

We have issued a *Management Letter* to the Board of County Commissioners of Leon County, Florida dated June 22, 2026, presenting certain required disclosures and comments pursuant to the *Rules of the Auditor General*, Chapter 10.550.



Thomas Howell Ferguson P.A.
Tallahassee, Florida
June 22, 2026



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

Report of Independent Auditors on Compliance for Each Major Federal Program and State Project; Internal Control Over Compliance; and Schedule of Expenditures of Federal Awards and State Financial Assistance Required by the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*

Honorable Board of County Commissioners
Leon County, Florida

Report on Compliance for Each Major Federal Program and State Project

Opinion on Each Major Federal Program and State Project

We have audited Leon County, Florida's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* and the *Florida Department of Financial Service's State Projects Compliance Supplement*, that could have a direct and material effect on each of Leon County, Florida's major federal programs and state projects for the year ended September 30, 2025. Leon County, Florida's major federal programs and state projects are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, Leon County, Florida complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended September 30, 2025.

Basis for Opinion on Each Major Federal Program and State Project

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying Management Letter as item 2025-005, to be a significant deficiency.

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

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

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

**Report on Schedule of Expenditures of Federal Awards and State Financial Assistance
Required by the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General***

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information and the budgetary comparison statements of Leon County, Florida, as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise Leon County, Florida's basic financial statements. We issued our report thereon dated June 22, 2026, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and state financial assistance is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Thomas Howell Ferguson P.A.
Tallahassee, Florida
June 22, 2026



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

Leon County, Florida
Schedule of Expenditures of Federal Awards and State Financial Assistance
Year Ended September 30, 2025

Federal / State Agency Pass-through Entity Federal Program / State Project	CFDA or CSFA Number	Grant Contract Number	Expenditures	Transfers to Subrecipients
FEDERAL AWARDS				
<u>U.S. Department of Agriculture</u>				
Pass through Florida Department of Financial Services: Schools and Roads - Grants to States	10.665	USFOR2025	\$ 20,433	\$ -
Total CFDA 10.665 Schools and Roads Cluster			<u>20,433</u>	<u>-</u>
<u>U.S. Department of Housing and Urban Development</u>				
Pass through Florida Department of Commerce: Community Development Block Grant	14.228	22CV-S31	2,000,852	-
<u>U.S. Department of Treasury</u>				
Direct Programs:				
COVID-19 American Recovery Plan Funding	21.027	20-1982-0-1-806	2,547,933	830,795
COVID-19 Emergency Rental Assistance Program	21.023	ERA2-0382	1,175,000	-
<u>U.S. Department of Interior</u>				
Direct Program:				
Payments in Lieu of Taxes	15.226	Unknown	309,874	-
<u>U.S. Department of Justice</u>				
Direct Program:				
Community Based Violence Intervention and Prevention Initiative	16.045	15PBJA-22-GG-04708-CVIP	254,781	-
Pass through Florida State University: HeartMath Resilience Program	16.560	R000003440	6,625	-
Pass through State of Florida Office of the Attorney General: Victims of Crime Act	16.575	VOCA-2024	108,078	-
Direct Program:				
Law Enforcement Mental Health and Wellness Act (LEMHWA)	16.710	15JCOPS-23-GG-02545-PPSE	127,527	-
Law Enforcement Agency De-Escalation Grants -Community Policing	16.710	15JCOPS-24-GG-05398-DETU	3,516	-
Total CFDA # 16.710			<u>131,043</u>	<u>-</u>
Direct Program:				
Capital Area Real Time Crime Center Operational Research Partnership	16.738	115PBJA-21-GG-04372-SMTP	42,000	-
Edward Byrne Memorial Justice Assistance Grant (JAG)	16.738	6N183	50,000	-
Pass through City of Tallahassee, Florida				
Edward Byrne Memorial Justice Assistance Grant (JAG)	16.738	15PBJA-23-GG-03304-JAGX	19,558	-
Pass through Florida Department of Law Enforcement				
Edward Byrne Memorial Justice Assistance Grant - GeoShield System	16.738	6N147	34,992	-
Total CFDA # 16.738			<u>146,550</u>	<u>-</u>
Direct Programs:				
Smart Reentry: Expanding Jail Programs and Services	16.812	15PBJA-23-GG-04161-SCAX	142,426	-
Body-worn Camera Policy and Implementation Program	16.835	15PBJA-23-GG-02632-BWCX	2,887	-
Body-worn Camera Policy and Implementation Program	16.835	15PBJA-24-GG-04465-BWCX	4,959	-
Total CFDA # 16.835			<u>7,846</u>	<u>-</u>
<u>U.S. Department of Transportation</u>				
Pass through Florida Department of Transportation				
Occupant Protection and Child Passenger Safety Program	20.600	G3523	48,144	-
Speeding and Aggressive Driving Program	20.600	G3425	46,626	-
Total CFDA # 20.600 Highway Safety Cluster			<u>94,770</u>	<u>-</u>
Pass through Florida Department of Transportation				
Highway Planning and Construction	20.205	G2S12	2,131,709	-
<u>U.S. Department of Homeland Security</u>				
Pass through Florida Division of Emergency Management:				
State Homeland Security Grants Program	97.067	R0901	141,236	-
State Homeland Security Grants Program	97.067	R1132	98,723	-
Total CFDA # 97.067			<u>239,959</u>	<u>-</u>
Pass through Florida Division of Emergency Management:				
Emergency Management Performance Grants	97.036	Z1848	16,328	-
Emergency Management Performance Grants	97.036	Z3937	285,618	-
Emergency Management Performance Grants	97.036	Z4188	108,662	-
Emergency Management Performance Grants	97.036	Z4236	79,585	-
Total CFDA # 97.036			<u>490,193</u>	<u>-</u>
Pass through Florida Division of Emergency Management:				
Harazrd Mitigation Grant Program	97.039	H0904	740,909	-
EMPG Base Grant	97.042	G0520	85,821	-
<u>U.S. Department of Health and Human Services</u>				
Pass through Florida Department of Revenue				
Federal Grants Child Support Reimbursement	93.563	COC37	124,044	-
Total Expenditures of Federal Awards			<u>\$ 10,758,846</u>	<u>\$ 830,795</u>
(continued)				

See independent auditors' report.

Leon County, Florida
Schedule of Expenditures of Federal Awards and State Financial Assistance (continued)
Year Ended September 30, 2025

Federal / State Agency Pass-through Entity Federal Program / State Project	CFDA or CSFA Number	Grant Contract Number	Expenditures	Transfers to Subrecipients

STATE FINANCIAL ASSISTANCE

State of Florida Division of Emergency Management

Direct Project:				
Emergency Management Programs	31.063	A0483	\$ 132,258	\$ -

Florida Department of Environmental Protection

Direct Projects:				
Florida Springs Grant Program	37.052	LP37113	27,492	-
Florida Springs Grant Program	37.052	LP0110E	2,259,070	-
Florida Springs Grant Program	37.052	LP37114	4,306,821	-
Total CSFA # 37.052			6,593,383	-
Statewide Water Quality Restoration Projects	37.039	LPE3701	780,000	-
FDEP Resilient Florida Program	37.098	23PLN57	264,953	-
Local Hazardous Waste Collection Center	37.010	DEP3745DWM	19,321	-

Florida Department of Agriculture and Consumer Services

Direct Project:				
Mosquito Control	42.003	Unknown	68,808	-

Florida Department of State

Direct Project:				
Public Library Construction Program	45.020	24-PLC-04	88,343	-
State Aid to Libraries	45.030	23-ST-27	85,843	-

Florida Department of Management Services

Direct Project:				
Public Safety Answering Point Upgrades	72.021	DMS-P1-24-07-19	780,499	-
Direct Projects:				
State Housing Initiatives Partnership Program	40.901	SHIP22	552,742	-
State Housing Initiatives Partnership Program	40.901	SHIP23	1,005,285	-
State Housing Initiatives Partnership Program	40.901	SHIP24	69,029	-
Total CSFA # 40.901			1,627,056	-

Florida Department of Law Enforcement

Direct Projects:				
Criminal Justice Data Transparency	71.044	2022-DTSFA-D2-006	203,577	-
Online Sting Operations Grant Program	71.148	OS009	30,000	-
Local Firearm Safety Training Program	71.103	FL025	11,763	-
Community Violence Intervention and Prevention (CVI) Grant Program	71.129	CH003	14,634	-

Florida Department of Juvenile Justice

Direct Project:				
Delinquency Prevention	80.029	10697	26,966	-

Total Expenditures of State Financial Assistance

\$ 10,727,404 \$ -

NOTES:

(1) Housing loans originated since 2005 and outstanding at year end:

Community Development Block Grant-Entitlement	14.218		\$ 918,806	\$ -
State Housing Initiatives Partnership Program	40.901		8,113,570	-
			\$ 9,032,376	\$ -

(2) The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance (the Schedule) presents the activity of all federal programs and state projects of the Leon County Board of County Commissioners for the year ended September 30, 2025. All expenditures related to federal awards and state projects received directly from federal and state agencies, as well as federal awards and state projects passed through other governmental agencies, are included in the accompanying Schedule. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

(3) The Schedule was prepared on the modified accrual basis of accounting.

(4) Leon County Board of County Commissioners has not elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

(5) No federal assistance was expended in noncash assistance.

Leon County, Florida
Schedule of Findings and Questioned Costs
Year Ended September 30, 2025

Section I -- Summary of Auditors' Results

Financial Statements

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? Yes

Significant deficiency(ies) identified not considered to be material weaknesses? Yes

Noncompliance material to financial statements noted? No

Schedule of Findings and Questioned Costs Relating to Federal Awards

Federal Awards

Internal control over major programs:

Material weakness(es) identified? No

Significant deficiency(ies) identified not considered to be material weaknesses? None

Type of auditor's report issued on compliance for major programs? Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? No

Identification of major programs:	<u>CFDA Number</u>	<u>Name of Federal Program</u>
		U.S. Department of Transportation
	20.205	Pass through the Florida Dept. of Transportation Highway Planning and Construction
		U.S. Department of Homeland Security
	97.039	Pass through the Florida Division of Emergency Management Hazard Mitigation Grant Program
		U.S. Department of Housing and Urban Development
	14.228	Pass through the Florida Dept. of Commerce Community Development Block Grant

Dollar threshold used to distinguish between Type A and Type B programs: \$1,000,000

Auditee qualified as low-risk auditee? No

Leon County, Florida
Schedule of Findings and Questioned Costs (continued)
Year Ended September 30, 2025

Schedule of Findings and Questioned Costs Relating to State Financial Assistance

State Financial Assistance Awards

Internal control over major projects:

Material weakness(es) identified? No

Significant deficiency(ies) identified not considered to be material weaknesses? Yes

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

Any audit findings disclosed that are required to be reported in accordance with Chapter 10.557, *Rules of the Auditor General*? No

Identification of major projects:	<u>CSFA Number</u>	<u>Name of State Project</u>
		Florida Department of Environmental Protection
		Direct Projects
	37.052	Florida Springs Grant Program
		Florida Department of Management Services
		Direct Projects
	72.021	Public Safety Answering Point Upgrades

Dollar threshold used to distinguish between Type A and Type B projects: \$750,000

Section II -- Financial Statement Findings

See findings 2025-001 through 2025-011 in the Management Letter.

Section III -- Federal Awards and State Financial Assistance Findings and Questioned Costs

Federal Awards - We noted no matters involving noncompliance that are required to be reported in accordance with 2 CFR 200.516(a).

State Financial Assistance Awards - See finding 2025-005 in the Management Letter for management's planned corrective actions.

See report of independent auditors.

Leon County, Florida

Summary Schedule of Prior Audit Findings

Year ended September 30, 2025

Federal Awards and State Financial Assistance:

Financial Statements –

2024-001 Fixed Asset Disposals

This corrective action is ongoing as of September 30, 2025. See the accompanying Management Letter for current year recommendation 2025-001 and management's planned corrective actions.

2024-002 BOCC Manual Journal Entries Process Improvements

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

2024-003 BOCC Construction in Progress

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

2024-004 BOCC Fixed Asset Balances and Schedules

This corrective action is ongoing as of September 30, 2025. See the accompanying Management Letter for current year recommendation 2025-002 and management's planned corrective actions.

2024-005 BOCC Closing Process

This corrective action is ongoing as of September 30, 2025. See the accompanying Management Letter for current year recommendation 2025-003 and management's planned corrective actions.

2024-006 Lease and SBITA Tracking and Recording

This corrective action is ongoing as of September 30, 2025. See the accompanying Management Letter for current year recommendation 2025-004 and management's planned corrective actions.

2024-007 Reconciliation of Balance Between Constitutional Officers

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

2024-008 BOCC Timely Preparation and Review of Monthly Bank Reconciliations.

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

2024-009 Sheriff Significant Adjustments

This corrective action is ongoing as of September 30, 2025. See the accompanying Management Letter for current year recommendation 2025-008 and management's planned corrective actions.

2024-010 Clerk Bank Reconciliation Process

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

2024-011 Clerk Material Adjusting Journal Entries

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

2024-012 Tax Collector Cash Disbursement Review Process

This corrective action is ongoing as of September 30, 2025. See the accompanying Management Letter for current year recommendation 2025-007 and management's planned corrective actions.

2024-013 Tax Collector Bank Reconciliations

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

2024-014 Sheriff Retirement Contributions

This corrective action is ongoing as of September 30, 2025. See the accompanying Management Letter for current year recommendation 2025-009 and management's planned corrective actions.

2024-015 Sheriff Overtime Approval

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

Federal Programs – There were no prior year findings.

State Projects – There were no prior year findings.

Management Letter

The Honorable Board of County Commissioners
Leon County, Florida

Report on the Financial Statements

We have audited the financial statements of Leon County, Florida (the County), as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated June 22, 2026.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Report of Independent Auditors on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Special-Purpose Financial Statements Performed in Accordance with *Government Auditing Standards*, Report of Independent Auditors on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs, and Report of Independent Accountants on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated June 22, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings

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

2023-002 & 2024-001 Fixed Asset Disposals

This corrective action is ongoing as of September 30, 2025, and as a result, this is the third consecutive year this specific recommendation is reported. See current year recommendation 2025-001.

2023-004 & 2024-002 BOCC Manual Journal Entries Process Improvements

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

2024-003 BOCC Construction in Progress

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

2024-004 BOCC Fixed Asset Balances and Schedules

This corrective action is ongoing as of September 30, 2025, and as a result, this is the second consecutive year this specific recommendation is reported. See current year recommendation 2025-002.

2024-005 BOCC Closing Process

This corrective action is ongoing as of September 30, 2025, and as a result, this is the second consecutive year this specific recommendation is reported. See current year recommendation 2025-003.

2024-006 Lease and SBITA Tracking and Recording

This corrective action is ongoing as of September 30, 2025, and as a result, this is the second consecutive year this specific recommendation is reported. See current year recommendation 2025-004.

2024-007 Reconciliation of Balance Between Constitutional Officers

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

2024-008 BOCC Timely Preparation and Review of Monthly Bank Reconciliations.

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

2023-005 & 2024-009 Sheriff Significant Adjustments

This corrective action is ongoing as of September 30, 2025, and as a result, this is the third consecutive year this specific recommendation is reported. See current year recommendation 2025-008.

2024-010 Clerk Bank Reconciliation Process

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

2024-011 Clerk Material Adjusting Journal Entries

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

2024-012 Tax Collector Cash Disbursement Review Process

This corrective action is ongoing as of September 30, 2025, and as a result, this is the second consecutive year this specific recommendation is reported. See current year recommendation 2025-007.

2024-013 Tax Collector Bank Reconciliations

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

2024-014 Sheriff Retirement Contributions

This corrective action is ongoing as of September 30, 2025, and as a result, this is the second consecutive year this specific recommendation is reported. See current year recommendation 2025-009.

2024-015 Sheriff Overtime Approval

Corrective action for this recommendation was taken and this recommendation was considered resolved 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 name or official title and legal authority for the primary government and each component unit of the reporting entity are disclosed in Note 1 of the Notes to the Financial Statements.

Financial Condition and Management

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

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), *Rules of the Auditor General*, we applied financial condition assessment procedures for Leon County, Florida as of September 30, 2025. It is management's responsibility to monitor Leon County, Florida's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same.

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

2025-001- Fixed Asset Disposals

Criteria: The purchasing division sets the policies and procedures regarding the disposal of fixed assets. These policies and procedures are necessary for financial reporting in accordance with the Government Accounting Standards Board (GASB) and to mitigate risks of material misstatement and misappropriation of assets. To sell, trade-in, transfer, cannibalize or dispose of unserviceable or uneconomically repairable equipment, the Board's policies require the Property Custodian to complete and submit a Property Control Form to the Property Control Specialist, outlining the action and the reason(s) for said action, prior to actual disposal. The Board's policies require a thorough review of the annual Tangible Personal Property Report by the Property Control Specialist, Procurement Administrator, and Purchasing Director to ensure complete and accurate information prior to its submission to the Board. The Board's policies require physical inventories be conducted by Property Control in coordination with the appropriate Property Custodian. During the physical inventory, if tangible personal property is found that is not on the property record, action will be taken by Property Control to evaluate it and place it on the Property Record in the department where it was found. Once notified by the Property Control Specialist that inventory is closed, the Finance Department utilizes reports pulled from the RECOUP system to record fixed asset disposals in the Sage Fixed Asset system.

Condition: Several large disposals of equipment that occurred during the year were not initially recorded for financial statement reporting.

Cause: The RECOUP system is the database used to document disposals by the property control specialist. A RECOUP system disposal report is pulled by finance to reconcile disposals to the SAGE Fixed Asset System used for financial reporting.

We noted deficiencies in communication between departments disposing of items and the property control specialist. These deficiencies can create gaps in the completeness and accuracy of the RECOUP reports. As a result, we identified several assets with inaccurate disposal dates in the RECOUP reports.

Additionally, the process for recording the disposals in the RECOUP system is a highly manual process and prone to errors based on limitations in the system and the information it generates. Additionally, the systems utilized for property disposals (RECOUP) does not integrate with the system for tracking disposals for fixed asset financial reporting (SAGE). This results in a detailed reconciliation process that is prone to errors if not performed timely, routinely, and with the proper report parameters during the year.

Effect: Fixed asset disposals are not properly included in the SAGE fixed asset listing resulting in misstatements in financial reporting for fixed assets.

Recommendation: Management should improve policies and procedures in place to communicate and obtain appropriate supporting documentation for all fixed asset disposals, in a timely manner. Management should consider the various fixed asset systems in use and consider if those various systems properly serve the various departments of the County. Additionally, management should determine if the systems have additional features or add ons that may assist in the reconciliation or integration between systems. Management should be performing more routine reconciliation between the inventory system and the fixed asset system for financial reporting.

Management's response:

Management acknowledges and concurs with the proposed changes for recording of disposals as mentioned. Management is currently working on improving adherence to timelines by working on schedules for inventory, and ensuring that all items are flowing correctly to the inventory specialist and finance staff as needed. We concur with the finding and the recommendation of new software for greater efficiency, which will be implemented at a feasible point in time.

2025-002 BOCC Fixed Assets Balances and Schedules

Criteria: The Board sets the policies and procedures regarding the capitalization of fixed assets for financial reporting. These financial reporting policies and procedures are necessary for financial reporting in accordance with the Government Accounting Standards Board (GASB). Expenditures for assets meeting the capitalization requirements outlined in the capitalization policy should be included in the BOCC Sage Fixed Asset Listing. Additionally, the Fixed Asset Listing and related fixed asset schedules which outline balances to be reported on the trial balance should reconcile to each other and not contain errors.

Condition: We noted multiple expenditures for the purchase of capital assets or improvements meeting the definition of capital assets under GASB and the capitalization policy of the Board, that were not properly reported or included in the fixed asset management system. Additionally, it was noted that certain capitalizable items were recorded in non-capital outlay accounts and vice versa. The errors were discovered during the audit process. Lastly, adjustments were required in order to reconcile the fixed asset schedules with the fixed asset listing and trial balance.

Cause: Significant turnover in the finance department impacted the schedules prepared by management including the loss of institutional knowledge and constraints on the organizations time and ability to investigate and correct the reported balances and schedules. This turnover coupled with a lack of detailed policies and procedures for the timing and reconciliation of the amounts recorded as capital outlay expenditures to the fixed asset software and schedules led to errors in reported amounts. Challenges in proper expense account coding existed due to communication deficiencies on the nature of the underlying capital projects. Initial omissions for certain capitalizable items led to inaccurate reporting

Effect: Management's risk of material misstatement over fixed assets reported on the government wide financial statements and the BOCC special-purpose financial statements is increased.

Recommendation: Management should update the policies and procedures to include specific roles and responsibilities for the communication of ongoing projects, incoming invoices related to projects, and the reconciliation of capital outlay expenditures to amounts recorded as fixed asset additions. The performance of these tasks should occur at more frequent intervals throughout the year.

Management's response:

Finance is reviewing our current Fixed Asset policies and procedures, working to eliminate the gaps that have been identified above, and removing the roadblocks to ensure accurate reporting going forward. Management has also instituted additional data checks to proactively identify and correct information throughout the year, ensuring issues are addressed promptly as updated information is received. All parties will be taking a more active role in order to ensure financial statement accuracy. We have also requested a new fixed asset accountant position.

2025-003 BOCC Closing Process

Criteria: The Committee for Sponsoring Organizations (COSO) defines internal controls as, "a process effected by an entity's board, management, and other personnel, designed to provide reasonable assurance of the achievement of objectives relating to operations, reporting, and compliance."

Condition: The preliminary trial balance for fiscal year 2025 included significant errors and omitted information. The errors were discovered during the audit process and were properly investigated and corrected by management.

Cause: Delays in the receipt of invoices from various departments for revenues and payables impacted various schedules and reports.

It should also be noted that significant turnover in the finance department impacted the schedules prepared by management including the loss of institutional knowledge and constraints on the organization's time and ability to investigate and correct the reported balances and schedules as well as a lack of detailed policies and procedures for the formal year end closing formalized for the finance department.

Effect: These matters led to significant errors in the schedules provided and amounts reported prior to audit adjustment.

Additionally, these financial statement misstatements can lead to incomplete and inaccurate information to those charged with governance, other constitutional officers and other County departments.

Recommendation: Management should review its policies and procedures for significant transaction cycles, document the process for closing the books for its monthly and annual financial reporting, and set a timeline for the monthly and annual reconciliation of account balances and schedules.

Management should continue to evaluate the structure and staffing roles and responsibilities of the finance department.

Management's response:

The finance department does agree that more concrete procedures need to be documented and is currently working to update and create more thorough desktop procedures to better identify and prevent these types of errors. Additionally, more thorough procedures are being put into place to track late invoices and ensure that all end of year invoices have been received.

2025-004 Lease and SBITA Tracking and Recording

Criteria: GASB Statement No. 96 defines how Subscription Based Information Technology Arrangements (SBITAs) should be recorded for government entities.

Condition: THF noted improvements in the process for calculating and reporting Leases and SBITAs in accordance with GASB 87 and GASB 96 based on management's previous corrective action plan. However, instances were noted in which eight (8) new SBITAs were not included on the original SBITA schedules in accordance with GASB 96.

Cause: Significant turnover in the finance department impacted the schedules prepared by management including the loss of institutional knowledge and constraints on the organizations time and ability to investigate and correct the reported schedules. This turnover coupled with a lack of detailed policies and procedures for the timing and identification of potential SBITA assets led to errors in reported amounts.

Effect: Management's risk of material misstatement over SBITAs reported on the government wide financial statements and the BOCC special-purpose financial statements is increased. Initially provided details were misstated by a significant amount.

Recommendation: Management should improve policies and procedures in place to identify leases and SBITAs. Management should also implement a more detailed review of schedules and reported balances.

Management's response:

Management will agree on turnover being the reason for the missed SBITAs, and have taken measures to implement new policies and procedures to compensate for this and ensure completeness going forward.

2025-005 BOCC Timely Billing, Quarterly Reports and A/R collectability

Criteria: GASB Statement No. 33 defines the appropriate standard for recognition of receivables and revenue for expenditure driven grant activities in governmental funds.

Reporting requirements of various grant programs include the submission of quarterly status reports to the grantor.

Condition: During the audit we identified intergovernmental grant revenues recorded beyond grant award amounts. In these instances the County has not met the eligibility requirements for revenue recognition. Additionally, we noted long outstanding A/R balances that were not timely invoiced to intergovernmental grantors.

During the audit we identified instances where quarterly billings were submitted but were submitted beyond the required timeframes for the Public Safety Answering Point Upgrades State Award.

Cause: Separation of duties and responsibilities between finance for recording revenues, deferred revenues, and accounts receivable and the process for managing and billing the grant are resulting in the discrepancies.

Quarterly reports were not always prepared and submitted timely due to the need for enhanced controls over grant reporting, specifically in establishing more consistent monitoring and review procedures to support timely submission of required reports.

Effect: Adjustments to reduce revenues and record allowances for doubtful accounts were identified during the audit and were necessary for proper financial reporting.

The effect of untimely quarterly reporting is considered minimal as all reports were subsequently submitted without issue.

Recommendation: Management should improve its policies and procedures for grant recording. This includes improved communications between Finance and the applicable departments regarding the nature of the grant, the grant award amounts, matching funds, and billing/collectability challenges.

We recommend that management develop and implement procedures to monitor grant reporting deadlines, assign responsibility for report preparation, and require timely supervisory review to ensure compliance with grantor requirements.

Management's response:

Management continues to improve its policies and procedures across all departments to ensure completeness and accuracy of amounts recorded throughout the fiscal year. Additionally, more active communication regarding grants is taking place, and year-end policies and procedures related to these processes are being updated to address this issue. Additionally, new grants management software is currently being implemented by the Office of Management and Budget to assist departmental grant program managers with tracking of grant activities and timely grant reporting.

2025-006 Clerk Custodial Funds Additions and Deductions

Criteria: GASB Statement No. 84, Fiduciary Activities, requires custodial funds to report additions and deductions that reflect actual increases and decreases in fiduciary net position during the reporting period.

Condition: The finance department's process for recording additions and deductions in the Custodial Fund is not accurately capturing these transactions in accordance with GASB 84. Significant duplications of additions and deductions recorded in the custodial funds were identified during the audit.

Cause: The finance department has not fully implemented/integrated GASB 84 within its accounting system. Specifically, throughout the year the finance department only records the changes to deposit account balances. At year end, inflows and outflows of the deposit accounts are recorded as additions and deductions without sufficient analysis to determine whether such activity represents true custodial additions and deductions as defined by GASB 84.

Effect: Custodial Fund additions and deductions were misstated in the trial balance, requiring audit adjustments to correct the reported activity.

Recommendations: We recommend that the finance department implement internal processes and procedures to ensure custodial fund transactions are recorded in accordance with GASB 84 throughout the year. This should include recording custodial fund activity at the transaction level when it occurs, enhancing supporting schedules as necessary, and performing a thorough review of custodial fund activity to ensure that only true additions and deductions are reported.

Management Response:

We have changed our procedures for generating the documentation for the inflows and outflows so that they will be separately identified through a naming structure that will ensure correct accounting for these items will be done. With this new identification, we will be able to accurately report the amounts that are truly Custodial actions per GASB 84 and will remove the opportunity for items doubling. Furthermore, we have added additional reviews for what is being done for GASB 84 for the year end process as a whole, and are creating a new written procedure and checklist for items to ensure that all items have been handled appropriately.

2025-007 – Tax Collector Cash Disbursement Review Process

Criteria: The Committee for Sponsoring Organizations (COSO) defines internal controls as, “a process, effected by an entity’s board of directors, management, and other personnel, designed to provide reasonable assurance regarding the achievement of objectives relating to operations, reporting, and compliance.” A “control deficiency” 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 misstatements of the financial statements on a timely basis. Management is responsible for the preparation and fair presentation of the financial statements in accordance with generally accepted accounting principles (GAAP). This includes the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement.

County tax collectors are not authorized by any constitutional or statutory provision to expend public funds for public relations materials and activities or to make contributions or donations to private individuals or institutions. Advisory Legal Opinions issued by the Florida Office of the Attorney General, including AGO 78-101 and AGO 78-151, address the limitations on the use of public funds by county constitutional officers.

Section 212, Florida Statutes, provides an exemption from sales and use tax for state agencies when purchases are made in their official capacity and an exemption certificate is issued by the Florida Department of Revenue. Constitutional officers, including tax collectors, qualify for this exemption when the purchase is for a public purpose and made directly by the governmental entity.

Condition: During our testing of ACH and electronic disbursements, we noted that an ACH authorization form was properly reviewed and approved as part of the preparation and review of the supporting documentation. However, there was no documentation of the following procedures identifying (1) the individual who uploaded each ACH and electronic batch to the bank platform and (2) the individual who released each batch for processing and payment. As a result, there was no evidence demonstrating segregation of duties between batch preparation and batch release functions.

During our testing of credit card transactions, we noted instances in which sales tax was paid on purchases for which the Tax Collector is exempt under Florida law. In addition, we identified transactions with missing supporting receipts and certain charges that were misclassified in the general ledger. We also noted a donation made to a nonprofit organization.

Cause: The conditions noted above are the result of inadequate documentation and monitoring controls over disbursement processes. Specifically, procedures do not require formal documentation evidencing segregation of duties for ACH batch uploads and releases, nor do they ensure consistent supervisory review of credit card transactions for sales tax exemption compliance, proper supporting documentation, accurate general ledger classification, and allowability of expenditures.

Effect: Cash disbursement controls are not effectively implemented and create some additional risk for financial statement misstatement and unauthorized, improper, and unsupported disbursements. Public funds were expended unnecessarily on sales tax exempt transactions. Donations are outside the general powers and duties of the Tax Collector's office as outlined in Chapters 192 through 196, Florida Statutes, and are therefore not authorized by any constitutional or statutory provision. Although the amounts identified were not material to the financial statements, the condition reflects a control deficiency over the disbursement process and may result in continued unnecessary expenditures and noncompliance with statutory requirements governing the use of public funds if not corrected.

Recommendation: Management should continue to strengthen existing policies and procedures by adopting a formal, documented review and approval process over ACH and other electronic disbursements. Currently, the ACH and electronic disbursement process includes a two-step control whereby one authorized user uploads each batch to the bank, and a second authorized user releases the batch. While this segregation of duties is appropriate, we recommend that both the upload and release approvals be formally documented on the same approval form to evidence review and authorization. The completed approval form should be retained as supporting documentation to provide a clear audit trail and to enhance accountability over electronic disbursements.

We recommend management reinforce procedures requiring staff to provide the sales tax exemption certificate to vendors at the time of purchase. Implement a review control within the accounts payable process to verify that sales tax is not charged on exempt purchases prior to payment approval and consider requesting refunds from vendors for improperly charged sales tax where feasible.

We recommend the Tax Collector discontinue contributions and promotional expenditures that are not directly related to statutory duties. Policies and procedures should be strengthened to ensure future expenditures comply with applicable Florida Statutes and relevant Attorney General Opinions.

Management's Response:

We have reviewed the audit findings and in response, we have implemented the following internal control enhancements:

Our current banking procedures process requires multi-layer approval with secure token access which strengthens transaction security and prevents unauthorized access. To formalize and track these procedures, an additional signature line has been added to the payable's coversheet, ensuring documented evidence of review for every transaction.

To address the minor amount of sales tax paid in error, we have initiated a Credit Card Agreement Form for P-card holders. This form requires cardholders to acknowledge their responsibility to provide vendors with tax-exempt certificates at the time of purchase to prevent future tax overpayments.

2025-008 – Sheriff Significant Adjustments

Criteria: The Committee for Sponsoring Organizations (COSO) defines internal controls as, “a process effected by an entity’s board, management, and other personnel, designed to provide reasonable assurance of the achievement of objectives relating to operations, reporting, and compliance.” A “control deficiency” 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 misstatements of the financial statements on a timely basis. One control deficiency that typically is considered significant is identification by the audit of a material misstatement in the financial statements that was not initially identified by the entity’s internal controls. Management is responsible for the preparation and fair presentation of the financial statements in accordance with generally accepted accounting principles (GAAP). This includes the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement.

Condition: Subsequent to the start of our year-end audit procedures, there were adjusting journal entries pertaining to capital outlay that were required to be made to prevent the Sheriff’s financial statements from being materially misstated.

Cause: The Sheriff’s accounting staff did not provide a year-end trial balance reflecting all necessary accounting entries.

Effect: The financial statements would be materially misstated if the significant adjustments were not made.

Recommendation: We continue to recommend that the Sheriff evaluate and improve internal controls over financial reporting and implement changes as necessary to detect misstatements in the financial statements. This will ensure accurate and timely financial reporting. The controls should include preparation and review of all workpapers necessary to adjust the financial statements in accordance with generally accepted accounting principles. The Sheriff's accounting staff should post all necessary adjusting journal entries to the general ledger system prior to the audit. The draft financial statements should be reviewed by at least one qualified individual, independent of the preparation process, to identify potential misstatements.

Management's Response:

Management agrees with the finding and acknowledges that audit adjustments continued to be necessary during the fiscal year 2025 audit process, particularly related to capital outlay. However, management also recognizes the significant reduction in audit adjustments over the past three fiscal years as evidence of continued improvement in financial reporting processes and internal controls.

To further strengthen internal controls over financial reporting, management has implemented several process improvements, including a new purchasing system to improve expense coding consistency and a contract management system to better identify and track lease activity. In addition, capital outlay reconciliations are being performed regularly and lease schedules are being maintained throughout the year.

Management will continue enhancing year-end closing procedures through the use of formalized year-end close checklists, documented reconciliations, and supervisory review processes designed to identify and correct material misstatements prior to the commencement of audit fieldwork. This includes reconciliation of capital outlay activity to the fixed asset records and review of lease-related balances and activity for completeness and accuracy. Draft financial statements and supporting workpapers will also undergo management review prior to submission to the auditors.

2025-009 – Sheriff Retirement Contributions

Criteria: Internal controls are essential to ensure employee retirement contributions be accurately calculated, monitored, and remitted in a timely manner throughout the year.

Condition: During our audit procedures, we noted the Sheriff has not established a formal documented review process over employee Florida Retirement System (FRS) classifications and corresponding retirement contribution rates. Although no material retroactive retirement contribution payments or misclassifications were identified during the current year, there is no documented periodic review process in place to verify that employee classifications and contribution rates remain accurate throughout the year.

Cause: The deficiency was primarily due to the absence of internal controls and oversight regarding retirement contributions. There is no designated individual or procedure responsible for overseeing the control environment for retirement contribution rates, and no formalized process has been established for auditing or reviewing contribution rates on a regular basis.

Effect: Without proper internal controls, the Sheriff is exposed to several risks, including inaccurate retirement contributions made by the Sheriff on the employee's behalf, non-compliance with regulatory requirements, and failure to accurately budget retirement contributions. This lack of control could result in errors or fraudulent activity related to an employee retirement contribution that may go undetected, leading to significant financial and operational risks.

Recommendation: We continue to recommend employee classifications be reviewed for completeness and accuracy, and these classifications should be confirmed with FRS when necessary. Management should establish a formal, periodic review process for retirement contribution rates. The review process should be conducted at least quarterly, with adjustments made in response to changes in employee responsibilities or job duties and regulatory requirements. Additionally, human resources and finance should collaborate to ensure all relevant factors are considered in the internal control process. Documentation of each review should be maintained to demonstrate due diligence and facilitate future audits.

Management's Response:

Management agrees with the finding. Although no material retroactive retirement contribution payments occurred during the current year, management recognizes the need for stronger documented internal controls over employee Florida Retirement System (FRS) classifications and contribution rates. Management will implement a formal quarterly review process to verify employee classifications and applicable contribution rates and to timely detect and correct any discrepancies. Reviews will also be performed when significant changes in employee duties or positions occur. Management will coordinate with FRS when classification determinations require additional review. Documentation of all reviews and any corrective actions taken will be maintained to demonstrate due diligence and facilitate future audits.

2025-010 – Sheriff Reconciliation of Capital Assets

Criteria: Internal controls over capital assets should be designed and implemented to ensure capital asset records are complete, accurate, and properly reconciled to the general ledger on a periodic basis. Reconciliations are necessary to ensure additions, disposals, and transfers are accurately recorded and reported in the financial statements in accordance with Government Accounting Standards Board (GASB). Additionally, all capital asset activity required to be reported in the government-wide financial statements of Leon County, Florida (the County) should be periodically reconciled to the County's centralized capital asset records.

