



SANTA ROSA
COUNTY **FLORIDA**

Annual
COMPREHENSIVE
Financial Report
FOR THE FISCAL YEAR
ENDED SEPTEMBER 30,
2023





SANTA ROSA COUNTY, FLORIDA

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT
FOR THE YEAR ENDED
SEPTEMBER 30, 2023**

**Donald C. Spencer
Clerk of the Circuit Court, County Court and Comptroller**

**Prepared By:
Clerk of the Circuit Court, County Court and Comptroller
Finance Department**

**Robert J. Miller
Senior Accountant**

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- Santa Rosa County Tax Collector





Introductory section



DONALD C. SPENCER
CLERK OF THE CIRCUIT COURT & COMPTROLLER
SANTA ROSA COUNTY, FLORIDA

Clerk of the County Court & Comptroller
Recorder of Deeds
Clerk and Accountant of the Board of County Commissioners
Custodian of County Funds
County Auditor

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Milton, Florida 32570
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March 18, 2024

To the Honorable Board of County Commissioners and the Citizens of Santa Rosa County:

State law requires that every general-purpose local government publish, within forty-five days after the completion of the audit report but no later than nine months after the close of each fiscal year, a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended September 30, 2023.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Warren Averett, LLC, Certified Public Accountants, have issued an unmodified ("clean") opinion on Santa Rosa County's financial statements for the year ended September 30, 2023. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the Government

Santa Rosa County, established in 1842 by an act of the Florida Legislature, is located on the Northwest Florida Gulf Coast. The County currently occupies 1,012 square miles and serves an estimated population of 195,326. Santa Rosa County is empowered to levy a property tax on both real and personal property located within its boundaries.

Santa Rosa County is a Non-Charter County established under the Constitution and the Laws of the State of Florida. Santa Rosa County includes the Board of County Commissioners, the Clerk of the Courts, the Property Appraiser, the Sheriff, the Supervisor of Elections, and the Tax Collector.

The Board of County Commissioners serves as the legislative and policy setting body of Santa Rosa County as established under Section 125 of the Florida Statutes. As such, the Board enacts all legislation and authorizes programs and expenditures within the County. The Board appoints a professionally trained County Administrator who is responsible for policy and budget development and implementation.

The Board is composed of five members elected countywide. Each member must reside within the district for which seat he/she seeks election. Each year the Board organizes itself selecting a Chair and Vice-Chair from among its members to preside at Commission meetings.

The Clerk of Circuit Court performs a wide range of record keeping, information management and financial management functions in the judicial system and county government.

The Property Appraiser is primarily responsible for identifying, locating, and valuing all property within the county for ad valorem tax purposes. He is also responsible for administering exemptions, mapping all parcels, and classifying agricultural lands.

The Sheriff provides for the public safety of the citizens of Santa Rosa County through the enforcement of state criminal laws and county ordinances, preventing and reducing crime and violence through departmental and community-based programs.

The Supervisor of Elections administers the election of the elected officials within the county. She maintains the voter registration list, establishes polling places, and educates voters.

The Tax Collector collects and distributes taxes established by city, county, state, and other local governments.

Santa Rosa County provides a full range of services including police and fire protection; the construction and maintenance of streets and other infrastructure; water and sewer service on Navarre Beach; solid waste disposal and recycling; the Peter Prince Airport; Industrial Park facilities and recreational and cultural activities.

Local Economy

Santa Rosa County has long been considered a “bedroom community” of the larger Pensacola metropolitan statistical area. Knowing that residential growth does not sustain a healthy tax base, the County has aggressively been promoting the area as a good place to bring new and expanding businesses. The County has an Industrial Park to provide attractive inducements to businesses willing to invest capital and hire employees at above average wages. A second industrial park, Whiting Aviation Park, near Whiting Field provides access to a 6,000-foot runway.

Santa Rosa County has experienced an estimated 27.7% growth in population over the past 12 years, and the prospect for further growth is very good. The infrastructure to support that growth lags behind. To reduce that lag in infrastructure growth, the citizens of the County passed a local option sales tax in 2016. The County has repaved numerous roads and upgraded drainage systems throughout the County.

Tourism, a significant industry for the County, has surged over the last several years. Tourism has more than rebounded from its low point in 2020 caused by the coronavirus pandemic. The leisure and hospitality industry accounts for approximately 15.9% of the County’s workforce.

Long-Term Financial Planning and Relevant Financial Policies

Unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) in the general fund at year end was 43% of total general fund revenues. This amount is favorable and would cover approximately 6 months’ worth of expenditures and transfers out.

Major Initiatives

For the year, staff, following specific directives from the Board of County Commissioners and the County Administrator, was involved in a variety of projects throughout the year. These projects reflect the County’s commitment to ensuring that its citizens can live and work in a desirable environment.

In the current year, approximately 52 miles of roads were paved or resurfaced, and numerous maintenance projects on drainage systems were performed.

Also during the current year, the County completed construction on a \$11.2 million connector road from US Highway 90 to Hamilton Bridge Road in the Pea Ridge community.

Finally, construction was also completed on the new judicial center, with approximately \$1 million being spent during fiscal year 2023, bringing the total spent to date over \$45 million for the new 115,000 square foot facility. The new judicial center is now completed and was opened to the public in January 2023.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Santa Rosa County, Florida for its annual comprehensive financial report for the fiscal year ended September 30, 2022. This was the twentieth consecutive year that the government has achieved this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

An annual comprehensive financial report of this nature could not have been prepared on a timely basis without the dedicated efforts of the Finance Department who worked many hours on this project. I would like to thank them for their invaluable assistance in the preparation of this report.

I would also like to thank the Board of County Commissioners and their staff, and the other Constitutional Officers for their personal interest and dedicated support in planning and conducting the financial operations of the County in a responsible and progressive manner.

A handwritten signature in black ink, appearing to read "Donald C. Spencer". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Donald C. Spencer
Clerk of the Courts and Comptroller



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Santa Rosa County
Florida**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2022

Christopher P. Morill

Executive Director/CEO

Board of County Commissioners

Colten Wright
Chairman
Sam Parker
Vice Chairman

Kerry Smith
James Calkins
Ray Eddington

Elected Constitutional Officers

Donald C. Spencer
Clerk of the Courts and Comptroller

Gregory S. Brown II
Property Appraiser

Tappie Villane
Supervisor of Elections

Bob Johnson
Sheriff

Stan Colie Nichols
Tax Collector

County Management

DeVann Cook
County Administrator

Tom Dannheisser
County Attorney

Brad Baker
Assistant County Administrator

Jared Lowe
Administrative Services Director

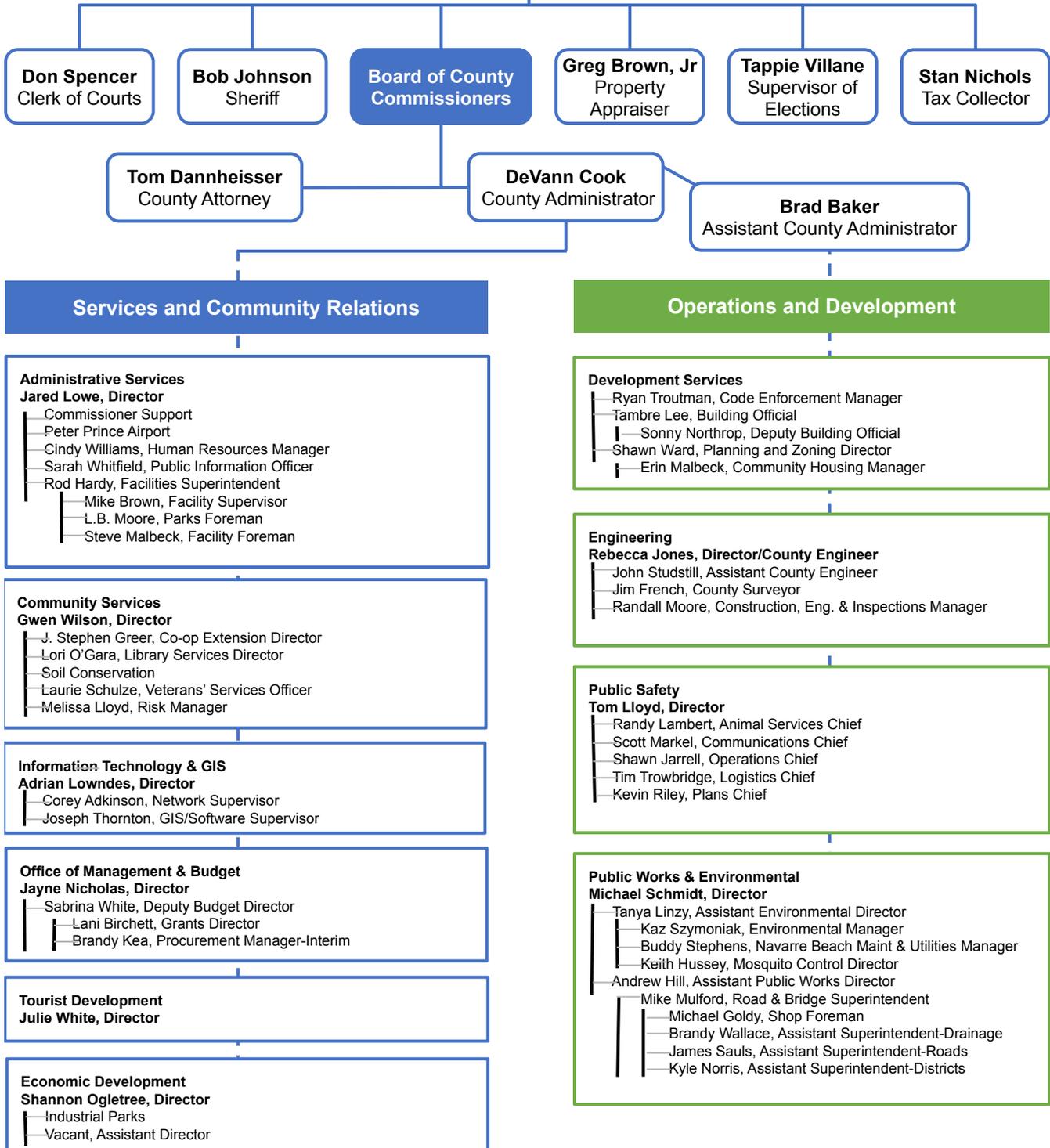
Jayne Nicholas
Office of Management and Budget Director

Michael Schmidt
Director of Public Works and Environmental

Gwen Wilson
Community Services Director

Organization Chart

Santa Rosa County Residents







Financial
section

INDEPENDENT AUDITORS' REPORT

The Honorable Board of County Commissioners
Santa Rosa County, Florida

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Santa Rosa County, Florida, (hereinafter referred to as "County") as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County, as of September 30, 2023, and the respective changes in financial position, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgement 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, the budgetary comparison schedules for the general fund, road and bridge fund, grant fund, and American rescue plan fund, local option sales tax fund, schedule of the County's proportionate share of the net pension liability, the schedule of the County's contributions, and schedule of changes in the County's total OPEB liability and related ratios, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual fund financial statements and individual budgetary schedules 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 auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 18, 2024 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Warren Averett, LLC

Pensacola, Florida
March 18, 2024



**Management's
Discussion and
Analysis**

As management of Santa Rosa County (County), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended September 30, 2023. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 8-10 of this report.

Financial Highlights

- **The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$325,476,031 (net position).** Of this amount, \$495,289 represents unrestricted net position, which may normally be used to meet the government's ongoing obligations to citizens and creditors. In the current year, the balance in unrestricted net position decreased primarily due to the changes in pension liability in accordance with Governmental Accounting Standards Board (GASB) Statement No. 68 as discussed in Note K as well as an excess of landfill revenues over landfill expenses.
- The County's total net position increased by \$23,001,913; governmental activities increased by \$18,162,118 and business-type activities increased by \$4,839,795. The increase in total net position was primarily due to increases in tax based revenues including sales taxes, property taxes and tourist taxes and an increase in investment earnings in the governmental activities, and in business-type activities, the increase primarily related to an excess of landfill revenues over landfill expenses.
- At the close of the current fiscal year, the County governmental funds reported combined fund balances of \$105,051,858, an increase of \$7,349,799 in comparison with the prior year. Approximately 44% of this amount (\$45,707,643) is available for spending at the government's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) for the governmental funds were \$63,089,812, or approximately 55% of total general fund expenditures.
- The County's total outstanding long-term bonds and notes decreased by \$846,803 during the current fiscal year due to normal debt service principal reductions offset by issuance of new general obligation notes and new leases.

Overview Of The Financial Statements

The County's basic financial statements consist of three components: 1) *Government-wide financial statements*, 2) *Fund financial statements*, and 3) *Notes to the financial statements*. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-wide financial statements

The *Government-wide financial statements* are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

The *statement of net position* presents financial information on all of the County's assets, liabilities and deferred inflows/outflows 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* presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

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

The government-wide financial statements can be found on pages 32-34 of this report.

Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The County's funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

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

The County maintains twenty-four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, road and bridge fund, grants fund, local option sales tax fund, and American Rescue Plan fund, which are considered to be major funds. Data from the other nineteen governmental funds are combined into a single aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The County adopts annual appropriated budgets for all but four of its governmental funds. Budgetary comparison schedules are provided as required supplementary information for the general fund, road and bridge fund, grants fund, local option sales tax fund, and American Rescue Plan fund.

The basic governmental fund financial statements can be found on pages 35-40 of this report.

Proprietary Funds

The County maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for its water/sewer service, solid waste disposal, building inspections, and hangar rentals. Internal services funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for the management of its retained risks and for its fleet of vehicles. Because both services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for inspection services as well as solid waste disposal services which are considered to be major funds of the County. The internal service fund is presented in the proprietary fund financial statements.

The basic proprietary fund financial statements can be found on pages 41-43 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reported in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The County maintains thirteen custodial funds which report resources held by the County in a custodial capacity for individuals, private organizations and other governments.

The fiduciary fund financial statements can be found on page 45 of this report.

Notes to the financial statements

The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 48-76 of this report.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the County's progress in funding its obligation to provide pension and OPEB benefits to its employees. Required supplementary information can be found starting on page 78 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found starting on page 93 of this report.

Government-Wide Overall Financial Analysis

As noted earlier, net position over time, may serve as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflows of resources exceeded liabilities plus deferred inflows by \$325.5 million as of September 30, 2023.

Santa Rosa County's Net Position (in thousands)

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 147,544	\$ 152,443	\$ 56,279	\$ 52,462	\$ 203,823	\$ 204,905
Capital assets	302,119	273,341	35,263	34,174	337,382	307,515
Total assets	449,663	425,784	91,542	86,636	541,205	512,420
Deferred outflows of resources	30,277	29,367	1,441	1,192	31,718	30,559
Long-term liabilities outstanding	175,202	158,032	23,972	23,676	199,174	181,708
Other liabilities	37,792	49,176	1,643	1,750	39,435	50,926
Total liabilities	212,994	207,208	25,615	25,426	238,609	232,634
Deferred inflow of resources	8,447	7,606	392	266	8,839	7,872
Net position						
Net investment in capital assets	248,715	219,040	33,078	34,174	281,793	253,214
Restricted	41,588	37,058	1,601	2,902	43,189	39,960
Unrestricted (deficit)	(31,803)	(15,761)	32,298	25,061	495	9,300
Total net position	\$ 258,500	\$ 240,337	\$ 66,977	\$ 62,137	\$ 325,477	\$ 302,474

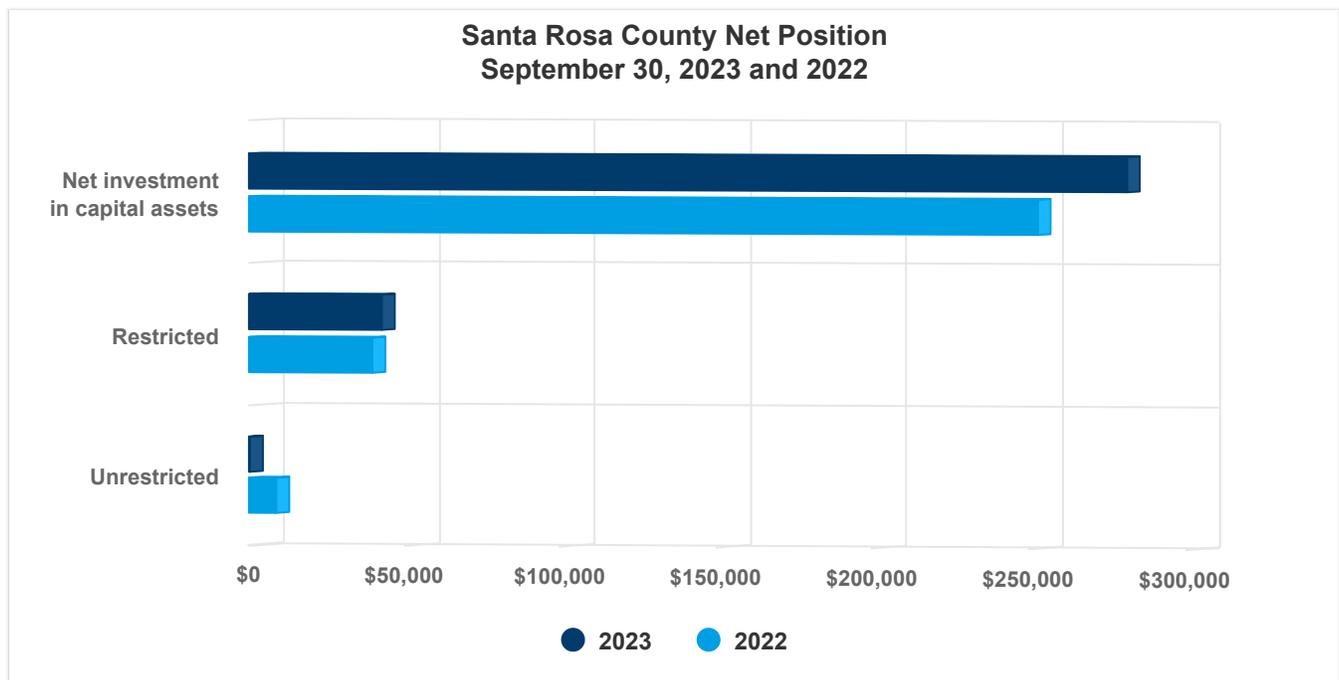
The largest portion of the County's net position (87%) reflects its investment in capital assets (e.g., land, buildings, equipment, improvements, construction in progress and infrastructure), less any related outstanding debt that was used to acquire those assets. The County uses these capital assets to provide a variety of services to its citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County’s net position (13%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$495,289 is unrestricted and may normally be used to meet the government’s ongoing obligations to its citizens and creditors. The County’s unrestricted net position decreased in the current year due in large part to the GASB Statement No. 68 adjustment in the amount of \$17,862,456 which requires the County to record an estimated liability and expense for potential future pension costs. The estimated liability and expense are based on the following assumptions:

- when an employee will retire;
- employee life expectancy;
- future pay increases for employees;
- what inflation will be in the future;
- what investment returns will be going forward;
- the best rate to discount those estimated future payments.

See page 71 of this report which shows significant variations in the liability due to the discount rate assumptions.

At the end of the current fiscal year, the County is able to report positive balances in all reported categories of net position except governmental activities unrestricted net position due to GASB 68.



However, the County’s overall net position increased \$23,001,913 from operations. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

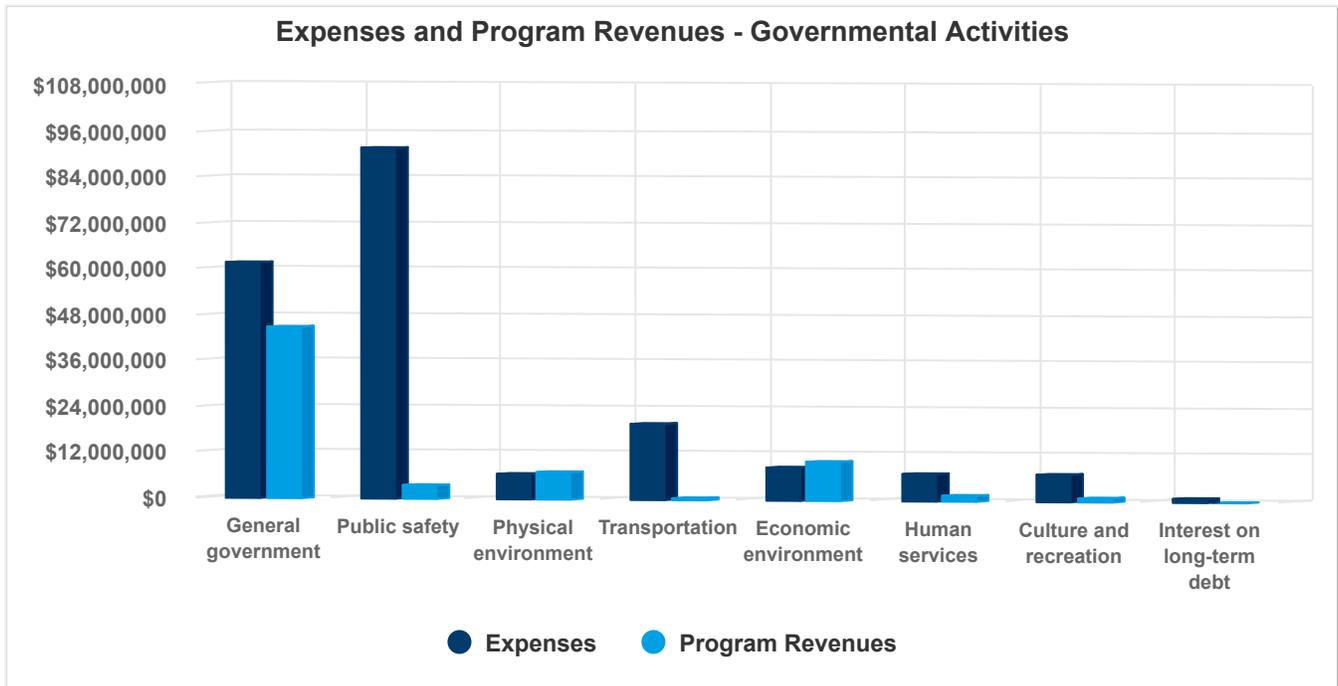
Governmental Activities

During the current fiscal year, net position for governmental activities increased \$18,162,118 from the prior fiscal year, leaving an ending net position of \$258,499,326. An increase in property tax revenue as a result of increased property values, an increase in sales tax revenues due to increased spending and inflation, and an increase in tourist tax revenue due to promotional activities as well as an increase in investment income due to increased interest rates were primarily responsible for the increase in net position of governmental activities. An increase in expenses related to increased estimated pension liability as discussed above, as well as unspent local option sales taxes due to budgeted infrastructure projects not being completed were also contributing factors.

Santa Rosa County's Changes in Net Position

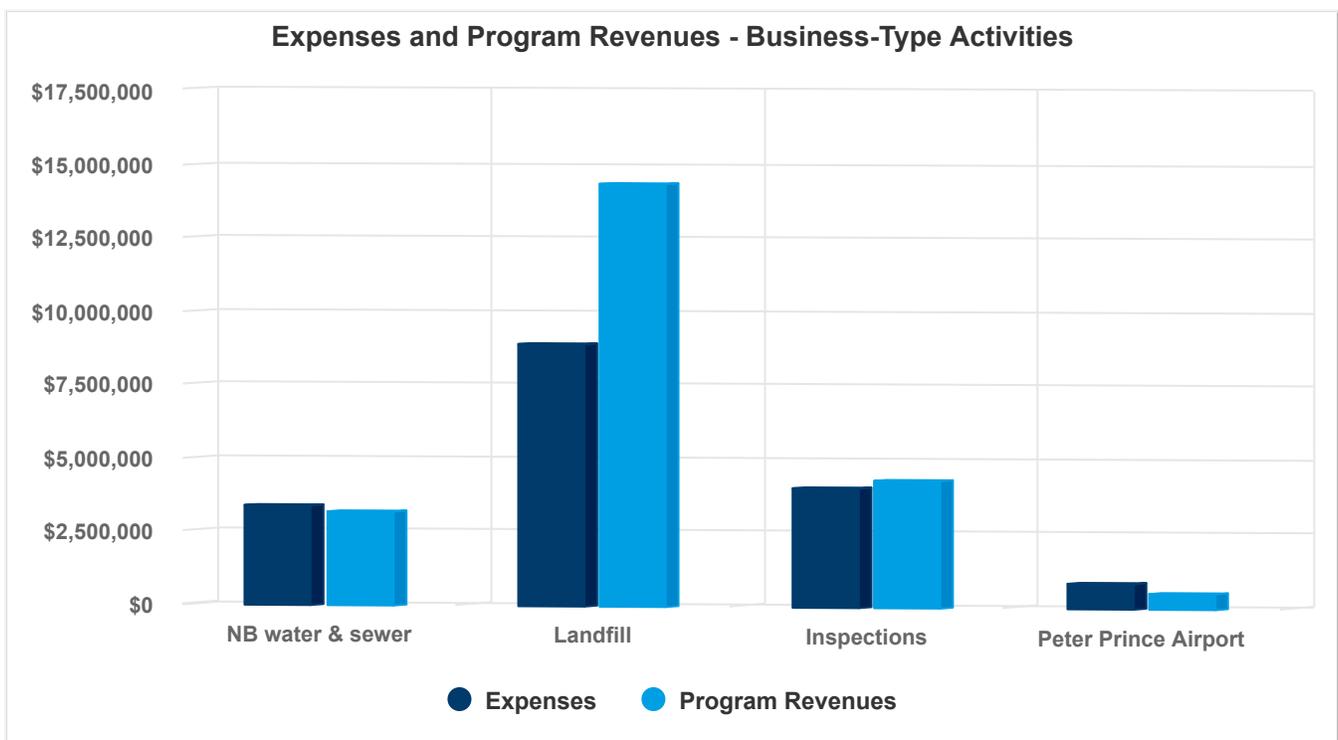
	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues						
Charges for services	\$ 37,229	\$ 35,467	\$ 22,225	\$ 23,950	\$ 59,454	59,417
Operating grants & contributions	22,104	11,785	-	-	22,104	11,785
Capital grants & contributions	9,492	14,753	149	1,132	9,641	15,885
General revenues						
Property tax	83,602	72,946	-	-	83,602	72,946
Sales, use and fuel tax	32,700	29,509	-	-	32,700	29,509
Communications services	1,278	1,256	-	-	1,278	1,168
Grants and contributions	23,802	23,136	-	-	23,802	23,136
Investment earnings	5,694	743	2,168	(178)	7,862	565
Other	3,365	2,563	138	54	3,503	2,617
Total revenues	219,266	192,158	24,680	24,958	243,946	217,116
Expenses:						
General government	61,513	55,214	-	-	61,513	55,214
Public safety	91,840	74,527	-	-	91,840	74,527
Physical environment	6,475	2,048	-	-	6,475	2,048
Transportation	19,790	18,914	-	-	19,790	18,914
Economic environment	8,904	7,105	-	-	8,904	7,105
Human services	7,354	6,717	-	-	7,354	6,717
Culture and recreation	6,908	6,532	-	-	6,908	6,532
Interest on long term debt	932	894	-	-	932	894
Water and sewer	-	-	3,410	2,231	3,410	2,231
Inspections	-	-	4,045	3,298	4,045	3,298
Airport	-	-	844	1,716	844	1,716
Landfill	-	-	8,931	9,569	8,931	9,569
Total expenses	203,716	171,951	17,230	16,814	220,946	188,765
Increase in net position before transfers	15,551	20,207	7,451	8,144	23,000	28,351
Transfers	2,611	719	(2,611)	(719)	-	-
Change in net position	18,162	20,926	4,840	7,425	23,000	28,351
Net position, beg. of year	240,338	240,338	62,136	62,136	302,474	251,108
Net position, end of year	\$ 258,500	\$ 240,338	\$ 66,976	\$ 62,136	\$ 325,474	\$ 279,459

The following graph displays the Governmental Activities current program revenues and expenditures by function for fiscal year 2023.



Business-type Activities

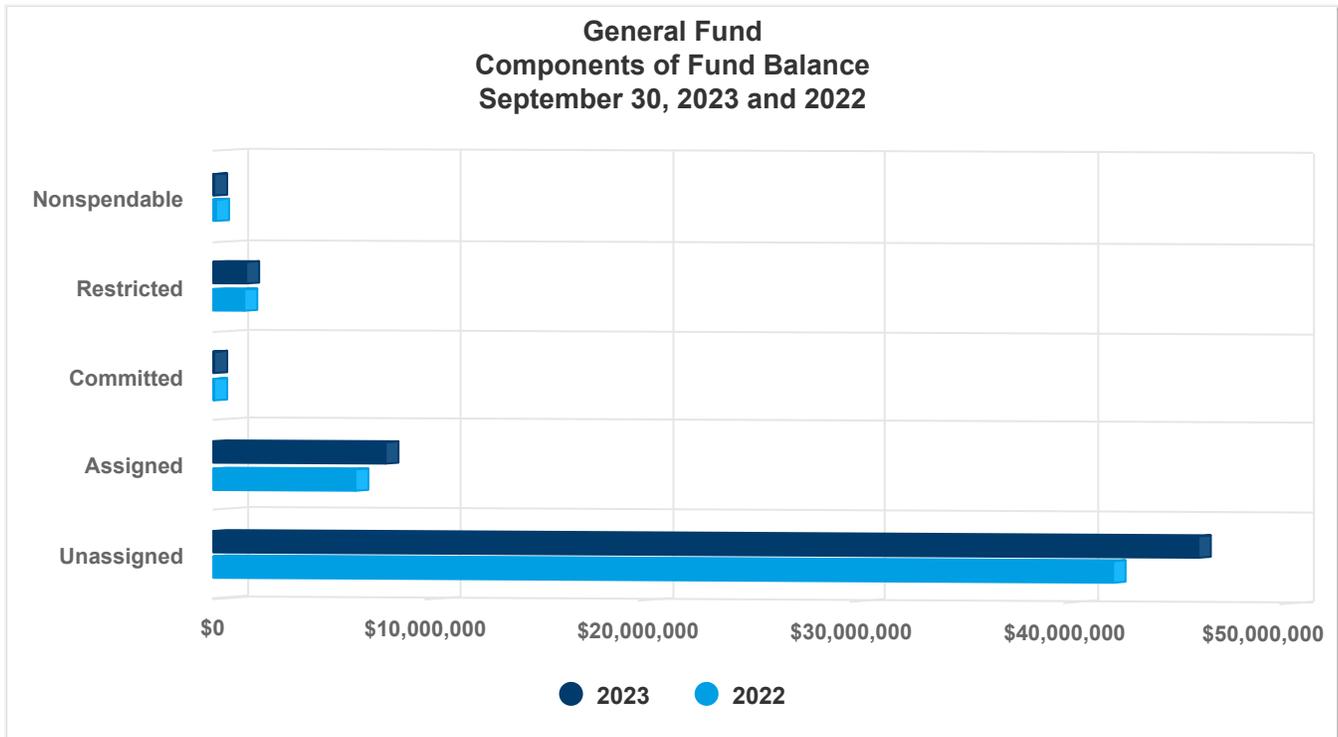
During the current fiscal year, net position for business-type activities increased \$4,839,795 from the prior fiscal year leaving an ending net position of \$66,976,705. The increase is primarily attributable to an excess of landfill revenues over landfill expenses due to increased rates in order to prepare for landfill closure cost requirements.



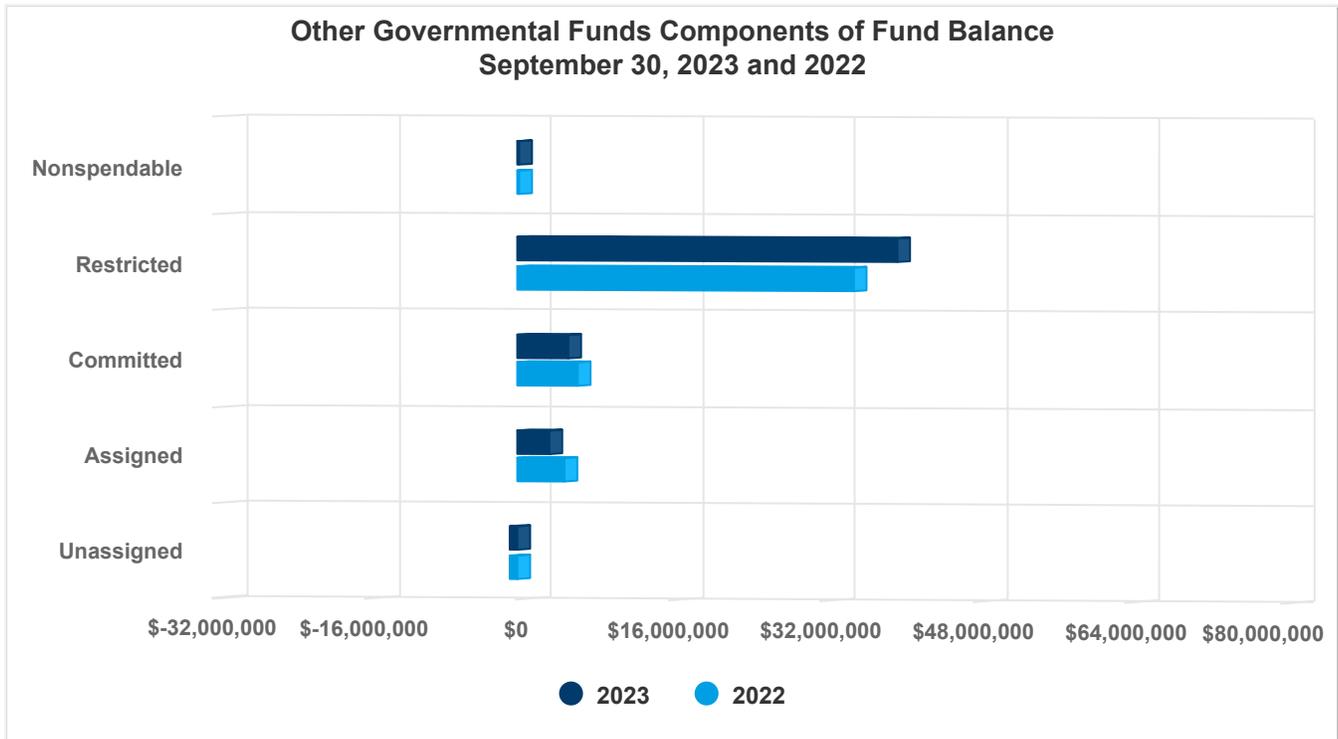
Financial Analysis of Governmental Funds

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either external parties, the County itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the County.

As of September 30, 2023, the County's governmental funds reported combined fund balances of \$105,051,858, an increase of \$7,349,799 in comparison with the prior year. Approximately 44% of this amount (\$45,707,643) constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is either nonspendable, restricted, committed, or assigned to indicate that it is 1) not in spendable form (\$374,492), 2) restricted for particular purposes (\$41,587,554), 3) committed for particular purposes (\$5,673,067), or 4) assigned for particular purposes (\$11,709,102).