Condition: During our audit procedures, we noted the Sheriff did not perform timely and complete reconciliations of capital asset activity during the fiscal year. As a result, differences were identified during the audit process that required adjustments to properly reconcile capital asset balances and related activity. In addition, the Sheriff did not reconcile its fixed asset activity to the County's capital asset records; therefore, differences between the Sheriff's records and the County's records were not identified or resolved in a timely manner. It was also noted during our testing of capital asset additions that certain fixed asset purchases made during the current year were not recorded in the Sheriff's fixed asset inventory system.

Cause: This condition appears to be due to the absence of a formal reconciliation process within the Sheriff's own operating procedures and also the absence of a formal reconciliation process between the Sheriff and the County. Specifically, there is no defined responsibility for performing the reconciliation, no standardized procedures or timelines for comparing records, communication, and coordination with County personnel responsible for maintaining the capital assets.

Effect: Failure to reconcile capital asset activity may result in misstatements in reported capital asset balances and related depreciation, incomplete or inaccurate reporting in the County's financial statements, or potential misappropriation of assets.

Recommendation: We recommend that the Sheriff implement a formal reconciliation process to ensure capital asset records are complete and accurate. This process should include performing periodic reconciliations of additions, disposals, and ending balances to the Sheriff's inventory system and the County's records. Processes should include assigning clear responsibility for preparation and review of the reconciliations, investigating and resolving all identified differences in a timely manner. These procedures will enhance coordination with County finance personnel to ensure consistency in reporting.

Management's Response:

Management agrees with the comment. Although a quarterly fixed asset reconciliation process had been established, the reconciliation was not updated after all year-end entries and adjustments were recorded.

To strengthen controls over fixed assets, management will implement a documented reconciliation process requiring timely review of asset additions, deletions, and transfers between Quartermaster records, the general ledger, and County capital asset records. Reconciliations will be performed quarterly throughout the fiscal year and monthly during year-end close and the subsequent reporting period to improve cutoff, completeness, and accuracy of fixed asset reporting. Supervisory review and approval of reconciliations will also be documented.

2024-011 – Property Appraiser Office Employee Fund

Criteria: Payroll deductions and the administration of employee-related funds should be conducted with appropriate authorization, accountability, and oversight, in accordance with internal control standards and applicable policies and regulations. Funds collected on behalf of employees should either be recorded within the entity's financial system or otherwise subject to formal fiduciary accounting and internal controls.

Condition: The Property Appraiser administers voluntary payroll deductions for an employee social/activity fund that is maintained outside of the Property Appraiser's Federal EIN and financial system, limiting formal accounting, oversight, and internal control. In addition, certain payroll deductions were processed for employees without documented written authorization on file.

Cause: The employee activity fund has historically been managed informally outside of the Property Appraiser's financial system, and a standardized process for obtaining, retaining, and periodically reviewing employee authorization for voluntary payroll deductions has not been established.

Effect: This arrangement limits the Property Appraiser's ability to ensure proper custody, authorization, and oversight of employee funds and increases the risk of unauthorized deductions, employee disputes, errors, or misappropriation. In addition, the absence of documented authorization and formal oversight increases the risk of noncompliance with applicable wage and labor requirements.

Recommendation: We recommend that the Property Appraiser strengthen controls over employee activity funds by selecting and implementing one of the following options:

1. Formalize the administration of employee activity funds by maintaining the related bank account under the Property Appraiser's control and establishing appropriate fiduciary accounting, documentation, and internal controls over receipts and disbursements; or
2. Discontinue payroll deductions for the employee activity fund and allow the employee group to independently collect and administer the funds outside of the Property Appraiser's financial systems and payroll processes.

In addition, we recommend that the Property Appraiser establish documented written authorization for all voluntary payroll deductions, retain such documentation in employee personnel files, and implement periodic management review of payroll deduction listings.

Further, we recommend that the Property Appraiser consult with its legal counsel to evaluate applicable federal, state, and local requirements related to payroll deductions, fiduciary responsibilities, and the administration of employee-related funds. Legal counsel can help ensure that the selected approach complies with relevant labor laws, tax regulations, and any other statutory or regulatory obligations.

Implementing these recommendations would strengthen accountability, improve internal control, and reduce the risk associated with administering employee-related funds.

Management Response:

We acknowledge the observations raised in the audit and appreciate the recommendations provided to strengthen governance, transparency, and accountability of the social fund. We have reviewed the recommendations and are currently working on implementing the necessary corrective actions.

In the interim, the Employee Social Fund will be suspended until the appropriate governance structure, policies, and internal control procedures are formally established and approved.

The following measures are currently being developed:

1. Establishment of Formal Governance Procedures

Documented guidelines and operating procedures will be developed to clearly define the purpose and administration of the fund.

2. Improved Financial Controls

A dedicated record-keeping and reconciliation process will be implemented to ensure accurate tracking of contributions, disbursements, and fund balances.

3. Employee Acknowledgment Form

An employee acknowledgment form will be implemented to ensure that all participating employees formally acknowledge and agree to the terms, conditions, and guidelines governing the Employee Social Fund.

Once the proper controls are in place, management will reassess the reactivation of the Employee Social Fund.

We appreciate your recommendations and remain committed to strengthening internal controls and ensuring proper management of the employee social fund.

Property Assessed Clean Energy (PACE) Programs

As required by Section 10.554(1)(i)6.a, *Rules of the Auditor General*, Leon County is required to provide a statement as to whether a PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, did or did not operate within Leon County's geographical boundaries during the fiscal year audit. We do not provide any assurance over the information below:

- There was no Property Assessed Clean Energy (PACE) program operating within the geographic boundaries of the County during the year ended September 30, 2025.

Additional Matters

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

Purpose of this Letter

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

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

Thomas Howell Ferguson P.A.
Tallahassee, Florida
June 22, 2026

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

Special-Purpose Financial Statements

Board of County Commissioners
Leon County, Florida

*Year Ended September 30, 2025
with Report of Independent Auditors*

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

Board of County Commissioners
Leon County, Florida

Special-Purpose Financial Statements
Year Ended September 30, 2025

Board of County Commissioners

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

COUNTY ADMINISTRATOR
Vincent S. Long

CLERK OF THE CIRCUIT COURT
AND
COMPTROLLER
Gwen Knight

Board of County Commissioners
Leon County, Florida

Special - Purpose Financial Statements
Year Ended September 30, 2025

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Report of Independent Auditors

The Honorable Board of County Commissioners
Leon County, Florida

Report on the Audit of the Special-Purpose Financial Statements

Opinions

We have audited the accompanying special-purpose financial statements of the major governmental funds, the proprietary funds, and the aggregate remaining fund information of the Board of County Commissioners of Leon County, Florida (the Board) as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Board's special-purpose financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying special-purpose financial statements referred to above present fairly, in all material respects, the respective financial position of the major governmental funds, the proprietary funds, the discretely presented component unit, and the aggregate remaining fund information of the Board as of September 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, the Fine & Forfeiture Fund, the Grants Fund, and the Emergency Medical Services Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Housing Finance Authority of Leon County, a discretely presented component unit of Leon County, which represent 1.0%, 1.3%, and 0.1% of total assets, fund balance, and total revenues of the Board as of September 30, 2025. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Housing Finance Authority of Leon County, is based solely on the report of the other auditors.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 1, the accompanying special-purpose financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida (Rules). In conformity with the Rules, the accompanying special-purpose financial statements are intended to present the financial position and changes in financial position of the governmental funds, the proprietary funds, and the discretely presented component unit of the Board, and only that portion that is attributable to the transactions of the Board. They do not purport to, and do not, present fairly the financial position of Leon County, Florida, as of September 30, 2025, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

As discussed in Note 16 to the special-purpose financial statements, previously disclosed balances for subscription liabilities and related right of use subscription assets as of October 1, 2024, have been restated to correct a previously reported misstatement. Our opinion is not modified with respect to this matter.

As discussed in Note 17 to the special-purpose financial statements, during the fiscal year ended September 30, 2025, the Board adopted Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*. As a result, the October 1, 2024 fund balance for the Internal Service Funds and the Landfill Fund have been restated. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Special-Purpose Financial Statements

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

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

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

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

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

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

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

Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 29, 2026, on our consideration of the Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Board's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Board's internal control over financial reporting and compliance.



Thomas Howell Ferguson P.A.
Tallahassee, Florida
May 29, 2026



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

Board of County Commissioners
Leon County, Florida

Balance Sheet - Governmental Funds

September 30, 2025

	General Fund	Fine and Forfeiture Fund	Grants Fund	Emergency Medical Services Fund
Assets				
Cash	\$ 27,261,166	\$ -	\$ 696,449	\$ -
Investments	7,687,767	11,843,964	2,929,368	15,141,089
Receivables (net of allowances for uncollectibles):				
Accounts	170,268	41,584	-	8,113,330
Lease receivables	1,003,734	-	-	-
Special assessments	-	-	-	-
Due from other governments	3,346,399	-	9,373,503	-
Due from other funds	5,840,953	-	400,000	-
Due from other county units	2,412,826	2,707,207	18,406	1,073
Inventories	648,512	-	-	-
Prepays	386,231	-	23,744	21,716
Total assets	<u>\$ 48,757,856</u>	<u>\$ 14,592,755</u>	<u>\$ 13,441,470</u>	<u>\$ 23,277,208</u>
Liabilities, deferred inflows, and fund balances				
Liabilities:				
Accounts payable	\$ 3,287,670	\$ 7,110	\$ 2,428,105	\$ 371,814
Accrued liabilities	2,149,351	-	7,086	525,003
Due to other governments	2,171,627	10,583	-	2,062,237
Due to other funds	352,859	-	3,255,479	-
Due to other county units	8,083	915,412	65,548	-
Deposits	12,992	171,529	-	-
Revenue received in advance	-	-	4,969,644	-
Total liabilities	<u>7,982,582</u>	<u>1,104,634</u>	<u>10,725,862</u>	<u>2,959,054</u>
Deferred inflows				
Deferred inflow of resources	949,312	-	-	-
Total deferred inflows	<u>949,312</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Nonspendable	1,034,743	-	23,744	21,716
Restricted	-	225,998	2,261,372	-
Committed	5,973,895	2,023,218	696,449	20,296,438
Assigned	6,663,512	11,238,905	-	-
Unassigned	26,153,812	-	(265,957)	-
Total fund balances	<u>39,825,962</u>	<u>13,488,121</u>	<u>2,715,608</u>	<u>20,318,154</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 48,757,856</u>	<u>\$ 14,592,755</u>	<u>\$ 13,441,470</u>	<u>\$ 23,277,208</u>

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

Capital Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 2,053,835	\$ 30,011,450
40,847,236	84,630,439	163,079,863
142,155	1,552,736	10,020,073
-	4,891,857	5,895,591
-	762,353	762,353
-	6,275,417	18,995,319
-	352,859	6,593,812
-	939,205	6,078,717
-	-	648,512
101,626	264,238	797,555
<u>\$ 41,091,017</u>	<u>\$ 101,722,939</u>	<u>\$ 242,883,245</u>

\$ 1,534,104	\$ 3,755,115	\$ 11,383,918
-	320,928	3,002,368
-	2,936,649	7,181,096
400,000	199,211	4,207,549
-	1,393	990,436
-	38,896	223,417
-	955,692	5,925,336
<u>1,934,104</u>	<u>8,207,884</u>	<u>32,914,120</u>

-	5,378,747	6,328,059
-	5,378,747	6,328,059

101,626	264,238	1,446,067
39,055,287	74,352,621	115,895,278
-	13,594,023	42,584,023
-	-	17,902,417
-	(74,574)	25,813,281
<u>39,156,913</u>	<u>88,136,308</u>	<u>203,641,066</u>
<u>\$ 41,091,017</u>	<u>\$ 101,722,939</u>	<u>\$ 242,883,245</u>

Board of County Commissioners

Leon County, Florida

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

Year ended September 30, 2025

	General Fund	Fine and Forfeiture Fund	Grants Fund	Emergency Medical Services Fund
Revenues				
Taxes	\$ 99,709,332	\$ 122,121,951	\$ -	\$ 18,366,728
Licenses and permits	-	-	-	-
Intergovernmental	13,322,172	19,328	21,113,819	-
Charges for services	1,629,521	567,050	175,334	22,463,470
Fines and forfeitures	-	60,545	-	-
Interest	2,404,878	1,436,287	242,293	803,778
Net increase (decrease) in fair value of investments	38,221	29,003	-	34,288
Miscellaneous	618,317	-	541,892	545,041
Total revenues	<u>117,722,441</u>	<u>124,234,164</u>	<u>22,073,338</u>	<u>42,213,305</u>
Expenditures				
Current:				
General government	26,140,333	-	-	-
Public safety	3,404,528	3,952,136	1,593,491	34,545,690
Physical environment	2,406,293	-	855,929	-
Transportation	90	-	192,094	-
Economic environment	4,018,759	-	1,263,514	-
Human services	10,838,323	-	68,805	-
Culture and recreation	6,501,131	-	540,686	-
Judicial	4,844,423	2,552,288	4,089	-
Debt service:				
Principal retirement	3,030,847	-	-	-
Interest and fiscal charges	200,752	-	-	-
Capital outlay	3,286,562	-	18,570,606	2,500,859
Total expenditures	<u>64,672,041</u>	<u>6,504,424</u>	<u>23,089,214</u>	<u>37,046,549</u>
Excess (deficiency) of revenues over (under) expenditures	<u>53,050,400</u>	<u>117,729,740</u>	<u>(1,015,876)</u>	<u>5,166,756</u>
Other financing sources (uses):				
Transfers in	4,861,869	2,584,247	460,324	-
Subscription financing	2,698,474	-	-	-
Lease financing	-	-	-	-
Transfers out	(61,861,783)	(118,117,501)	(2,055,725)	(373,455)
Total other financing sources (uses)	<u>(54,301,440)</u>	<u>(115,533,254)</u>	<u>(1,595,401)</u>	<u>(373,455)</u>
Net changes in fund balances	(1,251,040)	2,196,486	(2,611,277)	4,793,301
Fund balances at beginning of year	41,077,002	11,291,635	5,326,885	15,524,853
Fund balances at end of year	<u>\$ 39,825,962</u>	<u>\$ 13,488,121</u>	<u>\$ 2,715,608</u>	<u>\$ 20,318,154</u>

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

Capital Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 40,225,494	\$ 280,423,505
-	2,982,926	2,982,926
100,000	10,347,253	44,902,572
-	13,916,380	38,751,755
-	117,461	178,006
1,510,487	4,254,343	10,652,066
108,511	222,136	432,159
-	3,751,127	5,456,377
<u>1,718,998</u>	<u>75,817,120</u>	<u>383,779,366</u>
4,015,302	1,110,891	31,266,526
1,369	19,791,384	63,288,598
624,955	9,715,788	13,602,965
-	15,475,262	15,667,446
-	8,445,527	13,727,800
-	3,500,973	14,408,101
237,444	8,778,488	16,057,749
471,756	395,484	8,268,040
581,710	5,296,858	8,909,415
53,644	415,967	670,363
<u>14,903,831</u>	<u>12,932,756</u>	<u>52,194,614</u>
<u>20,890,011</u>	<u>85,859,378</u>	<u>238,061,617</u>
<u>(19,171,013)</u>	<u>(10,042,258)</u>	<u>145,717,749</u>
20,087,705	31,522,768	59,516,913
-	-	2,698,474
1,194,042	-	1,194,042
-	(16,244,159)	(198,652,623)
<u>21,281,747</u>	<u>15,278,609</u>	<u>(135,243,194)</u>
2,110,734	5,236,351	10,474,555
37,046,179	82,899,957	193,166,511
<u>\$ 39,156,913</u>	<u>\$ 88,136,308</u>	<u>\$ 203,641,066</u>

Board of County Commissioners

Leon County, Florida

Statement of Net Position - Proprietary Funds

September 30, 2025

	Business-type Activities - Landfill Fund	Business-type Activities - Internal Service Funds	Component Unit - Housing Finance Authority
Assets			
Current assets:			
Cash	\$ 650	\$ 1,008,600	\$ 2,512,545
Cash with fiscal agent	-	300,000	-
Investments	-	9,058,744	-
Accounts receivable	1,558,856	1,566,448	36,071
Due from other governments	-	19,172	2,110
Due from other county units	370	58,378	-
Inventories	1,876	47,946	-
Prepays	-	26,136	-
Total current assets	1,561,752	12,085,424	2,550,726
Noncurrent assets:			
Restricted investments	20,851,845	-	-
Mortgage loans receivable, net of allowance	-	-	278,092
Capital assets:			
Nondepreciable capital assets	1,809,844	-	-
Depreciable capital assets, net	6,012,647	302,802	-
Total noncurrent assets	28,674,336	302,802	278,092
Total assets	\$ 30,236,088	\$ 12,388,226	\$ 2,828,818
Liabilities			
Current liabilities			
Accounts payable	\$ 2,756,257	\$ 534,330	\$ 880
Accrued liabilities	28,908	10,689	-
Due to other governments	9,442	17,913	-
Due to other funds	2,386,263	-	-
Claims payable	-	4,695,941	-
Revenue received in advance	13,122	-	-
Compensated absences	111,469	48,730	-
Liability for closure costs	14,045,374	-	-
Good faith deposits	-	-	-
Total current liabilities	19,350,835	5,307,603	880
Noncurrent liabilities			
Liability for closure costs	7,897,467	-	-
Liability for compensation absences	211,776	92,581	-
Other post employment benefits	231,230	96,829	-
Total noncurrent liabilities	8,340,473	189,410	-
Total liabilities	27,691,308	5,497,013	880
Net position			
Net investment in capital assets	7,822,491	302,802	-
Unrestricted	(5,277,711)	6,588,411	2,827,938
Total net position	2,544,780	6,891,213	2,827,938
Total liabilities and net position	\$ 30,236,088	\$ 12,388,226	\$ 2,828,818

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

Board of County Commissioners
Leon County, Florida

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

Year ended September 30, 2025

	Business-type Activities - Landfill Fund	Business-type Activities - Internal Service Funds	Component Unit - Housing Finance Authority
Operating revenues			
Charges for services	\$ 14,492,264	\$ 12,365,581	\$ 203,041
TBA program income	-	-	2,110
Other income	-	717,082	107,500
Sale of surplus land properties	-	-	11,700
Total operating revenues	<u>14,492,264</u>	<u>13,082,663</u>	<u>324,351</u>
Operating expenses			
Personnel services	2,291,993	732,927	-
Contractual services	13,691,582	187,947	73,037
Supplies	410,594	2,041,565	1,073
Communications services	34,190	741,213	-
Insurance	72,432	4,773,122	3,991
Utility services	97,091	-	-
Depreciation	521,662	117,711	-
Other services and charges	1,865,083	3,038,344	98,413
Total operating expenses	<u>18,984,627</u>	<u>11,632,829</u>	<u>176,514</u>
Operating (loss) income	<u>(4,492,363)</u>	<u>1,449,834</u>	<u>147,837</u>
Nonoperating revenues:			
Taxes	1,953,840	-	-
Interest	1,005,168	388,460	103,862
Net increase (decrease) in fair value of investments	32	-	-
Miscellaneous	56,449	-	-
Total nonoperating revenues	<u>3,015,489</u>	<u>388,460</u>	<u>103,862</u>
Income (loss) before contributions and transfers	(1,476,874)	1,838,294	251,699
Transfers in	3,454,042	60,000	-
Transfers out	(82,315)	(1,100,000)	-
Change in net position	1,894,853	798,294	251,699
Net position at beginning of year	719,152	6,122,110	2,576,239
Restatements	(69,225)	(29,191)	-
Net position at beginning of year, as restated	<u>649,927</u>	<u>6,092,919</u>	<u>2,576,239</u>
Net position at end of year	<u><u>\$ 2,544,780</u></u>	<u><u>\$ 6,891,213</u></u>	<u><u>\$ 2,827,938</u></u>

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

Board of County Commissioners
Leon County, Florida

Statement of Cash Flows - Proprietary Funds

Year ended September 30, 2025

	Business-type Activities - Landfill Fund	Business-type Activities - Internal Service Funds	Component Unit - Housing Finance Authority
Cash flows from operating activities:			
Receipts from customers fees and other income	\$ 14,560,312	\$ -	\$ 306,551
Receipts from other governments	-	-	28,959
Payments to suppliers	(21,610,395)	(9,221,818)	(50,000)
Payments to employees	(2,245,542)	(708,411)	-
Internal activity - payments to other funds	-	(2,319)	-
Internal activity - cash received from other funds	2,313,831	12,411,409	-
Claims paid	-	(1,662,321)	-
Cash payments for general and administrative expense	-	-	(98,543)
Cash payments for program services	-	-	(78,801)
Net cash provided by (used in) operating activities	<u>(6,981,794)</u>	<u>816,540</u>	<u>108,166</u>
Cash flows from noncapital financing activities:			
Tax proceeds	1,953,840	-	-
Receipts (payments) on interfund loans	365,917	-	103,862
Transfers received from other funds	3,454,042	60,000	-
Receipts from other governments	369	-	-
Transfers to other funds	(82,315)	(1,100,000)	-
Net cash provided by (used in) noncapital financing activities	<u>5,691,853</u>	<u>(1,040,000)</u>	<u>103,862</u>
Cash flows from capital and related financing activities:			
Acquisition and/or construction of capital assets	(421,766)	(323,899)	-
Net cash provided by (used in) capital and related financing activities	<u>(421,766)</u>	<u>(323,899)</u>	<u>-</u>
Cash flows from investing activities:			
Net proceeds (purchases) from sales and maturities of investments	706,757	1,172,674	-
Interest and dividends received	1,005,168	-	-
Increase (decrease) in fair value of investments	32	383,285	-
Net cash provided by (used in) investing activities	<u>1,711,957</u>	<u>1,555,959</u>	<u>-</u>
Net cash increase (decrease) in cash	250	1,008,600	212,028
Cash at beginning of year	400	300,000	2,300,517
Cash at end of year	<u>\$ 650</u>	<u>\$ 1,308,600</u>	<u>\$ 2,512,545</u>

(continued)

Board of County Commissioners
Leon County, Florida

Statement of Cash Flows - Proprietary Funds (continued)

Year ended September 30, 2025

	Business-type Activities - Landfill Fund	Business-type Activities - Internal Service Funds	Component Unit - Housing Finance Authority
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities			
Operating income (loss)	\$ (4,492,363)	\$ 1,449,834	\$ 147,837
Adjustments to reconcile operating income (loss) to net cash provided by (used) in operating activities:			
Depreciation expense	521,662	117,711	-
Miscellaneous	-	2,681	-
Changes in assets and liabilities:			
Accounts receivable	57,637	(989,118)	12,300
Inventories	(143)	47,025	
Prepays	-	76,610	
Due from other governments	-	317,864	(1,141)
Due from other funds	-	-	
Accounts payable	111,789	(55,289)	(830)
Due to other funds	2,386,263	(2,319)	
Accrued liabilities	46,453	23,684	-
Claims payable	-	(172,143)	-
Revenue received in advance	10,411	-	-
Good faith deposits	-	-	(50,000)
Liability for closure costs	(5,623,503)	-	-
Net cash provided by (used in) operating activities:	<u>\$ (6,981,794)</u>	<u>\$ 816,540</u>	<u>\$ 108,166</u>

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

Board of County Commissioners
Leon County, Florida

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

Year ended September 30, 2025

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 98,521,948	\$ 98,906,783	\$ 99,709,332	\$ 802,549
Intergovernmental	12,182,049	12,182,049	13,322,172	1,140,123
Charges for services	1,604,491	1,604,491	1,629,521	25,030
Interest	2,125,495	2,125,495	2,404,878	279,383
Net increase (decrease) in fair value of investments	-	-	38,221	38,221
Miscellaneous	243,010	243,010	618,317	375,307
Total revenues	<u>114,676,993</u>	<u>115,061,828</u>	<u>117,722,441</u>	<u>2,660,613</u>
Expenditures				
Current:				
General government	32,104,380	37,941,352	26,140,333	11,801,019
Public safety	3,658,211	3,571,405	3,404,528	166,877
Physical environment	2,892,663	2,892,663	2,406,293	486,370
Transportation	-	-	90	(90)
Economic environment	3,765,830	4,103,069	4,018,759	84,310
Human services	10,822,936	11,120,013	10,838,323	281,690
Culture and recreation	6,780,575	6,646,574	6,501,131	145,443
Judicial	577,208	503,708	4,844,423	(4,340,715)
Debt service:				
Principal retirement	-	-	3,030,847	(3,030,847)
Interest and fiscal charges	-	-	200,752	(200,752)
Capital outlay	526,890	540,533	3,286,562	(2,746,029)
Total expenditures	<u>61,128,693</u>	<u>67,319,317</u>	<u>64,672,041</u>	<u>2,647,276</u>
Excess (deficiency) of revenues over (under) expenditures	<u>53,548,300</u>	<u>47,742,511</u>	<u>53,050,400</u>	<u>5,307,889</u>
Other financing sources (uses):				
Transfers in	8,899,274	8,899,274	4,861,869	(4,037,405)
Subscription financing	-	-	2,698,474	2,698,474
Transfers out	(62,978,735)	(67,661,565)	(61,861,783)	5,799,782
Total other financing sources (uses)	<u>(54,079,461)</u>	<u>(58,762,291)</u>	<u>(54,301,440)</u>	<u>4,460,851</u>
Net change in fund balances	(531,161)	(11,019,780)	(1,251,040)	9,768,740
Fund balances at October 1	41,077,002	41,077,002	41,077,002	-
Fund balances at September 30	<u>\$ 40,545,841</u>	<u>\$ 30,057,222</u>	<u>\$ 39,825,962</u>	<u>\$ 9,768,740</u>

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

Board of County Commissioners
Leon County, Florida

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

Year ended September 30, 2025

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 120,258,813	\$ 121,174,225	\$ 122,121,951	\$ 947,726
Intergovernmental	13,347	13,347	19,328	5,981
Charges for services	546,269	546,269	567,050	20,781
Fines and forfeitures	79,976	79,976	60,545	(19,431)
Interest	797,451	797,451	1,436,287	638,836
Net increase (decrease) in fair value of investments	-	-	29,003	29,003
Total revenues	<u>121,695,856</u>	<u>122,611,268</u>	<u>124,234,164</u>	<u>1,622,896</u>
Expenditures				
Current:				
Public safety	4,020,075	4,240,075	3,952,136	287,939
Judicial	<u>2,864,905</u>	<u>2,844,905</u>	<u>2,552,288</u>	<u>292,617</u>
Total expenditures	<u>6,884,980</u>	<u>7,084,980</u>	<u>6,504,424</u>	<u>580,556</u>
Excess (deficiency) of revenues over (under) expenditures	<u>114,810,876</u>	<u>115,526,288</u>	<u>117,729,740</u>	<u>2,203,452</u>
Other financing sources (uses):				
Transfers in	-	-	2,584,247	2,584,247
Transfers out	<u>(114,810,876)</u>	<u>(118,117,501)</u>	<u>(118,117,501)</u>	<u>-</u>
Total other financing sources (uses)	<u>(114,810,876)</u>	<u>(118,117,501)</u>	<u>(115,533,254)</u>	<u>2,584,247</u>
Net change in fund balances	-	(2,591,213)	2,196,486	4,787,699
Fund balances at October 1	<u>11,291,635</u>	<u>11,291,635</u>	<u>11,291,635</u>	<u>-</u>
Fund balances at September 30	<u>\$ 11,291,635</u>	<u>\$ 8,700,422</u>	<u>\$ 13,488,121</u>	<u>\$ 4,787,699</u>

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

Board of County Commissioners
Leon County, Florida

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

Year ended September 30, 2025

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 565,085	\$ 37,482,116	\$ 21,113,819	\$ (16,368,297)
Charges for services	79,610	312,939	175,334	(137,605)
Interest	-	519,295	242,293	(277,002)
Miscellaneous	-	1,013,839	541,892	(471,947)
Total revenues	<u>644,695</u>	<u>39,328,189</u>	<u>22,073,338</u>	<u>(17,254,851)</u>
Expenditures				
Current:				
Public safety	791,530	4,480,627	1,593,491	2,887,136
Physical environment	-	2,058,878	855,929	1,202,949
Transportation	-	527,729	192,094	335,635
Economic environment	75,000	2,299,505	1,263,514	1,035,991
Human services	38,026	122,862	68,805	54,057
Culture and recreation	5,500	825,959	540,686	285,273
Judicial	94,088	176,360	4,089	172,271
Capital outlay	<u>69,500</u>	<u>39,273,307</u>	<u>18,570,606</u>	<u>20,702,701</u>
Total expenditures	<u>1,073,644</u>	<u>49,765,227</u>	<u>23,089,214</u>	<u>26,676,013</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(428,949)</u>	<u>(10,437,038)</u>	<u>(1,015,876)</u>	<u>9,421,162</u>
Other financing sources (uses):				
Transfers in	428,949	460,324	460,324	-
Transfers out	<u>(1,955,725)</u>	<u>(2,055,725)</u>	<u>(2,055,725)</u>	<u>-</u>
Total other financing sources (uses)	<u>(1,526,776)</u>	<u>(1,595,401)</u>	<u>(1,595,401)</u>	<u>-</u>
Net change in fund balances	(1,955,725)	(12,032,439)	(2,611,277)	9,421,162
Fund balances at October 1	<u>5,326,885</u>	<u>5,326,885</u>	<u>5,326,885</u>	<u>-</u>
Fund balances at September 30	<u>\$ 3,371,160</u>	<u>\$ (6,705,554)</u>	<u>\$ 2,715,608</u>	<u>\$ 9,421,162</u>

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

Board of County Commissioners
Leon County, Florida

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

Year ended September 30, 2025

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 18,074,780	\$ 18,077,489	\$ 18,366,728	\$ 289,239
Charges for services	19,206,959	21,172,718	22,463,470	1,290,752
Interest	512,843	512,843	803,778	290,935
Net increase (decrease) in fair value of investments	-	-	34,288	34,288
Miscellaneous	79,588	79,588	545,041	465,453
Total revenues	<u>37,874,170</u>	<u>39,842,638</u>	<u>42,213,305</u>	<u>2,370,667</u>
Expenditures				
Current:				
Public safety	33,255,341	35,477,596	34,545,690	931,906
Capital outlay	4,490,209	7,581,697	2,500,859	5,080,838
Total expenditures	<u>37,745,550</u>	<u>43,059,293</u>	<u>37,046,549</u>	<u>6,012,744</u>
Excess (deficiency) of revenues over (under) expenditures	<u>128,620</u>	<u>(3,216,655)</u>	<u>5,166,756</u>	<u>8,383,411</u>
Other financing sources (uses):				
Transfers out	(364,400)	(398,484)	(373,455)	25,029
Total other financing sources (uses)	<u>(364,400)</u>	<u>(398,484)</u>	<u>(373,455)</u>	<u>25,029</u>
Net change in fund balances	(235,780)	(3,615,139)	4,793,301	8,408,440
Fund balances at October 1	15,524,853	15,524,853	15,524,853	-
Fund balances at September 30	<u>\$ 15,289,073</u>	<u>\$ 11,909,714</u>	<u>\$ 20,318,154</u>	<u>\$ 8,408,440</u>

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

Board of County Commissioners
Leon County, Florida

Notes to Special-Purpose Financial Statements

Year Ended September 30, 2025

1. Accounting Policies

Reporting Entity

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

Component Unit

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

Specific criteria used to determine financial accountability are:

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

Board of County Commissioners
Leon County, Florida

Notes to Special-Purpose Financial Statements

1. Accounting Policies (continued)

Component Unit (continued)

Financial statements of component units are included in the financial reporting entity either as a blended component unit or as a discretely presented component unit in accordance with governmental accounting standards. As of September 30, 2025, the only component unit of the Board is the Housing Finance Authority of Leon County (the Authority) which is discretely presented in a separate column on the Board financial statements.

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

The Authority's governing board is appointed by the Board; the budget is reviewed by the Board; all bonds issued and contracts entered into must be approved by the Board; the Board may, at its sole discretion, and at any time, alter or change the structure, organization, programs or activities of the Authority, including the power to terminate the Authority. This component unit is reported in a separate column to emphasize that it is legally separate from the Board. Separate financial information for the Housing Finance Authority is available at 615 Paul Russell Road, Tallahassee, Florida 32301.

Excluded from the Reporting Entity:

The Leon County Health Facilities Authority, Leon County Research and Development Authority, Leon County Education Facilities Authority and, Leon County Energy Improvement District have been established under Florida Statutes, Chapter 159, Part V, Chapter 154, Part III, Chapter 243, and Chapter 189, Part II, respectively. Operations of the above authorities are not included in this report because they do not meet the criteria for inclusion in the reporting entity as set forth in GASB Statement No. 39 and No. 61.

Other public entities located within Leon County and not included in the financial statements of the Board include municipalities and the following independent taxing districts authorized and established by the Laws of Florida:

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

Board of County Commissioners
Leon County, Florida

Notes to Special-Purpose Financial Statements

1. Accounting Policies (continued)

Excluded from the Reporting Entity: (continued)

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

Consolidated Dispatch Agency

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

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

Capital Region Transportation Planning Agency

In December 2004, the Capital Region Transportation Planning Agency (CRTPA) was created through an inter-local agreement between the Florida Department of Transportation; the Counties of Leon, Gadsden, Jefferson and Wakulla; the Cities of Tallahassee, Chattahoochee, Gretna, Midway, Monticello, Quincy, St. Marks, Sopchoppy, Greensboro and Havana; and the Leon County School Board as authorized by Section 163.01 Florida Statutes. It was established in order for the members to participate cooperatively in the development of transportation related plans and programs. The governing board consists of voting representatives from the Counties of Leon, Gadsden, Jefferson, and Wakulla; the Cities of Tallahassee, Gretna, Midway, Quincy, Greensboro and Havana; and the Leon County School Board. The Gadsden County representative also represents the City of Chattahoochee; the Jefferson County representative also represents the City of Monticello; and the Wakulla representative also represents the Cities of St. Marks and Sopchoppy. There is one nonvoting representative from the Florida Department of Transportation.

Board of County Commissioners
Leon County, Florida

Notes to Special-Purpose Financial Statements

1. Accounting Policies (continued)

Capital Region Transportation Planning Agency (continued)

The CRTPA receives federal and state transportation funds for the performance of its transportation planning and programming activities. If operating expenses exceed the external funding obtained, the deficit is funded by the members of the CRTPA in proportion to their weighted votes. As a participating member of CRTPA, Leon County has a limited share of financial responsibility for any such deficits. Current audited financial statements may be obtained from the Capital Region Transportation Planning Agency, 300 S. Adams Street, Box A-19, Tallahassee, Florida 32301.

Blueprint Intergovernmental Agency

In October 2000, Leon County entered into an interlocal agreement with the City of Tallahassee as authorized by Section 163.01(7) Florida Statutes. This agreement created the Blueprint 2000 Intergovernmental Agency, now known as the Blueprint Intergovernmental Agency (Blueprint) to govern the project management for the project planning and construction of a list of projects known as the Blueprint projects. The Board of County Commissioners and the City Commission constitute Blueprint's Board of Directors and jointly govern the organization. The revenues to fund the projects under this agreement are the collections of the local government infrastructure sales surtax, which began December 1, 2004. This tax was extended pursuant to the provisions in Section 212.055, Florida Statutes, until December 31, 2039.

The County and Blueprint have entered into a Joint Partnership Agreement whereby the County receives an annual allocation of \$3,875,000 from Blueprint for the performance of various infrastructure initiatives.

Current audited financial statements may be obtained from Blueprint Intergovernmental Agency, 315 S. Calhoun Street, Suite 450, Tallahassee, Florida 32301.

Basis of Presentation

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

Board of County Commissioners
Leon County, Florida

Notes to Special-Purpose Financial Statements

1. Accounting Policies (continued)

Description of Funds

Governmental Major Funds:

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

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

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

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

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

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

Proprietary Major Fund:

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

Board of County Commissioners
Leon County, Florida

Notes to Special-Purpose Financial Statements

1. Accounting Policies (continued)

Description of Funds (continued)

Other Fund Types:

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

Basis of Accounting

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

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

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

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

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

Board of County Commissioners
Leon County, Florida

Notes to Special-Purpose Financial Statements

1. Accounting Policies (continued)

Budgets and Budgetary Accounting

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

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

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

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

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

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

Board of County Commissioners
Leon County, Florida

Notes to Special-Purpose Financial Statements

1. Accounting Policies (continued)

Budgets and Budgetary Accounting (continued)

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

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

Cash and Investments

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

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

During the 2024-2025 fiscal year, the Board invested in three different investment pools: the Special Purpose Investment Account (SPIA) within the Florida Treasury Investment Pool (the Pool) administered by the Florida Department of Financial Services, as authorized by Section 17.61(1), Florida Statutes; The Florida Local Government Investment Trust (FLGIT), a local government investment pool developed through the joint efforts of the Florida Court Clerks and Comptrollers (FCCC) and the Florida Association of Counties (FAC); and the Local Government Surplus Funds Trust Fund (Florida PRIME), administered by the Florida State Board of Administration (SBA) as authorized by Section 218.415 (17), Florida Statutes. Florida PRIME is not a registrant with the SEC; however, the SBA has adopted operating procedures consistent with the requirements for the SEC Rule 2a-7 fund.

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

Board of County Commissioners
Leon County, Florida

Notes to Special-Purpose Financial Statements

1. Accounting Policies (continued)

Receivables

Receivables are shown net of an allowance for uncollectibles. As the receivables age, the allowance increases. The emergency medical services allowance used for September 30, 2025 is equal to 58% of current year billings. Additionally, allowances have been placed on intergovernmental revenues of the Grants Fund. These allowances are for receivables not collected after a significant period of time and collection is not certain. Such allowances for doubtful accounts total \$791,131 as of September 30, 2025.

Short-Term Interfund Receivables/Payables

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

Inventories

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

Restricted Assets

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

Capital Assets

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

Board of County Commissioners
Leon County, Florida

Notes to Special-Purpose Financial Statements

1. Accounting Policies (continued)

Leases

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

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

Board of County Commissioners
Leon County, Florida

Notes to Special-Purpose Financial Statements

1. Accounting Policies (continued)

Subscription Based Information Technology Arrangements

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

Fixed Assets

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

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

Board of County Commissioners
Leon County, Florida

Notes to Special-Purpose Financial Statements

1. Accounting Policies (continued)

Liability for Compensated Absences

The Board accrues a liability for employees' rights to receive compensation for future absences when certain conditions are met. The Board does not, nor is it legally required to accumulate expendable available financial resources to liquidate this obligation. Accordingly, the liability for the compensated absences is not reported in the governmental funds. However, the current and long-term portion of the liability for compensated absences is reported in the Statement of Net Position of Leon County ACFR. All amounts are calculated and reported consistent with GASB Statement No. 101, *Compensated Absences*.

Other Post Employment Benefits

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

Executive Service Plan

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

Net Position and Fund Balances

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

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

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

Board of County Commissioners
Leon County, Florida

Notes to Special-Purpose Financial Statements

1. Accounting Policies (continued)

Net Position and Fund Balances (continued)

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

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

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

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

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

Common Expenses

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

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

Board of County Commissioners
Leon County, Florida

Notes to Special-Purpose Financial Statements

1. Accounting Policies (continued)

Operating Transfers

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

Use of Estimates

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

2. Property Taxes

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

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

All taxes are due and payable on November 1 of each year, or as soon thereafter as the assessment roll is certified and delivered to the Tax Collector. All unpaid taxes become delinquent on April 1 following the year in which they are assessed. Discounts are allowed for early payment at the rate of 4% in the month of November, 3% in the month of December, 2% in the month of January, and 1% in the month of February. The taxes paid in March are without discount. No accrual for the property tax levy becoming due in September 30, 2025 is included in the accompanying financial statements, since such taxes are collected to finance expenditures of the subsequent period.

Board of County Commissioners
Leon County, Florida

Notes to Special-Purpose Financial Statements

2. Property Taxes (continued)

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

Delinquent taxes on personal property bear interest at 18% per year until the tax is satisfied either by seizure and sale of the property or by the seven-year statute of limitations. Since tax certificates were sold for substantially all current year delinquent property taxes, there were no material property taxes receivable at September 30, 2025.

3. Cash and Investments

Credit Risk

The Board's Investment Policy (the Policy) provides a structure for the portfolio that is designed to minimize credit risk. The majority of the securities held will be those of the highest available credit quality ratings. Staff will notify the Investment Oversight Committee (IOC) at any time holdings drop below the minimum credit ratings specified in the policy. The IOC will consider the market environment and make recommendations to hold and continue to monitor the investments or liquidate the investments. To further limit the Board's risk against possible credit losses, a maximum of 3% per issuer of the total portfolio managed by the Board's external manager may be held in corporate notes and bonds and 5% per issuer in commercial paper. The Policy also provides the following limits on the Board's external portfolio: 45% may be invested in Federal Instrumentalities, with a limit of 15% of the portfolio in any one issuer; 100% may be invested in United States Federal Agencies, with a limit of 20% of the portfolio in any one issuer; and if longer than one day, 15% may be invested in Repurchase Agreements, with a limit of 5% of the portfolio in any one issuer.

Effective July 9, 2024, new investments in Mortgage-Backed Securities, Asset-Backed Securities, Commercial Mortgage-Backed Securities, Bankers' Acceptances, or Constant Net Asset Value Money Market Mutual Funds are prohibited.

Section 218.415(16), Florida Statutes, stipulates the state-approved investment policy for all governmental entities and includes the following investments:

1. The Florida PRIME (formerly the Local Government Surplus Funds Trust Fund) or any authorized intergovernmental investment pool.
2. Securities and Exchange Commission (SEC) registered money market funds with the highest credit quality rating from a nationally recognized rating agency.

Board of County Commissioners
Leon County, Florida

Notes to Special-Purpose Financial Statements

3. Cash and Investments (continued)

Credit Risk (continued)

3. Interest-bearing time deposits or savings accounts in qualified public depositories.
4. Direct obligations of the U.S. Treasury.
5. Federal agencies and instrumentalities.
6. Rated or unrated bonds, notes, or instruments backed by the full faith and credit of the government of Israel.
7. Securities of, or other interests in, any management type investment company or trust registered under the Investment Company Act of 1940, where the investment portfolio is limited to United States Government Obligations.
8. Other investments authorized by law or by ordinance for a county or a municipality.
9. Other investments authorized by law or by resolution for a school district or a special district.

In addition, Section 17.61(1), Florida Statutes permits organizations created by the Florida Constitution to participate in the existing State Treasury Investment Pool "Special Purpose Investment Account (SPIA)."

The Board's Investment Policy limits credit risk by restricting authorized investments to the following: Florida PRIME (Local Government Surplus Funds Trust Fund), State of Florida Special Purpose Investment Account (SPIA), direct obligations of the United States or its agencies and instrumentalities, direct obligations of states and municipalities, repurchase agreements, corporate debt securities, commercial paper, money market mutual funds, financial deposit instruments, the Florida Local Government Investment Trust (FLGIT), and the Florida Municipal Investment Trust (FMIvT).

Board of County Commissioners
Leon County, Florida

Notes to Special-Purpose Financial Statements

3. Cash and Investments (continued)

Credit Risk (continued)

The Chief Financial Officer for the State of Florida (formerly the State Treasurer) has been investing state revenues, excess revenues of state universities and community colleges, and certain other public agencies in a commingled investment portfolio for several years. This program is authorized under Section 17.61(1), *Florida Statutes* and is called the Treasury Special Purpose Investment Account (SPIA). Historically, SPIA participants have received higher earnings reflecting the higher risk associated with the longer maturities and lower credit quality. The financial details and disclosures for the Treasury Investment Pool are made in Note 2 to the State of Florida Annual Comprehensive Financial Report (ACFR). The rating as of September 30, 2025 was AA-f by Standard and Poor's. A copy of SPIA's most recent financial statements can be found at <http://www.myfloridacfo.com/Division/Treasury/>. Investments in this pool are limited to a maximum of 100% of the portfolio. At September 30, 2025, the Board had \$917,302 invested with SPIA.

The Florida Local Government Investment Trust (FLGIT) is a local government investment pool developed through the joint efforts of the Florida Court Clerks and Comptrollers (FCCC) and the Florida Association of Counties (FAC) for providing opportunities for the investment of excess public funds. FLGIT offers two investment funds to its participants, the Short Term Bond Fund and the Day to Day Fund. The Short Term Bond Fund is a longer term higher yielding fund, which is accounted for as a fluctuating Net Asset Value (NAV) pool. At September 30, 2025 the Board did not have any balances in the Short Term Bond Fund. The Day to Day Fund is a highly liquid fund with underlying investments having a weighted average maturity of less than 90 days. The Day to Day Fund does meet the criteria and has adopted operating procedures consistent with the requirements for a SEC Rule 2a-7 fund. The Day to Day Fund maintained a credit rating of AAAM by Fitch as of September 30, 2025. At September 30, 2025, the Board had \$51,647,261 with the FLGIT Day to Day Fund. A copy of FLGIT's most recent financial statements can be found at <http://www.floridatrusionline.com/funds-reports/day-to-day/>. Investments with FLGIT are limited to a maximum of 45% of the portfolio.

Board of County Commissioners
Leon County, Florida

Notes to Special-Purpose Financial Statements

3. Cash and Investments (continued)

Credit Risk (continued)

The Board also invests in Florida PRIME administered by the Florida State Board of Administration (SBA). Florida PRIME is an external investment pool that is not a registrant with the SEC; however, the SBA has adopted operating procedures consistent with the requirements for a SEC Rule 2a-7 fund. Florida PRIME is governed by Chapter 19-7 of the Florida Administrative Code, which identifies the Rules of the SBA. These rules provide guidance and establish the general operating procedures for the administration of Florida PRIME. Additionally, the State of Florida, Auditor General performs the operational audit of the activities and investments of the SBA. On September 30, 2025, Florida PRIME was invested in fixed rate and floating rate bank instruments, repurchase agreements, fixed rate and floating rate corporate commercial paper, floating rate corporate notes, money market mutual funds, and fixed rate and floating rate asset backed commercial paper. Investments in this pool are limited to a maximum of 45% of the portfolio. Investments in Florida PRIME are not evidenced by securities that exist in physical or book entry form. The current rating for the Florida PRIME is AAAm by Standard and Poor's. The weighted average days to maturity of the Florida PRIME at September 30, 2025 is 47 days. The fair value of the Board's position in the pool approximates the value of the pool shares. At September 30, 2025, the Board had \$64,379,328 invested in Florida PRIME. Florida PRIME's most recent financial statements can be found at <https://prime.sbafla.com/audits/>.

Custodial Credit Risk

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

Qualified public depositories of public funds are required to provide collateral each month pursuant to Section 280.04, Florida Statutes. The collateral is held by the Florida Division of Treasury or other custodian with full legal rights maintained by the Florida Division of Treasury to transfer ownership. Any loss not covered by the pledged securities and deposit insurance would be assessed by the Florida Division of Treasury and paid by the other public depositories. The Board's deposits are therefore considered fully insured or collateralized. Bank balances at September 30, 2025, were \$32,646,856. Due to the nature of the Board's cash and investments, there is no exposure to custodial credit risk and concentration of credit risk.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of investments. The Board manages interest rate risk by setting the range of duration for the Board's portfolio at 0.5 to 2.0 years. Unusual market or economic conditions may mandate moving the portfolio outside of this range. The Investment Oversight Committee will be convened and will approve any portfolio duration outside of the range specified above. The effective duration of investments is listed in the following table.

Board of County Commissioners
Leon County, Florida

Notes to Special-Purpose Financial Statements

3. Cash and Investments (continued)

Interest Rate Risk (continued)

The externally managed portfolio totaled \$76,514,969 at September 30, 2025, and was invested for a weighted average term of approximately 531 days, as compared to a weighted average term of 364 days in fiscal year 2024. The Board requires a minimum balance of short term investments. To meet the day-to-day operating needs of the Board and to provide the ready cash to meet unforeseen temporary cash requirements, a liquidity base of approximately three months of anticipated disbursements is kept in relatively short term investments. This includes investments in government pools with daily liquidity such as Florida PRIME, FLGIT Day to Day Fund, or money markets. The Board was in compliance with this requirement.

As of September 30, 2025, the value of the Board's deposits and investments, with their credit ratings, was as follows:

	Fair Value	Credit Rating	Duration
Deposits in Qualified Public Depositories	\$ 31,016,666	N/A	N/A
External Investment in Government Pools:			
State of Florida Special Purpose Investment Account (SPIA)	917,302	AA-f	3.47
Florida Local Government Investment Trust Day to Day Fund (FLGIT)	51,647,261	AAAm	0.09
Florida PRIME Investment Pool	64,379,328	AAAm	0.13
Externally Managed Portfolio:			
Money Market	132,946	N/A	N/A
U.S. Treasuries	26,735,674	AA+	2.22
Government Sponsored Agencies:			
Federal Home Loan Bank	4,848,384	AA+	0.96
Federal National Mortgage Association	683,443	AA+	1.18
Other Government Sponsored Agencies	12,938,294	AA+	1.18
Mortgage Backed Securities	3,643,400	AA+	2.48
Corporate Bonds	12,743,539	A-	1.47
State and Local Obligations	1,076,738	AA-	1.65
Asset-Backed Securities	382,764	AAA	0.12
Short Term Bills and Notes	13,329,787	A-1+	0.13
	<u>\$ 224,475,526</u>		
Total cash and investments	<u>\$ 224,475,526</u>		

The amounts above exclude cash on hand and amounts held by third parties in trust for the Board, but includes accrued interest of \$468,411.

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

Board of County Commissioners
Leon County, Florida

Notes to Special-Purpose Financial Statements

3. Cash and Investments (continued)

Foreign Currency Risk

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

4. Fair Value Measurements

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

FLGIT Day to Day Fund and Florida PRIME currently meet all the necessary criteria to elect to measure all the investments in FLGIT Day to Day Fund and Florida PRIME at amortized cost. Therefore, the County participant account balance is considered the fair value of the investment. FLGIT Day to Day Fund and Florida PRIME investments are exempt from the GASB 72 fair value hierarchy disclosures.

FLGIT Short Term Bond Fund reports based on the fair market value of the underlying securities. Therefore, any participant account balance is measured at net asset value per share and is not subject to fair value hierarchy level classification under GASB 72. The County did not have a balance with the FLGIT Short Term Bond Fund at September 30, 2025.

The fair value factor for SPIA at September 30, 2025 was 1.0065. SPIA funds are combined with State of Florida funds and are invested in a combination of short-term liquid instruments and intermediate-term fixed income securities. SPIA is measured at net asset value per share. Investments measured at net asset value are not subject to fair value hierarchy level classification under GASB 72.

Fair value measurement - The Board categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset or liability. Level 1 inputs are quoted prices in active markets for identical assets or liabilities; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Board of County Commissioners
Leon County, Florida

Notes to Special-Purpose Financial Statements

4. Fair Value Measurements (continued)

The following table summarizes the assets and liabilities of the Board for which fair values are determined on a recurring basis as of September 30, 2025:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Fair Value
Asset Backed Security (Mortgage Backed) – Non				
US Agency Sponsored	\$ 0	\$ 382,764	\$ 0	\$ 382,764
Corporate Bonds	0	12,743,539	0	12,743,539
Government Sponsored Agencies	0	18,470,121	0	18,470,121
US Government Obligations	26,735,674	0	0	26,735,674
Mortgage Backed Security - US Agency Sponsored	0	3,643,400	0	3,643,400
State and Local Obligations	0	1,076,738	0	1,076,738
Short Term Bills and Notes	0	13,329,787	0	13,329,787
Investments at fair value	<u>\$ 26,735,674</u>	<u>\$ 49,646,349</u>	<u>\$ 0</u>	<u>\$ 76,382,023</u>

5. Leases

The primary objective of GASB's No. 87 – *Leases* is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right- to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

Board of County Commissioners
Leon County, Florida

Notes to Special-Purpose Financial Statements

5. Leases (continued)

Lessee

The Board has entered into one lease as lessee for the use of various pieces of equipment. The terms of these lease is 48 months beginning on the contract commencement date. An initial lease liability was recorded totaling \$279,905. As of September 30, 2025, the value of the lease liability is \$141,813. The Board is required to make monthly payments of \$8,004 through the term of the lease. The leases have an interest rate of 2.00%. The value of the right to use assets as of September 30, 2025 is \$143,951 with accumulated amortization of \$135,954 and is included with Equipment on the lease class activities table found below.

Asset Class	As of September 30, 2025	
	Lease Asset Value	Accumulated Amortization
Equipment	\$ 279,905	\$ 135,954

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

Fiscal Year	Governmental Activities		
	Principal	Interest	Total
2026	94,069	1,977	96,046
2027	47,744	279	48,023
2028	0	0	0
2029	0	0	0
2030	0	0	0
Total	\$ 141,813	\$ 2,256	\$ 144,069

Leases Receivable

In October 2009, the Board purchased the Lake Jackson Huntington Oaks Property. There are several noncancellable lease agreements for the rental of its building. The lease agreements provide for monthly rentals, which escalate over the lease terms and expire on various dates. During the fiscal year, the Board had a total of 11 active leases as lessor for the use of commercial building space with remaining terms ranging from 1 to 106 months. As of September 30, 2025, the value of the lease receivable is \$943,961. The lessees are required to make monthly fixed payments ranging from \$1,013 to \$7,276. The leases have an interest rate ranging from 2.00% to 4.44%. The value of the deferred inflow of resources as of September 30, 2025 was \$908,961, and the Board recognized lease revenue of \$394,436 during the fiscal year. The lessees have 1 or 2 extension option(s), for a range of 12 to 60 months each.

Board of County Commissioners
Leon County, Florida

Notes to Special-Purpose Financial Statements

5. Leases (continued)

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

Fiscal Year	Governmental Activities		
	Principal	Interest	Total
2026	\$ 264,404	\$ 20,936	\$ 285,340
2027	241,002	14,384	255,386
2028	215,618	8,175	223,793
2029	124,615	3,470	128,085
2030	36,082	1,474	37,556
2031-2034	62,240	2,513	64,753
Total	<u>\$ 943,961</u>	<u>\$ 50,952</u>	<u>\$ 994,913</u>

In June 2003, the Board purchased the Bank of America building. There are several noncancellable lease agreements for the rental of its building. The lease agreements provide for monthly rentals, which escalate over the lease terms and expire on various dates. During the fiscal year, the Board had a total of 8 active leases as lessor for the use of office space with remaining terms at year end ranging from 9 to 138 months. As of September 30, 2025, the value of the lease receivable is \$3,947,896. The lessees are required to make monthly fixed payments ranging from \$6,853 to \$29,126. The lease has an interest rate of 2.00%. The value of the deferred inflow of resources as of September 30, 2025 was \$3,817,893, and the Board recognized lease revenue of \$1,527,012 during the fiscal year. The lessees have 1 or 2 extension option(s), for a range of 14 to 60 months each.

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

Fiscal Year	Governmental Activities		
	Principal	Interest	Total
2026	\$ 1,287,117	\$ 66,333	\$ 1,353,450
2027	654,610	46,245	700,855
2028	398,450	36,271	434,721
2029	363,009	28,839	391,848
2030	354,445	21,578	376,023
2031-2035	687,918	53,089	741,007
2036-2037	202,347	3,219	205,566
Total	<u>\$ 3,947,896</u>	<u>\$ 255,574</u>	<u>\$ 4,203,470</u>

Board of County Commissioners
Leon County, Florida

Notes to Special-Purpose Financial Statements

5. Leases (continued)

In January 2021, the Board purchased the Supervisor of Elections Voting Operation Center. There is one non-cancellable lease agreement for the rental of its building. The lease agreement provides for a monthly rental, which escalates over the lease term and expires on August 31, 2027. As of September 30, 2025, the value of the lease receivable is \$1,003,734. The lessee is required to make monthly fixed payments ranging from \$9,971 to \$10,273. The lease has an interest rate of 2.00%. The value of the deferred inflow of resources as of September 30, 2025, was \$949,312, and the Board recognized lease revenue of \$117,230 during the fiscal year. The lessee has two (2) extension options, for three (3) years each.

Total future minimum lease payments under the lease agreement are as follows:

Fiscal Year	Governmental Activities		
	Principal	Interest	Total
2026	\$ 104,526	\$ 19,051	\$ 123,577
2027	110,307	16,908	127,215
2028	116,363	14,646	131,009
2029	122,798	12,260	135,058
2030	129,253	9,746	138,999
2031-2033	420,487	12,789	433,276
Total	<u>\$ 1,003,734</u>	<u>\$ 85,400</u>	<u>\$ 1,089,134</u>

6. Subscription Liabilities

The primary objective of GASB's No. 96 – *Subscription Based Information Technology Arrangements* (SBITAs) is to enhance the relevance and consistency of information about governments' information technology (IT) subscription activities. This statement establishes a single model for IT Subscription accounting based on the principle that SBITAs are financings of the right to use an underlying asset. Under this Statement, a government is required to recognize a subscription liability and an intangible right- to-use subscription asset.

Board of County Commissioners
Leon County, Florida

Notes to Special-Purpose Financial Statements

6. Subscription Liabilities (continued)

The Board has entered into 23 IT Arrangements for the right to use another party's (a SBITA vendor's) information technology (IT) software. The terms of the arrangements extend through various times ranging between October 2025 and October 2030 beginning on the contract commencement date. An initial subscription liability was recorded in the amount of \$11,972,014. As of September 30, 2025, the value of the subscription liability is \$5,741,707. The Board is required to make annual payments ranging from \$11,250 to \$1,097,162 through the term of the leases. The leases have interest rates ranging from 3.480% to 4.880%. The value of the right to use asset as of September 30, 2025 of \$6,113,862 with accumulated amortization of \$5,858,152 and is included with the SBITA activities table found below.

	As of September 30, 2025	
Asset Class	Subscription Asset Value	Accumulated Amortization
SBITAs	\$ 11,972,014	\$ 5,858,152

Total future minimum payments under SBITA agreements are as follows:

	Governmental Activities		
Fiscal Year	Principal	Interest	Total
2026	\$ 3,023,544	\$ 216,638	\$ 3,240,182
2027	1,725,483	78,039	1,803,522
2028	855,830	13,235	869,065
2029	136,850	4,327	141,177
2030	0	0	0
Total	\$ 5,741,707	\$ 312,239	\$ 6,053,946

Board of County Commissioners
Leon County, Florida

Notes to Special-Purpose Financial Statements

7. Fixed Assets

A summary of changes in fixed assets and depreciation for the year ended September 30, 2025, follows:

	Beginning Balance (as Restated)	Additions	Reductions	Ending Balance
Governmental Funds:				
Land	\$ 22,718,690	\$ 0	\$ 0	\$ 22,718,690
Improvements other than buildings	51,546,119	6,302,312	0	57,848,431
Buildings and improvements	246,305,637	12,755,503	(1,352,362)	257,708,778
Equipment	83,676,947	8,676,406	(4,889,346)	87,464,007
Leasehold improvements	1,580,627	0	0	1,580,627
Construction in progress	56,516,079	37,924,628	(53,268,951)	41,171,756
Right-of-use lease asset	1,049,009	0	(769,104)	279,905
Subscription asset	8,106,432	3,892,304	(174,182)	11,824,554
Totals at historical cost	<u>\$ 471,499,540</u>	<u>\$ 69,551,153</u>	<u>\$ (60,453,945)</u>	<u>\$ 480,596,748</u>

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

	Beginning Balance	Additions	Reductions	Ending Balance
Business-type Activities:				
Land	\$ 1,809,844	\$ 0	\$ 0	\$ 1,809,844
Construction in progress	1,544,360	294,266	(1,838,626)	0
Buildings and improvements	18,983,293	1,838,626	0	20,821,919
Equipment	5,874,539	530,418	(237,885)	6,167,072
Subscription asset	0	147,460	0	147,460
Totals at historical cost	<u>28,212,036</u>	<u>2,810,770</u>	<u>(2,076,511)</u>	<u>28,946,295</u>
Less accumulated depreciation for:				
Buildings and improvements	(16,913,551)	(123,247)	0	(17,036,798)
Equipment	(3,338,426)	(417,820)	70,349	(3,685,897)
Subscription asset	0	(98,307)	0	(98,307)
Total accumulated depreciation	<u>(20,251,977)</u>	<u>(639,374)</u>	<u>70,349</u>	<u>(20,821,002)</u>
	<u>\$ 7,960,059</u>	<u>\$ 2,171,396</u>	<u>\$ (2,006,162)</u>	<u>\$ 8,125,293</u>

Board of County Commissioners
Leon County, Florida

Notes to Special-Purpose Financial Statements

8. Long-Term Liabilities

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

	Balance October 1, 2024 (As Restated)	Additions	Reductions	Balance September 30, 2025	Due within One Year
Long-Term Liabilities					
Special revenue debt:					
Capital Improvement Revenue Refunding Bonds, Series 2017	\$ 3,203,000	\$ 0	\$ (3,203,000)	\$ 0	\$ 0
Capital Improvement Revenue Refunding Bonds, Series 2020	324,967	0	(253,858)	71,109	71,109
Capital Improvement Revenue Refunding Bonds, Series 2021	4,475,000	0	(335,000)	4,140,000	345,000
Capital Improvement Revenue Refunding Bonds, Series 2021B	2,460,000	0	(480,000)	1,980,000	485,000
Total special revenue debt	10,462,967	0	(4,271,858)	6,191,109	901,109
Liability for closure costs	27,566,344	661,592	(6,285,095)	21,942,841	14,045,374
Liability for compensated absences	8,769,345	4,549,512	(3,547,720)	9,771,137	3,369,509
Arbitrage rebate liability	25,000	0	0	25,000	0
Lease liability- equipment	234,411	0	(92,598)	141,813	94,069
Subscription liability	5,524,018	3,738,038	(3,520,349)	5,741,707	3,023,544
Financed purchase liability- ESCO	13,580,000	0	(1,025,000)	12,555,000	1,045,000
	<u>\$ 66,162,085</u>	<u>\$ 8,949,142</u>	<u>\$ (18,742,620)</u>	<u>\$ 56,368,607</u>	<u>\$ 22,478,605</u>

Total interest costs incurred for general long-term debt by the Board, including bond issuance costs, for the year ended September 30, 2025, was \$673,045.

Board of County Commissioners
Leon County, Florida

Notes to Special-Purpose Financial Statements

8. Long-Term Liabilities (continued)

- B. A summary of each special revenue debt obligation outstanding at September 30, 2025 is as follows:

	Outstanding at September 30, 2025
\$1,298,120 Capital Improvement Revenue note, Series 2020, is dated January 30, 2020 and bear interest of 1.89% per annum. The interest on the bonds is payable on June 1 and December 1, beginning June 1, 2020. The bond principal matures serially on December 1 of each year through the final maturity of December 1, 2025	71,109
\$5,400,000 Capital Improvement Revenue note, Series 2021, is dated January 28, 2021 and bear interest of 1.85% per annum. The interest on the bonds is payable on December 1 and June 1, beginning December 1, 2021. The bond principal matures serially on December 1 of each year through the final maturity of December 1, 2036.	4,140,000
\$3,400,000 Capital Improvement Revenue note, Series 2021B, is dated November 16, 2021 and bear interest of 1.29% per annum. The interest on the bonds is payable on December 1, beginning December 1, 2022. The bond principal matures serially on December 1 of each year through the final maturity of December 1, 2028.	1,980,000
<i>The Capital Improvement Revenue Refunding Bonds Series 2020, Capital Improvement Revenue Refunding Bonds Series 2021, and the Capital Improvement Revenue Note Series 2021B are parity bonds payable from and secured by a lien upon certain non-ad valorem revenue. The pledged revenues include the Local Government Half-Cent Sales Tax, Guaranteed Entitlement, Second Guaranteed Entitlement, and additional State Revenue Sharing Funds (less the Guaranteed Entitlement and the Second Guaranteed Entitlement). Total pledged revenue was \$19,609,717.</i>	
Total Special Revenue Bond Obligations	<u>\$ 6,191,109</u>

Board of County Commissioners
Leon County, Florida

Notes to Special-Purpose Financial Statements

8. Long-Term Liabilities (continued)

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

	Year ending September 30,				
	2026	2027	2028	2029	2030
Capital Improvement Revenue					
Bonds, Series 2020	71,781	0	0	0	0
Capital Improvement Revenue					
Bonds, Series 2021	421,590	420,208	418,733	417,165	420,505
Capital Improvement Revenue					
Bonds, Series 2021B	510,542	509,286	512,965	511,515	0
Total debt service	<u>\$ 1,003,913</u>	<u>\$ 929,494</u>	<u>\$ 931,698</u>	<u>\$ 928,680</u>	<u>\$ 420,505</u>
	2031-2035	2036-2037	Total Payments	Less Interest	Principal
Capital Improvement Revenue					
Bonds, Series 2020	0	0	71,781	672	71,109
Capital Improvement Revenue					
Bonds, Series 2021	2,097,445	417,585	4,613,231	473,231	4,140,000
Capital Improvement Revenue					
Bonds, Series 2021B	0	0	2,044,308	64,308	1,980,000
Total debt service	<u>\$ 2,097,445</u>	<u>\$ 417,585</u>	<u>\$ 6,729,320</u>	<u>\$ 538,211</u>	<u>\$ 6,191,109</u>

D. Financed purchase liability - ESCO

The County has an agreement with US Bank to finance the funding of an energy savings project. The project completed by the Energy Systems Group LLC included the installation of energy, water, and wastewater efficiency and conservation measures and related upgrades at County facilities. Terms of the agreement include bi-annual payments on June 1 and December 1. The agreement expires December 1, 2035. As of September 30, 2025 future payments totaling \$13,809,404 consists of principal of \$12,555,000 and interest of \$1,254,404

Board of County Commissioners
Leon County, Florida

Notes to Special-Purpose Financial Statements

8. Long-Term Liabilities (continued)

The future financed purchase liability and the net present value of the minimum payments relating to the energy savings project as of September 30, 2025, were as follows:

Period Ending September 30,	Principal	Interest	Debt Service
2026	1,045,000	211,892	1,256,892
2027	1,065,000	193,314	1,258,314
2028	1,080,000	174,427	1,254,427
2029	1,100,000	155,232	1,255,232
2030	1,120,000	135,685	1,255,685
2031	1,140,000	115,786	1,255,786
2032	1,160,000	95,534	1,255,534
2033	1,180,000	74,931	1,254,931
2034	1,200,000	53,975	1,253,975
2035	1,220,000	32,667	1,252,667
2036	1,245,000	10,961	1,255,961
Total	<u>\$ 12,555,000</u>	<u>\$ 1,254,404</u>	<u>\$ 13,809,404</u>

9. Employees' Retirement Plan

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

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

Board of County Commissioners
Leon County, Florida

Notes to Special-Purpose Financial Statements

9. Employees' Retirement Plan (continued)

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

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

The HIS Program is funded by required contributions from FRS participating employers as set by the State Legislature. Employer contributions are a percentage of gross compensation for all active FRS employees and are reported by employers with monthly payroll reports and included with the amount submitted for retirement contributions. For the fiscal year ended September 30, 2025, the contribution rate was 2% of payroll pursuant to Section 112.363, *Florida Statutes*.

The total employer retirement contributions for the fiscal years ended September 30, 2025, 2024, and 2023 were \$10,243,611, \$9,580,999, and \$8,137,384, respectively, which is equal to the required contribution for each year.

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

10. Other Post Employment Benefits

Plan Description

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

Board of County Commissioners
Leon County, Florida

Notes to Special-Purpose Financial Statements

11. Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; error and omissions; injuries to employees; and natural disasters. The following is a summary of the County's coverage and exposure relating to the various risks of loss retained as of September 30, 2025.

General Liability

Effective December 15, 2016, the Board purchased commercial insurance for general liabilities from Travelers, which has a \$25,000 deductible.

The actuarially determined liability determined below reflects open claims associated with this carrier.

Changes in the Board's claim liability amount were as follows:

	Beginning of Fiscal Year	Current Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year End
September 30, 2024	\$ 0	\$ 178,369	\$ 0	\$ 178,369
September 30, 2025	\$ 178,369	\$ (48,652)	\$ 0	\$ 129,717

Workers' Compensation

The Board maintains a self-insurance Internal Service Fund (the Fund) to account for insurance activities relating to workers' compensation, which is administered by a third-party administrator, Commercial Risk Management, Inc. (previously administered by Preferred Governmental Claims Solutions). Under this program, the Board absorbs losses up to a maximum of \$500,000 for each claim. At September 30, 2025, the Board had \$300,000 deposited with the third-party administrator for use against future claims. The Board purchases commercial insurance for claims in excess of coverage provided by the Fund. Settled claims have not exceeded the retention level for this commercial coverage in the current year and any of the past five years.

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

Board of County Commissioners
Leon County, Florida

Notes to Special-Purpose Financial Statements

11. Risk Management (continued)

Workers' Compensation (continued)

The actuarially-determined claims liability for workers' compensation of \$4,518,180, which includes incurred but not reported claims of \$2,813,104, reported in the Fund at September 30, 2025, is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred as of the date of the financial statements and the amount of the loss can be reasonably estimated.

Changes in the Fund's claims liability amount were as follows:

	Beginning of Fiscal Year	Current Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year End
September 30, 2024	\$ 6,800,211	\$ (687,286)	\$ (1,463,000)	\$ 4,649,925
September 30, 2025	\$ 4,649,925	\$ 1,460,255	\$ (1,592,000)	\$ 4,518,180

Automobile Liability

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

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

	Beginning of Fiscal Year	Current Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year End
September 30, 2024	\$ 46,936	\$ (7,146)	\$ 0	\$ 39,790
September 30, 2025	\$ 39,790	\$ 8,254	\$ 0	\$ 48,044

The actuarially-determined claims liability for automobile liability insurance of \$48,044 includes incurred but not reported claims of \$16,341.

Board of County Commissioners
Leon County, Florida

Notes to Special-Purpose Financial Statements

12. Other Required Individual Fund Disclosures

A. Interfund Receivables, Payables, and Transfers

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

Interfund receivable and payable balances at September 30, 2025, are as follows:

Fund	Interfund Receivables	Interfund Payable
General Fund	\$ 5,840,953	\$ 352,859
Capital Improvement Fund	0	400,000
Nonmajor Governmental Funds	352,859	199,211
Internal Service Funds	0	0
Emergency Medical Services Fund	0	0
Grants Funds	400,000	3,255,479
Fine & Forfeiture Fund	0	0
Landfill Fund	0	2,386,263
	<u>\$ 6,593,812</u>	<u>\$ 6,593,812</u>

Each fund has a discrete purpose. However, often, there is a need for one fund to support a portion of another fund's activities. To accomplish this, monies are moved between funds through a process called interfund transfers. Interfund transfers, excluding transfers to other constitutional officers, for the year ended September 30, 2025, consisted of the following:

Transfers to the General Fund from:

Grants Fund	\$ 1,955,725
Nonmajor Governmental Funds	690,841
Enterprise Fund	50,581
Total transfers to the General Fund	<u>2,697,147</u>

Board of County Commissioners
Leon County, Florida

Notes to Special-Purpose Financial Statements

12. Other Required Individual Fund Disclosures (continued)

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

Transfers to the Grants Fund from:

General Fund	428,949
Emergency Medical Services Fund	31,375
Total transfers to the Grants Fund	<u>460,324</u>

Transfers to the Capital Improvement Fund from:

General Fund	12,815,334
Grants Fund	100,000
Nonmajor Governmental Fund	6,072,371
Internal Service Fund	1,100,000
Total transfers to the Capital Improvement Fund	<u>20,087,705</u>

Transfers to the Nonmajor Governmental Funds:

General Fund	22,267,907
Nonmajor Governmental Funds	9,254,861
Total transfers to the Nonmajor Governmental Funds	<u>31,522,768</u>
Total transfers to Governmental Funds	<u>54,767,944</u>

Transfers to the Enterprise Fund from:

General Fund	3,454,042
Total transfers to the Enterprise Funds	<u>3,454,042</u>

Transfers to the Internal Service Funds from:

Nonmajor Governmental Funds	60,000
Total transfers to Internal Service Funds	<u>60,000</u>

Total Interfund Transfers	<u>\$ 58,281,986</u>

Board of County Commissioners
Leon County, Florida

Notes to Special-Purpose Financial Statements

13. Closure and Post-closure Care Cost

State and federal laws and regulations require the Board to place a final cover on each of its landfill cells when it stops accepting waste and to perform certain maintenance and monitoring functions on each cell for thirty years after closure. Although closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, the Board reports a portion of these costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$21,942,841 reported as landfill closure and post-closure care liability at September 30, 2025, \$7,897,467 as noncurrent and \$14,045,374 as current, represents the cumulative amount reported to date based on the use of 100% of the estimated capacity of the landfill cells placed in use. These amounts are based on what it would cost to perform closure and post-closure care in 2025 on those cells placed in use. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. The landfill is no longer accepting waste.