The General fund is the primary operating fund of the County. At the end of the current fiscal year, the unassigned fund balance of the general fund was \$46,235,164, while the total fund balance increased to \$56,082,048. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Unassigned fund balance represents approximately 40% of total general fund expenditures, while total fund balance represents approximately 49% of that same amount.



The fund balance of the County’s general fund increased by \$5,362,933 during the current fiscal year. This increase primarily relates to increased property tax revenues due to increases in new construction and overall property values.

The road and bridge fund, a major fund, had a \$1,275,708 decrease in fund balance during the current fiscal year which put the overall fund balance at \$4,083,573. The fund reports an assigned fund balance of \$3,477,993, and accounts for fuel and other taxes designated for road improvements. During the year, fund balance decreased primarily due to increased personnel costs in addition to increased expenditures related to drainage projects.

The grants fund was considered a major governmental fund in fiscal year 2023, reporting a \$475,717 increase in fund balance, bringing the final fund balance to \$24,292. The increase in fund balance was primarily a result of transfers from the general fund to provide local matching funds.

The local option sales tax fund, another major governmental fund, had a \$3,856,357 increase in fund balance during the current fiscal year which put the overall fund balance at \$18,401,550. The primary reason for the increase in the fund was an increase in revenue from the prior year and not expending funds which were budgeted by year end. This was due to the timing of the projects, some of which included Metron Estates drainage, West Williams Creek, and major equipment purchases for the Sheriff and volunteer fire departments.

The American Rescue Plan fund was the final major governmental fund in fiscal year 2023, reporting a \$964,822 increase in fund balance, bringing the final fund balance to \$1,134,863. The fund was established to account for appropriations from the Federal government under the American Rescue Plan Act and related expenditures. The increase in fund balance is due to investment earnings on the appropriated funds received in advance and held until they were spent.

Financial Analysis of Proprietary Funds

The County’s proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Inspections fund was \$5,676,618. The total increase in net position for the Inspections fund was \$76,625. The increase in the inspections fund net position is primarily due to increased investment income due to increased interest rates.

Unrestricted net position of the Landfill fund was \$22,585,273. The total change in net position for the Landfill fund was \$5,426,844. As discussed in the business –type activities section, the increase in the landfill fund is attributable to an excess of revenues over expenses in preparation for required landfill closure costs.

General Fund Budgetary Highlights

Original budget compared to final budget. During the year, the General Fund’s original expenditure budget was increased by \$8,144,896. There was also a need to make amendments to reallocate appropriations among departments when it became clearer which departments would actually be charged for certain expenditures. The largest amendments from the original budget related to public safety for sheriff personnel costs and physical environment for an artificial reef project.

Final budget compared to actual results. The General Fund under spent the final budget by \$11,630,042 or 8.2%. The primary reasons actual expenditures were less than the final budget were 1) funds budgeted for personnel, utilities and facility repairs weren’t expended in the current year, and 2) funds set aside in reserves for contingencies remained unspent.

Santa Rosa County’s General Fund Budget to Actual

	Original Budget	Final Budget	Change in Budget	Actual	Actual Variance from Budget
General government	\$ 39,725,804	\$ 40,754,707	\$ 1,028,903	\$ 38,163,474	\$ (2,591,233)
Public safety	64,406,216	66,008,314	1,602,098	60,449,564	(5,558,750)
Physical environmen	2,890,152	4,726,880	1,836,728	2,170,331	(2,556,549)
Transportation	1,780,881	2,003,138	222,257	1,639,464	(363,674)
Economic environme	1,192,374	1,412,124	219,750	1,329,374	(82,750)
Human services	6,879,150	7,051,019	171,869	6,848,851	(202,168)
Culture and recreatio	4,915,982	5,032,458	116,476	4,757,540	(274,918)
Transfers out	11,455,884	14,402,699	2,946,815	14,402,699	-
Total	\$ 133,246,443	\$ 141,391,339	\$ 8,144,896	\$ 129,761,297	\$ (11,630,042)

Capital Assets and Debt Administration

Capital assets. The County’s investment in capital assets for its governmental and business-type activities as of September 30, 2023, amounts to \$337,382,321 (net of accumulated depreciation). This investment in capital assets includes land, buildings, machinery, equipment, vehicles, park facilities, roads, highways, and the water treatment facility. The total increase in capital assets for the current fiscal year was approximately 9.5%.

Capital Assets at Year-end

(Net of Depreciation, in Thousands)

	Governmental Activities		Business-type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Land	\$ 34,181	\$ 29,897	\$ 1,306	\$ 1,306	\$ 35,487	\$ 31,203
Construction in progress	62,254	94,727	7,942	8,538	70,196	103,265
Buildings	57,751	10,349	5,493	2,471	63,244	12,820
Improvements other than building	119,400	112,094	16,393	17,751	135,793	129,845
Machinery, furniture and equip.	27,977	26,399	4,129	4,106	32,105	30,505
Totals	\$ 301,563	\$ 273,466	\$ 35,263	\$ 34,172	\$ 336,825	\$ 307,638

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

- Metron Estates Drainage costs of \$2,661,970
- Edgewood Drive Drainage costs of \$2,178,872
- Randy Brown Road Extension costs of \$4,021,374 during the year
- East Bay Cross Drainage project costs of \$5,079,469 during the year
- Costs associated with Phase 2 of the I-10 Industrial Park totaled \$2,889,042 during the current year
- Pea Ridge Connector construction costs of \$2,159,154 for the current fiscal year

Additional information on the County's capital assets can be found in Note F on pages 59-60 of this report.

Long-term Debt. At the end of the current fiscal year, the County had total bonds and notes outstanding of \$45,445,367. Of this amount, \$41,882,735 is debt backed by various revenues of the County and \$3,562,632 is special assessment debt for which the County is liable in the event of default by the property owners subject to the assessment.

Outstanding Debt at Year-end (in Thousands)

	Governmental Activities		Business-type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Revenue bonds	\$ 39,157	\$ 42,100	\$ -	\$ -	\$ 39,157	\$ 42,100
Notes payable	2,726	2,038	-	-	2,726	2,038
Special assessment notes	3,563	4,023	-	-	3,563	4,023
Totals	\$ 45,446	\$ 48,161	\$ -	\$ -	\$ 45,446	\$ 48,161

The County's total debt decreased by \$846,803 (-2%) during the current fiscal year. The reason for the decrease was the normal payment of principal amounts of outstanding debt issues in addition to issuance of new notes and leases..

Additional information on the County's long-term debt can be found in Note H on pages 64-67 of this report.

Economic Factors and Next Year's Budgets and Rates

The following economic factors currently affect the County and were considered in developing the 2023-2024 fiscal year budget.

- The taxable assessed property values increased 8.1%.
- Sales tax revenues are expected to generate approximately \$16.1 million.
- Capital projects are expected to require use of reserves of approximately \$9 million.

Requests for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Manager, 6495 Caroline Street, Suite B, Milton, FL 32570.





**Basic Financial
Statements**

Statement of Net Position
September 30, 2023

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 129,218,420	\$ 43,762,853	\$ 172,981,273
Investments	1,574,704	10,865,669	12,440,373
Receivables, net	16,376,629	1,650,398	18,027,027
Inventory	374,491	-	374,491
Capital assets, net			
Nondepreciable	96,434,086	9,249,034	105,683,120
Depreciable	205,684,839	26,014,362	231,699,201
Total assets	449,663,169	91,542,316	541,205,485
Deferred Outflows Of Resources			
Deferred outflows on pension	24,010,376	1,021,021	25,031,397
Deferred outflows on health insurance subsidy	3,167,580	214,127	3,381,707
Deferred outflows on OPEB	3,098,769	206,049	3,304,818
Total deferred outflows of resources	30,276,725	1,441,197	31,717,922
Liabilities			
Accounts payable	6,442,352	835,866	7,278,218
Contracts payable	1,195,013	-	1,195,013
Accrued wages payable	4,966,328	330,689	5,297,017
Interest payable	189,833	1,835	191,668
Due to other governments	1,004,016	164,050	1,168,066
Deposits	295,419	310,576	605,995
Unearned revenue	23,699,088	-	23,699,088
Noncurrent liabilities			
Due within one year	9,684,661	1,210,394	10,895,055
Due in more than one year	165,517,214	22,761,403	188,278,617
Total liabilities	212,993,924	25,614,813	238,608,737
Deferred Inflows Of Resources			
Deferred inflows on leases	199,430	-	199,430
Deferred inflows on pension	2,458,232	-	2,458,232
Deferred inflows on health insurance subsidy	2,213,944	157,155	2,371,099
Deferred inflows on OPEB	3,575,038	234,840	3,809,878
Total deferred inflows of resources	8,446,644	391,995	8,838,639

Continued ...

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

Statement of Net Position – Continued

September 30, 2023

	Governmental Activities	Business-type Activities	Total
Net Position			
Net investment in capital assets	248,714,869	33,077,614	281,792,483
Restricted for:			
Landfill Closure	-	1,600,705	1,600,705
Communications	390,848	-	390,848
Partners for pets	92,683	-	92,683
Drivers education	447,773	-	447,773
Boating improvement	344,986	-	344,986
Domestic violence	289,627	-	289,627
Pollworker recruitment	716	-	716
Navarre Beach Bridge maintenance	331,527	-	331,527
Infrastructure development	18,884,494	-	18,884,494
Law Enforcement Trust Fund	56,629	-	56,629
Crime prevention	581,164	-	581,164
Federal seizure funds	145,668	-	145,668
Mosquito control	207,904	-	207,904
Federal and state grants	1,159,155	-	1,159,155
Enhanced 911 system	225,015	-	225,015
Tourist development	5,464,530	-	5,464,530
State Housing Improvement Program	1,856,189	-	1,856,189
Flood Mitigation	7,023,147	-	7,023,147
Fire prevention and control	157,681	-	157,681
Road and sewer construction	994,260	-	994,260
Canal maintenance	411,367	-	411,367
Beach restoration	18,859	-	18,859
Court equipment and technology	587,215	-	587,215
Records modernization trust fund	1,204,276	-	1,204,276
Law enforcement training	142,632	-	142,632
Inmate welfare purchases	569,207	-	569,207
Unrestricted (deficit)	(31,803,097)	32,298,386	495,289
Total net position	\$ 258,499,326	\$ 66,976,705	\$ 325,476,031

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

Statement of Activities
Year Ended September 30, 2023

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Functions/Programs:							
Governmental activities:							
General government	\$ 61,512,610	\$ 28,851,463	\$ 15,925,061	\$ -	\$ (16,736,086)		\$ (16,736,086)
Public safety	91,840,336	2,479,133	617,134	318,364	(88,425,705)		(88,425,705)
Physical environment	6,474,752	5,017,290	2,295,624	-	838,162		838,162
Transportation	19,790,081	-	100,262	383,266	(19,306,553)		(19,306,553)
Economic environment	8,903,948	-	1,444,538	8,790,235	1,330,825		1,330,825
Human services	7,353,874	37,067	1,665,220	-	(5,651,587)		(5,651,587)
Culture and recreation	6,907,795	844,400	55,703	-	(6,007,692)		(6,007,692)
Interest on long-term debt	931,699	-	-	-	(931,699)		(931,699)
Total governmental activities	203,715,095	37,229,353	22,103,542	9,491,865	(134,890,335)		(134,890,335)
Business-type activities:							
Navarre Beach water and sewer	3,409,812	3,170,483	-	-		\$ (239,329)	(239,329)
Inspections	4,044,542	4,342,104	-	-		297,562	297,562
Peter Prince Airport	843,637	376,758	-	137,810		(329,069)	(329,069)
Landfill	8,930,717	14,335,352	-	11,050		5,415,685	5,415,685
Total business-type activities	17,228,708	22,224,697	-	148,860		5,144,849	5,144,849
Total	220,943,803	59,454,050	22,103,542	9,640,725	(134,890,335)	5,144,849	(129,745,486)
General revenues:							
Taxes							
Property taxes					83,601,586	-	83,601,586
Sales, use and fuel taxes					32,700,174	-	32,700,174
Communication services taxes					1,278,164	-	1,278,164
Grants and contributions not restricted to specific program					23,801,882	-	23,801,882
Unrestricted investment earnings					5,694,217	2,168,134	7,862,351
Miscellaneous					3,365,140	20,273	3,385,413
Gain on sale of assets					-	117,829	117,829
Transfers					2,611,290	(2,611,290)	-
Total general revenues and transfers					153,052,453	(305,054)	152,747,399
Change in net position					18,162,118	4,839,795	23,001,913
Net position - beginning					240,337,208	62,136,910	302,474,118
Net position - ending					\$ 258,499,326	\$ 66,976,705	\$ 325,476,031

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

Balance Sheet Governmental Funds September 30, 2023

	General	Road and Bridge	Grants	Local Option Sales Tax	American Rescue Plan	Other Governmental Funds	Total Governmental Funds
Assets							
Cash and Cash Equivalents	\$ 50,532,426	\$ 2,202,613	\$ 21,603	\$ 18,673,867	\$ 24,877,588	\$ 27,512,162	\$ 123,820,259
Investments	877,495	-	-	-	-	-	877,495
Receivables, Net of Uncollectibles							
Accounts	453,906	14,367	-	-	-	776,702	1,244,975
Leases - Current	58,513	-	-	-	-	-	58,513
Interest	2,321	-	-	-	-	-	2,321
Due From Other Governments	2,322,451	2,559,063	6,992,521	846,097	-	2,158,425	14,878,557
Due From Other Funds	2,184,758	-	-	-	-	288,123	2,472,881
Advances To Other Funds	6,029,476	-	-	-	-	-	6,029,476
Inventory	100,438	274,053	-	-	-	-	374,491
Leases - Noncurrent	145,514	-	-	-	-	-	145,514
Total Assets	\$ 62,707,298	\$ 5,050,096	\$ 7,014,124	\$ 19,519,964	\$ 24,877,588	\$ 30,735,412	\$ 149,904,482
Liabilities and Fund Balances							
Liabilities:							
Accounts Payable	\$ 1,468,453	\$ 493,019	\$ 476,251	\$ 846,163	\$ 294,561	\$ 1,427,835	\$ 5,006,282
Contracts Payable	-	-	474,152	272,251	19,245	429,365	1,195,013
Accrued Wages Payable	4,088,693	473,504	3,316	-	-	385,506	4,951,019
Deposits	295,419	-	-	-	-	-	295,419
Unearned Revenue	250,565	-	-	-	23,428,919	19,604	23,699,088
Due to Other Funds	29,938	-	-	-	-	2,442,943	2,472,881
Due to Other Governments	292,752	-	6,637	-	-	704,627	1,004,016
Advances from Other Funds	-	-	6,029,476	-	-	-	6,029,476
Total Liabilities	6,425,820	966,523	6,989,832	1,118,414	23,742,725	5,409,880	44,653,194
Deferred Inflows							
Leases	199,430	-	-	-	-	-	199,430
Total Deferred Inflows	199,430	-	-	-	-	-	199,430
Fund Balances:							
Nonspendable	100,439	274,053	-	-	-	-	374,492
Restricted	1,566,634	331,527	24,292	18,401,550	1,134,863	20,128,688	41,587,554
Committed	51,826	-	-	-	-	5,621,241	5,673,067
Assigned	8,127,985	3,477,993	-	-	-	103,124	11,709,102
Unassigned	46,235,164	-	-	-	-	(527,521)	45,707,643
Total Fund Balances	56,082,048	4,083,573	24,292	18,401,550	1,134,863	25,325,532	105,051,858
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 62,707,298	\$ 5,050,096	\$ 7,014,124	\$ 19,519,964	\$ 24,877,588	\$ 30,735,412	\$ 149,904,482

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

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position September 30, 2023

Total Governmental Fund Balances		\$ 105,051,858
 <i>Amounts Reported for Governmental Activities in the Statement of Net Position Are Different Because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:		
Total Capital Assets, Net, See Note F	302,118,925	
Less: Internal Service Fund Capital Assets	<u>(15,116)</u>	302,103,809
 Deferred outflows of resources are presented in governmental activities on the Statement of Net Position, but are not reported in the governmental funds:		
Deferred Outflows On Pension	24,010,376	
Less: Internal Service Fund Deferred Outflows On Pensions	(55,902)	
Deferred Outflows On Health Insurance Subsidy	3,167,580	
Less: Internal Service Fund Deferred Outflows On Health Insurance Subsidy	(12,050)	
Deferred Outflows On OPEB	3,098,769	
Less: Internal Service Fund Deferred Outflows On OPEB	<u>(10,956)</u>	30,197,817
 Long term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Total Long-term Liabilities, See Note H	(63,345,914)	
Net Pension Liability, See Note K	(108,986,229)	
Net OPEB Liability, See Note N	(8,498,366)	
Add: Interest Payable Due to Interest Accruals	(189,833)	
Less: Enterprise Funds Net Pension Liability	5,140,364	
Less: Enterprise Funds Net OPEB Liability	488,270	
Less: Internal Service Fund Insurance Claims Payable	3,428,417	
Less: Internal Service Fund Compensated Absences	41,420	
Less: Internal Service Fund Other Postemployment Benefits Liability	34,027	
Less: Internal Service Fund Net Pension Liability	157,311	
Less: Internal Service Fund Net Health Insurance Subsidy Liability	<u>106,565</u>	(171,623,968)
 Deferred inflows of resources are presented in governmental activities on the Statement of Net Position, but are not reported in the governmental funds:		
Deferred Inflows On Pension	(2,458,232)	
Deferred Inflows On Health Insurance Subsidy	(2,213,944)	
Less: Internal Service Fund Deferred Inflows On Health Insurance Subsidy	8,390	
Deferred Inflows On OPEB	(3,575,038)	
Less: Internal Service Fund Deferred Inflows On OPEB	<u>13,029</u>	(8,225,795)
 Internal Service Funds are used by management to charge the costs of providing insurance coverage to individual funds and therefore, the assets and liabilities of the Internal Service Fund are included in governmental activities in the Statement of Net Position.		
		<u>995,605</u>
Net Position of Governmental Activities		\$ <u>258,499,326</u>