The Board is required by state and federal laws to make annual contributions to an escrow account to finance a minimum of all closure costs. The Board is in compliance with those minimum requirements, and at September 30, 2025, held investments in the amount of \$20,851,845 for these purposes that are reported as restricted assets on the balance sheet. The Board expects that future inflation costs will be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional post-closure care requirements are determined; these costs may need to be covered by charges to future landfill users or from future tax revenue.

14. Commitments and Contingencies

A. Contract commitments:

Grants

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

Long-Term Construction Projects

The Board is committed to various material long-term construction projects at September 30, 2025. These commitments have been included in the 2025-2026 fiscal year budget and the five-year Capital Improvement Program and certain amounts have been reserved in the capital projects fund. Current contracts outstanding as of September 30, 2025 approximate \$18.8 million.

Board of County Commissioners
Leon County, Florida

Notes to Special-Purpose Financial Statements

14. Commitments and Contingencies (continued)

B. Potential liabilities resulting from litigation:

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

C. Encumbrances:

Encumbrances represent commitments related to unperformed contracts for goods or services. They do not constitute expenditures or liabilities. The commitments will be honored in the subsequent year. The Board had no reserved encumbrances as of September 30, 2025.

15. Impairment of Capital Assets

For the year ended September 30, 2025, the Board identified a building that was impaired as a result of damage caused by a tornado. The event constituted an identifiable impairment indicator under GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*, as the damage resulted in a significant and unexpected decline in the service utility of the asset.

The impairment loss was measured using the restoration cost approach, which estimates the loss in service utility by comparing the cost to restore the asset to its pre-event condition with the carrying value of the asset. As a result of this analysis, the Board recognized an impairment loss of \$1,352,362, which is reported in the Leon County ACFR.

The Board recorded insurance recoveries related to this impairment as other operating income in the internal service fund created for insurance services. Insurance recoveries of \$717,082 and \$500,000 were recognized during fiscal years 2025 and 2024, respectively.

As of September 30, 2025, the Board had expended \$923,036 toward the restoration of the impaired building and related capital assets. The Board expects to incur an additional \$1,242,278 in restoration costs in future periods.

16. Correction of an Error

During the year ended September 30, 2025, management identified two SBITAs where the SBITA liability and right of use asset was not properly reported in the prior year. This error had no impact on recorded fund balance. To correct this error, the related disclosures previously reported in Notes 6, 7 and 8 for SBITA liability and right of use SBITA assets net of accumulated amortization as of September 30, 2024, increased by \$2,137,710.

Board of County Commissioners
Leon County, Florida

Notes to Special-Purpose Financial Statements

17. Change in Accounting Principle

During the year ended September 30, 2025, management adopted GASB Statement No. 101, *Compensated Absences*. This adoption resulted in changes to the process for estimating the compensated absences liability reported in Note 1 and Note 8. This change in accounting principle resulted in the previously disclosed balance as of September 30, 2024 for compensated absences to be increased by \$2,209,973. This change in accounting principle reduced the reported net position of the Landfill Fund and Internal Service funds as of September 30, 2024 by \$(69,225) and \$(29,191), respectively. This change in accounting principle had no impact on the reported fund balance of the governmental funds reported in the special-purpose financial statements for the year ended September 30, 2024.

During the year ended September 30, 2025, management adopted GASB Statement No. 102, *Certain Risk Disclosures*. This change in accounting principle had no impact on the special-purpose financial statements for the year ended September 30, 2024.

18. Subsequent Event

The Board has evaluated subsequent events through May 29, 2026, the date the financial statements were available to be issued. No subsequent events were identified that required disclosure.

Other Schedules

Leon County, Florida

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

Year Ended September 30, 2025

Source	Amount Received during the 2024-25 Fiscal Year	Amount Expended during the 2024-25 Fiscal Year
British Petroleum:		
Agreement No. 134036	\$ -	\$ -

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

See report of independent auditors.

Other Reports

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

The Honorable Board of County Commissioners
Leon County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the special-purpose financial statements of the major governmental funds, the proprietary funds, and the aggregate remaining fund information of the Board of County Commissioners of Leon County, Florida (the Board), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Board's special-purpose financial statements, and have issued our report thereon dated May 29, 2026. Our report includes reference to other auditors who audited the financial statements of the Housing Finance Authority of Leon County, a discretely presented component unit of Leon County, as described in our report on the Board's special-purpose financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported separately by these auditors.

Report on Internal Control Over Financial Reporting

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying *Management Letter* as items 2025-002, 2025-003, and 2025-004, to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying *Management Letter* as item 2025-001 and 2025-005 to be significant deficiencies.

Report on Compliance and Other Matters

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

Board's Response to Findings

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

Purpose of This Report

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

We have issued a *Management Letter* to the Board of County Commissioners of Leon County, Florida dated May 29, 2026, presenting certain required disclosures and comments pursuant to the *Rules of the Auditor General*, Chapter 10.550.

A handwritten signature in black ink that reads "Thomas Howell Ferguson P.A.".

Thomas Howell Ferguson P.A.
Tallahassee, Florida
May 29, 2026

A handwritten signature in blue ink that reads "Law, Redd, Crona & Munroe P.A.".

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



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

The Honorable Board of County Commissioners
Leon County, Florida

We have examined the Board of County Commissioners of Leon County, Florida's (the Board) compliance with local government investment policies provided in Section 218.415, *Florida Statutes*, during the year ended September 30, 2025. Management is responsible for the Board's compliance with the specified requirements. Our responsibility is to express an opinion on the Board's compliance with the specified requirements based on our examination.

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

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

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

In our opinion, the Board complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2025.

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

Thomas Howell Ferguson P.A.
Tallahassee, Florida
May 29, 2026

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



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

The Honorable Board of County Commissioners
Leon County, Florida

We have examined the Board of County Commissioners of Leon County, Florida's (the Board) compliance with emergency communications number E911 system fund requirements provided in Sections 365.172 and 365.173, *Florida Statutes*, during the year ended September 30, 2025. Management of the Board is responsible for the Board's compliance with the specified requirements. Our responsibility is to express an opinion on the Board's compliance with the specified requirements based on our examination.

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

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

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

In our opinion, the Board complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2025.

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

Thomas Howell Ferguson P.A.
Tallahassee, Florida
May 29, 2026

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



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

The Honorable Board of County Commissioners
Leon County, Florida

We have examined the Board of County Commissioners of Leon County, Florida's (the Board) compliance with the receipts and expenditures of funds related to the Deepwater Horizon oil spill provided in Section 288.8017, *Florida Statutes*, during the year ended September 30, 2025. Management of the Board is responsible for the Board's compliance with the specified requirements. Our responsibility is to express an opinion on the Board's compliance with the specified requirements based on our examination.

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

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

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

In our opinion, the Board complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2025.

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

Thomas Howell Ferguson P.A.
Tallahassee, Florida
May 29, 2026

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

Management Letter

The Honorable Board of County Commissioners
Leon County, Florida

Report on the Special-Purpose Financial Statements

We have audited the special-purpose financial statements of the Board of County Commissioners of Leon County, Florida (the Board), as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated May 29, 2026.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Report of Independent Auditors on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Special-Purpose Financial Statements Performed in Accordance with *Government Auditing Standards* and Report of Independent Accountants on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated May 29, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings

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

2024-001- Fixed Asset Disposals

This corrective action is ongoing as of September 30, 2025, and as a result, this is the third consecutive year this specific recommendation is reported. See current year recommendation 2025-001.

2024-002 Manual Journal Entries Process Improvements

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

2024-003 Construction in Progress

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

2024-004 Fixed Assets Balances and Schedules

This corrective action is ongoing as of September 30, 2025, and as a result, this is the second consecutive year this specific recommendation is reported. See current year recommendation 2025-002.

2024-005 Closing Process

This corrective action is ongoing as of September 30, 2025, and as a result, this is the second consecutive year this specific recommendation is reported. See current year recommendation 2025-003.

2024-006 Lease and SBITA Tracking and Recording

This corrective action is ongoing as of September 30, 2025, and as a result, this is the second consecutive year this specific recommendation is reported. See current year recommendation 2025-004.

2024-007 Reconciliation of Balances Between Other Constitutional Officers

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

2024-008 Timely Preparation and Review of Monthly Bank Reconciliations

Corrective action for this recommendation was taken and this recommendation was considered resolved 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 name or official title and legal authority for the primary government and each component unit of the reporting entity are disclosed in Note 1 of the Notes to the Special-Purpose Financial Statements.

Financial Management

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

2025-001- Fixed Asset Disposals

Criteria: The purchasing division sets the policies and procedures regarding the disposal of fixed assets. These policies and procedures are necessary for financial reporting in accordance with the Government Accounting Standards Board (GASB) and to mitigate risks of material misstatement and misappropriation of assets. To sell, trade-in, transfer, cannibalize or dispose of unserviceable or uneconomically repairable equipment, the Board's policies require the Property Custodian to complete and submit a Property Control Form to the Property Control Specialist, outlining the action and the reason(s) for said action, prior to actual disposal. The Board's policies require a thorough review of the annual Tangible Personal Property Report by the Property Control Specialist, Procurement Administrator, and Purchasing Director to ensure complete and accurate information prior to its submission to the Board. The Board's policies require physical inventories be conducted by Property Control in coordination with the appropriate Property Custodian. During the physical inventory, if tangible personal property is found that is not on the property record, action will be taken by Property Control to evaluate it and place it on the Property Record in the department where it was found. Once notified by the Property Control Specialist that inventory is closed, the Finance Department utilizes reports pulled from the RECOUP system to record fixed asset disposals in the Sage Fixed Asset system.

Condition: Several large disposals of equipment that occurred during the year were not initially recorded for financial statement reporting.

Cause: The RECOUP system is the database used to document disposals by the property control specialist. A RECOUP system disposal report is pulled by finance to reconcile disposals to the SAGE Fixed Asset System used for financial reporting.

We noted deficiencies in communication between departments disposing of items and the property control specialist. These deficiencies can create gaps in the completeness and accuracy of the RECOUP reports. As a result, we identified several assets with inaccurate disposal dates in the RECOUP reports.

Additionally, the process for recording the disposals in the RECOUP system is a highly manual process and prone to errors based on limitations in the system and the information it generates. Additionally, the systems utilized for property disposals (RECOUP) does not integrate with the system for tracking disposals for fixed asset financial reporting (SAGE). This results in a detailed reconciliation process that is prone to errors if not performed timely, routinely, and with the proper report parameters during the year.

Effect: Fixed asset disposals are not properly included in the SAGE fixed asset listing resulting in misstatements in financial reporting for fixed assets.

Recommendation: Management should improve policies and procedures in place to communicate and obtain appropriate supporting documentation for all fixed asset disposals, in a timely manner. Management should consider the various fixed asset systems in use and consider if those various systems properly serve the various departments of the County. Additionally, management should determine if the systems have additional features or add ons that may assist in the reconciliation or integration between systems. Management should be performing more routine reconciliation between the inventory system and the fixed asset system for financial reporting.

Management's response:

Management acknowledges and concurs with the proposed changes for recording of disposals as mentioned. Management is currently working on improving adherence to timelines by working on schedules for inventory, and ensuring that all items are flowing correctly to the inventory specialist and finance staff as needed. We concur with the finding and the recommendation of new software for greater efficiency, which will be implemented at a feasible point in time.

2025-002 Fixed Assets Balances and Schedules

Criteria: The Board sets the policies and procedures regarding the capitalization of fixed assets for financial reporting. These financial reporting policies and procedures are necessary for financial reporting in accordance with the Government Accounting Standards Board (GASB). Expenditures for assets meeting the capitalization requirements outlined in the capitalization policy should be included in the BOCC Sage Fixed Asset Listing. Additionally, the Fixed Asset Listing and related fixed asset schedules which outline balances to be reported on the trial balance should reconcile to each other and not contain errors.

Condition: We noted multiple expenditures for the purchase of capital assets or improvements meeting the definition of capital assets under GASB and the capitalization policy of the Board, that were not properly reported or included in the fixed asset management system. Additionally, it was noted that certain capitalizable items were recorded in non-capital outlay accounts and vice versa. The errors were discovered during the audit process. Lastly, adjustments were required in order to reconcile the fixed asset schedules with the fixed asset listing and trial balance.

Cause: Significant turnover in the finance department impacted the schedules prepared by management including the loss of institutional knowledge and constraints on the organizations time and ability to investigate and correct the reported balances and schedules. This turnover coupled with a lack of detailed policies and procedures for the timing and reconciliation of the amounts recorded as capital outlay expenditures to the fixed asset software and schedules led to errors in reported amounts. Challenges in proper expense account coding existed due to communication deficiencies on the nature of the underlying capital projects. Initial omissions for certain capitalizable items led to inaccurate reporting

Effect: Management's risk of material misstatement over fixed assets reported on the government wide financial statements and the BOCC special-purpose financial statements is increased.

Recommendation: Management should update the policies and procedures to include specific roles and responsibilities for the communication of ongoing projects, incoming invoices related to projects, and the reconciliation of capital outlay expenditures to amounts recorded as fixed asset additions. The performance of these tasks should occur at more frequent intervals throughout the year.

Management's response:

Finance is reviewing our current Fixed Asset policies and procedures, working to eliminate the gaps that have been identified above, and removing the roadblocks to ensure accurate reporting going forward. Management has also instituted additional data checks to proactively identify and correct information throughout the year, ensuring issues are addressed promptly as updated information is received. All parties will be taking a more active role in order to ensure financial statement accuracy. We have also requested a new fixed asset accountant position.

2025-003 Closing Process

Criteria: The Committee for Sponsoring Organizations (COSO) defines internal controls as, “a process effected by an entity’s board, management, and other personnel, designed to provide reasonable assurance of the achievement of objectives relating to operations, reporting, and compliance.”

Condition: The preliminary trial balance for fiscal year 2025 included significant errors and omitted information. The errors were discovered during the audit process and were properly investigated and corrected by management.

Cause: Delays in the receipt of invoices from various departments for revenues and payables impacted various schedules and reports.

It should also be noted that significant turnover in the finance department impacted the schedules prepared by management including the loss of institutional knowledge and constraints on the organization’s time and ability to investigate and correct the reported balances and schedules as well as a lack of detailed policies and procedures for the formal year end closing formalized for the finance department.

Effect: These matters led to significant errors in the schedules provided and amounts reported prior to audit adjustment.

Additionally, these financial statement misstatements can lead to incomplete and inaccurate information to those charged with governance, other constitutional officers and other County departments.

Recommendation: Management should review its policies and procedures for significant transaction cycles, document the process for closing the books for its monthly and annual financial reporting, and set a timeline for the monthly and annual reconciliation of account balances and schedules.

Management should continue to evaluate the structure and staffing roles and responsibilities of the finance department.

Management’s response:

The finance department does agree that more concrete procedures need to be documented and is currently working to update and create more thorough desktop procedures to better identify and prevent these types of errors. Additionally, more thorough procedures are being put into place to track late invoices and ensure that all end of year invoices have been received.

2025-004 Lease and SBITA Tracking and Recording

Criteria: GASB Statement No. 96 defines how Subscription Based Information Technology Arrangements (SBITAs) should be recorded for government entities.

Condition: THF noted improvements in the process for calculating and reporting Leases and SBITAs in accordance with GASB 87 and GASB 96 based on management's previous corrective action plan. However, instances were noted in which eight (8) new SBITAs were not included on the original SBITA schedules in accordance with GASB 96.

Cause: Significant turnover in the finance department impacted the schedules prepared by management including the loss of institutional knowledge and constraints on the organizations time and ability to investigate and correct the reported schedules. This turnover coupled with a lack of detailed policies and procedures for the timing and identification of potential SBITA assets led to errors in reported amounts.

Effect: Management's risk of material misstatement over SBITAs reported on the government wide financial statements and the BOCC special-purpose financial statements is increased. Initially provided details were misstated by a significant amount.

Recommendation: Management should improve policies and procedures in place to identify leases and SBITAs. Management should also implement a more detailed review of schedules and reported balances.

Management's response:

Management will agree on turnover being the reason for the missed SBITAs, and have taken measures to implement new policies and procedures to compensate for this and ensure completeness going forward.

2025-005 Timely Billing and A/R collectability

Criteria: GASB Statement No. 33 defines the appropriate standard for recognition of receivables and revenue for expenditure driven grant activities in governmental funds.

Condition: During the audit we identified intergovernmental grant revenues recorded beyond grant award amounts. In these instances the County has not met the eligibility requirements for revenue recognition. Additionally, we noted long outstanding A/R balances that were not timely invoiced to intergovernmental grantors.

Cause: Separation of duties and responsibilities between finance for recording revenues, deferred revenues, and accounts receivable and the process for managing and billing the grant are resulting in the discrepancies.

Effect: Adjustments to reduce revenues and record allowances for doubtful accounts were identified during the audit and were necessary for proper financial reporting.

Recommendation: Management should improve its policies and procedures for grant recording. This includes improved communications between Finance and the applicable departments regarding the nature of the grant, the grant award amounts, matching funds, and billing/collectability challenges.

Management's response:

Management continues to improve its policies and procedures across all departments to ensure completeness and accuracy of amounts recorded throughout the fiscal year. Additionally, more active communication regarding grants is taking place, and year-end policies and procedures related to these processes are being updated to address this issue.

Additional Matters

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

Purpose of this Letter

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



Thomas Howell Ferguson P.A.
Tallahassee, Florida
May 29, 2026



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

Special-Purpose Financial Statements

Clerk of the Circuit Court and Comptroller
Leon County, Florida

*Year Ended September 30, 2025
with Report of Independent Auditors*

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

Clerk of the Circuit Court and Comptroller
Leon County, Florida

Special - Purpose Financial Statements
Year Ended September 30, 2025

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Report of Independent Auditors

The Honorable Gwen Knight
Clerk of the Circuit Court and Comptroller, Leon County, Florida

Report on the Audit of the Special-Purpose Financial Statements

Opinions

We have audited the accompanying special-purpose financial statements of the major governmental funds, the proprietary fund, and the fiduciary fund of the Clerk of the Circuit Court and Comptroller of Leon County, Florida (the Clerk) as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Clerk's special-purpose financial statements as listed in the table of contents.

In our opinion, the accompanying special-purpose financial statements referred to above present fairly, in all material respects, the respective financial position of the major governmental funds, the proprietary fund, and the fiduciary fund of the Clerk of the Circuit Court and Comptroller of Leon County, Florida as of September 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, the Article V Court Operating Fund, and the Records Modernization Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 1, the accompanying special-purpose financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida (Rules). In conformity with the Rules, the accompanying special-purpose financial statements are intended to present the financial position and changes in financial position of the governmental funds, the proprietary fund and the custodial fund of the Clerk, and only that portion that is attributable to the transactions of the Clerk. They do not purport to, and do not, present fairly the financial position of Leon County, Florida, as of September 30, 2025, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

As discussed in Note 12 to the special-purpose financial statements, October 1, 2024, fund balance for the Records Modernization Fund has been restated to correct a previously reported misstatement. Our opinion is not modified with respect to this matter.

As discussed in Note 13 to the special-purpose financial statements, in the fiscal year ended September 30, 2025, the Clerk adopted Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*. As a result, the October 1, 2024 fund balance for the Internal Service fund has been restated. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Special-Purpose Financial Statements

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

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

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

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report April 8, 2026, on our consideration of the Clerk's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Clerk's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Clerk's internal control over financial reporting and compliance.



Thomas Howell Ferguson P.A.
Tallahassee, Florida
April 8, 2026



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

Clerk of the Circuit Court and Comptroller
Leon County, Florida

Balance Sheet - Governmental Funds

September 30, 2025

	<u>General Fund</u>	<u>Article V Court Operating Fund</u>	<u>Records Modernization Fund</u>	<u>Total Governmental Funds</u>
Assets				
Cash	\$ 16,813	\$ 1,562,545	\$ -	\$ 1,579,358
Investments	818,090	-	1,877,546	2,695,636
Receivables (net of allowances for uncollectibles):				
Accounts receivable	1,781	-	-	1,781
Due from other funds	56,405	47,260	-	103,665
Due from other county units	7,239	420	-	7,659
Due from other governments	1,874	87,093	-	88,967
Prepays	101,059	6,575	52,884	160,518
Inventory	32,314	-	-	32,314
Total assets	<u>\$ 1,035,575</u>	<u>\$ 1,703,893</u>	<u>\$ 1,930,430</u>	<u>\$ 4,669,898</u>
Liabilities and fund balances				
Liabilities:				
Accounts payable and other liabilities	\$ 175,822	\$ 53,326	\$ 13,729	\$ 242,877
Accrued liabilities	83,255	139,697	9,876	232,828
Due to other funds	-	-	103,665	103,665
Due to other county units	496,132	-	-	496,132
Due to other governments	245,391	1,500,048	-	1,745,439
Deposits	34,975	10,822	-	45,797
Total liabilities	<u>1,035,575</u>	<u>1,703,893</u>	<u>127,270</u>	<u>2,866,738</u>
Fund balances:				
Nonspendable	133,373	6,575	52,884	192,832
Restricted	-	-	1,750,276	1,750,276
Unassigned	(133,373)	(6,575)	-	(139,948)
Total fund balances	<u>-</u>	<u>-</u>	<u>1,803,160</u>	<u>1,803,160</u>
Total liabilities and fund balances	<u>\$ 1,035,575</u>	<u>\$ 1,703,893</u>	<u>\$ 1,930,430</u>	<u>\$ 4,669,898</u>

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

Clerk of the Circuit Court and Comptroller
Leon County, Florida

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

Year ended September 30, 2025

	General Fund	Article V Court Operating Fund	Records Modernization Fund	Total Governmental Funds
Revenues				
Intergovernmental	\$ 3,620	\$ 2,509,036	\$ -	\$ 2,512,656
Charges for services	1,345,499	5,606,807	565,986	7,518,292
Interest	23,349	47,401	31,169	101,919
Net increase (decrease) in fair value of investments	-	-	1,165	1,165
Miscellaneous	4,531	-	-	4,531
Total revenues	<u>1,376,999</u>	<u>8,163,244</u>	<u>598,320</u>	<u>10,138,563</u>
Expenditures				
Current:				
General government				
Judicial	325,100	6,885,259	-	7,210,359
Financial and administrative	3,382,510	-	-	3,382,510
Other general government	585,105	-	147,007	732,112
Debt service:				
Principal retirement	67,428	-	54,857	122,285
Interest and fiscal charges	7,280	-	2,695	9,975
Capital outlay	-	87,990	-	87,990
Total expenditures	<u>4,367,423</u>	<u>6,973,249</u>	<u>204,559</u>	<u>11,545,231</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,990,424)</u>	<u>1,189,995</u>	<u>393,761</u>	<u>(1,406,668)</u>
Other financing sources (uses) including transfers:				
Operating transfers in	3,536,038	-	208,051	3,744,089
Operating transfers out	(545,614)	(1,189,995)	(7,635)	(1,743,244)
Total other financing sources (uses)	<u>2,990,424</u>	<u>(1,189,995)</u>	<u>200,416</u>	<u>2,000,845</u>
Net changes in fund balances	-	-	594,177	594,177
Fund balances at beginning of year	-	-	1,265,388	1,265,388
Prior period adjustments	-	-	(56,405)	(56,405)
Fund balances at beginning of year, as restated	-	-	1,208,983	1,208,983
Fund balances at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,803,160</u>	<u>\$ 1,803,160</u>

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

Clerk of the Circuit Court and Comptroller
Leon County, Florida

Statement of Net Position - Proprietary Fund

September 30, 2025

	Internal Service Fund
Assets	
Current assets:	
Cash	\$ 233,607
Investments	136,826
Due from other funds	2,686
Total assets	<u>\$ 373,119</u>
 Liabilities and net position	
Current liabilities:	
Compensated absences	\$ 215,150
Total current liabilities	<u>215,150</u>
 Noncurrent liabilities:	
Compensated absences	<u>128,491</u>
Total noncurrent liabilities	<u>128,491</u>
Total liabilities	<u>343,641</u>
 Net position	
Unrestricted	<u>29,478</u>
Total net position	<u>29,478</u>
Total liabilities and net position	<u>\$ 373,119</u>

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

Clerk of the Circuit Court and Comptroller
Leon County, Florida

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

Year ended September 30, 2025

	Internal Service Fund
Operating revenues	
Charges for services	\$ -
Operating expenses	
Personnel services	174,620
Total operating expenses	<u>174,620</u>
Operating (loss) income	<u>(174,620)</u>
Nonoperating revenues (expenses):	
Interest	13,023
Operating transfers in	174,620
Operating transfers out	<u>(13,023)</u>
Total nonoperating revenues (expenses)	<u>174,620</u>
Change in net position	-
Net position at beginning of year	-
Prior period adjustments	29,478
Net position at beginning of year, as restated	<u>29,478</u>
Net position at end of year	<u><u>\$ 29,478</u></u>

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

Clerk of the Circuit Court and Comptroller
Leon County, Florida

Statement of Cash Flows - Proprietary Fund

Year ended September 30, 2025

	Internal Service Fund
Cash flows from operating activities:	
Payments to employees	\$ (208,952)
Net cash provided by (used in) operating activities	<u>(208,952)</u>
Cash flows from noncapital financing activities:	
Transfers from other funds	174,620
Transfers to other funds	(13,023)
Due from other funds	973
Net cash provided by (used in) noncapital financing activities	<u>162,570</u>
Cash flows from investing activities:	
Sales of investments	36,465
Interest and dividends received	13,023
Net cash provided by (used in) investing activities	<u>49,488</u>
Net cash increase (decrease) in cash	3,106
Cash at beginning of year	230,501
Cash at end of year	<u><u>\$ 233,607</u></u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities	
Operating income (loss)	\$ (174,620)
Adjustments to reconcile operating income (loss) to net cash provided by (used) in operating activities:	
Changes in assets and liabilities:	
Compensated absences	(34,332)
Net cash provided by (used in) operating activities	<u><u>\$ (208,952)</u></u>

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

Clerk of the Circuit Court and Comptroller
Leon County, Florida

Statement of Fiduciary Net Position - Custodial Fund

September 30, 2025

Assets

Cash	\$ 4,798,766
Investments	2,557,468
Receivables:	
Due from other county units	27,101
Taxes for other governments	162,734
Total assets	<u>\$ 7,546,069</u>

Liabilities and net position

Accounts payable and other liabilities	\$ 204,344
Due to other funds	2,686
Due to other county units	133,102
Other liabilities	979,064
Total liabilities	<u>1,319,196</u>

Net position

Restricted for:	
Individuals, organizations, and other governments	6,226,873
Total net position	<u>6,226,873</u>
Total liabilities and net position	<u>\$ 7,546,069</u>

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

Clerk of the Circuit Court and Comptroller
Leon County, Florida

Statement of Changes in Fiduciary Net Position - Custodial Fund

Year ended September 30, 2025

Additions

Fees and other amounts collected on behalf of other governments	\$ 855,833
Receipt of registry for court from citizens	12,646,989
Bonds, deposits and other court related collections	5,705,874
Interest	135,768
Total additions	<u>19,344,464</u>

Deductions

Fees and other amounts distributed to other governments	849,652
Disbursement of registry for court from citizens	12,850,984
Bonds, deposits and other court related distributions	5,150,044
Transfers out	135,768
Total deductions	<u>18,986,448</u>

Net increase (decrease) in fiduciary net position	<u>358,016</u>

Net position at beginning of year	<u>5,868,857</u>
Net position at end of year	<u><u>\$ 6,226,873</u></u>

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

Clerk of the Circuit Court and Comptroller
Leon County, Florida

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

Year ended September 30, 2025

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	\$ 3,000	\$ 3,000	\$ 3,620	\$ 620
Charges for services	1,334,429	1,389,355	1,345,499	(43,856)
Interest	-	-	23,349	23,349
Miscellaneous	3,290	3,290	4,531	1,241
Total revenues	<u>1,340,719</u>	<u>1,395,645</u>	<u>1,376,999</u>	<u>(18,646)</u>
Expenditures				
Current:				
General government:				
Judicial	492,319	492,319	325,100	167,219
Financial and administrative	3,794,449	3,794,449	3,382,510	411,939
Other general government	582,827	637,753	585,105	52,648
Debt service:				
Principal retirement	-	-	67,428	(67,428)
Interest and fiscal charges	-	-	7,280	(7,280)
Capital outlay	16,500	16,500	-	16,500
Total expenditures	<u>4,886,095</u>	<u>4,941,021</u>	<u>4,367,423</u>	<u>573,598</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,545,376)</u>	<u>(3,545,376)</u>	<u>(2,990,424)</u>	<u>554,952</u>
Other financing sources (uses) including transfers:				
Operating transfers in	3,545,376	3,545,376	3,536,038	(9,338)
Operating transfers out	-	-	(545,614)	(545,614)
Total other financing sources (uses)	<u>3,545,376</u>	<u>3,545,376</u>	<u>2,990,424</u>	<u>(554,952)</u>
Net change in fund balances	-	-	-	-
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

Clerk of the Circuit Court and Comptroller
Leon County, Florida

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Article V Court Operating Fund

Year ended September 30, 2025

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	\$ 2,390,999	\$ 2,390,999	\$ 2,509,036	\$ 118,037
Charges for services	4,801,233	4,801,233	5,606,807	805,574
Interest	-	-	47,401	47,401
Miscellaneous	2,153	2,153	-	(2,153)
Total revenues	<u>7,194,385</u>	<u>7,194,385</u>	<u>8,163,244</u>	<u>968,859</u>
Expenditures				
Current:				
General government:				
Judicial	7,194,385	7,194,385	6,885,259	309,126
Capital outlay	-	-	87,990	(87,990)
Total expenditures	<u>7,194,385</u>	<u>7,194,385</u>	<u>6,973,249</u>	<u>221,136</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>1,189,995</u>	<u>1,189,995</u>
Other financing sources (uses) including transfers:				
Operating transfers out	-	-	(1,189,995)	(1,189,995)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(1,189,995)</u>	<u>(1,189,995)</u>
Net change in fund balances	-	-	-	-
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

Clerk of the Circuit Court and Comptroller
Leon County, Florida

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

Year ended September 30, 2025

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Charges for services	\$ 771,802	\$ 771,802	\$ 565,986	\$ (205,816)
Interest	1,000	1,000	31,169	30,169
Net increase (decrease) in fair value of investments	-	-	1,165	1,165
Total revenues	<u>772,802</u>	<u>772,802</u>	<u>598,320</u>	<u>(174,482)</u>
Expenditures				
Current:				
General government:				
Judicial	562,802	562,802	-	562,802
Other general government	200,000	200,000	147,007	52,993
Debt service:				
Principal retirement	-	-	54,857	(54,857)
Interest and fiscal charges	-	-	2,695	(2,695)
Capital outlay	10,000	10,000	-	10,000
Total expenditures	<u>772,802</u>	<u>772,802</u>	<u>204,559</u>	<u>568,243</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>393,761</u>	<u>393,761</u>
Other financing sources (uses) including transfers:				
Operating transfers in	-	-	208,051	208,051
Operating transfers out	-	-	(7,635)	(7,635)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>200,416</u>	<u>200,416</u>
Net change in fund balances	-	-	594,177	594,177
Fund balance at beginning of year	1,265,388	1,265,388	1,265,388	-
Prior period adjustments	(56,405)	(56,405)	(56,405)	-
Fund balance at beginning of year, as restated	<u>1,208,983</u>	<u>1,208,983</u>	<u>1,208,983</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,208,983</u>	<u>\$ 1,208,983</u>	<u>\$ 1,803,160</u>	<u>\$ 594,177</u>

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

Clerk of the Circuit Court and Comptroller
Leon County, Florida

Notes to Special-Purpose Financial Statements

Year Ended September 30, 2025

1. Summary of Significant Accounting Policies

Reporting Entity

The Clerk of the Circuit Court and Comptroller (the Clerk) is an elected Constitutional Officer of Leon County, Florida, pursuant to Article VIII, Section (1) of the Constitution of the State of Florida. For financial statement and reporting purposes, the Clerk is a separate constitutional officer as provided by Chapter 218, *Florida Statutes*. Leon County (County) is a charter county which allows for the same powers and duties as provided by the Constitution of the State of Florida and *Florida Statutes*. However, in certain instances, the charter either alters or expands the powers of the elected officials via voter referendum. The Clerk is considered to be a part of the primary government of Leon County and is included in the Leon County government-wide financial statements. The financial statements contained herein represent the financial transactions of the Clerk only.

The Leon County Board of County Commissioners (the Board) funds a portion or, in certain instances, all of the operating budgets of the County's Constitutional Officers except for the Tax Collector and only the obligations specified under Chapter 29 in the *Florida Statutes* for the Clerk. The Tax Collector and the Clerk are considered fee officers. A portion of the Clerk's budget is funded by the Board for part of Finance, Internal Audit and Human Resources and all obligations specified under Chapter 29 in the *Florida Statutes* for the Clerk. The payments by the Board to fund the operations of the Constitutional Officers are recorded as operating transfers out on the financial statements of the Board and as operating transfers in on the financial statements of the Constitutional Officers. Repayments to the Board are recorded as operating transfers out on the financial statements of the Constitutional Officers and as operating transfers in on the financial statements of the Board.

The accounting policies of the Clerk conform to accounting principles generally accepted in the United States of America, as applicable to governments.

Basis of Presentation

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

Clerk of the Circuit Court and Comptroller
Leon County, Florida

Notes to Special-Purpose Financial Statements

Year Ended September 30, 2025

1. Summary of Significant Accounting Policies (continued)

Description of Funds

The financial activities of the Clerk are recorded in separate funds which are categorized and described as follows:

Governmental Fund Type:

- General Fund – The General Fund is the general operating fund of the Clerk. This fund is used to account for all financial transactions not required to be accounted for in another fund.
- Article V Court Operating Fund – This fund is used to account for specific governmental revenue sources that are legally restricted through Article V of the Florida Constitution to expenditures for court operations.
- Records Modernization Fund – This fund is used to account for specific governmental revenue sources that are legally restricted to expenditures for records modernization.

Other Fund Types:

- Internal Service Fund – This fund is used to report funded and accrued compensated absences.
- Custodial Fund – These funds are used to account for the assets held by the Clerk as an agent for individuals, private organizations, and/or other governmental units.

Basis of Accounting

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

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

Clerk of the Circuit Court and Comptroller
Leon County, Florida

Notes to Special-Purpose Financial Statements

Year Ended September 30, 2025

1. Summary of Significant Accounting Policies (continued)

Basis of Accounting (continued)

The Clerk considers receivables collected within 30 days after year end to be available and susceptible to accrual as revenues of the current year. The following revenues are considered to be susceptible to accrual: charges for services and interest earned.

Budgets and Budgetary Accounting

Budgets for the court-related functions (the Courts) for each Clerk will be submitted by June 1 to be approved by the legislature. All court revenues are collected monthly and are available for use by the Clerks in the month following collection. Beginning November 1st and by the 10th day of each month, the Clerks will submit that portion of all fines, fees, service charges, and costs collected in the previous month that exceeds one-twelfth of the Clerks' total budget. The remainder of the available revenues will be appropriated for the following month's court expenditures up to the budget cap authorized by the legislature. Any revenue deficits will be certified by the Florida Clerks of Court Operations Corporation. Any unexpended appropriation for the Court's budget will be paid to the State by January 25 of the following year.

Expenditures, other than those for certain custodial funds, are controlled by appropriations in accordance with the budget requirements set forth in the *Florida Statutes*. Budgets are adopted for governmental and special revenue funds. Budgetary control is exercised at the fund level. Budgetary changes within the fund are made at the discretion of the Clerk. Appropriations lapse at the end of the fiscal year to the extent they have not been expended.

The budgeted revenues and expenditures in the accompanying budgetary comparison statements reflect all approved amendments.

Section 218.35 *Florida Statutes*, governs the preparation, adoption, and administration of the annual budget. The Clerk establishes an annual budget for her office which clearly reflects the revenues available to the office and the functions for which money is expended.

Clerk of the Circuit Court and Comptroller
Leon County, Florida

Notes to Special-Purpose Financial Statements

Year Ended September 30, 2025

1. Summary of Significant Accounting Policies (continued)

Budgets and Budgetary Accounting (continued)

The Clerk prepares the budget in three parts:

1. The budget relating to the requirements of the Clerk as the Ex Officio Clerk to the Board, County Auditor, County Recorder, and Custodian or Treasurer of all County funds and other county-related duties, and for Chapter 29 obligations;
2. The budget relating to the Florida court system, which is filed with Florida Clerks of Court Operations Corporation (CCOC). CCOC will submit a Legislative Budget Request for all clerks that will result in an appropriation by the legislature; and
3. The budget for all other operations.

The annual budgetary data reported for the governmental fund types are adopted on a basis consistent with accounting principles generally accepted in the United States and represent the Clerk's adopted budget, the original appropriation ordinance, and budget amendments approved by the Clerk or as adopted by the Board.

Inventories

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

Prepaid Expenses

The Clerk uses the consumption method of accounting, whereby the costs of expendable software licenses are expensed over the life of the agreements.

Investments

Florida Statutes authorize the County to invest in various instruments. Investments are reported in accordance with the requirements of GASB pronouncements. The Clerk is currently invested in two investment pools:

1. The Special Purpose Investment Account (SPIA) within the Florida Treasury Investment Pool (the Pool), administered by the Florida Department of Financial Services, as authorized by Section 17.61(1), Florida Statutes; and

Clerk of the Circuit Court and Comptroller
Leon County, Florida

Notes to Special-Purpose Financial Statements

Year Ended September 30, 2025

1. Summary of Significant Accounting Policies (continued)

Investments (continued)

2. The Local Government Surplus Funds Trust Fund (Florida PRIME), administered by the Florida State Board of Administration (SBA) as authorized by Section 218.415(17), Florida Statutes. Florida PRIME is not a registrant with the SEC, however, the SBA has adopted operating procedures consistent with the requirements for the SEC Rule 2a-7 fund.

The Clerk liquidates and reallocates investments throughout the year depending on liquidity needs for operations. Refer to Note 2 for additional information regarding investments.

Capital Assets

Capital assets purchased in the governmental fund type are recorded as expenditures (capital outlay) at the time of purchase. Such assets are reported as capital assets in the Statement of Net Position in the county-wide financial statements of Leon County, Florida.

Leases

Leases are defined by the general government as the right to use an underlying asset. As lessee, the Clerk recognizes a lease liability and an intangible right-of-use lease asset at the beginning of a lease unless the lease is considered a short-term lease or transfers ownership of the underlying asset. Right-of-use lease assets are measured based on the net present value of the future lease payments at inception, using the weighted average cost of capital, which approximates the incremental borrowing rate. Remeasurement of a lease liability occurs when there is a change in the lease term and/or other changes that are likely to have a significant impact on the lease liability. The Clerk calculates the amortization of the discount on the lease liability and reports that amount as outflows of resources. Payments are allocated first to accrued interest liability and then to the lease liability. Variable lease payments based on the usage of the underlying assets are not included in the lease liability calculations but are recognized as outflows of resources in the period in which the obligation was incurred. Such assets and liabilities are reported on the Statements of Net Position in the county-wide statements of Leon County, Florida. Refer to Note 9 for additional information regarding leases.

Clerk of the Circuit Court and Comptroller
Leon County, Florida

Notes to Special-Purpose Financial Statements

Year Ended September 30, 2025

1. Summary of Significant Accounting Policies (continued)

Subscription Based Information Technology Arrangements

Subscription Based Information Technology Arrangements (SBITAs) are defined by the general government as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. The Clerk recognizes a subscription liability and an intangible right-of-use subscription asset at the beginning of a subscription term unless the SBITA is considered short-term or transfers ownership of the underlying asset. Right-of-use subscription assets are measured based on the net present value of the future SBITA payments at inception, using the weighted average cost of capital, which approximate the incremental borrowing rate. Remeasurement of a subscription liability occurs when there is a change in the SBITA term and/or other changes that are likely to have a significant impact on the subscription liability. The Clerk calculates the amortization of the discount on the subscription liability and reports that amount as outflows of resources. Payments are allocated first to accrued interest liability and then to the subscription liability. For SBITA contracts that are short-term, the Clerk recognizes short-term subscription payments as outflows of resources (expenses) based on the payment provisions of the subscription contract. Additional disclosures regarding SBITAs are disclosed at Note 10.

Liability for Compensated Absences

The Clerk accrues a liability for employees' rights to receive compensation for future absences when certain conditions are met. The Clerk is not legally required to accumulate expendable available financial resources to liquidate this obligation. However, to minimize the impact of such obligations on future budgets, the Clerk has decided to fully fund the cost of the liability. Accordingly, an internal service fund has been established to record the liability for the compensated absences earned but not yet paid for in the General Fund, the Article V Court Operating Fund, and the Records Modernization Fund. The current and long-term portion of the liability for compensated absences is reported as an obligation of the General Fund in the county-wide Statement of Net Position for Leon County, Florida. All amounts are calculated and reported consistent with GASB Statement No. 101, *Compensated Absences*.

Net Position and Fund Balances

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

Clerk of the Circuit Court and Comptroller
Leon County, Florida

Notes to Special-Purpose Financial Statements

Year Ended September 30, 2025

1. Summary of Significant Accounting Policies (continued)

Net Position and Fund Balances (continued)

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

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

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

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

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

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

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

Clerk of the Circuit Court and Comptroller
Leon County, Florida

Notes to Special-Purpose Financial Statements

Year Ended September 30, 2025

1. Summary of Significant Accounting Policies (continued)

Use of Estimates

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

Other Postemployment Benefits

The Clerk through Leon County offers retiree medical and life insurance benefits for qualifying Clerk employees that have retired from a Florida Retirement System (FRS) retirement plan. The premium associated with these benefits is paid by the qualifying employee.

Distribution of Excess Revenues

Section 218.36, *Florida Statutes* requires that the Clerk distribute any excess of revenues over expenditures within the General Fund to the Board within 31 days following the end of the fiscal year. Accordingly, the amount of excess revenues distributed to the Board at the end of the year is presented in the accompanying special-purpose financial statements as “other financing uses.”

Based on the legal opinion provided by the Florida Clerks of Court Operations Corporation (CCOC) general counsel of the provisions of Section 28.37(3), F.S., which was adopted as policy by the CCOC Finance and Budget Committee, all excess court-related funds have been included in a fund liability, Due to Other Governments.

2. Cash and Investments

Cash

Cash consists of demand deposits held at qualified public depositories. At September 30, 2025, the carrying amount of the Clerk’s deposits (including custodial funds) was \$6,611,731 and bank balances were \$8,186,079. The Clerk’s cash deposits are held by a bank that qualifies as a public depository under the Florida Security for Public Deposits Act as required by Chapter 280, Florida Statutes.

Clerk of the Circuit Court and Comptroller
Leon County, Florida

Notes to Special-Purpose Financial Statements

Year Ended September 30, 2025

2. Cash and Investments (continued)

Investments

Credit Risk

The Investment policy provides a structure for a portfolio that is designed to minimize credit risk. This includes restricting investments to government investment pools with the highest available credit ratings. The Clerk's investment practices are governed by Section 218.415(17), *Florida Statutes*. Investments authorized by Section 218.415(17), *Florida Statutes* include:

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

In addition, the Chief Financial Officer for the State of Florida (formerly the State Treasurer) has been investing state revenues, excess revenues of state universities and community colleges and certain other public agencies in a commingled investment portfolio for several years. Section 17.61(1), *Florida Statutes* permits organizations created by the Florida Constitution to participate in the existing State Treasury Investment Pool "Special Purpose Investment Account" (SPIA). Historically, the SPIA participants have received higher earnings reflecting the higher risk associated with the longer maturities and lower credit quality.

The financial details and disclosures for SPIA are made in Note 3 of the State of Florida Annual Comprehensive Financial Report (ACFR). SPIA funds are combined with State of Florida funds and are invested in a combination of short-term liquid instruments and intermediate term fixed income securities. SPIA is measured at net asset value per share. Investments measured at net asset value are not subject to fair value hierarchy level classification under GASB 72.

At September 30, 2025, the Clerk had \$87,911 invested in SPIA and reported at fair market value. The fair value factor for SPIA at September 30, 2025, was 1.0065. The current rating for SPIA is AA-f by Standard and Poors. Investments in this pool are limited to a maximum of 50% of the cash and investments portfolio in accordance with the Clerk's investment policy. A copy of SPIA's most recent financial statements can be found at <https://www.myfloridacfo.com/Division/Treasury/>.

Clerk of the Circuit Court and Comptroller
Leon County, Florida

Notes to Special-Purpose Financial Statements

Year Ended September 30, 2025

2. Cash and Investments (continued)

The Clerk also invests in Florida PRIME administered by the Florida State Board of Administration (SBA). Florida PRIME is an external investment pool that is governed by Chapter 19-7 of the Florida Administrative Code, which identifies the Rules of the SBA. These rules provide guidance and establish the general operating procedures for the administration of Florida PRIME. Additionally, the State of Florida, Auditor General performs the operational audit of the activities and investments of the SBA. On September 30, 2025, Florida PRIME was invested in fixed rate and floating rate bank instruments, repurchase agreements, fixed rate and floating rate corporate commercial paper, floating rate corporate notes, money market mutual funds, and fixed rate and floating rate asset backed commercial paper. Investments in Florida PRIME are not evidenced by securities that exist in physical or book entry form. The current rating for the Florida PRIME is AAAM by Standard and Poor's. The weighted average days to maturity of the Florida PRIME at September 30, 2025 is 47 days. The fair value of the Clerk's position in the pool approximates the value of the pool shares. At September 30, 2025, the Clerk had \$5,302,019 invested in Florida PRIME. Investments in this pool are limited to a maximum of 50% of the cash and investments portfolio in accordance with the Clerk's investment policy. Florida PRIME's most recent financial statements can be found at <https://prime.sbafla.com/audits/>. Florida PRIME currently meets all the necessary criteria to elect to measure all of the investments in Florida PRIME at amortized cost. Therefore, the Clerk participant account balance is considered the fair value of the investment. Florida PRIME investment is exempt from the GASB 72 fair value hierarchy disclosures.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair market value of investments. One method of managing interest rate risk is the duration method, which measures a debt investment's exposure to fair value changes arising from changing interest rates. The longer the effective duration of the investment, the greater the potential variability of the investment's fair value as a result of future changes in interest rates.

The effective duration of the SPIA at September 30, 2025 is 3.47 years. The effective duration for the Florida PRIME balance is calculated using the weighted average maturity method, and is 0.20 years at September 30, 2025.

Custodial Credit Risk

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

Clerk of the Circuit Court and Comptroller
Leon County, Florida

Notes to Special-Purpose Financial Statements

Year Ended September 30, 2025

2. Cash and Investments (continued)

Custodial Credit Risk (continued)

Qualified public depositories of public funds are required to provide collateral each month pursuant to Section 280.04, Florida Statutes. The collateral is held by the Florida Division of Treasury or other custodian with full legal rights maintained by the Florida Division of Treasury to transfer ownership. Any loss not covered by the pledged securities and deposit insurance would be assessed by the Florida Division of Treasury and paid by the other public depositories. The Clerk's deposits are therefore considered fully insured or collateralized.

Bank balances with qualified public depositories at September 30, 2025, were \$8,186,079. Due to the nature of the Clerk's cash and investments, there is no exposure to custodial credit risk and concentration of credit risk.

Foreign Currency Risk

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

3. Compensated Absences

As discussed in Note 1, the liability associated with compensated absences is reported on the fund level in the internal service fund. A summary of the Clerk's liability for compensated absences included at the county-wide financial statement level is as follows with \$215,150 as the current portion:

	Balance October 1, 2024 (as restated)	Additions	(Retirements)	Balance September 30, 2025
Liability for compensated absences	<u>\$ 377,973</u>	<u>\$ 646,700</u>	<u>\$ (681,032)</u>	<u>\$ 343,641</u>

Clerk of the Circuit Court and Comptroller
Leon County, Florida

Notes to Special-Purpose Financial Statements

Year Ended September 30, 2025

4. Risk Management

The Clerk participates in the Leon County Internal Service Fund, which accounts for self-insurance activities relating to workers' compensation. This fund is administered by a third party administrator. The Clerk makes payments to the Internal Service Fund based upon payroll exposure in the amounts needed to pay prior and current year claims. The contribution required for the year ended September 30, 2025, was \$8,794. Excess payments are recorded as a designation of retained earnings for catastrophic losses on the books of Leon County. Excess coverage with a commercial carrier is also in force for each claim exceeding \$500,000.

5. Employees' Retirement Plan

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

All full-time employees of the Clerk, except those excluded pursuant to Section 121.4501, *Florida Statutes*, are eligible to participate in the Florida Retirement System (FRS). The FRS includes various plans and programs, including a defined benefit pension plan (Pension Plan), which is primarily a cost-sharing, multiple-employer defined benefit public-employee pension plan. Information as to benefits, contribution rates, and vesting requirements by membership category is provided in the Leon County ACFR. Contributions and benefits are established in Section 121.71, *Florida Statutes*.

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

Clerk of the Circuit Court and Comptroller
Leon County, Florida

Notes to Special-Purpose Financial Statements

Year Ended September 30, 2025

5. Employees' Retirement Plan (continued)

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

The HIS Program is funded by required contributions from FRS participating employers as set by the State Legislature. Employer contributions are a percentage of gross compensation for all active FRS employees and are reported by employers with monthly payroll reports and included with the amount submitted for retirement contributions. For the fiscal year ended September 30, 2025, the contribution rate was 2.0% of payroll pursuant to Section 112.363, *Florida Statutes*.

The total retirement contributions for the fiscal years ended September 30, 2025, 2024, and 2023 were \$1,020,319, \$1,122,148, and \$955,022, respectively, which is equal to the required contribution for each year.

The Pension Plan and the HIS Program are administered by the State of Florida, Department of Management Services, Division of Retirement. The Division of Retirement issues a publicly available FRS Annual Report that includes financial statements and required supplementary information for the Pension Plan and HIS Program. The latest report may be obtained by writing to the Division of Retirement, P.O. Box 9000, Tallahassee, Florida 32315-9000, or on the website located at www.dms.myflorida.workforce_operations/retirement/publications.

6. Other Postemployment Benefits (OPEB)

Plan Description

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

Clerk of the Circuit Court and Comptroller
Leon County, Florida

Notes to Special-Purpose Financial Statements

Year Ended September 30, 2025

7. Interfund transfers

Interfund balances represent payments due from other funds responsible for particular expenditures to the funds that initially paid for them. Interfund balances are due and payable within one year. Interfund receivable and payable balances at September 30, 2025 are as follows:

Fund	Interfund Receivables	Interfund Payables
General Fund	\$ 56,405	\$ -
Article V Court Operating Fund	47,260	-
Records Modernization Fund	-	103,665
Custodial Fund	-	2,686
Internal Service Fund	2,686	-
Total	<u>\$ 106,351</u>	<u>\$ 106,351</u>

Each fund has a discrete purpose. However, often there is a need for one fund to support a portion of another fund's activities. To accomplish this, monies are moved between funds through a process called interfund transfers. Interfund transfers, excluding transfers to other governments, for the year ended September 30, 2025 consisted of the following:

Transferred to the Records Modernization Fund from:

General Fund	\$ 368
Article V Court Operating Fund	58,892
Custodial Fund	135,768
Internal Service Fund	13,023
	<u>\$ 208,051</u>

Transferred to the Internal Service Fund from:

General Fund	\$ 54,518
Article V Court Operating Fund	112,467
Records Modernization Fund	7,635
	<u>\$ 174,620</u>

Clerk of the Circuit Court and Comptroller
Leon County, Florida

Notes to Special-Purpose Financial Statements

Year Ended September 30, 2025

8. Commitments and Contingencies

A. Encumbrances:

Encumbrances represent commitments related to unperformed contracts for goods or services. They do not constitute expenditures or liabilities. The commitments will be honored in the subsequent year. The Clerk had no outstanding encumbrances at September 30, 2025.

B. Potential liabilities resulting from litigation:

The Clerk is a defendant in various lawsuits arising from the normal course of operations. Based on information available as of April 8, 2026, it is reasonably possible that the Clerk will incur a loss related to these matters. However, the amount of any potential loss cannot be reasonably estimated at this time due to the early stage of the proceedings and the uncertainty surrounding the outcomes.

9. Leases

Effective October 1, 2021, the Clerk adopted GASB's Statement No. 87 – *Leases*. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

Lessee

The Clerk has entered into one active lease as lessee for the use of office space. The terms of the lease extend through June 30, 2033 beginning on the contract commencement date. An initial lease liability was recorded in the amount of \$664,106. As of September 30, 2025, the value of the lease liability is \$450,858. The Clerk is required to make monthly payments of \$5,128 through the term of the lease. The lease has an interest rate of 1.4800%. The value of the right to use asset as of September 30, 2025 is \$438,027 with accumulated amortization of \$226,079 and is included with buildings on the lease class activities table found below.

Clerk of the Circuit Court and Comptroller
Leon County, Florida

Notes to Special-Purpose Financial Statements

Year Ended September 30, 2025

9. Leases (continued)

Lessee (continued)

<u>Asset Class</u>	<u>As of September 30, 2025</u>	
	<u>Lease Asset Value</u>	<u>Accumulated Amortization</u>
Buildings	\$ 664,106	\$ 226,079
	<u>\$ 664,106</u>	<u>\$ 226,079</u>

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

<u>Fiscal Year</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 55,313	\$ 6,222	\$ 61,535
2027	56,137	5,398	61,535
2028	56,973	4,562	61,535
2029	57,822	3,713	61,535
2030	58,684	2,851	61,535
2031-2033	165,929	3,293	169,222
Total	<u>\$ 450,858</u>	<u>\$ 26,039</u>	<u>\$ 476,897</u>

A summary of the Clerk's liability for leases is included at the county-wide financial statement level as follows with \$55,313 as the current portion:

	<u>Balance October 1, 2024</u>	<u>Additions</u>	<u>(Reductions)</u>	<u>Balance September 30, 2025</u>
Lease liability – buildings	\$ 505,359	\$ -	\$ (54,501)	\$ 450,858
Lease liability - equipment	12,927	-	(12,927)	-
Lease Liability – Total	<u>\$ 518,286</u>	<u>\$</u>	<u>\$ (67,428)</u>	<u>\$ 450,858</u>

Clerk of the Circuit Court and Comptroller
Leon County, Florida

Notes to Special-Purpose Financial Statements

Year Ended September 30, 2025

10. Subscription Liabilities

The primary objective of GASB Statement No. 96, Subscription Based Technology Arrangements (SBITAs) is to enhance the relevance and consistency of information about governments' IT subscription activities. This statement establishes a single model for IT Subscription accounting based on the principle that SBITAs are financings of the right to use an underlying asset. Under this Statement, a government is required to recognize a subscription liability and an intangible right-to-use subscription asset. For additional information, refer to the disclosures below.

Governmental Activities

The Clerk has entered into three IT Arrangements for the right to use another party's (a SBITA vendor's) information technology (IT) software. The terms of the arrangements extend through September 2027 beginning on the contract commencement date. An initial subscription liability was recorded in the amount of \$395,803. As of September 30, 2025, the value of the subscription liability is \$29,723. The Clerk made one time payments for two of the arrangements for \$273,846 and \$37,377 and makes annual payments ranging from \$28,074 to \$30,951 on the third arrangement. The SBITA have interest rates between 4.20% and 4.87%. The value of the right to use assets as of September 30, 2025 is \$242,576 with accumulated amortization of \$152,205 and is included with the SBITA activities table found below.

Asset Class	As of September 30, 2025	
	Subscription Asset Value	Accumulated Amortization
SBITAs	\$ 394,781	\$ 152,205
Total SBITAs	<u>\$ 394,781</u>	<u>\$ 152,205</u>

Total future minimum payments under information technology subscription agreements are as follows:

Fiscal Year	Governmental Activities		
	Principal	Interest	Total
2026	\$ 29,723	\$ 1,228	\$ 30,951
2027	-	-	-
2028	-	-	-
2029	-	-	-
2030	-	-	-
Total	<u>\$ 29,723</u>	<u>\$ 1,228</u>	<u>\$ 30,951</u>

Clerk of the Circuit Court and Comptroller
Leon County, Florida

Notes to Special-Purpose Financial Statements

Year Ended September 30, 2025

10. Subscription Liabilities (continued)

A summary of the Clerk's liability for SBITAs is included at the county-wide financial statement level as follows with \$29,723 as the current portion:

	Balance October 1, 2024	Additions	(Reductions)	Balance September 30, 2025
SBITAs	\$ 84,580	\$ -	\$ (54,857)	\$ 29,723

11. Related Party Transaction

The Clerk has a written agreement to rent office space from the Leon County Tax Collector for its customer service location. Under this agreement the Clerk paid \$72,766 to the Leon County Tax Collector during the year ended September 30, 2025.

12. Correction of an Error

During the year ended September 30, 2025, management identified one expenditure where the basis of accounting required an expense and related payable to be recorded in a prior year but was not. To correct this error, the expense and related payable have been recorded to the year ended September 30, 2024. As such, this correction results in a decrease to the beginning fund balance of the Records Modernization Fund by \$56,405.

13. Change in Accounting Principle

During the year ended September 30, 2025, management adopted GASB Statement No. 101, *Compensated Absences*. This adoption resulted in changes to the process for estimating the compensated absences liability reported in the Internal Service Fund. This change in accounting principle resulted in a restatement of the balances for compensated absences liability by \$(29,478) and net position by \$29,478 previously reported in the special-purpose financial statements for the year ended September 30, 2024.

During the year ended September 30, 2025, management adopted GASB Statement No. 102, *Certain Risk Disclosures*. This change in accounting principle had no impact on the special-purpose financial statements for the year ended September 30, 2024.

14. Subsequent Event

The Clerk has evaluated subsequent events through April 8, 2026, the date the financial statements were available to be issued. No subsequent events were identified that required disclosure.

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

September 30, 2025

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

The Honorable Gwen Knight
Clerk of the Circuit Court and Comptroller, Leon County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the special-purpose financial statements of the major governmental funds, the proprietary fund, and the fiduciary fund of the Clerk of the Circuit Court and Comptroller of Leon County, Florida (Clerk), as of and for the year ended September 30, 2025 and the related notes to the financial statements, which collectively comprise the Clerk's special-purpose financial statements, and have issued our report thereon dated April 8, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the special-purpose 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 opinion on the special-purpose financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Clerk's internal control. Accordingly, we do not express an opinion on the effectiveness of the Clerk's internal control.

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

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

Report on Compliance and Other Matters

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

Clerk's Response to Findings

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

Purpose of This Report

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

We have issued a *management letter* to the Clerk of the Circuit Court and Comptroller of Leon County, Florida dated April 8, 2026, presenting certain required disclosures and comments pursuant to the Chapter 10.550, Rules of the Auditor General.



Thomas Howell Ferguson P.A.
Tallahassee, Florida
April 8, 2026



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

Report of Independent Accountants on Compliance with
Florida Statutes Section 218.415, Sections 28.35 and 28.36, and Section 61.181

September 30, 2025



Report of Independent Accountants on Compliance with
Florida Statutes Section 218.415, Sections 28.35 and 28.36, and Section 61.181

The Honorable Gwen Knight
Clerk of the Circuit Court and Comptroller, Leon County, Florida

We have examined the Clerk of the Circuit Court and Comptroller of Leon County, Florida's (Clerk) compliance with the requirements of *Florida Statutes* Section 218.415, Sections 28.35 and 28.36, and Section 61.181, during the year ended September 30, 2025. Management is responsible for the Clerk's compliance with the specified requirements. Our responsibility is to express an opinion on the Clerk's compliance with the specified requirements based on our examination.

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

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

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

In our opinion, the Clerk complied, in all material respects, with the requirements of *Florida Statutes* Section 218.415, Sections 28.35 and 28.36, and Section 61.181, during the period October 1, 2024 to September 30, 2025.

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

Thomas Howell Ferguson P.A.
Tallahassee, Florida
April 8, 2026

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

Management Letter

September 30, 2025

Management Letter

The Honorable Gwen Knight
Clerk of the Circuit Court and Comptroller, Leon County, Florida

Report on the Special-Purpose Financial Statements

We have audited the special-purpose financial statements of the Clerk of the Circuit Court and Comptroller of Leon County, Florida (Clerk), as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated April 8, 2026.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Report of Independent Auditors on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Special-Purpose Financial Statements Performed in Accordance with *Government Auditing Standards* and Report of Independent Accountants on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated April 8, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings

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

2024-001 Bank Reconciliation Process

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

2024-002 Material Adjusting Journal Entries

Corrective action for this recommendation was taken and this recommendation was considered resolved 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 name or official title and legal authority for the primary government of the reporting entity are disclosed in Note 1 of the Notes to the Special-Purpose Financial Statements. The Clerk has no component units.

Financial Management

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

2025-001 Custodial Funds Additions and Deductions

Criteria: GASB Statement No. 84, Fiduciary Activities, requires custodial funds to report additions and deductions that reflect actual increases and decreases in fiduciary net position during the reporting period.

Condition: The finance department's process for recording additions and deductions in the Custodial Fund is not accurately capturing these transactions in accordance with GASB 84. Significant duplications of additions and deductions recorded in the custodial funds were identified during the audit.

Cause: The finance department has not fully implemented/integrated GASB 84 within its accounting system. Specifically, throughout the year the finance department only records the changes to deposit account balances. At year end, inflows and outflows of the deposit accounts are recorded as additions and deductions without sufficient analysis to determine whether such activity represents true custodial additions and deductions as defined by GASB 84.

Effect: Custodial Fund additions and deductions were misstated in the trial balance, requiring audit adjustments to correct the reported activity.

Recommendations: We recommend that the finance department implement internal processes and procedures to ensure custodial fund transactions are recorded in accordance with GASB 84 throughout the year. This should include recording custodial fund activity at the transaction level when it occurs, enhancing supporting schedules as necessary, and performing a thorough review of custodial fund activity to ensure that only true additions and deductions are reported.

Management Response: *We have changed our procedures for generating the documentation for the inflows and outflows so that they will be separately identified through a naming structure that will ensure correct accounting for these items will be done. With this new identification, we will be able to accurately report the amounts that are truly Custodial actions per GASB 84 and will remove the opportunity for items doubling. Furthermore, we have added additional reviews for what is being done for GASB 84 for the year end process as a whole, and are creating a new written procedure and checklist for items to ensure that all items have been handled appropriately.*

Additional Matters

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

Purpose of this Letter

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



Thomas Howell Ferguson P.A.
Tallahassee, Florida
April 8, 2026



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

Special-Purpose Financial Statements

Property Appraiser
Leon County, Florida

*Year Ended September 30, 2025
with Report of Independent Auditors*

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

Property Appraiser
Leon County, Florida

Special - Purpose Financial Statements
Year Ended September 30, 2025

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Report of Independent Auditors

To the Honorable Property Appraiser
Leon County, Florida

Opinion

We have audited the accompanying special-purpose financial statements of the governmental fund (General Fund) of the Property Appraiser of Leon County, Florida (the Property Appraiser) as of and for the year ended September 30, 2025, and the related notes to the special-purpose financial statements, which collectively comprise the Property Appraiser's special-purpose financial statements as listed in the table of contents.

In our opinion, the special-purpose financial statements referred to above present fairly, in all material respects, the respective financial position of the Property Appraiser as of September 30, 2025, and the respective changes in financial position thereof, and the respective budgetary comparison statement of the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Emphasis of Matter

As discussed in Note 1, the accompanying special-purpose financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida (Rules). In conformity with the Rules, the accompanying special-purpose financial statements are intended to present the financial position and the changes in financial position of only that portion that is attributable to the transactions of the Property Appraiser. They do not purport to, and do not, present fairly the financial position of Leon County, Florida, as of September 30, 2025, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

As discussed in Note 9 to the special-purpose financial statements, in the fiscal year ended September 30, 2025, the Property Appraiser adopted Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Special-Purpose Financial Statements

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

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

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the special-purpose financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the special-purpose financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 special-purpose 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 Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 10, 2026, on our consideration of the Property Appraiser's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Property Appraiser's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Property Appraiser's internal control over financial reporting and compliance.



Thomas Howell Ferguson P.A.
Tallahassee, Florida
March 10, 2026



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

Property Appraiser
Leon County, Florida

Balance Sheet - General Fund

September 30, 2025

Assets

Cash and cash equivalents	\$ 439,371
Investments	31,077
Total assets	<u>\$ 470,448</u>

Liabilities and fund balance

Liabilities:

Accounts payable	\$ 34,553
Due to other county units	435,328
Due to other governments	567
Total liabilities	<u>470,448</u>

Fund balance:

Unassigned	-
Total liabilities and fund balance	<u>\$ 470,448</u>

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

Property Appraiser
Leon County, Florida

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

Year ended September 30, 2025

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for services	\$ -	\$ -	\$ 8,750	\$ 8,750
Interest	-	-	2,311	2,311
Total revenues	-	-	11,061	11,061
Expenditures				
Current:				
General government:				
Personnel services	5,654,911	5,663,441	5,317,354	346,087
Operating	974,774	974,774	906,288	68,486
Capital outlay	60,000	60,000	41,031	18,969
Total expenditures	6,689,685	6,698,215	6,264,673	433,542
Excess (deficiency) of revenues over (under) expenditures	(6,689,685)	(6,698,215)	(6,253,612)	444,603
Other financing sources (uses):				
Transfers in	6,689,685	6,698,215	6,689,507	(8,708)
Transfers out	-	-	(435,895)	(435,895)
Total other financing sources (uses)	6,689,685	6,698,215	6,253,612	(444,603)
Net change in fund balances	-	-	-	-
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ -	\$ -

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

Property Appraiser
Leon County, Florida

Notes to Special-Purpose Financial Statements

Year Ended September 30, 2025

NOTE 1 - Summary of Significant Accounting Policies

Reporting Entity

The Property Appraiser operates as a county agency and an elected Constitutional Officer of Leon County (the County) pursuant to Article VIII, Section (1) of the Constitution of the State of Florida. For financial statement and reporting purposes, the Property Appraiser is a separate constitutional officer as provided by Chapter 218, *Florida Statutes*. Leon County is a charter county which allows for the same powers and duties as provided by the Constitution of the State of Florida and *Florida Statutes*. However, in certain instances, the charter either alters or expands the powers of the elected officials via voter referendum. The Property Appraiser is considered to be a part of the primary government of Leon County, Florida, and is included in the Leon County, Florida Annual Comprehensive Financial Report (Leon County ACFR). The financial statements contained herein represent the financial transactions of the Property Appraiser only.

The accounting policies of the Property Appraiser conform to accounting principles generally accepted in the United States of America, as applicable to governmental units. The following is a summary of the more significant policies:

Basis of Presentation

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

Description of Funds

The financial activities of the Property Appraiser are recorded in the following fund:

Governmental Fund Type:

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

Property Appraiser
Leon County, Florida

Notes to Special-Purpose Financial Statements

Year Ended September 30, 2025

NOTE 1 - Summary of Significant Accounting Policies (continued)

Basis of Accounting

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

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

The Property Appraiser considers receivables collected within 30 days after year end to be available and susceptible to accrual as revenues of the current year. In accordance with that definition, charges for services and interest earned are considered to be susceptible to accrual.

Budgets and Budgetary Accounting

Section 195.087, *Florida Statutes*, governs the preparation, adoption, and administration of the Property Appraiser's annual budget. The budget and the subsequent budget amendments of the Property Appraiser are submitted to the Florida Department of Revenue for approval. A copy of the budget is furnished to the Leon County Board of County Commissioners (the Board) at the same time.

Line item expenditures in excess of budget are authorized to the extent that total expenditures do not exceed the total budgeted expenditures. Budget transfers between appropriation categories (personnel services, operating expenses, capital outlay, debt service, and non-operating) must be approved in writing by the Florida Department of Revenue. Transfers between expense items within the same appropriation category do not need written approval from the Florida Department of Revenue. The budget is prepared on the modified accrual basis of accounting. General Fund appropriations lapse at the close of the fiscal year to the extent they have not been expended. The budgeted revenues and expenditures in the accompanying Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual, reflect all approved amendments.

Encumbrances represent commitments related to unperformed contracts for goods or services. They do not constitute expenditures or liabilities. The commitments will be honored in the subsequent year. The Property Appraiser had no outstanding encumbrances at September 30, 2025.

Property Appraiser
Leon County, Florida

Notes to Special-Purpose Financial Statements

Year Ended September 30, 2025

NOTE 1 - Summary of Significant Accounting Policies (continued)

Investments

Investments in external pools that follow SEC Rule 2a-7 regulations are reported at amortized cost, which approximates fair value.

Capital Assets

Capital assets purchased in the Governmental Fund Type are recorded as expenditures (capital outlay) at the time of purchase. The tangible personal property used by the Property Appraiser is reported as capital assets, at cost, in the Statement of Net Position in the Leon County ACFR.

Liability for Compensated Absences

It is the Property Appraiser's policy to grant all full-time employees annual leave based on the number of years of continuous employment for agencies operating under the Florida Retirement System. Annual leave accrued above 240 hours is transferred to sick leave at the end of each calendar year. Upon termination of employment, the employee can receive a cash benefit based upon the employee's current wage rate and the annual leave not taken.

Sick leave is accumulated at the rate of eight hours for each full calendar month of continuous employment. Employees who have transferred from an agency operating under the Florida Retirement System with no break in service may transfer up to 240 sick leave hours. There is no limit on the amount of sick leave that can be accumulated. At the end of each calendar year, employees with 240 or more hours of sick leave may bank up to 24 hours of leave. At the time of separation, employees with eight years or more continuous employment with the Property Appraiser receive payment based upon the employee's current wage rate for 25% of accumulated sick leave. If the separation is due to retirement, those employees also receive payment based upon the employee's current wage rate for 100% of banked sick leave.

The Property Appraiser calculates the liability for employees' rights to receive compensation for future absences when certain conditions are met and in accordance with GASB Statement No. 101, *Compensated Absences*. The Property Appraiser does not and is not legally required to accumulate expendable available financial resources to liquidate this obligation. Accordingly, the liability for compensated absences is not reported in the General Fund but is included in the Statement of Net Position in the Leon County Annual Comprehensive Report.

Property Appraiser
Leon County, Florida

Notes to Special-Purpose Financial Statements

Year Ended September 30, 2025

NOTE 1 - Summary of Significant Accounting Policies (continued)

Transfers In and Out

The Board funds primarily all of the operating budget of the Property Appraiser. The payments by the Board to fund the operations of the Property Appraiser are recorded as transfers in on the financial statements of the Property Appraiser. In accordance with Florida Statutes, the Property Appraiser distributes all General Fund revenues in excess of expenditures to the Board within 31 days following the end of the fiscal year. Repayments to the Board are recorded as a liability and as transfers out on the financial statements of the Property Appraiser.

Related Organizations – Common Expenses

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

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

Other Postemployment Benefits

The Property Appraiser through Leon County offers retiree medical and life insurance benefits for the qualifying Property Appraiser employees that have retired from a Florida Retirement System (FRS) pension plan.

NOTE 2 – Cash, Cash Equivalents and Investments

Cash and Cash Equivalents

The Property Appraiser maintains checking and money market accounts at a bank designated by the Florida Division of Treasury as a qualified public depository. At September 30, 2025, the carrying amount of the Property Appraiser's deposits with the financial institutions was \$439,371 and the bank balances were \$479,962. Deposits whose values exceed the limits of Federal depository insurance are entirely insured or collateralized pursuant to Chapter 280, *Florida Statutes*.

Property Appraiser
Leon County, Florida

Notes to Special-Purpose Financial Statements

Year Ended September 30, 2025

NOTE 2 – Cash, Cash Equivalents and Investments (continued)

Investments

Credit Risk

Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation.

The Property Appraiser is authorized to invest in all state-approved investments identified in Section 218.415(17), *Florida Statutes*, which include:

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

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

The Property Appraiser invests in the Florida PRIME administered by the Florida State Board of Administration (SBA). The Florida PRIME is an external investment pool that is not a registrant with the SEC; however, the SBA has adopted operating procedures consistent with the requirements for a SEC Rule 2a-7 fund.

The Florida PRIME is governed by Chapter 19-7 of the Florida Administrative Code, which identifies the Rules of the SBA. These rules provide guidance and establish the general operating procedures for the administration of the Florida PRIME. Additionally, the State of Florida, Office of the Auditor General performs the operational audit of the activities and investments of the SBA. Throughout the year and as of September 30, 2025, the Florida PRIME contained certain floating rate and adjustable rate securities that were indexed based on the prime rate and/or one and three-month SOFR rates.