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



Statement of Revenues, Expenditures, And Changes In Fund Balances

Governmental Funds

Year Ended September 30, 2023

	General	Road and Bridge	Grants	Local Option Sales Tax
Revenues				
Taxes	\$ 86,234,981	\$ 8,367,577	\$ -	\$ 14,165,469
Permits, Fees and Special Assessments	956,442	-	-	-
Intergovernmental	20,750,885	5,226,042	9,009,415	-
Charges for Services	11,852,067	3,372	27,924	-
Fines and Forfeits	434,305	-	-	-
Miscellaneous	5,193,396	960,890	51,892	785,923
Total Revenues	125,422,076	14,557,881	9,089,231	14,951,392
Expenditures				
Current				
General Government	\$ 38,163,474	\$ -	\$ 7,653,807	\$ 90,173
Public Safety	60,449,564	-	39,537	4,236,999
Physical Environment	2,170,331	1,280,880	269,030	1,565,298
Transportation	1,639,464	21,152,824	133,055	4,581,056
Economic Environment	1,329,374	-	560,167	-
Human Services	6,848,851	-	180,697	-
Culture and Recreation	4,757,540	-	-	621,509
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Total Expenditures	115,358,598	22,433,704	8,836,293	11,095,035
Excess (Deficiency) of Revenues Over Expenditures	10,063,478	(7,875,823)	252,938	3,856,357
Other Financing Sources (Uses)				
Transfers in	7,973,890	6,600,115	222,779	-
Transfers Out	(14,402,699)	-	-	-
Issuance of Other Debt	1,728,264	-	-	-
Total Other Financing Sources (Uses)	(4,700,545)	6,600,115	222,779	-
Net Change in Fund Balances	5,362,933	(1,275,708)	475,717	3,856,357
Fund Balances, Beginning of Year	50,719,115	5,359,281	(451,425)	14,545,193
Fund Balances, End of Year	\$ 56,082,048	\$ 4,083,573	\$ 24,292	\$ 18,401,550

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

American Rescue Plan	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 8,811,897	\$ 117,579,924
-	12,977,868	13,934,310
11,233,866	9,105,381	55,325,589
-	5,371,816	17,255,179
-	1,367,620	1,801,925
964,823	2,154,759	10,111,683
12,198,689	39,789,341	216,008,610
\$ 1,241,116	\$ 7,113,041	\$ 54,261,611
-	16,845,462	81,571,562
5,683,921	625,740	11,595,200
288,589	266,151	28,061,139
-	6,733,980	8,623,521
-	-	7,029,548
-	-	5,379,049
-	13,456,989	13,456,989
-	4,616,870	4,616,870
7,213,626	49,658,233	214,595,489
4,985,063	(9,868,892)	1,413,121
-	16,322,844	31,119,628
(4,020,241)	(10,385,398)	(28,808,338)
-	1,897,124	3,625,388
(4,020,241)	7,834,570	5,936,678
964,822	(2,034,322)	7,349,799
170,041	27,359,854	97,702,059
\$ 1,134,863	\$ 25,325,532	\$ 105,051,858

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

Reconciliation of the Statement of Revenues, Expenditures And Changes In Fund Balances of Governmental Funds to the Statement of Activities

For the Year Ended September 30, 2023

Net Change in Fund Balances - Total Governmental Funds	\$ 7,349,799
 <i>Amounts reported for governmental activities in the statement of activities are different because:</i>	
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. in the current period. These amounts are:</p>	
Current Period Investment in Capital Assets	43,834,551
Current Period Depreciation	(15,206,830)
Current Period Loss On Disposal of Capital Assets, Net of Proceeds	(497,716)
<p>In the Statement of Activities, interest is accrued on outstanding loans, whereas in governmental funds, an interest expenditure is reported when due.</p>	
Change in Interest Payable	(48,833)
<p>Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Also debt proceeds are an other financing source in the governmental funds, but the issuance increases long-term liabilities in the statement of net position.</p>	
Current Period Change in Compensated Absences	(1,797,686)
Current Period Note Payments	345,493
Current Period Special Assessment Note Payments	460,608
Current Period Revenue Bond Payments	2,942,800
Current Period Lease Payments	534,595
Current Period SBITA Payments	211,065
Current Period Debt Proceeds	(3,625,388)
Current Period Change in Pension Liability	(7,272,540)
Current Period Change in Health Insurance Subsidy	(8,366,574)
Current Period Increase in Other Post Employment Benefits Liability	(341,650)
Current Period Change in Deferred Outflow of Resources On Pensions	(1,064,526)
Current Period Change in Deferred Inflow of Resources On Pensions	948,716
Current Period Change in Deferred Outflow of Resources On Health Insurance Subsidy	(302,693)
Current Period Change in Deferred Inflow of Resources On Health Insurance Subsidy	342,710
Current Period Change in Deferred Outflow of Resources On OPEB	2,264,628
Current Period Change in Deferred Inflow of Resources On OPEB	(2,186,380)
<p>Internal service funds are used by management to charge the costs of providing insurance coverage and therefore, the change in net position of the internal service fund is included in governmental activities in the Statement of Activities.</p>	
	(362,031)
 Change in Net Position of Governmental Activities	 \$ 18,162,118

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

Statement of Net Position Proprietary Funds September 30, 2023

	Business-type Activities				Governmental
	Major Funds		Nonmajor Enterprise Funds	Total Enterprise Funds	Internal
	Inspections	Landfill			Service Fund
Current Assets					
Cash and Cash Equivalents	\$ 8,372,622	\$ 24,714,259	\$ 4,560,049	\$ 37,646,930	\$ 5,398,161
Investments	-	-	-	-	697,209
Accounts Receivable, net	-	1,302,529	291,623	1,594,152	46,749
Due From Other Governments	-	-	56,246	56,246	-
Total Current Assets	8,372,622	26,016,788	4,907,918	39,297,328	6,142,119
Noncurrent Assets					
Restricted Cash and Cash Equivalents	-	6,115,923	-	6,115,923	-
Restricted Investments	-	10,865,669	-	10,865,669	-
Capital Assets, Net of Accumulated Depreciation	180,942	24,451,852	10,630,602	35,263,396	15,116
Total Noncurrent Assets	180,942	41,433,444	10,630,602	52,244,988	15,116
Total Assets	8,553,564	67,450,232	15,538,520	91,542,316	6,157,235
Deferred Outflows of Resources					
Deferred Outflows On Pension	472,799	431,098	117,124	1,021,021	55,902
Deferred Outflows On Health Insurance Subsidy	88,931	97,659	27,537	214,127	12,050
Deferred Outflows On OPEB	95,566	88,333	22,150	206,049	10,956
Total Deferred Outflows of Resources	657,296	617,090	166,811	1,441,197	78,908
Liabilities					
Current Liabilities					
Accounts Payable	12,453	734,883	88,530	835,866	1,436,070
Current Portion of Claims Payable	-	-	-	-	661,073
Accrued Wages Payable	155,781	141,117	33,791	330,689	15,309
Interest Payable	-	1,835	-	1,835	-
Due to Other Governments	161,488	-	2,562	164,050	-
Compensated Absences - Current Portion	122,322	195,000	53,649	370,971	41,420
Leases Payable - Current	-	795,181	-	795,181	-
Deposits	-	185,676	124,900	310,576	-
Current Portion of Landfill Closure Costs	-	44,242	-	44,242	-
Total Current Liabilities	452,044	2,097,934	303,432	2,853,410	2,153,872
Noncurrent Liabilities					
Long Term Portion of Compensated Absences	195,000	210,523	-	405,523	-
Long Term Portion of Claims Payable	-	-	-	-	2,767,344
Long Term Portion of Landfill Closure Costs	-	15,336,645	-	15,336,645	-
Leases Payable - Noncurrent	-	1,390,601	-	1,390,601	-
Net Pension Liability	1,598,240	1,483,750	418,247	3,500,237	157,311
Net Health Insurance Subsidy Liability	719,741	713,715	206,671	1,640,127	106,565
OPEB Liability	205,956	214,764	67,550	488,270	34,027
Total Noncurrent Liabilities	2,718,937	19,349,998	692,468	22,761,403	3,065,247
Total Liabilities	3,170,981	21,447,932	995,900	25,614,813	5,219,119
Deferred Inflows of Resources					
Deferred Inflow On Health Insurance Subsidy	75,080	65,527	16,549	157,156	8,390
Deferred Inflow On OPEB	107,239	101,815	25,785	234,839	13,029
Total Deferred Inflows of Resources	182,319	167,342	42,334	391,995	21,419
Net Position					
Net Investment in Capital Assets	180,942	22,266,070	10,630,602	33,077,614	15,116
Restricted for Landfill Closure	-	1,600,705	-	1,600,705	-
Unrestricted	5,676,618	22,585,273	4,036,495	32,298,386	980,489
Total Net Position	\$ 5,857,560	\$ 46,452,048	\$ 14,667,097	\$ 66,976,705	\$ 995,605

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

Statement of Revenues, Expenses, And Changes In Net Position - Proprietary Funds

Year Ended September 30, 2023

	Business-type Activities				Governmental
	Major Funds		Nonmajor Enterprise Funds	Total Enterprise Funds	Activities
	Inspections	Landfill			Internal Service Fund
Operating Revenues					
Permits, Fees and Special Assessments	\$ 4,332,462	\$ 450	\$ -	\$ 4,332,912	\$ -
Charges for Services	9,642	14,334,902	3,547,241	17,891,785	1,767,410
Insurance Proceeds	10,700	-	-	10,700	1,306,432
Miscellaneous	3	1,115	8,455	9,573	500
Total Operating Revenues	4,352,807	14,336,467	3,555,696	22,244,970	3,074,342
Operating Expenses					
Personal Services	3,668,257	3,546,050	818,704	8,033,011	376,565
Contract Services	43,624	2,229,483	1,593,306	3,866,413	152,658
Supplies	126,312	109,932	183,260	419,504	31,301
Repairs and Maintenance	17,632	751,969	501,463	1,271,064	13,614
Utilities	-	104,316	120,113	224,429	-
Depreciation	38,448	1,086,508	966,308	2,091,264	5,376
Amortization	-	908,412	-	908,412	-
Travel and Per Diem	5,703	8,531	1,659	15,893	324
Insurance	53,000	130,000	13,450	196,450	2,316,087
Communications	237	3,619	9,296	13,152	147
Advertising	1,261	10,282	-	11,543	-
Fuel and Oil	47,495	436,278	9,606	493,379	-
Rentals	30,313	368,540	31,535	430,388	-
Landfill Closure and Maintenance	-	(891,231)	-	(891,231)	-
Claims and Changes in Estimates	-	-	-	-	1,009,329
Miscellaneous	12,260	28,753	4,749	45,762	13,943
Total Operating Expenses	4,044,542	8,831,442	4,253,449	17,129,433	3,919,344
Operating Income (Loss)	308,265	5,505,025	(697,753)	5,115,537	(845,002)
Non-operating Revenues (Expenses)					
Investment Income/(Loss)	331,640	1,673,217	163,277	2,168,134	182,971
Interest Expense	-	(36,718)	-	(36,718)	-
Sale of Recycled Materials	-	70,528	-	70,528	-
Gain (Loss) On Disposal of Assets	(1,835)	66,299	(17,163)	47,301	-
Aid to Other Governments	-	(60,000)	-	(60,000)	-
Aid to Private Organizations	-	(2,557)	-	(2,557)	-
Total Non-operating Revenues (Expenses)	329,805	1,710,769	146,114	2,186,688	182,971
Income (Loss) Before Contributions and Transfers	638,070	7,215,794	(551,639)	7,302,225	(662,031)
Transfers in	-	-	-	-	300,000
Transfers Out	(561,445)	(1,800,000)	(249,845)	(2,611,290)	-
Capital Contribution	-	11,050	137,810	148,860	-
Change in Net Position	76,625	5,426,844	(663,674)	4,839,795	(362,031)
Net Position, Beginning of Year	5,780,935	41,025,204	15,330,771	62,136,910	1,357,636
Net Position, End of Year	\$ 5,857,560	\$ 46,452,048	\$ 14,667,097	\$ 66,976,705	\$ 995,605

Statement of Cash Flows Proprietary Funds Year Ended September 30, 2023

	Business-type Activities				Governmental
	Major Funds		Nonmajor Enterprise Funds	Total Enterprise Funds	Activities
	Inspections	Landfill			Internal Service Fund
Cash Flows From Operating Activities					
Cash Received From Customers	\$ 4,352,807	\$ 14,719,736	\$ 3,493,827	\$ 22,566,370	\$ -
Cash Paid to Suppliers	41,454	(3,823,252)	(2,555,577)	(6,337,375)	(2,019,693)
Cash Paid to Employees	(3,631,922)	(3,502,789)	(812,398)	(7,947,109)	(364,134)
Cash Received From Interfund Services Provided	-	-	-	-	3,078,041
Cash Paid for Internal Services Provided	-	-	-	-	(1,469,204)
Net Cash Provided (Used) By Operating Activities	762,339	7,393,695	125,852	8,281,886	(774,990)
Cash Flows From Noncapital Financing Activities					
Transfers in	-	-	-	-	300,000
Transfers out	(561,445)	(1,800,000)	(249,845)	(2,611,290)	-
Aid to Other Governments	-	(60,000)	-	(60,000)	-
Aid to Private Organizations	-	(2,557)	-	(2,557)	-
Net Cash Provided (Used) By Noncapital Financing Activities	(561,445)	(1,862,557)	(249,845)	(2,673,847)	300,000
Cash Flows From Capital and Related Financing Activities					
Proceeds From Sale of Assets	4,935	26,067	17,163	48,165	-
Capital Contribution	-	11,050	137,810	148,860	-
Purchases of Capital Assets	-	(4,075,120)	(61,995)	(4,137,115)	-
Proceeds From Capital Debt	-	22,371	-	22,371	-
Interest Paid On Capital Debt	-	(35,782)	-	(35,782)	-
Net Cash Provided (Used) By Capital and Related Financing Activities	4,935	(4,051,414)	92,978	(3,953,501)	-
Cash Flows From Investing Activities					
Interest and Dividends	331,640	1,673,217	163,277	2,168,134	182,971
Net Sale (Purchase) of Investments	-	(377,195)	-	(377,195)	(24,203)
Net Cash Provided (Used) By Investing Activities	331,640	1,296,022	163,277	1,790,939	158,768
Net Increase (Decrease) in Cash and Cash Equivalents	537,469	2,775,746	132,262	3,445,477	(316,222)
Cash and Cash Equivalents At Beginning of Year	7,835,153	28,054,436	4,427,787	40,317,376	5,840,040
Cash and Cash Equivalents At End of Year	\$ 8,372,622	\$ 30,830,182	\$ 4,560,049	\$ 43,762,853	\$ 5,523,818

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

	Business-type Activities				Continued
	Major Funds		Nonmajor Enterprise Funds	Total Enterprise Funds	Governmental Activities
	Inspections	Landfill			Internal Service Fund
Reconciliation of operating income (loss) to net cash provided (used) by operating activities					
Operating Income (Loss)	\$ 308,265	\$ 5,505,025	\$ (697,753)	\$ 5,115,537	\$ (845,002)
Adjustments to reconcile operating income to net cash provided (used) by operating activities					
Depreciation Expense	38,448	1,086,508	966,308	2,091,264	5,376
Amortization Expense	-	908,412	-	908,412	-
Landfill Closure Costs	-	(891,231)	-	(891,231)	-
Gain (Loss) On Disposal of Capital Assets	(1,835)	66,299	(17,163)	47,301	-
Sale of Recycled Materials	-	70,528	-	70,528	-
Changes in Assets and Liabilities:					
Accounts Receivable	-	383,269	(26,137)	357,132	4,199
Due From Other Governments	-	-	349,056	349,056	-
Accounts Payable	(107,720)	55,155	22,395	(30,170)	378,760
Contracts Payable	-	(258,001)	-	(258,001)	-
Accrued Compensation	12,024	12,478	1,725	26,227	1,055
Compensated Absences	24,311	30,783	4,581	59,675	11,376
Due to Other Governments	34,076	-	453	34,529	-
Due to Other Funds	-	-	(700,000)	(700,000)	-
Opeb Liability	11,356	9,501	2,420	23,277	1,222
Claims Payable	-	-	-	-	(459,875)
Deposits	-	(387)	119,500	119,113	-
Net Pension Liability	184,636	174,568	42,063	401,267	20,010
Net Health Insurance Subsidy	313,285	296,199	71,372	680,856	33,951
Deferred Outflows of Resources	(115,953)	(107,034)	(25,930)	(248,917)	67,081
Deferred Inflows of Resources	61,446	51,623	12,962	126,031	6,857
Net Cash Provided (Used) By Operating Activities	\$ 762,339	\$ 7,393,695	\$ 125,852	\$ 8,281,886	\$ (774,990)

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

**Statement of Fiduciary Net Position
Custodial Funds
September 30, 2023**

Assets

Cash and Cash Equivalents	\$ 8,549,829
Miscellaneous Receivables	4,565
Total Assets	<u>\$ 8,554,394</u>

Liabilities

Accounts Payable	\$ 8,250
Due to Other Governments	1,653,886
Miscellaneous Liabilities	77,231
Total Liabilities	<u>\$ 1,739,367</u>