Property Appraiser
Leon County, Florida

Notes to Special-Purpose Financial Statements

Year Ended September 30, 2025

NOTE 2 – Cash, Cash Equivalents and Investments (continued)

Investments (continued)

Credit Risk (continued)

These floating rate and adjustable rate securities are used to hedge against interest risk and provide diversification to the portfolio. Exposure to a single issuer is limited to 5% of the portfolio's amortized cost. The current rating for the Florida PRIME is AAAM by Standard and Poors. The dollar weighted average days to maturity of the Florida PRIME at September 30, 2025 is 47 days. The fair value of the Property Appraiser's position in the pool approximates the value of the pool shares. At September 30, 2025, the Property Appraiser had \$31,077 invested with Florida PRIME.

Custodial Credit Risk

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

Qualified public depositories of public funds are required to provide collateral each month pursuant to Section 280.04, *Florida Statutes*. The collateral is held by the Florida Division of Treasury or other custodian with full legal rights maintained by the Florida Division of Treasury to transfer ownership. Any loss not covered by the pledged securities and deposit insurance would be assessed by the Florida Division of Treasury and paid by the other public depositories. The Property Appraiser's deposits are therefore considered fully insured or collateralized.

The investment in the Florida PRIME is not classified as to custodial risk since the investment is not evidenced by securities that exist in physical or book entry form.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates that will adversely affect the fair value of an investment. The Property Appraiser limits interest rate risk for the money market fund by utilizing an overnight sweep agreement to invest excess cash balances.

The most recent Florida Prime audited financial statements can be obtained at www.sbafla.com/prime/audits.aspx.

Property Appraiser
Leon County, Florida

Notes to Special-Purpose Financial Statements

Year Ended September 30, 2025

NOTE 3 - Employees' Retirement Plan

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

All full-time and permanent part-time employees of the Property Appraiser are eligible to participate in the Florida Retirement System (FRS). The FRS includes various plans, including a defined benefit public employee pension plan, which is primarily a cost-sharing multiple-employer defined benefit plan administered by the State of Florida, Department of Management Services, Division of Retirement.

Information as to benefits, contribution rates, and vesting requirements by membership category is provided in the Leon County ACFR. Contributions and benefits are established by Section 121.71, *Florida Statutes*.

Participating employer contributions are based upon actuarially determined blended rates established by the state of Florida, that expressed as percentages of annual covered payroll, are adequate to accumulate sufficient assets to pay benefits when due. Beginning July 1, 2011, active employees are required to contribute three percent of their gross compensation to the retirement plan.

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

The HIS Program is funded by required contributions from FRS participating employers as set by the Legislature. Employer contributions are a percentage of gross compensation for all active FRS employees and are reported by employers with monthly payroll reports and included with the amount submitted for retirement contributions. For the fiscal year ended September 30, 2025, the contribution rate was 2.00 percent of payroll pursuant to Section 112.363, *Florida Statutes*.

Property Appraiser
Leon County, Florida

Notes to Special-Purpose Financial Statements

Year Ended September 30, 2025

NOTE 3 - Employees' Retirement Plan (continued)

The contributions required for the years ended September 30, 2025, 2024, and 2023 were \$745,350, \$701,154, and \$592,135, respectively, which is equal to the required contribution for each year.

The FRS issues a publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to the Division of Retirement, Post Office Box 9000, Tallahassee, Florida 32315-9000, or by calling 850-488-5706.

NOTE 4 - Other Postemployment Benefits

Plan Description

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

NOTE 5 - Risk Management

The Property Appraiser participates in the Leon County Insurance Service Fund, which accounts for self-insurance activities relating to workers' compensation. This fund is administered by a third-party administrator. The Property Appraiser makes payments to the Insurance Service Fund based upon payroll exposure in the amounts needed to pay prior and current year claims. The contribution required for the year ended September 30, 2025, was \$32,581. Excess payments are recorded as a designation of retained earnings for catastrophic losses on the books of Leon County. Excess coverage with a commercial carrier is also in force for each claim exceeding \$500,000.

Property Appraiser
Leon County, Florida

Notes to Special-Purpose Financial Statements

Year Ended September 30, 2025

NOTE 6 - Long-Term Liabilities

A summary of the Property Appraiser's liability for compensated absences is as follows:

	Balance October 1, 2024 (restated)	Additions	(Retirements)	Balance September 30, 2025
Compensated absences	<u>\$ 545,297</u>	<u>\$ 258,368</u>	<u>(\$ 192,996)</u>	<u>\$ 610,669</u>

Of the \$610,669 liability for accrued compensated absences, management estimates that \$128,479 will be due and payable within one year. The liability is not reported in the financial statements of the Property Appraiser since it is not payable from available resources at September 30, 2025. As discussed in Note 1, the liability is reported on the Statement of Net Position in the Leon County ACFR.

NOTE 7 - Fund Balance

The Governmental Accounting Standards Board's Statement No. 54 requires that all fund balances be classified into one of the following categories: Nonspendable, Restricted, Committed, Assigned, and Unassigned. All remaining funds of the Property Appraiser as of the end of the fiscal year are remitted back to the Board as excess fees.

NOTE 8 - Contingencies

Litigation

Various suits and claims arising in the ordinary course of operations are pending against the Property Appraiser. These primarily relate to property assessments within Leon County. The ultimate effect of such litigation cannot be ascertained at this time. In the opinion of management for the Property Appraiser, the liabilities which may arise from such action would not result in losses which would materially affect the financial position of the Property Appraiser or its operations. In the event property assessment claims are resolved in favor of plaintiffs/claimants, such settlements would be funded, if at all, by the Board.

NOTE 9 - Change in Accounting Principle

During the year ended September 30, 2025, management adopted GASB Statement No. 101, *Compensated Absences*. This adoption resulted in changes to the process for estimating the compensated absences liability. This change in accounting principle resulted in a decrease in the compensated absences liability of \$161,157 for the year ended September 30, 2024.

Property Appraiser
Leon County, Florida

Notes to Special-Purpose Financial Statements

Year Ended September 30, 2025

NOTE 9 - Change in Accounting Principle (continued)

During the year ended September 30, 2025, management adopted GASB Statement No. 102, *Certain Risk Disclosures*. This change in accounting principle had no impact on the special-purpose financial statements for the year ended September 30, 2024.

NOTE 10 - Subsequent Event

The Property Appraiser has evaluated subsequent events through March 10, 2026, the date the financial statements were available to be issued.

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

September 30, 2025

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

To the Honorable Property Appraiser
Leon County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the special-purpose financial statements of the Property Appraiser of Leon County, Florida (the Property Appraiser) as of and for the fiscal year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Property Appraiser's special-purpose financial statements, and have issued our report thereon dated March 10, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the special-purpose 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 special-purpose financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Property Appraiser's internal control. Accordingly, we do not express an opinion on the effectiveness of the Property Appraiser's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Property Appraiser's special-purpose 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. We identified certain deficiencies in internal control, described in the accompanying management letter as item 2025-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

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

Property Appraiser's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the Property Appraiser's response to the finding identified in our audit and described in the accompanying management letter. The Property Appraiser's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

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

We have issued a management letter to the Property Appraiser dated March 10, 2026, presenting certain required disclosures and comments pursuant to the Rules of the Auditor General, Chapter 10.550.



Thomas Howell Ferguson P.A.
Tallahassee, Florida
March 10, 2026



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

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

September 30, 2025

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

To the Honorable Property Appraiser
Leon County, Florida

We have examined the Property Appraiser of Leon County, Florida's (the Property Appraiser) compliance with local government investment policies provided in Section 218.415, *Florida Statutes*, during the year ended September 30, 2025. Management of the Property Appraiser is responsible for the Property Appraiser's compliance with the specified requirements. Our responsibility is to express an opinion on the Property Appraiser's compliance with the specified requirements based on our examination.

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

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

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

In our opinion, the Property Appraiser complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2025.

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



Thomas Howell Ferguson P.A.
Tallahassee, Florida
March 10, 2026



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

Management Letter

September 30, 2025

Management Letter

To the Honorable Property Appraiser
Leon County, Florida

Report on the Special-Purpose Financial Statements

We have audited the special-purpose financial statements of the Property Appraiser of Leon County, Florida (Property Appraiser), as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated March 10, 2026.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Report of Independent Auditors on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Special-Purpose Financial Statements Performed in Accordance with *Government Auditing Standards* and Report of Independent Accountants on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 10, 2026, 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. We reported no findings or recommendations in the preceding annual financial report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The name or official title and legal authority for the primary government of the reporting entity are disclosed in Note 1 of the Notes to the Special-Purpose Financial Statements. The Property Appraiser has no component units.

Financial Management

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

2025-001 Office Employee Fund

Criteria: Payroll deductions and the administration of employee-related funds should be conducted with appropriate authorization, accountability, and oversight, in accordance with internal control standards and applicable policies and regulations. Funds collected on behalf of employees should either be recorded within the entity's financial system or otherwise subject to formal fiduciary accounting and internal controls.

Condition: The Property Appraiser administers voluntary payroll deductions for an employee social/activity fund that is maintained outside of the Property Appraiser's Federal EIN and financial system, limiting formal accounting, oversight, and internal control. In addition, certain payroll deductions were processed for employees without documented written authorization on file.

Cause: The employee activity fund has historically been managed informally outside of the Property Appraiser's financial system, and a standardized process for obtaining, retaining, and periodically reviewing employee authorization for voluntary payroll deductions has not been established.

Effect: This arrangement limits the Property Appraiser's ability to ensure proper custody, authorization, and oversight of employee funds and increases the risk of unauthorized deductions, employee disputes, errors, or misappropriation. In addition, the absence of documented authorization and formal oversight increases the risk of noncompliance with applicable wage and labor requirements.

Recommendation: We recommend that the Property Appraiser strengthen controls over employee activity funds by selecting and implementing one of the following options:

1. Formalize the administration of employee activity funds by maintaining the related bank account under the Property Appraiser's control and establishing appropriate fiduciary accounting, documentation, and internal controls over receipts and disbursements; or
2. Discontinue payroll deductions for the employee activity fund and allow the employee group to independently collect and administer the funds outside of the Property Appraiser's financial systems and payroll processes.

In addition, we recommend that the Property Appraiser establish documented written authorization for all voluntary payroll deductions, retain such documentation in employee personnel files, and implement periodic management review of payroll deduction listings.

Further, we recommend that the Property Appraiser consult with its legal counsel to evaluate applicable federal, state, and local requirements related to payroll deductions, fiduciary responsibilities, and the administration of employee-related funds. Legal counsel can help ensure that the selected approach complies with relevant labor laws, tax regulations, and any other statutory or regulatory obligations.

Implementing these recommendations would strengthen accountability, improve internal control, and reduce the risk associated with administering employee-related funds.

Management Response:

We acknowledge the observations raised in the audit and appreciate the recommendations provided to strengthen governance, transparency, and accountability of the social fund. We have reviewed the recommendations and are currently working on implementing the necessary corrective actions.

In the interim, the Employee Social Fund will be suspended until the appropriate governance structure, policies, and internal control procedures are formally established and approved.

The following measures are currently being developed:

1. Establishment of Formal Governance Procedures

Documented guidelines and operating procedures will be developed to clearly define the purpose and administration of the fund.

2. Improved Financial Controls

A dedicated record-keeping and reconciliation process will be implemented to ensure accurate tracking of contributions, disbursements, and fund balances.

3. Employee Acknowledgment Form

An employee acknowledgment form will be implemented to ensure that all participating employees formally acknowledge and agree to the terms, conditions, and guidelines governing the Employee Social Fund.

Once the proper controls are in place, management will reassess the reactivation of the Employee Social Fund.

We appreciate your recommendations and remain committed to strengthening internal controls and ensuring proper management of the employee social fund.

Additional Matters

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

Purpose of this Letter

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



Thomas Howell Ferguson P.A.
Tallahassee, Florida
March 10, 2026



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

Special-Purpose Financial Statements

Sheriff
Leon County, Florida

*Year Ended September 30, 2025
with Report of Independent Auditors*

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

Sheriff
Leon County, Florida

Special - Purpose Financial Statements
Year Ended September 30, 2025

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Report of Independent Auditors

To the Honorable Sheriff
Leon County, Florida

Report on the Audit of the Special-Purpose Financial Statements

Opinions

We have audited the accompanying special-purpose financial statements of the Sheriff of Leon County, Florida (the Sheriff), as of and for the fiscal year ended September 30, 2025, and the related notes to the special-purpose financial statements, which collectively comprise the Sheriff's special-purpose financial statements, as listed in the table of contents.

In our opinion, the special-purpose financial statements referred to above present fairly, in all material respects, the respective financial position of each of the governmental funds and the fiduciary funds of the Sheriff of Leon County, Florida, as of September 30, 2025, and the respective changes in financial position thereof, and the respective budgetary comparison statement for the general fund for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 1, the accompanying special-purpose financial statements were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida (Rules). In conformity with the Rules, the accompanying special-purpose financial statements are intended to present the financial position and the changes in financial position of each of the governmental funds and fiduciary funds, of only that portion that is attributable to the transactions of the Sheriff. They do not purport to, and do not, present fairly the financial position of Leon County, Florida as of September 30, 2025, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

As discussed in Note 12 to the special-purpose financial statements, certain capital and leased assets have been restated to correct a previously reported misstatement. Our opinion is not modified with respect to these matters.

As discussed in Note 14 to the special-purpose financial statements, in the fiscal year ended September 30, 2025, the Sheriff adopted Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Special-Purpose Financial Statements

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

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

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the special-purpose financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the special-purpose financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Sheriff of Leon 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 special-purpose financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Sheriff's ability to continue as a going concern for a reasonable period of time.

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated June 24, 2026, on our consideration of the Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Sheriff's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Sheriff's internal control over financial reporting and compliance.

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

Thomas Howell Ferguson P.A.
Tallahassee, Florida
June 24, 2026

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

Sheriff
Leon County, Florida

Balance Sheet - Governmental Funds

September 30, 2025

	General Fund	Special Grants Fund	Inmate Welfare Fund	Total Governmental Funds
Assets				
Cash	\$ 7,561,265	\$ 230,362	\$ 2,408,470	\$ 10,200,097
Accounts receivable	23,186	22,231	246,728	292,145
Due from other funds	364,029	321,825	-	685,854
Due from other county units	915,412	71,583	-	986,995
Due from other governments	184,139	945,805	-	1,129,944
Inventories	758,296	711	-	759,007
Prepays	289,880	-	-	289,880
Total assets	<u>\$ 10,096,207</u>	<u>\$ 1,592,517</u>	<u>\$ 2,655,198</u>	<u>\$ 14,343,922</u>
Liabilities and fund balance				
Liabilities:				
Accounts payable and other liabilities	\$ 2,034,113	\$ 149,144	\$ 3,113	\$ 2,186,370
Accrued liabilities	4,950,559	-	-	4,950,559
Deferred revenue	-	195,667	-	195,667
Due to other funds	316,760	339,504	24,525	680,789
Due to other county units	2,792,273	27,516	-	2,819,789
Due to other governments	2,502	19,609	-	22,111
Total liabilities	<u>10,096,207</u>	<u>731,440</u>	<u>27,638</u>	<u>10,855,285</u>
Fund balance:				
Nonspendable	1,048,176	711	-	1,048,887
Restricted	-	273,051	-	273,051
Assigned	-	587,315	2,627,560	3,214,875
Unassigned	(1,048,176)	-	-	(1,048,176)
Total fund balance	<u>-</u>	<u>861,077</u>	<u>2,627,560</u>	<u>3,488,637</u>
Total liabilities and fund balance	<u>\$ 10,096,207</u>	<u>\$ 1,592,517</u>	<u>\$ 2,655,198</u>	<u>\$ 14,343,922</u>

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

Sheriff
Leon County, Florida

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

Year ended September 30, 2025

	General Fund	Special Grants Fund	Inmate Welfare Fund	Total Governmental Funds
Revenues				
Intergovernmental	\$ -	\$ 1,584,742	\$ -	\$ 1,584,742
Charges for services	2,002,924	1,055,245	1,166,725	4,224,894
Fines and forfeitures	-	181,002	-	181,002
Interest	431,346	16,867	55,046	503,259
Miscellaneous	334,481	164,691	-	499,172
Total revenues	<u>2,768,751</u>	<u>3,002,547</u>	<u>1,221,771</u>	<u>6,993,069</u>
Expenditures				
Current:				
Judicial:				
Personnel services	5,755,770	-	-	5,755,770
Operating	325,527	-	-	325,527
Total judicial	<u>6,081,297</u>	<u>-</u>	<u>-</u>	<u>6,081,297</u>
Public safety:				
Personnel services	84,837,083	1,651,067	777,981	87,266,131
Operating	21,825,580	1,184,988	300,161	23,310,729
Total public safety	<u>106,662,663</u>	<u>2,836,055</u>	<u>1,078,142</u>	<u>110,576,860</u>
Debt service:				
Principal	1,464,991	-	-	1,464,991
Interest	244,028	-	-	244,028
Total debt service	<u>1,709,019</u>	<u>-</u>	<u>-</u>	<u>1,709,019</u>
Capital outlay	<u>3,653,910</u>	<u>82,105</u>	<u>4,006</u>	<u>3,740,021</u>
Total expenditures	<u>118,106,889</u>	<u>2,918,160</u>	<u>1,082,148</u>	<u>122,107,197</u>
Excess of revenues over (under) expenditures	<u>(115,338,138)</u>	<u>84,387</u>	<u>139,623</u>	<u>(115,114,128)</u>
Other financing sources (uses):				
Transfers in	117,618,582	-	-	117,618,582
Transfers out	(2,556,731)	(27,516)	-	(2,584,247)
Lease financing	276,287	-	-	276,287
Total other financing sources (uses)	<u>115,338,138</u>	<u>(27,516)</u>	<u>-</u>	<u>115,310,622</u>
Net changes in fund balances	-	56,871	139,623	196,494
Fund balances at beginning of year	-	804,206	2,487,937	3,292,143
Fund balances at end of year	<u>\$ -</u>	<u>\$ 861,077</u>	<u>\$ 2,627,560</u>	<u>\$ 3,488,637</u>

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

Sheriff
Leon County, Florida

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

Year ended September 30, 2025

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for services	\$ 1,934,011	\$ 2,002,925	\$ 2,002,924	\$ (1)
Interest	-	431,346	431,346	-
Miscellaneous	-	337,381	334,481	(2,900)
Total revenues	<u>1,934,011</u>	<u>2,771,652</u>	<u>2,768,751</u>	<u>(2,901)</u>
Expenditures				
Current:				
Judicial:				
Personnel services	5,197,260	5,760,279	5,755,770	4,509
Operating	<u>185,541</u>	<u>393,889</u>	<u>325,527</u>	<u>68,362</u>
Total judicial	<u>5,382,801</u>	<u>6,154,168</u>	<u>6,081,297</u>	<u>72,871</u>
Public safety:				
Personnel services	85,065,198	84,994,001	84,837,083	156,918
Operating	<u>23,747,465</u>	<u>22,887,557</u>	<u>21,825,580</u>	<u>1,061,977</u>
Total public safety	<u>108,812,663</u>	<u>107,881,558</u>	<u>106,662,663</u>	<u>1,218,895</u>
Debt service				
Principal	-	1,464,991	1,464,991	-
Interest	<u>-</u>	<u>244,028</u>	<u>244,028</u>	<u>-</u>
Total debt service	<u>-</u>	<u>1,709,019</u>	<u>1,709,019</u>	<u>-</u>
Capital outlay	<u>2,050,504</u>	<u>4,921,776</u>	<u>3,653,910</u>	<u>1,267,866</u>
Total expenditures	<u>116,245,968</u>	<u>120,666,521</u>	<u>118,106,889</u>	<u>2,559,632</u>
Excess of revenues over (under) expenditures	<u>(114,311,957)</u>	<u>(117,894,869)</u>	<u>(115,338,138)</u>	<u>2,556,731</u>
Other financing sources (uses):				
Transfers in	114,311,957	117,894,869	117,618,582	(276,287)
Transfers out	-	-	(2,556,731)	(2,556,731)
Lease financing	<u>-</u>	<u>-</u>	<u>276,287</u>	<u>276,287</u>
Total other financing sources (uses)	<u>114,311,957</u>	<u>117,894,869</u>	<u>115,338,138</u>	<u>(2,556,731)</u>
Net change in fund balances	-	-	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

Sheriff
Leon County, Florida

Statement of Fiduciary Net Position - Custodial Funds

September 30, 2025

Assets

Cash	\$ 701,486
Accounts receivable	145
Total assets	<u>\$ 701,631</u>

Liabilities

Accounts payable	\$ 42,555
Due to other funds	5,065
Due to other county units	67,817
Due to other governments	4,592
Total liabilities	<u>120,029</u>

Net position

Restricted for:

Individuals, organizations, and other governments	<u>581,602</u>
Total net position	<u>581,602</u>
Total liabilities and net position	<u>\$ 701,631</u>

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

Sheriff
Leon County, Florida

Statement of Changes in Fiduciary Net Position - Custodial Funds

Year ended September 30, 2025

Additions

Inmate funds collected	\$ 651,830
Contract and other miscellaneous collected	291,743
Evidence monies collected	138,182
Fines and forfeitures fees collected	564,434
Total additions	<u>1,646,189</u>

Deductions

Inmate funds disbursed	662,783
Contracts and other miscellaneous disbursed	293,958
Evidence monies disbursed	158,291
Fine and forfeiture and fees disbursed	564,434
Total deductions	<u>1,679,466</u>

Net change in fiduciary net position	(33,277)
Net position, at beginning of year	614,879
Net position, at end of year	<u><u>\$ 581,602</u></u>

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

Sheriff
Leon County, Florida

Notes to Special-Purpose Financial Statements

Year Ended September 30, 2025

1. Summary of Significant Accounting Policies

Reporting Entity

The Sheriff operates as a County agency and an elected Constitutional Officer of Leon County (the County) pursuant to Article VIII, Section (1) of the *Constitution of the State of Florida*. For financial statement and reporting purposes, the Sheriff is a separate constitutional officer as provided by Chapter 218, *Florida Statutes*. Leon County is a charter county, which allows for the same powers and duties as provided by the *Constitution of the State of Florida* and *Florida Statutes*. However, in certain instances, the charter either alters or expands the powers of the elected officials via voter referendum. The Sheriff is considered to be a part of the primary government of Leon County, Florida, and is included in the Leon County government-wide annual financial statements. The financial statements contained herein represent the financial transactions of the Sheriff only.

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

Basis of Presentation

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

Description of Funds

The financial activities of the Sheriff are recorded in separate funds, which are categorized and described as follows:

Governmental Fund Types:

- General Fund – The General Fund is the general operating fund of the Sheriff. This fund is used to account for all financial transactions not required to be accounted for in another fund.
- Special Grants Fund – To account for various law enforcement grants and the proceeds of specific revenue sources that are legally restricted to expenditures for specific law enforcement purposes.

Sheriff
Leon County, Florida

Notes to Special-Purpose Financial Statements

Year Ended September 30, 2025

1. Summary of Significant Accounting Policies (continued)

Description of Funds (continued)

Governmental Fund Types

- Inmate Welfare Fund – To account for the operations related to various rehabilitative programs and other expenditures related to inmate welfare.

Fiduciary Fund Types

- Custodial Funds – These funds are used to account for assets held by the Sheriff as an agent, including prisoner housing, work release and warrant fees which are remitted to other governmental agencies, restitution, forfeitures and other collections which are remitted to third parties, employee contributions to be used for designated purposes and prisoner deposits which are expended on their personal effects.

Basis of Accounting

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

The accounts of the Governmental Funds are maintained on the modified accrual basis. Under the modified accrual basis, revenues are recognized when they are received in cash or when they are considered both measurable and available and as such, are susceptible to accrual. Expenditures are recorded when the liability is incurred and/or will be paid from expendable available financial resources. The accounts of the Custodial Funds are reported using the economic resources measurement focus and the accrual basis of accounting. Accordingly, revenues are recognized when earned and expenses are recognized when incurred.

The Sheriff considers receivables collected within 30 days after year end to be available and susceptible to accrual as revenues of the current year. There are essentially two types of revenue when applying the “susceptible to accrual” concept to intergovernmental revenues. Primarily all grant revenues are recognized on the basis of expenditures incurred for the specific purpose or project. Other revenues are generally unrestricted and are revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if measurable and available to finance expenditures of the current period. The following major revenues are considered susceptible to accrual: charges for services, intergovernmental revenues, grant revenues expended on a cost reimbursement basis, and interest earned.

Sheriff
Leon County, Florida

Notes to Special-Purpose Financial Statements

Year Ended September 30, 2025

1. Summary of Significant Accounting Policies (continued)

Budgets and Budgetary Accounting

Section 30.49, *Florida Statutes*, governs the preparation, adoption and administration of the Sheriff's annual budget. Line item expenditures in excess of budget are authorized to the extent that total expenditures do not exceed total budgeted expenditures at the fund level. An annual budget is adopted for the General Fund, while the Special Grants Fund adopts project-specific budgets, and the Inmate Welfare Fund is not budgeted. Appropriations lapse at the close of the fiscal year to the extent they have not been expended. The budgeted revenues and expenditures in the accompanying Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual, reflect all approved amendments.

Inventories

Inventories consist of supplies and are stated at the lower of cost or market, determined on a first-in, first-out basis. The consumption method is used for all funds whereby the cost is recorded as an expenditure at the time of issuance to the user department.

Capital Assets

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

Capital assets purchased in the governmental fund types costing \$5,000 or more and having a useful life in excess of one year are recorded as capital outlay expenditures at the time of purchase. The tangible personal property used by the Sheriff is reported as capital assets, at cost, in the Statement of Net Position in the government-wide financial statements of Leon County, Florida. Donated and confiscated capital assets are recorded in the County's Statement of Net Position at fair value at the time received. Capital assets are depreciated using the straight-line method over 5 to 20 years. Depreciation expense is recorded in the Statement of Activities in the government-wide financial statements of Leon County, Florida.

Sheriff
Leon County, Florida

Notes to Special-Purpose Financial Statements

Year Ended September 30, 2025

1. Summary of Significant Accounting Policies (continued)

Leases

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

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

For lease contracts that are short-term, the Sheriff recognizes short-term lease payments as inflows of resources (revenues) based on the payment provisions of the lease contract. Liabilities are only recognized if payments are received in advance, and receivables are only recognized if payments are received subsequent to the reporting period. Such assets, liabilities, deferred inflows and outflows are reported on the Statement of Net Position in the county-wide financial statements of Leon County, Florida. Additional disclosures regarding leases are in Note 9.

Liability for Compensated Absences

Permanent full-time employees receive annual vacation and sick leave and compensatory leave based on policies determined by the Sheriff.

Sheriff
Leon County, Florida

Notes to Special-Purpose Financial Statements

Year Ended September 30, 2025

1. Summary of Significant Accounting Policies (continued)

Liability for Compensated Absences (continued)

- a. Annual leave is earned biweekly as follows:

Years of Service	Hours
First 5	3.75
5-10	4.75
10-15	5.75
15-20	6.50
20 or more	7.50

Accumulated annual leave balances shall be limited based on years of service as follows:

Years of Service	Hours
First 10	240
10-20	360
20 or more	500

An employee's total annual leave may exceed the annual limit during a calendar year, but will be reduced to the above limited hours on the first pay period for the following year. Any annual leave balances in excess of the authorized limits shall be transferred to their sick leave on an hour-for-hour basis. Employees who have reached permanent status and who separate in good standing shall be paid for the accrued time at their current rate of pay, not to exceed the limitations noted above.

Senior Management Service members shall receive 195 hours credited to their annual leave balance upon initial hire date and on the first pay period of each fiscal year. If a Senior Management Service staff member separates from the agency, the annual leave balance or final compensation will be reduced by the prorated amount.

- b. Each employee earns 3.75 hours of sick leave biweekly that may be accumulated without limits. Accrued sick leave is paid out upon separation of service, based on the following percentages:

First 5 Years of Service	0%
5-20 Years of Service	25%
20 or More Years of Service	50%
Death of Employee	75%
Death (in the line of duty)	100%

Sheriff
Leon County, Florida

Notes to Special-Purpose Financial Statements

Year Ended September 30, 2025

1. Summary of Significant Accounting Policies (continued)

Liability for Compensated Absences (continued)

- c. An employee may also accumulate up to 240 hours of compensatory leave in addition to earned annual and sick leave. Any employee who terminates shall be paid for all accrued compensatory leave at their current rate of pay.

The Sheriff uses the vesting method, combined with an estimate of leave that is more likely than not to be used, to calculate the liability for compensated absences. The Sheriff does not, nor is he legally required to, accumulate expendable available financial resources to liquidate these obligations. Accordingly, the liability for compensated absences is not reported in the Sheriff's General Fund, but is included in the Statement of Net Position in the government-wide financial statements of Leon County, Florida. All amounts are calculated and reported consistent with GASB Statement No. 101, *Compensated Absences*.

Other Postemployment Benefits

The Sheriff through Leon County offers retiree medical insurance benefits for qualifying Sheriff employees that have retired from a Florida Retirement System (FRS) pension plan.

Transfers In and Out

The Board funds the majority of the operating budget of the Sheriff. The payments by the Board to fund the operations of the Sheriff are recorded as transfers in on the financial statements of the Sheriff. In accordance with *Florida Statutes*, the Sheriff distributes all general fund revenues in excess of expenditures to the Board within 31 days following the end of the fiscal year. These excess fees are reported as a liability and as operating transfers out to the Board on the financial statements of the Sheriff.

Common Expenses

Certain expenses for occupancy costs, which are common to the Board and all Constitutional Officers, are reported as expenses of the Board and, therefore, are not budgeted by or allocated to the Sheriff.

Fund Balances

Fund Balance is the difference between assets and liabilities on the governmental fund statements. For financial reporting purposes, the County has a financial policy that defines the different fund balance classifications for governmental funds and the order that the resources are used.

Sheriff
Leon County, Florida

Notes to Special-Purpose Financial Statements

Year Ended September 30, 2025

1. Summary of Significant Accounting Policies (continued)

Fund Balances (continued)

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

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

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

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

Unassigned Fund Balance – Balances are comprised of the residual of the unrestricted funds in the General Fund and are not nonspendable, restricted, committed or assigned. Other fund types can only report a negative unassigned residual amount.

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

Use of Estimates

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

Sheriff
Leon County, Florida

Notes to Special-Purpose Financial Statements

Year Ended September 30, 2025

2. Cash

Cash

Cash consists of demand deposits held at a bank designated by the Florida Division of Treasury as a qualified public depository. At September 30, 2025, the carrying amount of the Sheriff's deposits with the financial institution was \$10,901,283 and the bank balances were \$11,396,686. Deposits whose values exceed the limits of Federal depository insurance are entirely insured or collateralized pursuant to Chapter 280, Florida Statutes. Additionally, as of September 30, 2025, the Sheriff had cash on hand of \$300.

Custodial Credit Risk

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

Qualified public depositories of public funds are required to provide collateral each month pursuant to Section 280.04, *Florida Statutes*. The collateral is held by the Florida Division of Treasury or other custodians with full legal rights maintained by the Florida Division of Treasury to transfer ownership. Any loss not covered by the pledged securities and deposit insurance would be assessed by the Florida Division of Treasury and paid by the other public depositories. The Sheriff's deposits are therefore considered fully insured or collateralized.

3. Capital Assets

As discussed in Note 1, tangible personal property used by the Sheriff in operations is reported in the government-wide financial statements of Leon County, Florida. A summary of the changes in capital assets for the year ended September 30, 2025, follows:

	Balance October 1, 2024 (restated)	Additions	(Retirements)	Balance September 30, 2025
Vehicles and equipment	\$ 45,926,238	\$ 3,735,662	\$ (3,828,384)	\$ 45,833,516

Sheriff
Leon County, Florida

Notes to Special-Purpose Financial Statements

Year Ended September 30, 2025

4. Long-Term Liabilities

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

	Balance October 1, 2024	Additions	(Retirements)	Balance September 30, 2025	Due Within One Year
Liability for compensated absences (restated)	\$12,620,375	\$ 5,409,471	\$ (3,082,338)	\$ 14,947,508	\$ 3,322,831
Liability for lease assets	6,028,250	276,287	(1,462,104)	4,842,433	1,465,189
Total long-term liabilities	<u>\$18,648,625</u>	<u>\$ 5,685,758</u>	<u>\$ (4,544,442)</u>	<u>\$ 19,789,941</u>	<u>\$ 4,788,020</u>

The above liabilities are not reported in the financial statements of the Sheriff since they are not payable from available resources at September 30, 2025. As discussed in Note 1, they are reported in the Statement of Net Position as part of the government-wide financial statements of Leon County, Florida.

5. Employees' Retirement Plan

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. As described in Note 1, the financial statements of the Sheriff are fund statements considered to be special-purpose financial statements consistent with accounting practices by the Auditor General, State of Florida. Accordingly, the net pension liability is included at the county-wide financial statement level rather than in these special-purpose financial statements.

All full-time and permanent part-time employees of the Sheriff are eligible to participate in the Florida Retirement System (FRS). The FRS includes various plans, including a defined benefit pension plan (Pension Plan), which is primarily a cost-sharing multiple-employer defined benefit public employee pension plan.

Information as to benefits, contribution rates and vesting requirements by membership category, is provided in the Leon County, Florida Annual Comprehensive Financial Report. Contributions and benefits are established by Section 121.71, *Florida Statutes*.

Sheriff
Leon County, Florida

Notes to Special-Purpose Financial Statements

Year Ended September 30, 2025

5. Employees' Retirement Plan (continued)

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

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

The HIS Program is funded by required contributions from FRS participating employers as set by the State Legislature. Employer contributions are a percentage of gross compensation for all active FRS employees and are reported by employers with monthly payroll reports and included with the amount submitted for retirement contributions. For the fiscal year ended September 30, 2025, the contribution rate was 2.00 percent of payroll, pursuant to Section 112.363, *Florida Statutes*.

The total employer retirement contributions paid for the years ended September 30, 2025, 2024, and 2023 were \$17,123,736, \$14,762,761, and \$11,967,367, respectively, which is equal to the required contribution for each year.

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

6. Other Postemployment Benefits (OPEB)

The Sheriff participates in an agent multiple-employer plan administered by the County, under which qualified retired employees and their spouses are permitted to participate in the health and life insurance benefits program (the Program). Retired employees and their spouses for their lifetime are eligible for continuation of the benefits offered to active employees and are responsible for paying the required premium contributions. The Program may be amended by the Board. A stand-alone financial report is not issued for the Program. As described in Note 1, the Sheriff is an elected Constitutional Officer of the County. The annual OPEB obligation of constitutional officers is recognized in the government-wide financial statements of the County.

Sheriff
Leon County, Florida

Notes to Special-Purpose Financial Statements

Year Ended September 30, 2025

7. Other Required Individual Fund Disclosures

Individual fund interfund receivable and payable balances at September 30, 2025, were:

	Receivable	Payable
General Fund	\$ 364,029	\$ 316,760
Special Grants Fund	321,825	339,504
Inmate Welfare Fund	-	24,525
Custodial Funds	-	5,065
	<u>\$ 685,854</u>	<u>\$ 685,854</u>

Interfund balances in the Governmental Funds primarily represent repayments due from the funds responsible for particular expenditures to the funds that initially paid for them. Interfund balances in the Custodial Funds primarily represent collections from the Inmate Fund that are to be remitted to other governmental entities. Interfund balances are due and payable within one year.

8. Risk Management

Professional Liability

The Sheriff is currently a member of the Florida Sheriffs' Association and participates in the Florida Sheriffs' Self-Insurance Fund. The Self-Insurance Fund administers insurance activities related to professional liability and covers compensatory damages (except back pay), employment benefits, punitive damages, attorney fees or costs awarded to a prevailing Plaintiff, and all legal fees involved in defense of the Sheriff. The contribution required for the year ended September 30, 2025, was \$755,233.

The limits of the Self-Insurance Fund for the above-mentioned damages, fees and defense costs are \$5,000,000 per incident or occurrence and \$10,000,000 in aggregate for the policy year. Settled claims did not exceed this coverage in the current year.

Automobile Liability

As a member of the Florida Sheriffs' Association, the Sheriff participates in the Sheriffs' Automobile Risk Program (SHARP) for automobile liability insurance. Coverage includes liability for bodily injury and property damage, personal injury protection, auto medical payments, bodily injury for uninsured motorists and physical damage. Coverage for physical damage is also maintained on certain vehicles. The contribution required for the year ended September 30, 2025, was \$376,849.