Net Position

Restricted for:	
Cash Bonds	\$ 336,444
Court Registry	3,842,955
General Trust	2,499,524
Seizure	111,526
Flowers or Donations	24,578
Total Net Position	<u>\$ 6,815,027</u>

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

Statement of Changes in Fiduciary Net Position Custodial Funds September 30, 2023

Additions

Deposits in Court Registry	\$	10,770,296
Recording Fees		28,122,130
Deposits for Real Estate Auction		2,136,164
Deposits for Tax Deeds		541,079
Deposits for Restitution		222,584
Deposits for Bonds		834,388
Payments from Individuals		4,607,300
Child Support Purges and Levies		34,499
Cash Seized		84,054
Property Tax Collections for Other Governments		195,381,903
Other Taxes and Fees for Other Governments		2,514,482
License and Fees Collected for State		55,874,130
Other Fees Collected for Other Entities		5,307,843
Total Additions		<u>306,430,852</u>

Deductions

Release of Bonds		880,986
Refunds of Real Estate Auction Deposits		2,766,695
Tax Deed Deferred		106,408
Payments to State		87,053,171
Payments to Local Agencies		1,628,706
Payments for Witnesses		10,056
Payments to Victims		213,498
Refunds		131,586
Court Ordered Disbursements		9,495,745
Flower Fund		3,506
Purges and Levies Paid to Other Agencies		34,499
Payments to Law Enforcement Trust		114,339
Payments of Property Tax to Other Governments		195,381,903
Payments of Other Taxes and Fees to Other Governments		2,514,482
Payments to Other Entities		5,307,843
Total Deductions		<u>305,643,423</u>

Changes in Net Position		787,429
Net Position, Beginning of Year		6,027,598
Net Position, End of Year	\$	<u>6,815,027</u>

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

Notes To Financial Statements

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NOTE A – SUMMARY OF ACCOUNTING POLICIES

A summary of the significant accounting policies applied consistently in the preparation of the financial statements follows:

1. Reporting Entity

The Governmental Accounting Standards Board (GASB) has established standards for defining the financial reporting entity. In developing these standards, the GASB assumed that all governmental organizations are responsible to elected officials at the federal, state, or local level. Financial reporting by a state or local government should report the elected officials' accountability for those organizations. As concluded by the GASB, the financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Santa Rosa County, Florida (the County) is a political subdivision of the State of Florida created pursuant to Article 8, Section 1(e), of the Constitution of the State of Florida and Chapter 7 of the Florida Statutes. It is governed by a five-member Board of County Commissioners (the Board) elected from single-member districts. The Board has no powers other than those expressly vested in it by the Florida Statutes and its governmental powers cannot be delegated. The Board appoints an administrator to administer all policies emanating from its statutory powers and authority. In addition to the Board, there are five elected Constitutional Officers, pursuant to Article 8, Section 1(d) of the Constitution of the State of Florida: Clerk of Courts, Sheriff, Tax Collector, Property Appraiser and Supervisor of Elections.

These financial statements include the operating activities of the Board, Clerk of Courts, Sheriff, Tax Collector, Property Appraiser and Supervisor of Elections.

Dependent Special Districts

Blackwater Soil & Water Conservation District - The Blackwater Soil & Water Conservation District (Blackwater) was created by the Florida Legislature in 1942 pursuant to Florida Statute Section 582. Santa Rosa County was established as the local governing authority and is Blackwater's only source of funding. Blackwater does not meet the criteria as a legally separate entity in that it cannot buy, sell, own, lease and mortgage property in its own name. The activities of Blackwater are included in these financial statements as a department of the County within the General Fund.

Pace Property Finance Authority - The Pace Property Finance Authority (Authority) was created in 1990 by County Resolution No. 90-12 pursuant to Chapter 617 of the Florida Statutes. In accordance with Florida Statutes Section 189.403, the Authority qualifies as a dependent special district. Additionally, the Authority is a component unit of the County. However, the Authority meets the criteria for inclusion in more than one reporting entity - Pace Water System as well as the County. In these cases, judgment must be exercised by management of the reporting entities as to which reporting entity the organization should be included. The Authority has the same elected governing body as the Pace Water System. Additionally, both the Authority and Pace Water System own portions of a single water/sewer system; thus, their capital assets are part of an interconnected system. Finally, the Authority's debt was issued solely to finance the Pace water/sewer system improvements. Based on these facts, management has decided to include the Authority in the combined financial statements of Pace Water System rather than as a component unit of the County.

Santa Rosa County Health Facilities Authority - The Santa Rosa County Health Facilities Authority (Authority) was created in 1982 by County Ordinance No. 82-02 pursuant to Section 154, Florida Statutes. In accordance with Florida Statutes Section 189.403, the Authority qualifies as a dependent special district. Additionally, the Authority is a component unit of the County. The County appoints the five (5) members of the Authority. Additionally, the County may abolish the Authority at any time by ordinance or resolution as long as all bonded indebtedness incurred by the Authority has been paid. The Authority exists solely to assist health facilities within the County with the acquisition, construction, financing, and refinancing of projects through issuance of conduit debt. All bonds issued by the Authority were subsequently defeased through issuance of new debt culminating with the issuance of \$58 million in new bonds in 2003. The debt outstanding is a limited obligation of the Authority and not a general obligation of the Authority or the County. The Authority is not obligated to pay the principal and interest on the bonds except from the

NOTE A – SUMMARY OF ACCOUNTING POLICIES – Continued

revenues of the Authority pursuant to its loan agreement with Gulf Breeze Hospital. The Authority has no financial activity and the bonds issued under the Authority's name are recorded in the books of the hospital.

Santa Rosa County Housing Finance Authority - The Santa Rosa County Housing Finance Authority (Authority) was created in 1984 by County Resolution No. 84-18 pursuant to Chapter 78-89, Laws of Florida codified as Chapter 159, Part IV, Section 159.601 through 159.623. In accordance with Florida Statutes Section 189.403, the Authority qualifies as a dependent special district. Additionally, based on the criteria outlined above, the Authority is a component unit of Santa Rosa County. The Santa Rosa County Board of County Commissioners, through various resolutions and interlocal agreements with the Escambia County Housing Finance Authority (ECHFA), has authorized ECHFA to allow qualified residents of Santa Rosa County to apply for and obtain preferential mortgages from proceeds generated by bonds issued by ECHFA. Accordingly, there is no financial activity related to the Santa Rosa County Housing Finance Authority to be reflected in these financial statements.

2. Basis of Presentation - Fund Accounting

The accounting system is organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

The County groups its funds into two broad fund categories as either governmental or proprietary in nature. Governmental funds include the general, special revenue, debt service and capital project funds. Proprietary funds include enterprise funds and an internal service fund.

3. Basis of Accounting**Government-Wide Financial Statements**

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all the non-fiduciary activities of the primary government. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which primarily rely on fees and charges for support. Fiduciary funds are excluded from the government-wide financial statements.

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Therefore, the governmental fund financial statements include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the governmental fund financial statements.

The government-wide Statement of Activities presents a comparison between expenses and program revenues for each segment of the business-type activities of the County and for each governmental program. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program or business segment is self-financing or draws from the general revenues of the County.

Net position should be reported as restricted when constraints placed on net position use are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The net position restricted for other purposes result from special revenue funds and the restrictions on their use. In a fund with both restricted and unrestricted positions, qualified expenses are considered to be paid first from restricted net position then from unrestricted net position. The government-wide statement of net position reports \$43,188,259 of restricted net position, of which \$20,733,191 is restricted by enabling legislation.

Fund Financial Statements

The Fund financial statements, as presented herein, focus primarily on the major funds of the governmental and proprietary categories. Each major fund is presented in a separate column. Nonmajor funds are aggregated and

NOTE A – SUMMARY OF ACCOUNTING POLICIES – Continued

presented in a single column. The internal service fund is presented in a single column on the face of the proprietary fund statements.

Governmental Funds

All governmental funds are accounted for using the modified accrual basis of accounting and the current financial resources measurement focus. Under this basis revenues are recognized in the accounting period in which they become measurable and available. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable.

The major governmental funds are:

- General Fund – This is the County's primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund.
- Road and Bridge Special Revenue Fund – Accounts for that portion of state fuel taxes and fees designated for road improvement projects.
- Grants Special Revenue Fund - Accounts for state and federal funding not associated with any other fund.
- Local Option Sales Tax Special Revenue Fund – Accounts for 1-cent local option sales surtax designated for capital improvement projects.
- American Rescue Plan Special Revenue Fund – Accounts for appropriations from the Federal government of funds under the American Rescue Plan Act.

Revenue Recognition

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available (i.e., collectible within the current year or within one month of year-end and available to pay obligations of the current period – except for certain grant revenues which are recognized as revenues in the same period the grant expenditures occur). This includes investment earnings, property taxes, special assessments, and fines and forfeitures. Certain state-levied locally shared taxes including motor vehicle license tax and fuel taxes are considered derived non-exchange transactions. These types of transactions are subject to income recognition when the underlying transaction occurs. Reimbursements due for federally funded projects are accrued as revenue at the time the expenditures are made, or when received in advance, deferred until expenditures are made.

Other revenues, including licenses and permits, certain charges for services and miscellaneous revenues, are recorded as revenue when received in cash because they are generally not measurable until actually received.

Expenditure Recognition

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Most expenditures are measurable and are recorded when the related fund liability is incurred. However, principal and interest on governmental long-term debt, which has not matured, are recognized when paid. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds.

Proprietary Funds

All proprietary funds use the accrual basis of accounting and the economic resources measurement focus. These funds account for operations that are primarily financed by user charges. Revenues are recognized when earned and expenses are recognized when incurred. Allocations of costs, such as depreciation, are recorded in proprietary funds. Unbilled utility service receivables are recorded at each year-end.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of all the County's enterprise funds and internal service fund are charged to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

NOTE A – SUMMARY OF ACCOUNTING POLICIES – Continued

The major proprietary funds are:

- Inspections Fund - Accounts for the license, permit and inspection fees, and related expenses for the provision of inspection services to residents of the unincorporated areas of Santa Rosa County.
- Landfill Fund - Accounts for the operation of the solid waste disposal facilities of the County.

The County's only internal service fund is the Self Insurance Fund. This fund accounts for the risk management activities of the Board and the other elected officials. Costs are billed to the departments and other elected officials at the actual and estimated costs of providing insurance coverage. At year-end, uncovered costs are billed to the departments, if necessary. Billings in excess of costs are credited to the departments. The policy of the County is not to eliminate interfund activity, i.e. the estimated insurance costs billed to the departments, in the government-wide statement of activities, so as to better reflect the true operating costs of those departments.

Fiduciary Funds

Custodial funds are used to account for monies held on behalf of individuals and companies that use the County as a depository as well as for property taxes, fines, court costs, licenses and fees collected on behalf of other governments. The County has thirteen custodial fiduciary funds.

4. Budgets and Budgetary Accounting

Florida Statutes Chapters 129 and 200 govern the preparation, adoption, and administration of the County's annual budget. The budget must be balanced, i.e., the estimated revenues plus beginning fund balance brought forward must equal appropriations and be prepared on a basis consistent with generally accepted accounting principles (GAAP) as applicable to governmental units. The Board may, at any time within a fiscal year, amend a budget for that year as follows:

Appropriations for expenditures in any fund may be decreased and other appropriations in the same fund correspondingly increased by motion recorded in the minutes. The budget officer may authorize certain inter-departmental and interdepartmental budget amendments, provided that the total appropriation of the fund is not changed. All annual appropriations lapse at fiscal year end.

Budgets are required for all governmental funds except:

Special Revenue Funds:

Sheriff's Grants
 Sheriff's Second Dollar
 Sheriff's Prisoner Recreation
 Sheriff's Local Option Sales Tax

Accordingly, the County does not adopt annual appropriated budgets for the above listed special revenue funds.

Budgets are not initially authorized but subsequently amended for the following funds:

Special Revenue Funds:

Disaster
 Grants

5. Cash and Cash Equivalents

For purposes of the statements of cash flows, all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased are considered to be cash equivalents.

6. Investments

Investments in U.S. Treasury bills, government backed securities and the Florida Local Government Investment Trust Fund are recorded at fair value. As permitted by GASB Statement No. 72, bank certificates of deposit and short-term money market investments are reported at amortized cost rather than fair value.

NOTE A – SUMMARY OF ACCOUNTING POLICIES – Continued

7. Inventory

Inventory consists of gas, oil, automotive parts, road signs, culverts, and various other items used by the road department and insecticides used by mosquito control operations. Inventory is valued at cost (first in, first out). The cost is recorded as an expenditure at the time the inventory is purchased.

In the fund level statements, reported inventories are equally offset by a nonspendable fund balance since such amounts will not convert to cash even though they are a component of net current assets.

8. Accounting for Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the acquisition date.

The cost of normal maintenance and repairs that does not add to the value of an asset or materially extends an asset's life is not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The County does not capitalize interest expense on borrowings used to finance construction of capital assets, as the capitalizable interest, after netting of interest earnings, is normally insignificant.

Property, plant and equipment of the County is depreciated using the straight-line method over the following estimated useful lives:

Buildings	20 - 50 years
Water Distribution System	20 years
Improvements	10 - 20 years
Equipment	3 - 10 years
Infrastructure	40 years

9. Compensated Absences

It is the policy of the County to permit employees to accumulate a limited amount of earned but unused leave benefits which will be paid to employees upon separation from service. Unpaid compensated absences are recorded as a liability when the benefits are earned in the government-wide and proprietary fund financial statements. The valuation of accrued leave benefits is calculated in accordance with GASB Statement No. 16. For the governmental activities, compensated absences are generally liquidated by the General (75%) and the Road and Bridge (25%) funds.

10. Property Taxes

Real and personal property valuations are determined each year as of January 1 by the Property Appraiser's office. Florida Statutes require that all property be assessed at 100 percent of just value.

All property taxes become due and payable on November 1 and are delinquent on April 1 of the following year. Discounts of 4, 3, 2 and 1 percent are allowed for early payment in November through February, respectively. The Tax Collector advertises as required by statute and sells tax certificates for unpaid taxes on real property. Certificates not sold are considered "County Held Certificates." Persons owning land upon which a tax certificate has been sold may redeem the land by paying the face amount of the tax certificate, plus interest and other costs.

Property taxes levied on property valuations as of January 1, 2023 and expected to be collected during the period November 2023 through March 2024 are as follows:

General Fund	\$ 93,518,810
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These taxes, although measurable, are not recognized as revenue at September 30, 2023, since they are not considered to be collectible within the current period or soon enough thereafter to be used to pay current period liabilities.

NOTE A – SUMMARY OF ACCOUNTING POLICIES – Continued**11. Landfill Closure Costs**

Under the terms of current state and federal regulations, the County is required to place a final cover on closed landfill areas, and to perform certain monitoring and maintenance functions for a period of up to thirty years after closure. The County recognizes these costs of closure and post-closure maintenance over the active life of each landfill area, based on landfill capacity used during the period.

12. Allowance for Uncollectible Amounts

Accounts receivable for the County are reported net of allowance for doubtful accounts. The allowance for doubtful accounts represents those accounts which are deemed uncollectible based upon past collection history.

13. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the County is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable — The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The not in spendable form criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.

Restricted — Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the County to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the County can be compelled by an external party—such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.

Committed — The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (ordinance) of the County. Those committed amounts cannot be used for any other purpose unless the County removes or changes the specified use by taking the same type of action (ordinance) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by the Board, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints are not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned — Amounts in the assigned fund balance classification are intended to be used by the County for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balances represent the intended use established by the Board for the remaining amounts that are not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the Board.

Unassigned — Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The County applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

14. Leases

Lessee: The County is a lessee for noncancellable leases of equipment, office space and land. The County recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements.

NOTE A – SUMMARY OF ACCOUNTING POLICIES – Continued

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

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

- The County uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate for leases.

- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the County is reasonably certain to exercise. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

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

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

Payments due under the lease contracts include fixed payments plus, for many of the County's leases, variable payments. For office space leases that include variable payments, those include payments for the County's proportionate share of the building's property taxes, insurance, and common area maintenance. For office equipment leases for which the County has elected not to separate lease and non-lease components, maintenance services are provided by the lessor at a fixed cost and are included in the fixed lease payments for the single, combined lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- amounts expected to be payable by the County under residual value guarantees
- the exercise price of a purchase option if the County is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the County exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. Extension and termination options are included in a number of property and equipment leases across the County. These are used to maximize operational flexibility in terms of managing the assets used in the County's operations. The majority of extension and termination options held are exercisable only by the County and not by the respective lessor.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case, the County's incremental borrowing rate is used, being the rate that the County would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Variable payments that depend on an index or a rate (such as the Consumer Price Index or a market interest rate), initially measured using the index or rate as of the commencement of the lease term.

Lessor: The County is a lessor for noncancellable leases of tower space. The County recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the County initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the

NOTE A – SUMMARY OF ACCOUNTING POLICIES – Continued

principal portion of 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, the deferred inflow of resources is recognized as revenue over the life of the lease term.

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

- The County uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

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

15. Subscription Based Information Technology Arrangements (SBITA)

The County has entered into SBITAs for various terms under certain agreements that meet the definition of a SBITA under GASB Statement No. 96. The County recognizes a SBITA liability and an intangible right to use SBITA asset (SBITA asset) in the government-wide financial statements. SBITA assets are reported with other capital assets and SBITA liabilities are reported with long-term debt on the statement of net position.

At the commencement of a SBITA, the County initially measures the SBITA liability at the present value of payments expected to be made during the SBITA term and records that amount as other financing sources and capital outlay expenditures in the Statement of Revenues, Expenditures, and Changes in Fund Balance. Subsequently, the SBITA liability is reduced by the principal portion of payments made which are recorded as debt service expenditures in the Statement of Revenues, Expenditures, and Changes in Fund Balance as they are incurred.

The SBITA asset is initially measured as the initial amount of the SBITA liability, adjusted for payments made at or before the SBITA commencement date, plus certain initial direct costs. Subsequently, the SBITA asset is amortized on a straight-line basis over its useful life.

NOTE B – CASH AND INVESTMENTS

At September 30, 2023, the banks held deposits of \$185,227,342 (before outstanding checks and deposits in transit) consisting of amounts held in checking, savings, money market or time deposit accounts. All deposits with financial institutions were 100% insured by federal depository insurance or by collateral pursuant to the Public Depository Security Act of the State of Florida.

The County's cash and cash equivalents consist of cash and short-term investments with original maturities of three months or less from the date of acquisition.

Pursuant to Florida Statutes Section 218.415, the County adopted an investment policy which outlines the County's investment responsibilities, objectives, and policies. The County's investment policy authorizes the County to invest in the following:

- a. The Local Government Surplus Funds Trust Fund (SBA) (Maximum of 75%)*;
- b. Florida Local Government Investment Trust (FLGIT) (State Investment Trust) (100% allowed)*;
- c. Qualified money market mutual funds (Maximum of 50%)*;
- d. U.S. Treasury bills, notes and bonds (100% allowed);
- e. Obligations guaranteed by the U.S. Government as to principal and interest such as obligations of the Government National Mortgage Association (GNMA) (Maximum of 5%)*;
- f. Non-callable Government Agency securities (Maximum of 25%)*:
 - i. Federal Farm Credit Bank (FFCB),
 - ii. Federal Home Loan Mortgage Corporation (FHLMC),
 - iii. Federal Home Loan Bank (FHLB),
 - iv. Federal National Mortgage Association (FNMA).

This classification of government agency securities does not include any mortgage debt of any government agency;
- g. Time deposits and savings accounts in banks or savings and loan associations doing business in Florida (Maximum of 50%)*;
- h. Repurchase agreements for investments authorized in categories d, e, or f above. (Maximum of 40%)*

*To limit the County's concentration of credit risk these are the maximum percentages of the County's total portfolio that can be in each type of investment.

Interest rate risk is limited by no security having a maturity exceeding 2 years. The weighted average to maturity for the portfolio shall be less than 365 days or 1 year. Investments placed with the FLGIT, which typically invests in instruments with maturities of less than 5 years, are exempt from this limitation. The average maturity of investments held in the FLGIT as of September 30, 2023 is 2.10 years.

The FLGIT, also known as Florida Trust, is a local government investment pool created by the Florida Association of Court Clerks and Comptrollers, and the Florida Association of Counties for the purpose of providing public entities with an investment program by providing investment vehicles for funds that can be invested in short- to intermediate-term securities and have returns generally greater than the national average for money market instruments. The fair values of the County's positions in the pool are the same as the value of the pool shares. The Florida Trust offers two separately rated, open-ended, professionally managed funds available only to public entities in Florida.

The Investment Trust:

A short-term bond fund with an investment portfolio structured to maintain safety of principal and maximize available yield through a balance of quality and diversification. As of September 30, 2023, the Investment Trust managed \$702 million and had a price per share of \$26.79 and a Fitch rating of AA+af. This short-term bond fund invests

NOTE B – CASH AND INVESTMENTS – Continued

in U.S. Treasuries and Agency Securities, Mortgages, Commercial Paper, Asset-Backed Securities, and A rated Corporate Securities.

The Day to Day Fund:

The Florida Trust Day to Day Fund is a money market product created in response to demand to provide a fiscally conservative diversification option for Florida local governments. Fund features include same day transactions and online account management. The fund is AAAM-rated by Fitch and is governed by the same board and advisory committee that oversees the Investment Trust.

The County’s investments as defined by GASB Statement No. 72 Fair Value Measurement and Application are reported at fair value based on level 1 inputs for quoted prices for identical investments in active markets.

Schedule of Cash and Investments at September 30, 2023

	<u>Carrying Amount</u>
Investments:	
FLGIT\ Investment Trust Fund	\$ 12,440,373
Total Investments	12,440,373
Cash:	
Cash in Bank	39,717,915
Day to Day Trust	133,258,683
Petty Cash	4,675
Total Cash	172,981,273
Total Cash and Investments	\$ 185,421,646

Restricted cash and investments typically consist of funds set aside for the payment of debt and funds set aside to ensure assets producing the pledged revenues are repaired and replaced as needed. These assets are restricted since their use is limited by the applicable bond indentures. Other restricted assets consist of funds restricted to the payment of future landfill closure costs.

Restricted cash and investments by category and by fund are as follows:

	<u>Landfill Fund</u>
Landfill escrow	\$ 16,981,592

NOTE C – DUE FROM OTHER GOVERNMENTAL UNITS

At September 30, 2023, amounts due from other governmental units were as follows:

	<u>General Fund</u>	<u>Road and Bridge Fund</u>	<u>Grants Fund</u>	<u>Local Option Sales Tax Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Nonmajor Enterprise Funds</u>	<u>Total</u>
Federal Government - Grants	\$ 815,189	\$ 1,297,110	\$ 198,392	\$ -	\$ 575,767	\$ 24,356	\$ 2,910,814
State of Florida - Grants	-	153,320	6,794,129	-	330,024	31,890	7,309,363
State of Florida - Taxes	647,065	1,108,633	-	846,097	228,725	-	2,830,520
Local Taxes	860,197	-	-	-	38,409	-	898,606
Other	-	-	-	-	985,500	-	985,500
Total	\$ 2,322,451	\$ 2,559,063	\$ 6,992,521	\$ 846,097	\$ 2,158,425	\$ 56,246	\$ 14,934,803

NOTE D – INTERFUND TRANSACTIONS

Interfund transactions for the year ended September 30, 2023 were as follows:

	Interfund Receivable	Interfund Payable	Interfund Transfers in	Interfund Transfers Out
General Fund	\$ 2,184,758	\$ 29,938	\$ 7,973,890	\$ 14,402,699
Road & Bridge Fund	-	-	6,600,115	-
Grants Fund	-	-	222,779	-
American Rescue Plan Fund	-	-	-	4,020,241
Nonmajor Governmental Funds	288,123	2,442,943	16,322,844	10,385,398
Inspections Fund	-	-	-	561,445
Landfill Fund	-	-	-	1,800,000
Nonmajor Enterprise Funds	-	-	-	249,845
Self Insurance Fund	-	-	300,000	-
Total	\$ 2,472,881	\$ 2,472,881	\$ 31,419,628	\$ 31,419,628

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) move unrestricted revenues collected in the general fund to finance various programs in accordance with budgetary authorizations. The major interfund transfers during the fiscal year were transfers from the Electric Franchise Fee fund to the General Fund and Road and Bridge Fund where the fees are expended and from the General Fund and the ARPA Fund to the Other Capital Outlay Fund to fund construction projects.

Interfund balances result from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. The major interfund balance is payable from the Other Capital Outlay Fund to the ARPA Fund as a result of the need to temporarily return ARPA funds which had been transferred to fund construction projects but were unspent as of year end.

NOTE E – RECEIVABLES

	Accounts	Allowance	Leases	Interest	Intergov- ernmental	Total
Governmental						
General	\$ 453,906	\$ -	\$ 204,027	\$ 2,321	\$ 2,322,451	\$ 2,982,705
Road & Bridge	14,367	-	-	-	2,559,063	2,573,430
Grants	-	-	-	-	6,992,521	6,992,521
Local Option Sales Tax	-	-	-	-	846,097	846,097
Nonmajor Governmental	776,702	-	-	-	2,158,425	2,935,127
Self Insurance	46,749	-	-	-	-	46,749
Subtotal	1,291,724	-	204,027	2,321	14,878,557	16,376,629
Business-type						
Landfill	1,302,529	-	-	-	-	1,302,529
Nonmajor Enterprise	296,427	(4,804)	-	-	56,246	347,869
Subtotal	1,598,956	(4,804)	-	-	56,246	1,650,398
Total	\$ 2,890,680	\$ (4,804)	\$ 204,027	\$ 2,321	\$ 14,934,803	\$ 18,027,027

NOTE F – CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2023 was as follows (in thousands):

	Beginning Balance	Additions	Transfers	Deletions	Ending Balance
Governmental Activities					
Capital Assets Not Being Depreciated:					
Land	\$ 29,897	\$ 4,679	\$ -	\$ 395	\$ 34,181
Construction in Progress	94,728	28,896	(61,370)	-	62,254
Total Capital Assets Not Being Depreciated	124,625	33,575	(61,370)	395	96,435
Capital Assets Being Depreciated:					
Buildings	67,414	-	48,563	-	115,977
Improvements Other Than Buildings	200,199	327	12,807	-	213,333
Machinery and Equipment	78,415	7,341	(16)	4,345	81,395
Total Capital Assets Being Depreciated	346,028	7,668	61,354	4,345	410,705
Right-to-Use Capital Assets, Being Amortized:					
Buildings	424	325	-	43	792
Equipment	316	1,968	-	141	2,425
IT Equipment	129	166	-	-	295
Vehicles	-	133	-	-	133
SBITA	653	-	-	-	653
Total Right-to-Use Capital Assets Being Amortized:	1,523	2,592	-	183	4,298
Less Accumulated Depreciation For:					
Buildings	57,374	1,325	-	-	58,699
Improvements Other Than Buildings	88,104	5,829	-	-	93,933
Machinery and Equipment	52,421	7,299	(16)	4,243	55,461
Total Accumulated Depreciation	197,899	14,453	(16)	4,243	208,093
Less Right-to-Use Capital Asset Accumulated Amortization For:					
Buildings	115	161	-	43	318
Equipment	140	282	-	141	563
IT Equipment	27	86	-	-	113
Vehicles	-	12	-	-	12
SBITA	-	218	-	-	218
Total Right-to-Use Capital Asset Accumulated Amortization:	283	759	-	183	1,225
Total Capital Assets Being Depreciated, Net	149,369	(4,952)	61,370	102	205,684
Governmental Activities Capital Assets, Net	\$ 273,994	\$ 28,623	\$ -	\$ 497	\$ 302,119
Business Type Activities					
Capital Assets Not Being Depreciated:					
Land	\$ 1,306	\$ -	\$ -	\$ -	\$ 1,306
Construction in Progress	8,538	2,820	(3,416)	-	7,942
Total Capital Assets Not Being Depreciated	9,844	2,820	(3,416)	-	9,248
Other Capital Assets:					
Buildings	5,325	-	3,304	-	8,629
Improvements Other Than Buildings	42,318	-	112	-	42,430
Machinery and Equipment	4,376	386	16	274	4,504
Total Capital Assets Being Depreciated	52,019	386	3,432	274	55,563
Right-to-Use Capital Assets, Being Amortized:					
Equipment	2,481	960	-	(72)	3,369
Vehicles	451	-	-	-	451
Total Right-to-Use Capital Assets, Being Amortized:	2,932	960	-	(72)	3,820
Less Accumulated Depreciation For:					
Buildings	2,854	282	-	-	3,136
Improvements Other Than Buildings	24,567	1,470	-	-	26,037
Machinery and Equipment	2,406	339	16	269	2,492
Total Accumulated Depreciation	29,827	2,091	16	269	31,665
Less Right-to-Use Capital Assets Accumulated Amortization:					
Equipment	711	796	-	(1)	1,506
Vehicles	85	112	-	-	197
Total Right-to-Use Capital Assets Accumulated Amortization:	796	908	-	(1)	1,703
Total Capital Assets Being Depreciated, Net	24,328	(1,654)	3,416	(66)	26,015
Business Type Activities Capital Assets, Net	\$ 34,172	\$ 1,166	\$ -	\$ (66)	\$ 35,263

NOTE F – CAPITAL ASSETS – Continued
Depreciation Expense Was Charged to Functions As Follows:
Governmental Activities:

General Government	\$ 1,165,907
Public Safety	4,917,891
Physical Environment	134,366
Transportation	5,831,576
Economic Environment	232,673
Human Services	186,437
Culture and Recreation	1,989,244
Total Governmental Activities Depreciation Expense	<u>\$ 14,458,094</u>

Business-type Activities:

Inspections	38,448
Landfill	\$ 1,086,508
Navarre Beach	489,140
Peter Prince Field	477,168
Total Business-type Activities Depreciation Expense	<u>\$ 2,091,264</u>

Construction and Other Contractual Commitments

The following is a summary of major construction and other contractual commitments outstanding as of September 30, 2023:

<u>Projects</u>	<u>Spent-to-date</u>	<u>Remaining Commitment</u>
Governmental Activities:		
Road and Bridge Construction	37,122,596	2,185,843
Drainage Projects	10,095,551	3,477,592
Park Construction	9,597,268	139,231
Total	<u>\$ 56,815,415</u>	<u>\$ 5,802,666</u>
Business-type Activities		
Landfill Maintenance Facility	\$ 1,124,530	\$ 4,902,071
Total	<u>\$ 1,124,530</u>	<u>\$ 4,902,071</u>

NOTE G – LEASES

Leasing arrangements - Lease payable

The County is obligated under leases covering certain office space, machinery and IT equipment that expire at various dates during the next ten years.

The County has entered into various lease agreements as lessee primarily for office space, land, vehicles, and office equipment. Most leases have initial terms of up to 20 years, and contain one or more renewal options, generally for three- or 5-year periods. We have generally included these renewal periods in the lease term when it is reasonably certain that we will exercise the renewal option. The County's leases generally do not include termination options for either party to the lease or restrictive financial or other covenants. Certain real estate leases require additional payments for common area maintenance, real estate taxes and insurance, which are expensed as incurred as variable lease payments. For the County's transportation equipment leases, variable payments include those for property taxes and mileage. For office space leases that include variable payments, those include payments for the County's proportionate share of the building's property taxes, insurance, and common area maintenance. The County's lease arrangements do not contain any material residual value guarantees. As the interest rate implicit in the County's leases is not readily determinable, the County utilizes its incremental borrowing rate to discount the lease payments.

The statement of net position shows the following amounts (in thousands) relating to leases:

	Governmental Activities	Business Like Activities	Total
Right-of-use assets			
Buildings	\$ 473	\$ -	\$ 473
Equipment	1,861	1,863	3,725
IT Equipment	181	-	181
Vehicles	121	253	374
	<u>\$ 2,637</u>	<u>\$ 2,117</u>	<u>\$ 4,753</u>
	Governmental Activities	Business Like Activities	Total
Lease payable			
Current	\$ 457	\$ 783	\$ 1,239
Non-current	2,196	1,403	3,599
	<u>\$ 2,652</u>	<u>\$ 2,186</u>	<u>\$ 4,838</u>

The future principal and interest lease payments as of June 30, 2023, were as follows (in thousands):

Fiscal year	Governmental Activities		Business Like Activities	
	Principal	Interest	Principal	Interest
2024	\$ 457	\$ 45	\$ 783	\$ 32
2025	420	37	715	19
2026	301	30	533	7
2027	266	25	155	1
2028	239	21	-	-
2029-2033	969	42	-	-
Total	<u>\$ 2,652</u>	<u>\$ 201</u>	<u>\$ 2,186</u>	<u>\$ 58</u>

NOTE G – LEASES

Leasing arrangements - SBITA payable

The County is obligated under subscription-based information technology arrangements (SBITA) covering certain software that expire at various dates during the next ten years.

The County has entered into various SBITA agreements primarily for software products. Most SBITA have initial terms of up to 5 years, and contain one or more renewal options, generally for one-, three-, or 5-year periods. We have generally included these renewal periods in the lease term when it is reasonably certain that we will exercise the renewal option. The County's SBITA generally do not include termination options for either party to the agreement or restrictive financial or other covenants. Certain agreements require additional payments for maintenance which are expensed as incurred as variable SBITA payments. The County's SBITA do not contain any material residual value guarantees. As the interest rate implicit in the County's leases is not readily determinable, the County utilizes its incremental borrowing rate to discount the lease payments.

The statement of net position shows the following amounts (in thousands) relating to SBITA:

Right-of-use assets	Governmental	Business Like	Total
	Activities	Activities	
SBITA	\$ 436	\$ -	\$ 436
	\$ 436	\$ -	\$ 436

SBITA payable	Governmental	Business Like	Total
	Activities	Activities	
Current	\$ 214	\$ -	\$ 214
Non-current	229	-	229
	\$ 442	\$ -	\$ 442

The future principal and interest SBITA payments as of September 30, 2023, were as follows (in thousands):

Fiscal year	Governmental		Business Like	
	Activities		Activities	
	Principal	Interest	Principal	Interest
2024	\$ 214	\$ 8	\$ -	\$ -
2025	\$ 229	\$ 4	\$ -	\$ -
2026	\$ -	\$ -	\$ -	\$ -
2027	\$ -	\$ -	\$ -	\$ -
2028	\$ -	\$ -	\$ -	\$ -
Total	\$ 442	\$ 12	\$ -	\$ -

NOTE G – LEASES – Continued

Leasing arrangements - Lease receivable

The County leases out its buildings and land. Most leases have initial terms of up to 20 years, and contain one or more renewal options, generally for three- or 5-year periods. We have generally included these renewal periods in the lease term when it is reasonably certain that we will exercise the renewal option. The County's lease arrangements do not contain any material residual value guarantees. As the interest rate implicit in the County's leases is not readily determinable, the County utilizes its incremental borrowing rate to discount the lease payments.

Although the County is exposed to changes in the residual value at the end of the current leases, the County typically enters into new operating leases and therefore will not immediately realize any reduction in residual value at the end of these leases.