Sheriff
Leon County, Florida

Notes to Special-Purpose Financial Statements

Year Ended September 30, 2025

8. Risk Management (continued)

Workers' Compensation

The Sheriff participates in the Leon County Insurance Service Fund, which accounts for self-insurance activities relating to workers' compensation. This fund is administered by a third-party administrator. The Sheriff makes payments to the Insurance Service Fund based upon payroll exposure in the amounts needed to pay prior and current year claims. The contribution required for the year ended September 30, 2025, was \$1,359,391. Excess payments are recorded as a designation of net position for catastrophic losses on the books of Leon County. Excess coverage with a commercial carrier is also in force for each claim exceeding \$500,000.

9. Leases

Effective October 1, 2021, the Sheriff adopted GASB's No. 87, *Leases*. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

Lessee

The Sheriff has entered into two leases as a lessee for the use of office equipment. The terms of the leases range from 51 to 59 months beginning on the contract commencement date. An initial lease liability was recorded in the amount of \$109,956. As of September 30, 2025, the value of the lease liability is \$0. The Sheriff is required to make annual payments ranging from \$9,366 to \$18,732 through the terms of the leases. The leases have interest rates of 0.9800%. The value of the right to use assets as of September 30, 2025, was \$15,807 with accumulated amortization of \$94,149 and is included with office equipment on the Lease Class activities table found below.

Sheriff
Leon County, Florida

Notes to Special-Purpose Financial Statements

Year Ended September 30, 2025

9. Leases (continued)

The Sheriff has entered into five leases as lessee for the use of law enforcement equipment. The terms of the leases range from 24 to 64 months beginning on the contract commencement date. An initial lease liability was recorded in the amount of \$5,258,878. As of September 30, 2025, the value of the lease liability is \$3,404,663. The Sheriff is required to make annual payments of \$16,724 to \$1,112,185 through the terms of the leases. The leases have an interest rate of 5.0000%. The value of the right to use asset as of September 30, 2025, was \$3,144,896 with accumulated amortization of \$2,113,982 and is included with law enforcement equipment on the Lease Class activities table found below.

The Sheriff has entered into three leases as a lessee for the use of office and training space. The terms of the leases range from 60 to 70 months beginning on the contract commencement date. An initial lease liability was recorded in the amount of \$1,961,428. As of September 30, 2025, the value of the lease liability is \$1,437,770. The Sheriff is required to make monthly payments ranging from \$945 to \$32,893 and annual payments of \$48,000 through the terms of the leases. The leases have an interest rate of 5.0000%. The value of the right to use assets as of September 30, 2025, was \$1,377,318 with accumulated amortization of \$584,110 and is included with office and training space on the Lease Class activities table found below.

As of September 30, 2025 Asset Class	Amount of Lease Assets by Major Classes of Underlying Asset	
	Lease Asset Value	Accumulated Amortization
Office equipment	\$ 109,956	\$ 94,149
Law enforcement equipment	5,258,878	2,113,982
Office and training space	1,961,428	584,110
Total leases	<u>\$ 7,330,262</u>	<u>\$ 2,792,241</u>

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

Fiscal Year	Governmental Activities		
	Principal	Interest	Total
2026	\$ 1,465,189	\$ 174,558	\$ 1,639,747
2027	1,539,822	98,705	1,638,527
2028	1,594,497	21,066	1,615,563
2029	242,925	2,435	245,360
Total	<u>\$ 4,842,433</u>	<u>\$ 296,764</u>	<u>\$ 5,139,197</u>

Sheriff
Leon County, Florida

Notes to Special-Purpose Financial Statements

Year Ended September 30, 2025

10. Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. They do not constitute expenditures or liabilities. The commitments will be honored in the subsequent year. There were no encumbrances at September 30, 2025.

11. Commitments and Contingencies

A. Litigation

At September 30, 2025, there were certain claims and legal actions pending against the Sheriff from the normal course of operations. The outcome of these claims and actions is not presently determinable.

At September 30, 2025, there were various other claims and legal actions pending against the Sheriff. These claims are covered through the Sheriff's participation in the Florida Sheriffs' Self-Insurance Fund. In the opinion of the Sheriff's legal counsel, the liabilities which may arise from such actions would be adequately covered by the Self-Insurance Fund.

B. Long-Term Contracts

TSR System Agreement

The Sheriff, Leon County and the City of Tallahassee (the Parties) entered into an inter-local agreement on December 20, 2007 to establish parameters relating to ownership, expansion, operation, maintenance and the use of the 800MHz Project 25 Digital Trunked Simulcast Radio (TSR) System. The agreement provides for 50% ownership of the TSR System's backbone equipment by the Sheriff and the County. The agreement also provides that the Sheriff and the County are required to pay 50% of the TSR System's operating costs. Absent a prior notice to withdraw, the agreement shall continue until the date the agreement is terminated by mutual written agreement of the Parties. Activity related to the agreement is accounted for as a joint operation.

Sheriff
Leon County, Florida

Notes to Special-Purpose Financial Statements

Year Ended September 30, 2025

12. Correction of an Error

During the year ended September 30, 2025, management identified an error in the previously disclosed values of capital assets and leased asset values and accumulated amortization. In the previous year, a bargain purchase option on leased assets was executed but the underlying assets were not reclassified out of leased assets and into capital assets. The error resulted in an overstatement of lease asset values of \$5,159,048 and a corresponding understatement of capital assets by the same amount. The lease liability was \$0 as of September 30, 2024, and therefore had no impact. Additionally, management noted the accumulated amortization on these leased assets was originally amortized over a 36-month period but should have been amortized over a 60-month period. This error resulted in a \$1,891,650 overstatement of disclosed accumulated amortization in the previous year. The Sheriff's special purpose financial statements are reported on the current financial resources measurement focus, and therefore this error had no impact on the beginning fund balance. The following footnote disclosures were impacted by the error.

Leased Assets Correction

As of September 30, 2024 Asset Class	Lease Asset Value	Accumulated Amortization
Law Enforcement Equipment		
As previously reported	\$ 10,359,386	\$ 5,790,707
Prior period correction	(5,159,048)	(4,729,131)
As restated	<u>\$ 5,200,338</u>	<u>\$ 1,061,576</u>

Capital Assets Correction

	Balance October 1, 2023	Additions	(Retirements)	Balance September 30, 2024
Vehicles and equipment, as previously reported	\$ 38,692,727	\$ 2,280,165	\$ (205,702)	\$ 40,767,190
Prior period correction	-	5,159,048	-	5,159,048
Vehicles and equipment, as restated	<u>\$ 38,692,727</u>	<u>\$ 7,439,213</u>	<u>\$ (205,702)</u>	<u>\$ 45,926,238</u>

Sheriff
Leon County, Florida

Notes to Special-Purpose Financial Statements

Year Ended September 30, 2025

13. Consolidated Dispatch Agency

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

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

14. Change in Accounting Principles

During the year ended September 30, 2025, management adopted GASB Statement No. 101, *Compensated Absences*. This adoption resulted in changes to the process of estimating the compensated absences liability reported in the General Fund. This change in accounting principle resulted in an increase in the compensated absences liability of \$468,575 for the year ended September 30, 2024. This change in accounting principle had no impact on fund balance reported in the special-purpose financial statements.

During the year ended September 30, 2025, management adopted GASB Statement No. 102, *Certain Risk Disclosures*. This change in accounting principle had no impact on the special-purpose financial statements.

15. Subsequent Events

The Sheriff has evaluated subsequent events through June 24, 2026, the date the special-purpose financial statements were available to be issued. No subsequent events were identified that required disclosure.

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

September 30, 2025

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

The Honorable Sheriff
Leon County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the special-purpose financial statements of the Sheriff of Leon County, Florida (the Sheriff) as of and for the year ended September 30, 2025, and the related notes to the special-purpose financial statements, which collectively comprise the Sheriff's special-purpose financial statements, and have issued our report thereon dated June 24, 2026.

Report on Internal Control Over Financial Reporting

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying Management Letter as items 2025-002 and 2025-003 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying Management Letter as item 2025-001 to be a significant deficiency.

Report on Compliance and Other Matters

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

The Sheriff's Response to Findings

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

Purpose of this Report

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

We have issued a management letter to the Sheriff of Leon County, Florida, dated June 24, 2026, presenting certain required disclosures and comments pursuant to the *Rules of the Auditor General*, Chapter 10.550.

 

Thomas Howell Ferguson P.A.

Tallahassee, Florida

June 24, 2026

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

Tallahassee, Florida

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

September 30, 2025

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

The Honorable Sheriff
Leon County, Florida

We have examined the Sheriff of Leon County, Florida's (the Sheriff) compliance with local government investment policies provided in Section 218.415, *Florida Statutes*, during the fiscal year ended September 30, 2025. Management of the Sheriff is responsible for the Sheriff's compliance with the specified requirements. Our responsibility is to express an opinion on the Sheriff's compliance with the specified requirements based on our examination.

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

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

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

In our opinion, the Sheriff complied in all material respects with the aforementioned requirements for the year ended September 30, 2025.

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

 

Thomas Howell Ferguson P.A.
Tallahassee, Florida
June 24, 2026

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

Management Letter

September 30, 2025

Management Letter

The Honorable Sheriff
Leon County, Florida

Report on the Special-Purpose Financial Statements

We have audited the special-purpose financial statements of the Sheriff of Leon County, Florida (the Sheriff), as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated June 24, 2026.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Report of Independent Auditors on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Special-Purpose Financial Statements Performed in Accordance with *Government Auditing Standards*; and Report of Independent Accountants on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated June 24, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings

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

2024-001 – Significant Adjustments

There were significant adjustments in the current year and this recommendation is still ongoing as of September 30, 2025, and is the third consecutive year this recommendation is reported. See current year recommendation 2025-001.

2024-002 – Retirement Contributions

Corrective action for this recommendation was not taken and this recommendation is still ongoing as of September 30, 2025. See current year recommendation 2025-002.

2024-003 – Overtime Approval

Corrective action for this recommendation was taken and this recommendation was considered resolved 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 name or official title and legal authority for the primary government of the reporting entity are disclosed in Note 1 of the Notes to the Special-Purpose Financial Statements. The Sheriff has no component units.

Financial Management

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

2025-001 – Significant Adjustments

Criteria: The Committee for Sponsoring Organizations (COSO) defines internal controls as, “a process effected by an entity’s board, management, and other personnel, designed to provide reasonable assurance of the achievement of objectives relating to operations, reporting, and compliance.” A “control deficiency” 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 misstatements of the financial statements on a timely basis. One control deficiency that typically is considered significant is identification by the audit of a material misstatement in the financial statements that was not initially identified by the entity’s internal controls. Management is responsible for the preparation and fair presentation of the financial statements in accordance with generally accepted accounting principles (GAAP). This includes the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement.

Condition: Subsequent to the start of our year-end audit procedures, there were adjusting journal entries pertaining to capital outlay that were required to be made to prevent the Sheriff’s financial statements from being materially misstated.

Cause: The Sheriff's accounting staff did not provide a year-end trial balance reflecting all necessary accounting entries.

Effect: The financial statements would be materially misstated if the significant adjustments were not made.

Recommendation: We continue to recommend that the Sheriff evaluate and improve internal controls over financial reporting and implement changes as necessary to detect misstatements in the financial statements. This will ensure accurate and timely financial reporting. The controls should include preparation and review of all workpapers necessary to adjust the financial statements in accordance with generally accepted accounting principles. The Sheriff's accounting staff should post all necessary adjusting journal entries to the general ledger system prior to the audit. The draft financial statements should be reviewed by at least one qualified individual, independent of the preparation process, to identify potential misstatements.

Management's Response: *Management agrees with the finding and acknowledges that audit adjustments continued to be necessary during the fiscal year 2025 audit process, particularly related to capital outlay. However, management also recognizes the significant reduction in audit adjustments over the past three fiscal years as evidence of continued improvement in financial reporting processes and internal controls.*

To further strengthen internal controls over financial reporting, management has implemented several process improvements, including a new purchasing system to improve expense coding consistency and a contract management system to better identify and track lease activity. In addition, capital outlay reconciliations are being performed regularly and lease schedules are being maintained throughout the year.

Management will continue enhancing year-end closing procedures through the use of formalized year-end close checklists, documented reconciliations, and supervisory review processes designed to identify and correct material misstatements prior to the commencement of audit fieldwork. This includes reconciliation of capital outlay activity to the fixed asset records and review of lease-related balances and activity for completeness and accuracy. Draft financial statements and supporting workpapers will also undergo management review prior to submission to the auditors.

2025-002 – Retirement Contributions

Criteria: Internal controls are essential to ensure employee retirement contributions be accurately calculated, monitored, and remitted in a timely manner throughout the year.

Condition: During our audit procedures, we noted the Sheriff has not established a formal documented review process over employee Florida Retirement System (FRS) classifications and corresponding retirement contribution rates. Although no material retroactive retirement contribution payments or misclassifications were identified during the current year, there is no documented periodic review process in place to verify that employee classifications and contribution rates remain accurate throughout the year.

Cause: The deficiency was primarily due to the absence of internal controls and oversight regarding retirement contributions. There is no designated individual or procedure responsible for overseeing the control environment for retirement contribution rates, and no formalized process has been established for auditing or reviewing contribution rates on a regular basis.

Effect: Without proper internal controls, the Sheriff is exposed to several risks, including inaccurate retirement contributions made by the Sheriff on the employee's behalf, non-compliance with regulatory requirements, and failure to accurately budget retirement contributions. This lack of control could result in errors or fraudulent activity related to an employee retirement contribution that may go undetected, leading to significant financial and operational risks.

Recommendation: We continue to recommend employee classifications be reviewed for completeness and accuracy, and these classifications should be confirmed with FRS when necessary. Management should establish a formal, periodic review process for retirement contribution rates. The review process should be conducted at least quarterly, with adjustments made in response to changes in employee responsibilities or job duties and regulatory requirements. Additionally, human resources and finance should collaborate to ensure all relevant factors are considered in the internal control process. Documentation of each review should be maintained to demonstrate due diligence and facilitate future audits.

Management's Response: *Management agrees with the finding. Although no material retroactive retirement contribution payments occurred during the current year, management recognizes the need for stronger documented internal controls over employee Florida Retirement System (FRS) classifications and contribution rates. Management will implement a formal quarterly review process to verify employee classifications and applicable contribution rates and to timely detect and correct any discrepancies. Reviews will also be performed when significant changes in employee duties or positions occur. Management will coordinate with FRS when classification determinations require additional review. Documentation of all reviews and any corrective actions taken will be maintained to demonstrate due diligence and facilitate future audits.*

2025-003 – Reconciliation of Capital Assets

Criteria: Internal controls over capital assets should be designed and implemented to ensure capital asset records are complete, accurate, and properly reconciled to the general ledger on a periodic basis. Reconciliations are necessary to ensure additions, disposals, and transfers are accurately recorded and reported in the financial statements in accordance with Government Accounting Standards Board (GASB). Additionally, all capital asset activity required to be reported in the government-wide financial statements of Leon County, Florida (the County) should be periodically reconciled to the County's centralized capital asset records.

Condition: During our audit procedures, we noted the Sheriff did not perform timely and complete reconciliations of capital asset activity during the fiscal year. As a result, differences were identified during the audit process that required adjustments to properly reconcile capital asset balances and related activity. In addition, the Sheriff did not reconcile its fixed asset activity to the County's capital asset records; therefore, differences between the Sheriff's records and the County's records were not identified or resolved in a timely manner. It was also noted during our testing of capital asset additions that certain fixed asset purchases made during the current year were not recorded in the Sheriff's fixed asset inventory system.

Cause: This condition appears to be due to the absence of a formal reconciliation process within the Sheriff's own operating procedures and also the absence of a formal reconciliation process between the Sheriff and the County. Specifically, there is no defined responsibility for performing the reconciliation, no standardized procedures or timelines for comparing records, communication, and coordination with County personnel responsible for maintaining the capital assets.

Effect: Failure to reconcile capital asset activity may result in misstatements in reported capital asset balances and related depreciation, incomplete or inaccurate reporting in the County's financial statements, or potential misappropriation of assets.

Recommendation: We recommend that the Sheriff implement a formal reconciliation process to ensure capital asset records are complete and accurate. This process should include performing periodic reconciliations of additions, disposals, and ending balances to the Sheriff's inventory system and the County's records. Processes should include assigning clear responsibility for preparation and review of the reconciliations, investigating and resolving all identified differences in a timely manner. These procedures will enhance coordination with County finance personnel to ensure consistency in reporting.

Management's Response: *Management agrees with the comment. Although a quarterly fixed asset reconciliation process had been established, the reconciliation was not updated after all year-end entries and adjustments were recorded.*

To strengthen controls over fixed assets, management will implement a documented reconciliation process requiring timely review of asset additions, deletions, and transfers between Quartermaster records, the general ledger, and County capital asset records. Reconciliations will be performed quarterly throughout the fiscal year and monthly during year-end close and the subsequent reporting period to improve cutoff, completeness, and accuracy of fixed asset reporting. Supervisory review and approval of reconciliations will also be documented.

Additional Matters

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

Purpose of this Letter

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

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

Thomas Howell Ferguson P.A.

Tallahassee, Florida

June 24, 2026

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

Tallahassee, Florida

Special-Purpose Financial Statements

Supervisor of Elections
Leon County, Florida

*Year Ended September 30, 2025
with Report of Independent Auditors*

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

Supervisor of Elections
Leon County, Florida

Special - Purpose Financial Statements
Year Ended September 30, 2025

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Report of Independent Auditors

To the Honorable Supervisor of Elections
Leon County, Florida

Opinion

We have audited the accompanying special-purpose financial statements of the governmental fund of the Supervisor of Elections of Leon County, Florida (the Supervisor of Elections) as of and for the year ended September 30, 2025, and the related notes to the special-purpose financial statements, which collectively comprise the Supervisor of Elections' special-purpose financial statements as listed in the table of contents.

In our opinion, the special-purpose financial statements referred to above present fairly, in all material respects, the respective financial position of the Supervisor of Elections as of September 30, 2025, and the respective changes in financial position thereof, and the respective budgetary comparison statement of the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 1, the accompanying special-purpose financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida (Rules). In conformity with the Rules, the accompanying special-purpose financial statements are intended to present the financial position and the changes in financial position of only that portion that is attributable to the transactions of the Supervisor of Elections. They do not purport to, and do not, present fairly the financial position of Leon County, Florida, as of September 30, 2025, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

As discussed in Note 11 to the special-purpose financial statements, previously disclosed balances for lease liabilities and related right of use lease assets as of October 1, 2024, have been restated to correct a previously reported misstatement. Our opinion is not modified with respect to this matter.

As discussed in Note 12 to the special-purpose financial statements, in the fiscal year ended September 30, 2025, the Supervisor of Elections adopted Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*. As a result, previously disclosed balances for compensated absences as of October 1, 2024, have been restated. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Special-Purpose Financial Statements

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

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

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated April 2, 2026, on our consideration of the Supervisor of Elections' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Supervisor of Elections' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Supervisor of Elections' internal control over financial reporting and compliance.



Thomas Howell Ferguson P.A.
Tallahassee, Florida.
April 2, 2026



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

**Supervisor of Elections
Leon County, Florida
Balance Sheet - General Fund
September 30, 2025**

Assets

Cash	\$ 366,480
Total assets	<u>\$ 366,480</u>

Liabilities and fund balances

Liabilities:

Accounts payable	\$ 64,490
Due to other county units	257,373
Accrued liabilities	<u>44,617</u>
Total liabilities	<u>366,480</u>

Fund balances:

Unassigned	<u>-</u>
Total fund balances	<u>-</u>
Total liabilities and fund balances	<u>\$ 366,480</u>

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

**Supervisor of Elections
Leon County, Florida
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - General Fund
Year ended September 30, 2025**

	<u>Budget Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
Revenues				
Charges for services	\$ -	\$ -	\$ 28,230	\$ 28,230
Total revenues	-	-	28,230	28,230
Expenditures				
Current:				
General government:				
Personnel services	3,797,081	3,837,081	3,630,674	206,407
Operating	2,130,017	2,372,392	1,898,017	474,375
Debt service:				-
Principal	-	-	392,015	(392,015)
Interest	-	-	59,624	(59,624)
Capital outlay	-	-	537,529	(537,529)
Total expenditures	5,927,098	6,209,473	6,517,859	(308,386)
Excess (deficiency) of revenues over (under) expenditures	(5,927,098)	(6,209,473)	(6,489,629)	(280,156)
Other financing sources (uses):				
Transfers in	5,927,098	6,209,473	6,209,473	-
Transfers out	-	-	(257,373)	(257,373)
Lease financing	-	-	537,529	537,529
Total other financing sources (uses)	5,927,098	6,209,473	6,489,629	280,156
Net change in fund balances	-	-	-	-
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ -	\$ -

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

Supervisor of Elections
Leon County, Florida

Notes to Special-Purpose Financial Statements

Year Ended September 30, 2025

1. Summary of Significant Accounting Policies

Reporting Entity

The Supervisor of Elections is an elected Constitutional Officer of Leon County, Florida, pursuant to Article VIII, Section (1) of the Constitution of the State of Florida. For financial statement and reporting purposes, the Supervisor of Elections is a separate constitutional officer as provided by Chapter 218, Florida Statutes. Leon County is a charter county which allows for the same powers and duties as provided by the Constitution of the State of Florida and Florida Statutes. However, in certain instances, the charter either alters or expands the powers of the elected officials via voter referendum. The Supervisor of Elections is considered to be a part of the primary government of Leon County, Florida, and is included in the Leon County, Florida Annual Comprehensive Financial Report (Leon County ACFR). The financial statements contained herein represent the financial transactions of the Supervisor of Elections only.

The accounting policies of the Supervisor of Elections conform to accounting principles generally accepted in the United States of America, as applicable to governmental units. The following is a summary of the more significant policies:

Basis of Presentation

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

Description of Funds

The financial activities of the Supervisor of Elections are recorded in the following fund:

Governmental Fund Type:

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

Supervisor of Elections
Leon County, Florida

Notes to Special-Purpose Financial Statements

Year Ended September 30, 2025

1. Summary of Significant Accounting Policies (continued)

Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the fund financial statements and relates to the timing of the measurements made, regardless of the measurement focus applied. The accompanying financial statements have been prepared using the modified accrual basis of accounting for all governmental funds. Accordingly, revenues are recognized when measurable and available to pay liabilities of the current period. Expenditures are generally recorded when the liability is incurred and/or will be paid from expendable available financial resources.

The Supervisor of Elections considers receivables collected within 30 days after year end to be available and susceptible to accrual as revenues of the current year. In accordance with that definition, charges for services and interest earned are considered to be susceptible to accrual.

Budgets and Budgetary Accounting

Expenditures are controlled by appropriations in accordance with the budget requirements set forth in the Florida Statutes. A budget is adopted for the governmental funds. Budgetary control is exercised at the fund level. Budgetary changes within the fund are made at the discretion of the Supervisor of Elections. Appropriations lapse at the end of the fiscal year to the extent they have not been expended.

The budgeted revenues and expenditures in the accompanying budgetary comparison statement reflect all approved amendments.

Section 218.35, Florida Statutes, governs the preparation, adoption, and administration of the Supervisor of Elections' annual budget. The Supervisor of Elections establishes an annual budget for its office which clearly reflects the revenues available to the office and the functions for which the money is to be expended.

The annual budgetary data reported for the general fund are adopted on a basis consistent with accounting principles generally accepted in the United States and represent the Supervisor of Elections' adopted budget, the original appropriation ordinance, and budget amendments approved by the Supervisor of Elections or as adopted by the Leon County Board of County Commissioners.

Supervisor of Elections
Leon County, Florida

Notes to Special-Purpose Financial Statements

Year Ended September 30, 2025

1. Summary of Significant Accounting Policies (continued)

Prepaid Expense

The Supervisor of Elections uses the consumption method of accounting, whereby the costs of expendable software licenses are expensed over the life of the agreements. There were no prepaid expenses as of September 30, 2025.

Capital Assets

Capital assets purchased in the governmental fund are recorded as expenditures (capital outlay) at the time of purchase. The Supervisor of Elections does not maintain fixed asset records. The tangible personal property used by the Supervisor of Elections is reported as capital assets, at cost, in the Statement of Net Position in the Leon County ACFR.

Liability for Compensated Absences

The Supervisor of Elections accrues a liability for employees' rights to receive compensation for future absences when certain conditions are met. The Supervisor of Elections does not, nor is he legally required to, accumulate expendable available financial resources to liquidate this obligation. Accordingly, the liability for the compensated absences is not reported in the governmental fund. However, the current and long-term portion of the liability for compensated absences is reported in the Leon County ACFR. All amounts are calculated and reported consistent with GASB Statement No. 101, *Compensated Absences*. Additional disclosures regarding compensated absences are in Note 3.

Other Postemployment Benefits

The Supervisor of Elections, through Leon County, offers retiree medical and life insurance benefits for the qualifying Supervisor of Elections employees that have retired from a Florida Retirement System (FRS) pension plan. The premium associated with these benefits is paid by the qualifying employee.

Supervisor of Elections
Leon County, Florida

Notes to Special-Purpose Financial Statements

Year Ended September 30, 2025

1. Summary of Significant Accounting Policies (continued)

Leases

Leases are defined by the general government as the right to use an underlying asset. As lessee, the Supervisor of Elections recognizes a lease liability and an intangible right-of-use lease asset at the beginning of a lease unless the lease is considered a short-term lease or transfers ownership of the underlying asset. Right-of-use lease assets are measured based on the net present value of the future lease payments at inception, using the weighted average cost of capital, which approximates the incremental borrowing rate. Remeasurement of a lease liability occurs when there is a change in the lease term and/or other changes that are likely to have a significant impact on the lease liability. The Supervisor of Elections calculates the amortization of the discount on the lease liability and reports that amount as outflows of resources. Payments are allocated first to accrued interest liability and then to the lease liability. Variable lease payments based on the usage of the underlying assets are not included in the new lease liability calculations but are recognized as outflows of resources in the period in which the obligation was incurred. Such liabilities are reported on the Statement of Net Position in the county-wide financial statements of Leon County, Florida. Additional disclosures regarding regulated leases are in Note 9.

Subscription Based Information Technology Arrangements

Subscription Based Information Technology Arrangements (SBITAs) are defined by the general government as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. The Supervisor of Elections recognizes a subscription liability and an intangible right-of-use subscription asset at the beginning of a subscription term unless the SBITA is considered short-term or transfers ownership of the underlying asset. Right-of-use subscription assets are measured based on the net present value of the future SBITA payments at inception, using the weighted average cost of capital, which approximates the incremental borrowing rate. Remeasurement of a subscription liability occurs when there is a change in the SBITA term and/or other changes that are likely to have a significant impact on the subscription liability. The Supervisor of Elections calculates the amortization of the discount on the subscription liability and reports that amount as outflows of resources. Payments are allocated first to accrued interest liability and then to the subscription liability. For SBITA contracts that are short-term, the Supervisor of Elections recognizes short-term subscription payments as outflows of resources (expenses) based on the payment provisions of the subscription contract. Additional disclosures regarding regulated SBITAs are in Note 10 to the financial statements.

Supervisor of Elections
Leon County, Florida

Notes to Special-Purpose Financial Statements

Year Ended September 30, 2025

1. Summary of Significant Accounting Policies (continued)

Use of Estimates

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

Related Organizations - Common Expenses

Certain expenses which are common to the Leon County Board of County Commissioners (BOCC) and all Constitutional Officers are reported as expenses of the BOCC and, therefore, are not budgeted by or allocated to the Supervisor of Elections. These are:

Occupancy Costs
Utilities (except telephone)
Janitorial service

In addition, the Supervisor of Elections shares a FEIN with the BOCC who provides high-level support in human resources and accounting functions. This partnership eliminates the need to fund separate staffing and infrastructure for HR and Finance departments at the Supervisor of Elections

2. Cash

Cash consists of cash on hand and bank balances. As of September 30, 2025, the carrying amount of the Supervisor of Elections' deposits was \$366,480. Deposits in excess of federal depository insurance are covered by deposits held in banks that are members of the State of Florida's qualified public depository pursuant to Section 280.04, Florida Statutes.

Supervisor of Elections
Leon County, Florida

Notes to Special-Purpose Financial Statements

Year Ended September 30, 2025

3. Compensated Absences

As discussed in Note 1, the liability associated with compensated absences is reported at the county-wide financial statement level. A summary of the Supervisor of Elections' liability for compensated absences included in the Leon County ACFR is as follows:

	Balance October 1, 2024 (as restated)	Additions	(Retirements)	Balance September 30, 2025
Liability for compensated absences	<u>\$ 387,173</u>	<u>\$ 186,351</u>	<u>\$ (248,384)</u>	<u>\$ 325,140</u>

Of the \$325,140 liability for accrued compensated absences, management estimates \$145,891 will be due and payable within one year. The liability is not reported in the financial statements of the Supervisor of Elections since it is not payable from available resources at September 30, 2025.

4. Risk Management

The Supervisor of Elections obtains workers' compensation insurance coverage through a commercial carrier.

5. Employees' Retirement Plan

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

Supervisor of Elections
Leon County, Florida

Notes to Special-Purpose Financial Statements

Year Ended September 30, 2025

5. Employees' Retirement Plan (continued)

All full-time employees of the Supervisor of Elections, except those excluded pursuant to Section 121.4501, *Florida Statutes*, are eligible to participate in the Florida Retirement System (FRS). The FRS includes various plans and programs, including a defined benefit pension plan (Pension Plan), which is primarily a cost-sharing, multiple-employer defined benefit public-employee pension plan. Information as to benefits, contribution rates, and vesting requirements by membership category is provided in the Leon County ACFR. Contributions and benefits are established in Section 121.71, *Florida Statutes*.

Participating employer contributions are based upon actuarially determined blended rates established by the State Legislature that are expressed as percentages of annual covered payroll and are adequate to accumulate sufficient assets to pay benefits when due. Beginning July 1, 2011, employees who are not participating in the Deferred Retirement Option Plan (DROP) are required to contribute 3% of their salary to the FRS.

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

The HIS Program is funded by required contributions from FRS participating employers as set by the State Legislature. Employer contributions are a percentage of gross compensation for all active FRS employees and are reported by employers with monthly payroll reports included with the amount submitted for retirement contributions. For the fiscal year ended September 30, 2025, the contribution rate was 2.00% of payroll pursuant to Section 112.363, *Florida Statutes*.

The total retirement contributions for the fiscal years ended September 30, 2025, 2024, and 2023 were \$499,773, \$539,739, and \$432,313, respectively, which is equal to the required contribution for each year.

The Pension Plan and the HIS Program are administered by the State of Florida Department of Management Services, Division of Retirement. The Division of Retirement issues a publicly available FRS Annual Report that includes financial statements and required supplementary information for the Pension Plan and HIS Program. That report may be obtained by writing to the Division of Retirement, P.O. Box 9000, Tallahassee, Florida 32315-9000, or by calling 850-488-5706.

Supervisor of Elections
Leon County, Florida

Notes to Special-Purpose Financial Statements

Year Ended September 30, 2025

6. Other Postemployment Benefits (OPEB)

Plan Description

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

7. Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. They do not constitute expenditures or liabilities. The commitments will be honored in the subsequent year. The Supervisor of Elections had no outstanding encumbrances as of September 30, 2025.

8. Fund Balance

Governmental Accounting Standards require that all fund balances be classified into one of the following five categories: Nonspendable, Restricted, Committed, Assigned, and Unassigned. Fund Balance is the difference between assets and liabilities on the governmental fund statements.

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

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

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

Supervisor of Elections
Leon County, Florida

Notes to Special-Purpose Financial Statements

Year Ended September 30, 2025

8. Fund Balance (continued)

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

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

Unassigned Fund Balance – Balances are comprised of the residual of the unrestricted funds in the General Fund and are not nonspendable, restricted, committed, or assigned. Other fund types can only report a negative unassigned residual amount.

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

9. Leases

The primary objective of GASB's No. 87 – *Leases* is to enhance the relevance and consistency of information about governments' leasing activities and establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

Supervisor of Elections
Leon County, Florida

Notes to Special-Purpose Financial Statements

Year Ended September 30, 2025

9. Leases (continued)

Lessee

The Supervisor of Elections has entered into eleven leases as lessee for the use of various pieces of office equipment. The terms of the leases range from 24 to 60 months beginning on the contract commencement date. An initial lease liability was recorded in the amount of \$1,356,148. As of September 30, 2025, the value of the lease liability is \$660,772. The Supervisor is required to make monthly, quarterly, and annual payments ranging from \$566 per month to \$61,902 per year through the term of the lease. The leases have interest rates ranging between 2.00% and 4.00%. The value of the right to use asset as of September 30, 2025, of \$657,932 net of accumulated amortization of \$698,216 and is included with equipment on the lease class activities table found below.

<u>Asset Class</u>	<u>As of September 30, 2025</u>	
	<u>Lease Asset Value</u>	<u>Accumulated Amortization</u>
Equipment	<u>\$ 1,356,148</u>	<u>\$ 698,216</u>

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

<u>Fiscal Year</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	224,872	19,992	244,864
2027	147,404	13,001	160,405
2028	133,076	7,423	140,499
2029	114,449	2,626	117,075
2030	40,971	410	41,381
Thereafter	—	—	—
Total	<u>\$ 660,772</u>	<u>\$ 43,452</u>	<u>\$ 704,224</u>

A summary of the Supervisor of Elections' liability for leases included at the county-wide financial statement level is as follows with \$224,872 as the current portion:

	<u>Balance October 1, 2024 (as restated)</u>	<u>Additions</u>	<u>(Retirements)</u>	<u>Balance September 30, 2025</u>
Lease liability - equipment	<u>\$ 377,203</u>	<u>\$ 537,529</u>	<u>\$ (253,960)</u>	<u>\$ 660,772</u>

Supervisor of Elections
Leon County, Florida

Notes to Special-Purpose Financial Statements

Year Ended September 30, 2025

10. Subscription Liabilities

GASB Statement No. 96, Subscription Based Information Technology Arrangements (SBITAs) provides the accounting and disclosure requirements needed to enhance the relevance and consistency of information about governments' information technology (IT) subscription activities. This statement establishes a single model for IT Subscription accounting based on the principle that SBITAs are financings of the right to use an underlying asset. Under this Statement, a government is required to recognize a subscription liability and an intangible right-to-use subscription asset.

Governmental Activities

The Supervisor of Elections has entered into four IT Arrangements for the right to use another party's (a SBITA vendor's) information technology (IT) software. The terms of the arrangements extend through various times ranging between September 2025 and April 2035 beginning on the contract commencement date. An initial lease liability was recorded in the amount of \$1,406,831. As of September 30, 2025, the value of the subscription liability is \$1,020,592. The Supervisor of Elections is required to make annual payments ranging from \$10,100 to \$137,388 through the term of the lease. The leases have interest rates ranging from 3.670% to 4.120%. The value of the right to use asset as of September 30, 2025, of \$954,300 net of accumulated amortization of \$452,531 and is included with the SBITA activities table found below.

<u>Asset Class</u>	<u>As of September 30, 2025</u>	
	<u>Subscription Asset Value</u>	<u>Accumulated Amortization</u>
SBITAs	<u>\$ 1,406,831</u>	<u>\$ 452,531</u>

Total future minimum subscription payments under SBITA agreements are as follows:

<u>Fiscal Year</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 108,246	\$ 35,013	\$ 143,259
2027	114,734	30,870	145,604
2028	94,482	27,514	121,996
2029	100,494	23,942	124,436
2030	106,779	20,146	126,925
2031-2035	495,857	37,741	533,598
Total	<u>\$ 1,020,592</u>	<u>\$ 175,226</u>	<u>\$ 1,195,818</u>

Supervisor of Elections
Leon County, Florida

Notes to Special-Purpose Financial Statements

Year Ended September 30, 2025

10. Subscription Liabilities (continued)

Governmental Activities (continued)

A summary of the Supervisor of Election's liability for SBITAs included at the county-wide financial statement level is as follows with \$108,246 as the current portion:

	Balance October 1, 2024	Additions	(Retirements)	Balance September 30, 2025
SBITAs	<u>\$ 1,158,647</u>	<u>\$ —</u>	<u>\$ (138,055)</u>	<u>\$ 1,020,592</u>

11. Correction of an Error

During the year ended September 30, 2025, management identified one lease where the lease liability and right of use asset was incorrectly calculated. This error had no impact on recorded fund balance. To correct this error, the related disclosures previously reported in Note 9 for lease liability and right of use lease assets net of accumulated amortization as of September 30, 2024, increased by \$76,156 and \$86,647, respectively.