Minimum lease payments receivable on leases of investment properties are as follows (in thousands):

	Governmental Activities		Business Like Activities	
	Principal	Interest	Principal	Interest
2024	\$ 59	\$ 4	\$ -	\$ -
2025	\$ 60	\$ 3	\$ -	\$ -
2026	\$ 53	\$ 2	\$ -	\$ -
2027	\$ 33	\$ 1	\$ -	\$ -
2028	\$ -	\$ -	\$ -	\$ -
Total	\$ 204	\$ 8	\$ -	\$ -

The total amount of inflows of resources relating to leases recognized in the current fiscal year are as follows:

	Governmental Activities	Business Like Activities	Total
Lease revenue	\$ 61	\$ -	\$ 61
Interest revenue	\$ 5	\$ -	\$ 5

NOTE H – LONG-TERM DEBT

1. Changes in Long-Term Debt

Special assessment notes are fully secured by annual assessments made against property owners of the specific area that benefited from the proceeds of the notes. The County has no legal obligation to levy ad valorem taxes or cover the notes in case of default by the property owners. The County does, however, maintain a moral commitment to cover the debt payments until such time as the property owners can make the payments.

The following is a summary of changes in long-term debt for the year.

	Balance October 1, 2022	Additions	Deductions	Balance September 30, 2023	Amount Due Within One Year
Governmental Activities:					
Compensated Absences	\$ 9,568,472	\$ 7,876,790	\$ 6,067,728	\$ 11,377,534	\$ 4,141,420
Claims Payable	3,888,292	1,044,861	1,504,736	3,428,417	661,073
Revenue Bonds	42,100,000	-	2,942,800	39,157,200	2,995,000
General Obligation Notes	-	1,033,305	-	1,033,305	443,378
Revenue Notes	2,037,723	-	345,493	1,692,230	300,432
Special Assessment Notes	4,023,240	-	460,608	3,562,632	473,044
Leases	594,680	2,592,083	534,595	2,652,168	456,527
SBITA	653,493	-	211,065	442,428	213,787
Total	\$ 62,865,900	\$ 12,547,039	\$ 12,067,025	\$ 63,345,914	\$ 9,684,661
Business-type Activities:					
Compensated Absences	\$ 716,819	\$ 541,876	\$ 482,201	\$ 776,494	\$ 370,971
Landfill Closure Costs	16,272,118	-	891,231	15,380,887	44,242
Leases Payable	2,163,411	828,445	806,074	2,185,782	795,181
Total	\$ 17,923,774	\$ 1,370,321	\$ 2,179,506	\$ 17,114,589	\$ 1,210,394

Compensated absences are liquidated by the general and other governmental funds incurring the expenditure. Claims liabilities are liquidated in the internal service fund.

2. Descriptions of Notes

The County has revenue bonds, general obligation notes, revenue notes and special assessment notes payable outstanding at year end. There are no lines of credit issued for the County. The notes payable for the 911 system and the Bernath Place MSBU have clauses making outstanding amounts payable immediately upon default. Otherwise, there are no significant termination events with finance-related consequences or subjective acceleration clauses contained in the County debt issues. All of the County notes payable have been issued as direct borrowings or direct placements.

Bonds and Notes Payable At September 30, 2023 Are Comprised of the Following:

General Government - Revenue Bonds Payable

\$35,000,000 bond payable to bank for the construction of new judicial center. The bond is due in 15 annual payments of \$2,000,000 to 2,635,300 plus interest paid semiannually at 1.77% with final payment due in 2036, secured by a pledge of non-ad valorem revenues. \$ 30,902,200

\$9,100,000 bond payable to bank for the construction of new connector road. The bond is due in 10 annual payments of \$845,000 to 980,000 plus interest paid semiannually at 1.686% with final payment due in 2032, secured by a pledge of non-ad valorem revenues. 8,255,000

General Government - General Obligation Notes Payable

NOTE H – LONG-TERM DEBT – Continued

\$246,550 note payable to vendor for the acquisition of voting equipment for the Supervisor of Elections office. The note is due in one installment of \$50,000 on or before October 1, 2024 and a final installment of \$196,550 due on or before October 1, 2025.	246,550
\$786,755 note payable to vendor for the acquisition of equipment for the Sheriff's office. The note is due in two annual installments of \$393,378 and \$393,377 due in fiscal year 2024 and 2025, respectively.	786,755
General Government - Revenue Notes Payable	
\$1,825,000 note payable to bank for the acquisition and construction of improvements and equipment for Benny Russell park. The note is due in 40 quarterly payments of \$3,150 to 57,671 including interest at 2.25% with final payment due in 2030, secured by a pledge of non-ad valorem revenues.	1,436,755
\$500,000 special assessment note payable to seller for the acquisition of property in the Santa Rosa County Fire Protection MSBU. The note is due in 60 monthly payments of \$8,746 to \$8,764 including interest at 2% with final payment due in 2026, secured by a pledge of non-ad valorem revenues.	255,475
General Government - Special Assessment Notes Payable	
\$1,102,518 special assessment note payable to bank for the acquisition and installation of fire control equipment in the Santa Rosa County Fire Protection MSBU. The note is due in 8 annual payments of \$152,062 including interest at 2.24% with final payment due in 2028. Annual assessments will be made against property owners sufficient to retire the maturing principal and interest.	711,788
\$700,000 special assessment note payable to bank for the acquisition and installation fire control equipment in the Santa Rosa County Fire Protection MSBU. The note is due in 60 quarterly payments of \$9,134 to \$14,526 plus interest at 3.14% with final payment due in 2025. Annual assessments will be made against property owners sufficient to retire the maturing principal and interest.	126,992
\$710,500 special assessment note payable to bank for the acquisition and installation of fire control equipment in the Santa Rosa County Fire Protection MSBU. The note is due in 96 monthly payments of \$8,132 including interest at 2.33% with final payment due in 2028. Annual assessments will be made against property owners sufficient to retire the maturing principal and interest.	483,353
\$1,500,000 special assessment note payable to bank for the construction of certain infrastructure improvements in the Bernath Place MSBU. The note is due in 80 quarterly payments of \$25,651 including interest at 3.237% with final payment due in 2040. Annual assessments will be made against property owners sufficient to retire the maturing principal and interest.	1,319,464
\$383,000 special assessment note payable to bank for the construction of certain infrastructure improvements in the Little Duck Circle MSBU. The note is due in 32 quarterly payments of \$13,060 including interest at 2.15% with final payment due in 2026. Annual assessments will be made against property owners sufficient to retire the maturing principal and interest.	127,630
\$1,221,000 special assessment note payable to bank for the construction of certain infrastructure improvements in the Ponderosa Drive MSBU. The note is due in 56 quarterly payments of \$25,961 including interest at 2.494% with final payment due in 2032. Annual assessments will be made against property owners sufficient to retire the maturing principal and interest.	793,405
Total General Government Notes Payable	<u>\$ 45,445,367</u>

3. Pledged Revenues

Santa Rosa County has pledged certain revenues to repay certain bonds and notes outstanding at September 30, 20223. The following table reports the revenues, sometimes net of related operating expenses, pledged for each

NOTE H – LONG-TERM DEBT – Continued

debt issue, the amount of such revenues received in the current year, the current year principal and interest paid on the debt, the approximate percentage of each revenue which is pledged to meet the debt obligation, the date through which the revenue is pledged under the debt agreement, and the total pledged future revenues for each debt, which is the amount of the remaining principal and interest on the bonds and notes at September 30, 2023.

Governmental Activities	Revenue Pledged	Current Year Total Revenue	Pledged Outstanding Principal & Interest	Estimated Revenue Percentage Pledged	Principal & Interest Paid	Maturity Calendar Year
Special Assessment Notes						
Fire Protection MSBU Revenue Note, Series 2020	Special Assessments	152,065	760,327	100%	152,065	2028
Fire Protection MSBU Revenue Note, Series 2010-b	Special Assessments	59,904	132,028	100%	59,904	2025
Bernath Place MSBU Revenue Note, Series 2020	Special Assessments	102,603	1,720,239	100%	102,603	2040
Little Duck Circle MSBU Revenue Note, Series 2018	Special Assessments	52,242	131,417	100%	52,242	2026
Ponderosa Drive MSBU Revenue Note, Series 2018	Special Assessments	103,844	884,157	100%	103,844	2032
Fire Protection MSBU Revenue Note, Series 2021	Special Assessments	97,645	514,312	100%	97,645	2028
Revenue Notes						
Benny Russell Project Capital Improvement Revenue Note, Series 2020	Non-Ad Valorem Revenues	288,355	1,554,615	100%	288,355	2030
Fire Protection MSBU Revenue Note, Series 2021	Non-Ad Valorem Revenues	105,168	262,146	100%	105,168	2026
Total Notes - Governmental Activities		\$ 961,826	\$ 5,959,241		\$ 961,826	
Revenue Bonds						
Courthouse Project Capital Improvement Revenue Refunding Bond, Series 2021	Non-Ad Valorem Revenues	\$ 2,663,334	\$ 34,865,212	100%	2,663,334	2040
Pea Ridge Connector Project Capital Improvement Revenue Bond, Series 2021	Non-Ad Valorem Revenues	\$ 991,303	\$ 8,966,493	100%	991,303	2032
Total Bonds - Governmental Activities		\$ 3,654,637	\$ 43,831,705		\$ 3,654,637	

4. Debt Service Requirements

The annual requirements to amortize all notes outstanding at September 30, 2023 are as follows:

NOTE H – LONG-TERM DEBT – Continued

Governmental activities:

<u>Year Ended September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	4,211,854	884,943	5,096,797
2025	4,425,244	815,553	5,240,797
2026	3,784,588	744,225	4,528,813
2027	3,760,507	672,515	4,433,022
2028	3,830,184	603,246	4,433,430
2029-2033	17,043,300	1,659,625	18,702,925
2034-2038	8,214,243	344,509	8,558,752
2039-2040	175,447	5,745	181,192
Total	\$ 45,445,367	\$ 5,730,361	\$ 51,175,728

NOTE I – LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

State and federal laws and regulations require the County to place a final cover on its landfill sites when the landfill stops accepting waste and to perform certain maintenance and monitoring functions at sites for thirty years after closure. Although closure and postclosure care costs are paid only near or after the date that a landfill stops accepting waste, the County reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$15.3 million reported as landfill closure and postclosure care liability (current and noncurrent) at September 30, 2023, represents the cumulative amount reported to date based on the following percentage usage of the estimated capacity of each of the County's landfills:

Central Class I Landfill	33%
Central Class III Landfill (New)	69%
Central Class III Landfill (Old)	Closed 10/98

The estimated cost of post closure care for the Central Class III (Old) landfill has been recognized in prior years with any changes in estimates being recorded in the current year. The County will recognize the remaining estimated cost of closure and postclosure care for the Central Class I and Class III (New) landfills in the amount of \$18.7 million as their remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2023. The estimated remaining lives of the Central Class I and Class III landfills are 19 and 5 years, respectively. Cost of closure and life estimates are based on the areas currently in use, and not on potential areas of expansion. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The County is required by state and federal laws and regulations to make annual contributions to a trust to finance closure and postclosure care. At September 30, 2023, the County held cash and investments of \$16,981,592 to cover the escrow requirement of \$16,981,592. These cash and investments are reported as restricted assets in these financial statements. The County expects that future inflation costs will be paid from interest earnings on these restricted cash and investments and from charges to future landfill users or future tax revenue.

NOTE J – COMMITMENTS AND CONTINGENCIES

1. Litigation

The County is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the County's attorney the resolution of these matters will not have a material adverse effect on the financial condition of the County.

2. Federal and State Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by grantors cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

NOTE K – PENSION AND HEALTH INSURANCE SUBSIDY

1. Retirement Plan

Participation – Employees of the County participate in the Florida Retirement System, a cost-sharing multiple-employer retirement system, established by Chapter 121, Florida Statutes. Participation is compulsory for full-time and part-time employees working in regularly established positions. Elected officials may elect not to participate in the system. Eligible employees may elect to participate in the Deferred Retirement Option Program (DROP), deferring receipt of retirement benefits while continuing employment with a Florida Retirement System employer.

Benefit Provisions – The Florida retirement system offers two retirement plans – the FRS Pension Plan and the FRS Investment Plan. An employee may participate in only one of the plans. Both plans, effective July 1, 2011, are funded monthly by a combination of employer and employee contributions.

The FRS Pension Plan is a defined benefit plan which provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Normal retirement benefits are available to employees who retire at age 62 or 65 (depending on hire date) with 6 or 8 (depending on hire date) or more years of service, or to those employees who have at least 30 or 33 (depending on hire date) years of creditable service, regardless of age. Retirement age and years of service requirements may vary depending on membership class. Early retirement is available after 6 years of service with a 5% reduction of benefits for each year prior to the normal retirement age. Retirement benefits are based upon age, average compensation, and years-of-service credit where average compensation is computed as the average of an individual's five (if enrolled prior to July 1, 2011) or eight (if enrolled on or after July 1, 2011) highest years of earnings.

The FRS Investment Plan is a defined contribution plan in which participants are vested after one year of service. The employer makes contributions each month based on a percentage of the employees gross salary and membership class. The contribution percentage is the same whether participating in the Pension Plan or Investment Plan. Members in the Investment Plan decide how their funds are allocated between various investment accounts and the funds are portable upon termination if the participant is vested. Members in the investment plan are not eligible for participation in the Deferred Retirement Option Program (DROP).

For DROP participants, the deferred monthly benefit plus interest compounded monthly, accrues for the specified period of the DROP participation. Upon retirement, the participant receives the total accumulated DROP benefits and begins to receive current benefits at the previously determined rate.

Contributions – Chapter 121 requires the employer to pay contributions based upon state-wide rates established by the State of Florida. Employees contribute 3% of their salary. During 2023, the County contributed an average of 12.33% of each qualified regular employee's gross salary, 57.42% percent of the elected officials salary, 29.04% of each special risk employee's salary, and 19.23% for each DROP participant. The County's contributions to the Pension Plan, funded on a pay-as-you-go basis, were equal to the actuarially determined contribution requirements for the year. The County's contributions to the Investment Plan were equal to the legislatively mandated contribution rates, which are equal to a percentage of the members gross monthly salary based on membership class. Contributions to the Investment plan totaled \$2,235,270, \$1,427,169, and \$1,474,052 for the years ended September 30, 2023, 2022 and 2021, respectively. Contributions to the Pension plan totaled \$10,709,166, \$9,188,595, and \$7,341,877 for the years ended September 30, 2023, 2022 and 2021, respectively.

NOTE K – PENSION AND HEALTH INSURANCE SUBSIDY – Continued

Financial Report of the Plan – The Florida Retirement System issues a stand-alone financial report. A copy can be obtained by contacting the State of Florida, Division of Retirement, Tallahassee, Florida.

Health Insurance Subsidy Pension Plan

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

Benefits Provided. For the fiscal year ended September 30, 2023, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions. The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2023, the contribution rate was 1.66% of payroll pursuant to section 112.363, Florida Statutes. The County contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The County’s contributions to the HIS Plan totaled \$937,281 for the fiscal year ended September 30, 2023.

2. Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

At September 30, 2023, the County reported a liability of \$108,986,229 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined from an actuarial valuation as of July 1. The County’s proportion of the net pension liability was based on the County’s 2022-23 fiscal year contributions relative to the 2022-23 fiscal year contributions of all participating members. At June 30, 2023, the County’s change in proportion was an increase from its proportion measured as of June 30, 2022. The following table presents the information on the County’s proportionate share of the FRS and HIS:

	<u>FRS</u>	<u>HIS</u>	<u>Total</u>
Proportionate share of Net Pension Liability at September 30, 2023	\$ 83,498,374	\$ 25,487,855	\$ 108,986,229
County’s proportion at June 30, 2023	0.2095483215%	0.1604893858%	
County’s proportion at June 30, 2022	0.2037316821%	0.1549008490%	
Change in proportion during current year	0.0058166395%	0.0055885368%	

NOTE K – PENSION AND HEALTH INSURANCE SUBSIDY – Continued

For the fiscal year ended September 30, 2023, the County recognized pension expense of \$2,575,843. In addition, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	FRS		HIS		County Total
	Deferred Outflows	Deferred Inflows	Deferred Outflows	Deferred Inflows	Deferred Outflow (Deferred Inflow)
Differences Between Expected and Actual Experience	\$ 7,839,777	\$ -	\$ 373,124	\$ 59,823	\$ 8,153,078
Change of Assumptions	5,443,116	-	670,068	2,208,609	3,904,575
Net Difference Between Projected and Actual Earnings On Pension Plan Investments	3,487,118	-	13,162	-	3,500,280
Changes in Proportion and Differences Between County Contributions and Proportionate Share of Contributions	5,287,671	2,458,232	1,998,136	102,667	4,724,908
County Contributions Subsequent to the Measurement Date	2,973,715	-	327,217	-	3,300,932
Total	\$ 25,031,397	\$ 2,458,232	\$ 3,381,707	\$ 2,371,099	\$ 23,583,773

The deferred outflows of resources related to pensions, totaling \$3,300,932, resulting from County contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending September 30,	FRS	HIS	County Total Deferred Outflow (Deferred Inflow)
2024	\$ 3,302,318	\$ 323,516	\$ 3,625,834
2025	(189,954)	375,575	185,621
2026	14,121,115	183,026	14,304,141
2027	1,899,485	(145,993)	1,753,492
2028	466,486	(65,641)	400,845
Thereafter	-	12,908	12,908
Total	\$ 19,599,450	\$ 683,391	\$ 20,282,841

Actuarial Assumptions — The total pension liability in the July 1, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

FRS

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

HIS

Inflation	2.40%
Salary increases	3.25%, average, including inflation
Investment rate of return	3.65%, net of pension plan investment expense, including inflation

Mortality rates were based on the Generational PUB-2010 with Projection Scale MP-2018.