12. Change in Accounting Principle

During the year ended September 30, 2025, management adopted GASB Statement No. 101, *Compensated Absences*. This adoption resulted in changes to the process for estimating the compensated absences liability reported in Note 3. This change in accounting principle resulted in the previously disclosed balance as of September 30, 2024 for compensated absences to be increased by \$114,735. This change in accounting principle had no impact on the reported fund balance of the special-purpose financial statements for the year ended September 30, 2024.

During the year ended September 30, 2025, management adopted GASB Statement No. 102, *Certain Risk Disclosures*. This change in accounting principle had no impact on the special-purpose financial statements for the year ended September 30, 2024.

13. Subsequent Events

The Supervisor of Elections has evaluated subsequent events through April 2, 2026, the date the special-purpose financial statements were available to be issued. No subsequent events have been identified.

Other Reports

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

To the Honorable Supervisor of Elections
Leon County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the special-purpose financial statements of the Supervisor of Elections of Leon County, Florida (the Supervisor of Elections) as of and for the fiscal year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Supervisor of Elections' special-purpose financial statements, and have issued our report thereon dated April 2, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the special-purpose 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 special-purpose financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Supervisor of Elections' internal control. Accordingly, we do not express an opinion on the effectiveness of the Supervisor of Elections' internal control.

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

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

Report on Compliance and Other Matters

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

We have issued a management letter to the Supervisor of Elections dated April 2, 2026, presenting certain required disclosures and comments pursuant to the Rules of the Auditor General, Chapter 10.550.



Thomas Howell Ferguson P.A.
Tallahassee, Florida
April 2, 2026



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



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

To the Honorable Supervisor of Elections
Leon County, Florida

We have examined the Supervisor of Elections of Leon County, Florida's (the Supervisor of Elections) compliance with local government investment policies provided in Section 218.415, *Florida Statutes*, during the year ended September 30, 2025. Management is responsible for the Supervisor's compliance with the specified requirements. Our responsibility is to express an opinion on the Supervisor'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 Supervisor of Elections complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Supervisor of Elections complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

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

In our opinion, the Supervisor of Elections complied, in all material respects, with the requirements of *Florida Statutes* Section 218.415 for the year ended September 30, 2025.

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

Thomas Howell Ferguson P.A.
Tallahassee, Florida
April 2, 2026

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

Management Letter

To the Honorable Supervisor of Elections
Leon County, Florida

Report on the Special-Purpose Financial Statements

We have audited the special-purpose financial statements of the Supervisor of Elections of Leon County, Florida (Supervisor of Elections), as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated April 2, 2026.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Report of Independent Auditors on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Special-Purpose Financial Statements Performed in Accordance with *Government Auditing Standards* and Report of Independent Accountants on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated April 2, 2026, 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. We reported no findings or recommendations in the preceding annual financial report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The name or official title and legal authority for the primary government of the reporting entity are disclosed in Note 1 of the Notes to the Special-Purpose Financial Statements. The Supervisor of Elections has no component units.

Financial Management

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

Additional Matters

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

Purpose of this Letter

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



Thomas Howell Ferguson P.A.
Tallahassee, Florida
April 2, 2026



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

Special-Purpose Financial Statements

Tax Collector
Leon County, Florida

*Year Ended September 30, 2025
with Report of Independent Auditors*

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

Tax Collector
Leon County, Florida

Special - Purpose Financial Statements
Year Ended September 30, 2025

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Report of Independent Auditors

To the Honorable Tax Collector
Leon County, Florida

Report on the Audit of the Special-Purpose Financial Statements

Opinions

We have audited the accompanying special-purpose financial statements of the governmental fund (General Fund) and the fiduciary fund (Custodial Fund) of the Tax Collector of Leon County, Florida (Tax Collector) as of and for the year ended September 30, 2025, and the related notes to the special-purpose financial statements, which collectively comprise the Tax Collector's special-purpose financial statements, as listed in the table of contents.

In our opinion, the special-purpose financial statements referred to above present fairly, in all material respects, the respective financial position of the Tax Collector as of September 30, 2025, and the respective changes in financial position thereof, and the respective budgetary comparison Statement of the General Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 1, the accompanying special-purpose financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida (Rules). In conformity with the Rules, the accompanying special-purpose financial statements are intended to present the financial position and the changes in financial position of only that portion that is attributable to the transactions of the Tax Collector. They do not purport to, and do not, present fairly the financial position of Leon County, Florida as of September 30, 2025, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

As discussed in Note 14 to the special-purpose financial statements, certain leased assets and lease liabilities have been restated to correct a previously reported misstatement. Our opinion is not modified with respect to these matters.

Responsibilities of Management for the Special-Purpose Financial Statements

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

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

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

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 9, 2026, on our consideration of the Tax Collector's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Tax Collector's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Tax Collector's internal control over financial reporting and compliance.

 

Thomas Howell Ferguson P.A.
Tallahassee, Florida
June 9, 2026

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

Tax Collector
Leon County, Florida

Balance Sheet - General Fund

September 30, 2025

Assets

Cash and cash equivalents	\$ 793,588
Due from other funds	178,178
Due from other county units	5,128
Lease receivable	450,858
Total assets	<u>\$ 1,427,752</u>

Liabilities, deferred inflows of resources, and fund balance

Liabilities:

Accounts payable	\$ 6,138
Due to other county units	982,611
Due to other governments	976
Total liabilities	<u>989,725</u>

Deferred inflows of resources:

Deferred inflows - leases	<u>438,027</u>

Fund balance:

Nonspendable	-
Total liabilities, deferred inflows, and fund balance	<u>\$ 1,427,752</u>

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

Tax Collector
Leon County, Florida

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

Year ended September 30, 2025

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for services	\$ 10,141,940	\$ 10,141,940	\$ 10,652,529	\$ 510,589
Interest	-	-	43,544	43,544
Lease revenues	-	-	56,520	56,520
Total revenues	10,141,940	10,141,940	10,752,593	610,653
Expenditures				
Current:				
General government:				
Personnel services	8,091,833	7,962,454	7,637,517	324,937
Operating	1,901,462	1,696,199	997,407	698,792
Debt service				
Principal	-	-	930,496	(930,496)
Interest	-	-	124,245	(124,245)
Capital outlay	40,000	381,636	81,635	300,001
Total expenditures	10,033,295	10,040,289	9,771,300	268,989
Excess of revenues over (under) expenditures	108,645	101,651	981,293	879,642
Other financing sources (uses):				
Transfers out	(108,645)	(101,651)	(981,293)	(879,642)
Total other financing sources (uses)	(108,645)	(101,651)	(981,293)	(879,642)
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ -	\$ -

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

Tax Collector
Leon County, Florida

Statement of Fiduciary Net Position - Custodial Fund

September 30, 2025

Assets

Cash and cash equivalents	\$ 4,638,338
Accounts receivable	339,669
Total assets	<u>\$ 4,978,007</u>

Liabilities

Accounts payable	\$ 285,243
Due to other funds	178,178
Due to other county units	981,760
Due to other governments	840,373
Installment tax deposits	2,692,453
Total liabilities	<u>4,978,007</u>

Net position

Restricted	-
Total liabilities and net position	<u>\$ 4,978,007</u>

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

Tax Collector
Leon County, Florida

Statement of Changes in Fiduciary Net Position - Custodial Fund

Year ended September 30, 2025

Additions

Property taxes and fees collected	\$ 462,961,511
Tourist development taxes collected	9,628,996
License, registrations, and vessel fees collected	20,896,968
Sales taxes collected	6,067,923
Other taxes and fees collected	37,531
Interest earnings	1,191,344
Total additions	<u>500,784,273</u>

Deductions

Property taxes and fees distributed	462,961,511
Tourist development taxes distributed	9,628,996
License, registrations, and vessel fees distributed	20,896,968
Sales taxes distributed	6,067,923
Other taxes and fees distributed	37,531
Interest earnings distributed	1,191,344
Total deductions	<u>500,784,273</u>

Net change in fiduciary net position	-
Net position, at beginning of year	-
Net position, at end of year	<u><u>\$ -</u></u>

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

Tax Collector
Leon County, Florida

Notes to Special-Purpose Financial Statements

Year Ended September 30, 2025

1. Summary of Significant Accounting Policies

Reporting Entity

The Tax Collector operates as a county agency and an elected Constitutional Officer of Leon County, Florida (the County) pursuant to Article VIII, Section (1) of the Constitution of the State of Florida. For financial statement and reporting purposes, the Tax Collector is a separate constitutional officer as provided by Chapter 218, *Florida Statutes*. Leon County is a charter county which allows for the same powers and duties as provided by the Constitution of the State of Florida and *Florida Statutes*. However, in certain instances, the charter either alters or expands the powers of the elected officials via voter referendum. The Tax Collector is considered to be a part of the primary government of Leon County, Florida, and is included in the Leon County, Florida Annual Comprehensive Financial Report (Leon County ACFR). The financial statements contained herein represent the financial transactions of the Tax Collector only.

The accounting policies of the Tax Collector conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of the more significant policies:

Basis of Presentation

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

Description of Funds

The financial activities of the Tax Collector are recorded in separate funds which are categorized and described as follows:

Governmental Fund Type

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

Tax Collector
Leon County, Florida

Notes to Special-Purpose Financial Statements

Year Ended September 30, 2025

1. Summary of Significant Accounting Policies (continued)

Description of Funds (continued)

Fiduciary Fund Type

- Custodial Fund – The Custodial Fund is used to account for assets held by the Tax Collector as an agent for individuals, private organizations and/or other governmental units. Such assets include receipts for property taxes, tourist development taxes, vehicle registrations, driver license fees, birth certificate fees, hunting and fishing licenses, tax deed application fees, and concealed weapons licenses.

Basis of Accounting

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

The General Fund is reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis, revenues are recognized when they are received in cash or when they are considered both measurable and available and, as such, are susceptible to accrual. Expenditures are recorded when the liability is incurred and/or will be paid from expendable available financial resources.

The Tax Collector considers receivables collected within 30 days after year end to be available and susceptible to accrual as revenues of the current year. In accordance with that definition, charges for services and interest earned are considered to be susceptible to accrual.

Custodial Funds are reported using the economic resources measurement focus and the accrual basis of accounting.

Budgets and Budgetary Accounting

Section 195.087, *Florida Statutes*, governs the preparation, adoption and administration of the annual budget of the Tax Collector. The budget and subsequent budget amendments of the Tax Collector are submitted to the Florida Department of Revenue for approval. A copy of the budget is provided to the Leon County Board of County Commissioners (the Board). Line item expenditures in excess of budget are authorized to the extent that total expenditures do not exceed the total budgeted expenditures. Budget transfers between appropriation categories (personnel services, operating expenses, capital outlay, debt service and non-operating) must be

Tax Collector
Leon County, Florida

Notes to Special-Purpose Financial Statements

Year Ended September 30, 2025

1. Summary of Significant Accounting Policies (continued)

Budgets and Budgetary Accounting (continued)

approved in writing by the Florida Department of Revenue. Transfers between expense items within the same appropriation category do not need written approval from the Florida Department of Revenue. The budget is prepared on the modified accrual basis of accounting. General Fund appropriations lapse at the close of the fiscal year to the extent they have not been expended. The budgeted revenues and expenditures in the accompanying Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual, reflect all approved amendments.

Use of Estimates

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

Prepaid Items

Certain payments to vendors are made in advance of the accounting period to which the cost relates. These payments are reported under the purchases method, i.e., expenditures are recorded when payment is made.

Capital Assets

Capital assets purchased in the governmental fund costing \$1,000 or more and having a useful life in excess of one year are recorded as expenditures (capital outlay) at the time of purchase. The tangible personal property used by the Tax Collector is reported as capital assets, at cost, in the Statement of Net Position in the Leon County (ACFR).

The Tax Collector also utilizes certain computer equipment and software to process registrations and licenses owned by various state of Florida agencies as follows:

Vehicle and boat registrations and driver's licenses – State of Florida Department of Highway Safety and Motor Vehicles (FHSMV)

Hunting and fishing licenses – State of Florida Fish and Wildlife Conservation Commission (FFWCC)

Tax Collector
Leon County, Florida

Notes to Special-Purpose Financial Statements

Year Ended September 30, 2025

1. Summary of Significant Accounting Policies (continued)

Capital Assets (continued)

Concealed weapons licenses – State of Florida Department of Agriculture and Consumer Services (FDACS)

Birth Certificates – Florida Department of Health (FDOH)

The cost of this equipment is not recognized in the Statement of Net Position of the County as title to the equipment is held by FHSMV, FFWCC, FDACS and FDOH.

Liability for Compensated Absences

It is the Tax Collector's policy to grant all full-time employees annual leave based on the number of years of continuous employment for agencies operating under the Florida Retirement System. Annual leave can be accumulated, but is limited to 480 hours for chief deputies, 360 hours for administrators and managers and 240 hours for all other employees. Excess hours at the end of each calendar year are converted to sick leave. Upon termination of employment, the employee can receive a cash benefit based upon the employee's current wage rate and the annual leave not taken, not to exceed 240 hours.

Sick leave is accumulated at the rate of eight hours for each full calendar month of continuous employment. Employees who have transferred from an agency operating under the Florida Retirement System with no break in service may transfer up to 240 sick leave hours. There is no limit on the amount of sick leave that can be accumulated. At the time of termination, employees with six years or more continuous employment for agencies operating under the Florida Retirement System, can receive payments based upon the employee's current wage rate for 25% of accumulated sick leave not to exceed 480 hours.

The Tax Collector uses the vesting method to calculate the liability for compensated absences. The Tax Collector does not and is not legally required to accumulate expendable available financial resources to liquidate these obligations. Accordingly, the liability for compensated absences is not reported in the General Fund but is included in the Statement of Net Position in the Leon County ACFR. All amounts are calculated and reported consistent with GASB Statement No. 101, *Compensated Absences* (see Note 13).

Tax Collector
Leon County, Florida

Notes to Special-Purpose Financial Statements

Year Ended September 30, 2025

1. Summary of Significant Accounting Policies (continued)

Excess Fees Due to Other County Units

The Tax Collector is considered a fee officer because operations are funded primarily by fees for services. Generally, no funds are received from the Board other than applicable fees. In accordance with Section 218.36, Florida Statutes, the Tax Collector distributes all general fund revenues in excess of expenditures to the Board and other governments on a pro-rata basis within 31 days following the end of the fiscal year. These excess fees are reported as a liability and as transfers out to the Board or deducted from fees earned for amounts distributed to other governments.

Other Postemployment Benefits

The Tax Collector through Leon County offers retiree medical and life insurance benefits for the qualifying Tax Collector employees that have retired from a Florida Retirement System (FRS) pension plan. The premium associated with these benefits is paid by the qualifying employee.

Related Organizations – Service Fees and Common Expenses

The Tax Collector's charges for services includes approximately \$7,700,000 as fees for the collection of real and tangible property taxes and tourist development taxes collected on behalf of the Board.

Certain expenses, which are common to the Board and all Constitutional Officers are reported as expenses of the Board and, therefore, are not budgeted by or allocated to the Tax Collector. These expenses include occupancy costs, janitorial services, and utilities, except telephone, associated with certain Tax Collector offices.

Additionally, property insurance associated with all of the Tax Collector's offices is reported as a common expense by the Board.

Leases

Leases are defined by the general government as the right to use an underlying asset. As lessee, the Tax Collector recognizes a lease liability and an intangible right-of-use lease asset at the beginning of a lease unless the lease is considered a short-term lease or transfers ownership of the underlying asset. Right-of-use lease assets are measured based on the net present value of the future lease payments at inception, using the weighted average cost of capital, which approximates the incremental borrowing rate. Remeasurement of a lease liability occurs when there is a change in the lease term and/or other changes that are likely to have a significant impact on the lease liability. The Tax Collector calculates the amortization of the discount on the

Tax Collector
Leon County, Florida

Notes to Special-Purpose Financial Statements

Year Ended September 30, 2025

1. Summary of Significant Accounting Policies (continued)

Leases (continued)

lease liability and reports that amount as outflows of resources. Payments are allocated first to accrued interest liability and then to the lease liability. Variable lease payments based on the usage of the underlying assets are not included in the lease liability calculations but are recognized as outflows of resources in the period in which the obligation was incurred.

As lessor, the Tax Collector recognizes a lease receivable. The lease receivable is measured using the net present value of future lease payments to be received for the lease term. Subsequently, the lease receivable is reduced by the principal portion of the lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently deferred inflows of resources are recognized as inflows on a straight-line basis over the term of the lease. This recognition does not apply to short-term leases, contracts that transfer ownership, leases of assets that are investments, or certain regulated leases. Any initial direct costs are reported as an outflow of resources for that period. Remeasurement of lease receivables occur when there are modifications, including but not limited to changes in the contract price, lease term, and adding or removing an underlying asset to the lease agreements. In the case of a partial or full lease termination, the carrying value of the lease receivable and the related deferred inflow of resources will be reduced and will include a gain or loss for the difference.

For lease contracts that are short-term, the Tax Collector recognizes short-term lease payments as inflows of resources (revenues) based on the payment provisions of the lease contract. Liabilities are only recognized if payments are received in advance, and receivables are only recognized if payments are received subsequent to the reporting period. Such assets and liabilities are reported on the Statement of Net Position in the county-wide financial statements of Leon County, Florida. Additional disclosures regarding leases are in Note 7.

2. Cash and Cash Equivalents

Cash consists of cash on hand, demand deposit accounts, and a Public Funds Now account with a bank designated by the Florida Division of Treasury as a qualified public depository. The Tax Collector maintains bank accounts for the General Fund and for the Custodial Fund. Amounts in excess of \$800,000 in the Custodial Fund demand deposit account are swept daily into the Public Funds Now account which earns an interest rate equal to the 28 day Treasury Bill rate plus .10% (4.35% as of September 30, 2025). At September 30, 2025, the carrying amounts of the Tax Collector's General and Custodial Fund deposits with financial institutions were \$5,424,630 and

Tax Collector
Leon County, Florida

Notes to Special-Purpose Financial Statements

Year Ended September 30, 2025

2. Cash and Cash Equivalents (continued)

the bank balances were \$5,438,774. Deposits whose values exceed the limits of Federal depository insurance are entirely insured or collateralized pursuant to Chapter 280, *Florida Statutes*. Additionally, as of September 30, 2025, the Tax Collector had cash on hand of \$7,296.

3. Employees' Retirement Plan

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

All full-time and permanent part-time employees of the Tax Collector are eligible to participate in the Florida Retirement System (FRS). The FRS includes various plans including a defined benefit plan, which is primarily a cost-sharing multiple-employer defined benefit public employee pension plan administered by the State of Florida, Department of Management Services, Division of Retirement.

Information as to benefits, contribution rates and vesting requirements by membership category, is provided in the Leon County ACFR. Contributions and benefits are established by Section 121.71, *Florida Statutes*.

Participating employer contributions are based upon actuarially determined blended rates established by the state of Florida, that expressed as percentages of annual covered payroll are adequate to accumulate sufficient assets to pay benefits when due. Beginning July 1, 2011, active employees are required to contribute three percent of their gross compensation to the retirement plan.

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

Tax Collector
Leon County, Florida

Notes to Special-Purpose Financial Statements

Year Ended September 30, 2025

3. Employees' Retirement Plan (continued)

The HIS Program is funded by required contributions from FRS participating employers as set by the Legislature. Employer contributions are a percentage of gross compensation for all active FRS employees and are reported by employers with monthly payroll reports and included with the amount submitted for retirement contributions. For the fiscal year ended September 30, 2025, the contribution rate was 2.00 percent of payroll pursuant to Section 112.363, Florida Statutes.

The contributions paid for the years ended September 30, 2025, 2024, and 2023 were \$764,921, \$712,677, and \$614,133, respectively, which is equal to the required contribution for each year.

The Pension Plan and the HIS Program are administered by the State of Florida, Department of Management Services, Division of Retirement. The Division of Retirement issues a publicly available FRS Annual Report that includes financial statements and required supplementary information for the Pension Plan and HIS Program. The latest report may be obtained by writing to the Division of Retirement, P.O. Box 9000, Tallahassee, Florida 32315-9000, or by calling 850-907-6500.

4. Other Postemployment Benefits

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

5. Risk Management

The Tax Collector participates in the Leon County Insurance Service Fund, which accounts for self-insurance activities relating to workers' compensation. This fund is administered by a third-party administrator. The Tax Collector makes payments to the Insurance Service Fund based upon payroll exposure in the amounts needed to pay prior and current year claims. The contribution required for the year ended September 30, 2025, was \$28,576. Excess payments are recorded as a designation of retained earnings for catastrophic losses on the books of Leon County. Excess coverage with a commercial carrier is also in force for each claim exceeding \$500,000.

Tax Collector
Leon County, Florida

Notes to Special-Purpose Financial Statements

Year Ended September 30, 2025

6. Long-Term Liabilities

A summary of changes in the long-term liabilities of the Tax Collector follows:

	Balance October 1, 2024	Additions	(Retirements)	Balance September 30, 2025	Due Within One Year
Compensated absences	\$ 583,566	\$434,104	\$ (545,504)	\$ 472,166	\$ 231,708
Leases (restated)	6,206,117	-	(930,496)	5,275,621	652,283
Total	<u>\$ 6,789,683</u>	<u>\$ 434,104</u>	<u>\$ (1,476,000)</u>	<u>\$ 5,747,787</u>	<u>\$ 883,991</u>

The above liabilities are not reported in the financial statements of the Tax Collector since they are not payable from available resources at September 30, 2025. As discussed in Note 1, they are reported in the Statement of Net Position in the Leon County ACFR.

7. Leases

Leases Payable

Effective October 1, 2021, the Tax Collector adopted GASB Statement No. 87 – *Leases*, using the facts and circumstances that existed at the beginning of the period of implementation. The right-to-use asset is measured based on the lease liability at the period of implementation and no restatement of beginning net position is required because the lease asset and the lease liability is the same at the beginning of the period of implementation. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and the lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

The Tax Collector has entered into two leases as the lessee for the use of office space. One lease has been extended through June 30, 2033 and the second lease has been extended through December 31, 2027 and contains a provisions for one five-year renewal option, with a stated increase. It is anticipated that the lease will be renewed for an additional five years and has been included in the lease liability. An initial lease liability was recorded in the amount of \$7,921,482. As of September 30, 2025, the value of the lease liability is \$5,248,476. The Tax Collector is required to make monthly payments ranging from \$15,295 to \$46,618 and two payments of \$300,000 through the terms of the leases. The leases have an interest rate of 1.4800% and 4.2000%. The value of the right to use assets as of September 30, 2025, was \$5,589,640, with accumulated amortization of \$2,295,474 and is included with Buildings on the lease class activities table found below.

Tax Collector
Leon County, Florida

Notes to Special-Purpose Financial Statements

Year Ended September 30, 2025

7. Leases (continued)

Leases Payable (continued)

The Tax Collector has entered into a lease as the lessee for the use of office equipment. The term is 48 months beginning on the contract commencement date. An initial lease liability was recorded in the amount of \$44,330. As of September 30, 2025, the value of the lease liability is \$27,145. The Tax Collector is required to make monthly payments of \$982 through the term of the lease. The lease has an interest rate of 4.1900%. The value of the right to use asset as of September 30, 2025 was \$26,236 with accumulated amortization of \$18,094 and is included with equipment on the lease class activities table found below.

Asset Class	As of September 30, 2025	
	Lease Asset Value	Accumulated Amortization
Equipment	\$ 44,330	\$ 18,094
Buildings	7,885,114	2,295,474
Total leases	<u>\$ 7,929,444</u>	<u>\$ 2,313,568</u>

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

Fiscal Year	Governmental Activities		
	Principal	Interest	Total
2026	\$ 652,283	\$ 102,459	\$ 754,742
2027	666,224	88,567	754,791
2028	673,539	74,386	747,925
2029	682,832	60,180	743,012
2030	697,395	45,618	743,013
2031-2033	1,903,348	48,135	1,951,483
Total	<u>\$ 5,275,621</u>	<u>\$ 419,345</u>	<u>\$ 5,694,966</u>

Lease Receivable

The Tax Collector subleases a part of its office space to the Leon County Clerk. An initial lease receivable and deferred inflow was recorded, each totaling \$664,106. The lease has an interest rate of 1.4800%. The Clerk is required to make monthly payments of \$5,128 through the term of the lease ending June 30, 2033. The Tax Collector recognized lease revenue of \$56,520 and interest revenue of \$7,035 during the current fiscal year related to this lease. As of September 30, 2025, the Tax Collector's lease receivable is \$450,858 and the deferred inflow is \$438,027.

Tax Collector
Leon County, Florida

Notes to Special-Purpose Financial Statements

Year Ended September 30, 2025

7. Leases (continued)

Lease Receivable (continued)

The future lease payments expected to be received are as follows:

Fiscal Year	Governmental Activities		
	Principal	Interest	Total
2026	\$ 55,313	\$ 6,222	\$ 61,535
2027	56,137	5,398	61,535
2028	56,973	4,562	61,535
2029	57,822	3,713	61,535
2030	58,684	2,851	61,535
2031-2033	165,929	3,294	169,223
Total	<u>\$ 450,858</u>	<u>\$ 26,040</u>	<u>\$ 476,898</u>

8. Fund Balance

Governmental Accounting Standards require that all fund balances be classified into one of the following categories: Nonspendable, Restricted, Committed, Assigned, and Unassigned. All remaining funds of the Tax Collector as of the end of the fiscal year are remitted back to the Board as excess fees.

9. Interfund Receivables and Payables

The Custodial Fund amount due to the General Fund of \$178,178 consists of fees on transactions collected by the Custodial Fund. These funds were paid shortly after the fiscal year end.

10. Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. They do not constitute expenditures or liabilities. The commitments will be honored in the subsequent year. The Tax Collector had no encumbrances outstanding at September 30, 2025.

11. Commitments and Contingencies

Various suits and claims arising in the ordinary course of operations are pending against the Tax Collector. These primarily relate to property assessments within Leon County. The ultimate effect of such litigation cannot be ascertained at this time. In the opinion of management for the Tax Collector, the liabilities which may arise from such action would not result in losses which would materially affect the financial position of the Tax Collector or its operations.

Tax Collector
Leon County, Florida

Notes to Special-Purpose Financial Statements

Year Ended September 30, 2025

11. Commitments and Contingencies (continued)

Licensing and Maintenance Agreement

Subsequent to year-end, the Tax Collector entered into an agreement with a third-party vendor for the implementation and ongoing subscription of an integrated technology system. Implementation activities are expected to begin in fiscal year 2026, with a go-live date anticipated in a fiscal year 2027. The agreement includes implementation costs totaling approximately \$1.1 million, payable over multiple years. In addition, the agreement includes annual subscription fees beginning at approximately \$350,000 per year, subject to future increases in accordance with the terms of the agreement. As a result, the Tax Collector expects to incur significant future financial commitments associated with this arrangement over the term of the agreement.

12. Budget/Actual Expenditure Variance

Certain lease expenditures originally budgeted as operating expenditures were reclassified and reported as principal and interest debt service expenditures. Therefore, principal and interest debt service expenditures exceeded the modified accrual basis (see Note 1) budget by a combined total of \$1,054,741. However, the Florida Department of Revenue, which approves the Tax Collector's budget, accepted the classification of these lease expenditures as operating expenditures. Therefore, on a legal budgetary basis, there is no over expenditure of debt service expenditures.

13. Change in Accounting Principles

During the year ended September 30, 2025, management adopted GASB Statement No. 101, *Compensated Absences* and GASB Statement No. 102, *Certain Risk Disclosures*. These changes in accounting principles had no impact on the special-purpose financial statements.

Tax Collector
Leon County, Florida

Notes to Special-Purpose Financial Statements

Year Ended September 30, 2025

14. Correction of an Error

During the year ended September 30, 2025, management identified an error in the previously disclosed leased assets. In December 2023, one of the Tax Collector's building leases was modified to include additional right of use leased assets in exchange for additional lease payments. As a result of the modification, the lease liability was remeasured to include the additional lease payments using an updated discount rate as of the modification date. Based on the lease modification, the Tax Collector increased the lease liability and corresponding right of use asset by \$409,611 as of the modification date.

As a result of the lease modification, there was no impact to fund balance. The following special-purpose financial statement line items and footnote disclosures were impacted by the error as of September 30, 2024:

<u>Year Ended September 30, 2024</u>	<u>As Previously Reported</u>	<u>As Corrected</u>	<u>Effect of Correction</u>
Statement of Revenues, Expenses, and Changes in Fund Balance:			
Expenditures			
Principal	\$ 658,815	\$ 955,081	\$ 296,266
Interest	\$ 94,543	\$ 98,277	\$ 3,734
Capital Outlay	\$ 431,290	\$ 575,280	\$ 143,990
Other financing sources (uses)			
Lease Financing	\$ 44,330	\$ 488,320	\$ 443,990

<u>Asset Class</u>	<u>As of September 30, 2024</u>		
	<u>Lease Asset Value</u>	<u>Accumulated Amortization</u>	<u>Net Value of the Right of use Asset</u>
Buildings			
As previously reported	\$ 7,932,450	\$ 2,046,811	\$ 5,885,639
Prior period correction	(47,336)	(486,887)	439,551
As restated	<u>\$ 7,885,114</u>	<u>\$ 1,559,924</u>	<u>\$ 6,325,190</u>

Tax Collector
Leon County, Florida

Notes to Special-Purpose Financial Statements

Year Ended September 30, 2025

14. Correction of an Error (continued)

Initial value of lease liability as of September 30, 2024

Buildings

As previously reported	\$ 7,932,450
Prior period correction	(10,968)
As restated	<u>\$ 7,921,482</u>

Value of lease liability as of September 30, 2024

Buildings

As previously reported	\$ 6,020,793
Prior period correction	147,724
As restated	<u>\$ 6,168,517</u>

15. Subsequent Events

The Tax Collector has evaluated subsequent events through June 9, 2026, the date the financial statements were available to be issued.

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

September 30, 2025

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

The Honorable Tax Collector
Leon County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the special-purpose financial statements of the Tax Collector of Leon County, Florida (Tax Collector), as of and for the year ended September 30, 2025, and the related notes to the special-purpose financial statements, which collectively comprise the Tax Collector's special-purpose financial statements, and have issued our report thereon dated June 9, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the special-purpose 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 opinion on the special-purpose financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Tax Collector's internal control. Accordingly, we do not express an opinion on the effectiveness of the Tax Collector's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control described in the accompanying Management Letter as item 2025-001, that we consider to be a significant deficiency.

Report on Compliance and Other Matters

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

Tax Collector's Response to Findings

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

Purpose of this Report

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

We have issued a management letter to the Tax Collector of Leon County, Florida, dated June 9, 2026, presenting certain required disclosures and comments pursuant to the *Rules of the Auditor General*, Chapter 10.550.

 

Thomas Howell Ferguson P.A.
Tallahassee, Florida
June 9, 2026

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

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

September 30, 2025

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

The Honorable Tax Collector
Leon County, Florida

We have examined the Tax Collector of Leon County, Florida's (Tax Collector) compliance with local government investment policies provided in Chapter 218.415, *Florida Statutes*, during the year ended September 30, 2025. Management of the Tax Collector is responsible for the Tax Collector's compliance with those specified requirements. Our responsibility is to express an opinion on the Tax Collector's compliance with the specified requirements based on our examination.

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

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

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

In our opinion, the Tax Collector complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2025.

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

 

Thomas Howell Ferguson P.A.
Tallahassee, Florida
June 9, 2026

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

Management Letter

September 30, 2025

Management Letter

The Honorable Tax Collector
Leon County, Florida

Report on the Special-Purpose Financial Statements

We have audited the special-purpose financial statements of the Tax Collector of Leon County, Florida (Tax Collector), as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated June 9, 2026.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Report of Independent Auditors on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Special-Purpose Financial Statements Performed in Accordance with *Government Auditing Standards*, and Report of Independent Accountants on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated June 9, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings

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

2024-001 – Cash Disbursement Review Process

Corrective action for this recommendation is still ongoing as of September 30, 2025. See current year recommendation 2025-001.

2024-002 – Bank Reconciliations

Corrective action for this recommendation was taken, and this recommendation was considered resolved 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 name or official title and legal authority for the primary government of the reporting entity are disclosed in Note 1 of the Notes to the Special-Purpose Financial Statements. The Tax Collector has no component units.

Financial Management

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

2025-001 – Cash Disbursement Review Process

Criteria: The Committee for Sponsoring Organizations (COSO) defines internal controls as, “a process, effected by an entity’s board of directors, management, and other personnel, designed to provide reasonable assurance regarding the achievement of objectives relating to operations, reporting, and compliance.” A “control deficiency” 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 misstatements of the financial statements on a timely basis. Management is responsible for the preparation and fair presentation of the financial statements in accordance with generally accepted accounting principles (GAAP). This includes the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement.

County tax collectors are not authorized by any constitutional or statutory provision to expend public funds for public relations materials and activities or to make contributions or donations to private individuals or institutions. Chapters 192 through 196, Florida Statutes, outline the general powers and duties of the Property Appraiser. Additionally, Advisory Legal Opinions issued by the Florida Office of the Attorney General, including AGO 78-101 and AGO 78-151, address the limitations on the use of public funds by county constitutional officers.

Section 212, Florida Statutes, provides an exemption from sales and use tax for state agencies when purchases are made in their official capacity and an exemption certificate is issued by the Florida Department of Revenue. Constitutional officers, including tax collectors, qualify for this exemption when the purchase is for a public purpose and made directly by the governmental entity.

Condition: During our testing of ACH and electronic disbursements, we noted that an ACH authorization form was properly reviewed and approved as part of the preparation and review of the supporting documentation. However, there was no documentation of the following procedures identifying (1) the individual who uploaded each ACH and electronic batch to the

bank platform and (2) the individual who released each batch for processing and payment. As a result, there was no evidence demonstrating segregation of duties between batch preparation and batch release functions.

During our testing of credit card transactions, we noted instances in which sales tax was paid on purchases for which the Tax Collector is exempt under Florida law. In addition, we identified transactions with missing supporting receipts and certain charges that were misclassified in the general ledger. We also noted a donation made to a nonprofit organization.

Cause: The conditions noted above are the result of inadequate documentation and monitoring controls over disbursement processes. Specifically, procedures do not require formal documentation evidencing segregation of duties for ACH batch uploads and releases, nor do they ensure consistent supervisory review of credit card transactions for sales tax exemption compliance, proper supporting documentation, accurate general ledger classification, and allowability of expenditures.

Effect: Cash disbursement controls are not effectively implemented and create some additional risk for financial statement misstatement and unauthorized, improper, and unsupported disbursements. Public funds were expended unnecessarily on sales tax exempt transactions. Donations are outside the general powers and duties of the Tax Collector's office as outlined in Chapters 192 through 196, Florida Statutes, and are therefore not authorized by any constitutional or statutory provision. Although the amounts identified were not material to the financial statements, the condition reflects a control deficiency over the disbursement process and may result in continued unnecessary expenditures and noncompliance with statutory requirements governing the use of public funds if not corrected.

Recommendation: Management should continue to strengthen existing policies and procedures by adopting a formal, documented review and approval process over ACH and other electronic disbursements. Currently, the ACH and electronic disbursement process includes a two-step control whereby one authorized user uploads each batch to the bank, and a second authorized user releases the batch. While this segregation of duties is appropriate, we recommend that both the upload and release approvals be formally documented on the same approval form to evidence review and authorization. The completed approval form should be retained as supporting documentation to provide a clear audit trail and to enhance accountability over electronic disbursements.

We recommend management reinforce procedures requiring staff to provide the sales tax exemption certificate to vendors at the time of purchase. Implement a review control within the accounts payable process to verify that sales tax is not charged on exempt purchases prior to payment approval and consider requesting refunds from vendors for improperly charged sales tax where feasible.

We recommend the Tax Collector discontinue contributions and promotional expenditures that are not directly related to statutory duties. Policies and procedures should be strengthened to ensure future expenditures comply with applicable Florida Statutes and relevant Attorney General Opinions.

Management's Response: *We have reviewed the audit findings and in response, we have implemented the following internal control enhancements:*

Our current banking procedures process requires multi-layer approval with secure token access which strengthens transaction security and prevents unauthorized access. To formalize and track these procedures, an additional signature line has been added to the payable's coversheet, ensuring documented evidence of review for every transaction.

To address the minor amount of sales tax paid in error, we have initiated a Credit Card Agreement Form for P-card holders. This form requires cardholders to acknowledge their responsibility to provide vendors with tax-exempt certificates at the time of purchase to prevent future tax overpayments.

Additional Matters

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

Purpose of This Letter

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

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

Thomas Howell Ferguson P.A.
Tallahassee, Florida
June 9, 2026

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