NOTE K – PENSION AND HEALTH INSURANCE SUBSIDY – Continued

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2013 – June 30, 2018.

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

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	2.9%	2.9%	1.1%
Fixed Income	19.8%	4.5%	4.4%	3.4%
Global Equity	54.0%	8.7%	7.1%	18.1%
Real Estate (Property)	10.3%	7.6%	6.6%	14.8%
Private Equity	11.1%	11.9%	8.8%	26.3%
Strategic Investments	3.8%	6.3%	6.1%	7.7%
Total	100%			
Assumed Inflation - Mean			2.4%	1.4%

* As outlined in the Plan’s investment policy

Discount Rate – The discount rate used to measure the total FRS pension liability was 6.70%. The FRS Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. For the HIS plan, the discount rate used to measure the total pension liability was 3.65%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the County’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

– The following presents the County’s proportionate share of the net pension liability calculated using the discount rate for the respective plans, as well as what the County’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

FRS Net Pension Liability			HIS Net Pension Liability		
Current			Current		
1% Decrease (5.70%)	Discount Rate (6.70%)	1% Increase (7.70%)	1% Decrease (2.65%)	Discount Rate (3.65%)	1% Increase (4.65%)
\$ 142,632,225	\$ 83,498,374	\$ 34,025,832	\$ 29,077,665	\$ 25,487,855	\$ 22,512,144

Detailed information about the pension plan’s fiduciary net position is available in the separately issued FRS financial report.

NOTE L – FUND BALANCES

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the County is bound to observe constraints imposed upon the use of the resources in the governmental funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below.

Fund Balances	Major Funds						Total
	General Fund	Road and Bridge Fund	Grants Fund	Lost Fund	American Rescue Plan	Other Funds	
Nonspendable							
Inventory	\$ 100,438	\$ 274,053	\$ -	\$ -	\$ -	\$ -	\$ 374,491
Restricted For:							
Communications	390,848	-	-	-	-	-	390,848
Partners for Pets	92,683	-	-	-	-	-	92,683
Drivers Education	447,773	-	-	-	-	-	447,773
Boating Improvement	344,986	-	-	-	-	-	344,986
Domestic Violence	289,627	-	-	-	-	-	289,627
Pollworker Recruitment	716	-	-	-	-	-	716
Navarre Beach Bridge Maintenance	-	331,527	-	-	-	-	331,527
Infrastructure Development	-	-	-	18,401,550	-	482,944	18,884,494
Law Enforcement Trust Fund	-	-	-	-	-	56,629	56,629
Crime Prevention	-	-	-	-	-	581,164	581,164
Federal Seizure Funds	-	-	-	-	-	145,668	145,668
Mosquito Control	-	-	-	-	-	207,904	207,904
Federal and State Grants	-	-	24,292	-	1,134,863	-	1,159,155
Enhanced 911 System	-	-	-	-	-	225,015	225,015
Tourist Development	-	-	-	-	-	5,464,530	5,464,530
State Housing Improvement Program	-	-	-	-	-	1,856,189	1,856,189
Disaster Relief	-	-	-	-	-	7,023,147	7,023,147
Fire Prevention and Control	-	-	-	-	-	157,681	157,681
Road and Sewer Construction	-	-	-	-	-	994,260	994,260
Canal Maintenance	-	-	-	-	-	411,367	411,367
Beach Restoration	-	-	-	-	-	18,859	18,859
Court Equipment and Technology	-	-	-	-	-	587,215	587,215
Records Modernization Trust Fund	-	-	-	-	-	1,204,276	1,204,276
Law Enforcement Training	-	-	-	-	-	142,632	142,632
Inmate Welfare Purchases	-	-	-	-	-	569,207	569,207
Committed To:							
Animal Service Education	51,826	-	-	-	-	-	51,826
Court Innovations	-	-	-	-	-	593,921	593,921
Transportation, Recreation and Economic Development	-	-	-	-	-	1,772,606	1,772,606
Capital Construction Projects	-	-	-	-	-	3,254,714	3,254,714
Assigned To:							
Road and Bridge Construction and Maintenance	-	3,477,993	-	-	-	-	3,477,993
Debt Service	-	-	-	-	-	103,124	103,124
Berm Restoration	7,912,985	-	-	-	-	-	7,912,985
Navarre Beach Community Center	215,000	-	-	-	-	-	215,000
Unassigned	46,235,166	-	-	-	-	(527,521)	45,707,644
Total	\$ 56,082,048	\$ 4,083,573	\$ 24,292	\$ 18,401,550	\$ 1,134,863	\$ 25,325,532	\$ 105,051,858

NOTE M – RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. In 1986 the County established a Self-Insurance Fund (an internal service fund) to account for and finance its uninsured risks of loss. Under this program the County is self-insured with respect to the following exposures:

- Workers Compensation
- Auto Physical Damage
- Auto Liability
- Construction and Road Equipment
- Portable Communication Equipment

The County is covered by outside insurance for the following exposures:

- Boats
- Employee Fidelity
- Buildings and Contents, \$5,000 deductible
- General Liability, \$25,000 deductible
- Public Officials Liability, \$25,000 deductible

Conventional insurance remains in effect for buildings, contents and Sheriffs general, automobile and professional liability. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. The Board of County Commissioners and other County elected officials participate in the program and make payments to the Self Insurance Fund based on historical estimates of the amounts needed to pay prior and current year claims and to establish a reserve for catastrophic losses. The claims liability of \$3,428,417 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 at the date of the financial statements and the amount of the loss can be reasonably estimated.

Liabilities for incurred losses to be settled by fixed or reasonably determined payments over a long period of time are reported at their present value using an expected future investment yield assumption of 3.9 — 7 percent. These liabilities are reported at their present value of \$202,308 at September 30, 2023.

Changes in the Fund’s claims liability amount in fiscal years 2022 and 2023 were as follows:

Period	Beginning-of-Fiscal-year Liability	Current-year Claims and Changes in Estimates	Claim Payments	Balance At Fiscal Year-end
2021 - 2022	\$ 4,023,359	\$ 1,659,814	\$ 1,794,881	\$ 3,888,292
2022 - 2023	\$ 3,888,292	\$ 1,044,861	\$ 1,504,736	\$ 3,428,417

The following table presents a summary of the claims payable liability at year end:

Current claims payable	\$ 640,571
Current claims-structured settlements	20,502
Total claims payable, current	661,073
Long-term claims payable	2,585,538
Long-term claims-structured settlements	181,806
Total claims payable, long-term	2,767,344
Total claims payable	\$ 3,428,417

NOTE M – RISK MANAGEMENT – Continued

The County is a member of the Florida Association of Counties Trust, a pooled liability program providing general liability coverage and public officials' liability coverage, excluding the Sheriff. The County pays an annual premium as a participant of the pooled liability program. During 1994, the first year of participation, the County paid an extraordinary loss fund payment of \$249,886. The liability coverage is not designed to be assessable; however, should the pool fail to meet its obligations, the County may be required to contribute additional funds or cover its own obligations. No accrual for future assessments has been recorded in the financial statements as such assessments do not appear probable based on past experience of the pool, and experience of the pool subsequent to the County's fiscal year end through the date of these financial statements. In the event the County elected to terminate its participation in the pool, the extraordinary loss fund payment would be refunded to the County, given adequate funding of the pool.

NOTE N – POST EMPLOYMENT HEALTH CARE BENEFITS

Plan Description – Pursuant to the provisions of Section 112.0801, Florida Statutes, former employees who retire from the County and eligible dependents, may continue to participate in the County's purchased health and hospitalization insurance coverage (the Plan) at the same group rate as for active employees and participating retirees are required to reimburse the County 100% of the health insurance premium a month in advance. The Plan is a single-employer plan. The County subsidizes the premium rates paid by the retirees by allowing them to participate in the plan at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the plan on average than those of active employees. The County also provides an insurance subsidy for employees with at least 10 years (8 years elected) creditable service. The subsidy pays \$3 per year of service limited to the individual's premium payment up to a maximum of \$90 per month. No stand-alone financial report is issued.

Funding Policy – The County has not advance-funded or established a funding methodology for the annual Other Postemployment Benefit (OPEB) costs or the net OPEB liability. For the 2023 fiscal year, 346 retirees and eligible dependents received postemployment health care benefits. The County provided required contributions of \$243,925 toward the annual OPEB cost, comprised of benefit payments made on behalf of retirees insurance net of retiree contributions totaling \$603,040. Required contributions are based on projected pay-as-you-go financing.

Net OPEB Liability – The following table shows the changes in the Country's net OPEB liability:

Change in Net OPEB Liability

	Total Opeb Liability (a)	Plan Fiduciary Net Position (b)	Net Opeb Liability (a) - (b)
Balance As of September 30, 2021 for FYE 2022	\$ 8,132,217	\$ -	\$ 8,132,217
Service Cost	455,930	-	455,930
Interest	175,425	-	175,425
Experience Losses/(gains)	2,826,154	-	2,826,154
Contributions	-	243,925	(243,925)
Benefit Payments	(243,925)	(243,925)	-
Changes in Assumptions	(2,847,435)	-	(2,847,435)
Net Changes in Opeb Liability	366,149	-	366,149
Balance As of September 30, 2022 for FYE 2023	\$ 8,498,366	\$ -	\$ 8,498,366
Funded status		0.00%	

NOTE N – POST EMPLOYMENT HEALTH CARE BENEFITS – Continued

OPEB Expense – The following table shows the components of the County’s OPEB expense:

Service Cost	\$	455,930
Interest		175,425
Differences Between Expected and Actual Experience in Current Fiscal Year Recognized in Current Year		282,615
From Past Years Recognized in Current Year		(101,287)
Total		181,328
Changes in Assumptions in Current Fiscal Year Recognized in Current Year		(284,744)
From Past Years Recognized in Current Year		(1,846)
Total		(286,590)
Total OPEB Expense	\$	526,093

Sensitivity of Total OPEB Liability

The following table presents the County’s Total OPEB liability, as well as what the County’s Total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

<u>Discount Rate</u>	<u>1% Decrease (3.40%)</u>	<u>Current Discount Rate (4.40%)</u>	<u>1% Increase (5.40%)</u>
Total OPEB Liability	\$ 9,418,650	\$ 8,498,366	\$ 7,693,425

The following table presents the County’s Total OPEB liability, as well as what the County’s Total OPEB liability would be if it were calculated using a health care cost trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

<u>Ultimate Trend</u>	<u>1% Decrease (2.94%)</u>	<u>Current Medical Trend (3.94%)</u>	<u>1% Increase (4.94%)</u>
Total OPEB Liability	\$ 8,137,861	\$ 8,498,366	\$ 8,925,348

Deferred Inflows/Outflows of Resources related to OPEB – For the fiscal year ended September 30, 2023, the County recognized an OPEB expense of \$526,093,526,093. In addition, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 2,543,539	\$ 593,475
Change of Assumptions	761,279	3,216,403
Total	\$ 3,304,818	\$ 3,809,878

The deferred outflows of resources related to OPEB, totaling \$0, resulting from County contributions to the OPEB Plan subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the fiscal year ended September 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in expense as follows:

NOTE N – POST EMPLOYMENT HEALTH CARE BENEFITS – Continued

<u>Fiscal Year Ending September 30,</u>	<u>Amount</u>
2024	\$ (105,262)
2025	(105,262)
2026	(105,265)
2027	(65,608)
2028	(65,608)
Thereafter	(58,055)
Total	<u>\$ (505,060)</u>

Actuarial Methods and Assumptions – Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment and termination, mortality, and the healthcare cost trends.

Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. Projections of benefits for financial reporting purposes are based on the substantive plan provisions, as understood by the employer and participating members, and include the type of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and participating members. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The County's OPEB actuarial valuation as of October 1, 2022, used the entry age normal actuarial cost method to estimate the net OPEB liability as of September 30, 2023 as required by GASB Statement 75. The discount rate used to determine the liability under GASB 75 is based on an index rate for 20-year tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher. This rate was 2.19% as of September 30, 2022. The inflation rate assumption is 2.4%. The salary scale assumption used was the Florida Retirement System salary scale assumption of 3.25%.

The required schedules of changes in net OPEB liability and plan fiduciary net position, immediately following the notes, presents multi year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the net OPEB liability.

NOTE O – UNEARNED REVENUE

The American Rescue Plan grant does not require the County to hold unspent funds in a separate bank account. The unspent monies are not earned so they are not a component of net position at the fund or government-wide level. Since the terms of the grant require the funds to be expended within a set number of years and unspent funds are not considered restricted assets of the government unit, the County does not consider presentation of the unspent monies as restricted assets necessary as of September 30, 2023.



**Required
Supplemental
Information**

**Schedule of Revenues, Expenditures And
 Changes In Fund Balance - Budget And Actual
 General Fund
 Year ended September 30, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues				
Taxes	\$ 84,090,580	\$ 84,090,580	\$ 86,234,981	\$ 2,144,401
Permits, Fees and Special Assessments	318,710	488,711	956,442	467,731
Intergovernmental	16,880,470	18,655,031	20,750,885	2,095,854
Charges for Services	12,534,646	13,988,751	11,852,067	(2,136,684)
Fines and Forfeits	346,960	346,960	434,305	87,345
Miscellaneous	1,657,166	1,692,885	5,193,396	3,500,511
Total Revenues	<u>115,828,532</u>	<u>119,262,918</u>	<u>125,422,076</u>	<u>6,159,158</u>
Expenditures				
Current				
General Government	39,725,804	40,754,707	38,163,474	2,591,233
Public Safety	64,406,216	66,008,314	60,449,564	5,558,750
Physical Environment	2,890,152	4,726,880	2,170,331	2,556,549
Transportation	1,780,881	2,003,138	1,639,464	363,674
Economic Environment	1,192,374	1,412,124	1,329,374	82,750
Human Services	6,879,150	7,051,019	6,848,851	202,168
Culture and Recreation	4,915,982	5,032,458	4,757,540	274,918
Total Expenditures	<u>121,790,559</u>	<u>126,988,640</u>	<u>115,358,598</u>	<u>11,630,042</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(5,962,027)</u>	<u>(7,725,722)</u>	<u>10,063,478</u>	<u>17,789,200</u>
Other Financing Sources (Uses)				
Transfers in	7,634,068	7,973,890	7,973,890	-
Transfers Out	(11,455,884)	(14,402,699)	(14,402,699)	-
Debt Proceeds - Lease	-	-	1,728,264	1,728,264
Total Other Financing Sources (Uses)	<u>(3,821,816)</u>	<u>(6,428,809)</u>	<u>(4,700,545)</u>	<u>1,728,264</u>
Net Change in Fund Balances	<u>(9,783,843)</u>	<u>(14,154,531)</u>	<u>5,362,933</u>	<u>19,517,464</u>
Fund Balance, Beginning of Year	9,783,843	14,154,531	50,719,115	36,564,584
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 56,082,048</u>	<u>\$ 56,082,048</u>

**Schedule of Revenues, Expenditures And
Changes In Fund Balance - Budget And Actual
Road And Bridge Fund
Year ended September 30, 2023**

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Taxes	\$ 7,724,205	\$ 7,724,205	\$ 8,367,577	\$ 643,372
Intergovernmental	3,506,440	9,061,553	5,226,042	(3,835,511)
Charges for Services	40,950	40,950	3,372	(37,578)
Miscellaneous	437,710	637,710	960,890	323,180
Total Revenues	11,709,305	17,464,418	14,557,881	(2,906,537)
Expenditures				
Current				
Physical Environment	-	4,943,746	1,280,880	3,662,866
Transportation	20,041,702	25,897,782	21,152,824	4,744,958
Total Expenditures	20,041,702	30,841,528	22,433,704	8,407,824
Excess (Deficiency) of Revenues Over Expenditures	(8,332,397)	(13,377,110)	(7,875,823)	5,501,287
Other Financing Sources (Uses)				
Transfers in	6,472,625	6,600,115	6,600,115	-
Total Other Financing Sources (Uses)	6,472,625	6,600,115	6,600,115	-
Net Change in Fund Balances	(1,859,772)	(6,776,995)	(1,275,708)	5,501,287
Fund Balance, Beginning of Year	1,859,772	6,776,995	5,359,281	(1,417,714)
Fund Balance, End of Year	\$ -	\$ -	\$ 4,083,573	\$ 4,083,573

Schedule of Revenues, Expenditures And Changes In Fund Balance - Budget And Actual Grants Fund

Year ended September 30, 2023

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ -	\$ 31,445,373	\$ 9,009,415	\$ (22,435,958)
Charges for Services	-	-	27,924	27,924
Miscellaneous	-	25,624	51,892	26,268
Total Revenues	-	31,470,997	9,089,231	(22,381,766)
Expenditures				
Current				
General Government	-	34,692,160	7,653,807	27,038,353
Public Safety	-	101,719	39,537	62,182
Physical Environment	-	2,674,937	269,030	2,405,907
Transportation	-	730,886	133,055	597,831
Economic Environment	-	3,375,210	560,167	2,815,043
Human Services	-	212,321	180,697	31,624
Total Expenditures	-	41,787,233	8,836,293	32,950,940
Excess (Deficiency) of Revenues Over Expenditures	-	(10,316,236)	252,938	10,569,174
Other Financing Sources (Uses)				
Transfers in	-	222,779	222,779	-
Total Other Financing Sources (Uses)	-	222,779	222,779	-
Net Change in Fund Balances	-	(10,093,457)	475,717	10,569,174
Fund Balance, Beginning of Year	-	10,093,457	(451,425)	(10,544,882)
Fund Balance, End of Year	\$ -	\$ -	\$ 24,292	\$ 24,292

**Schedule of Revenues, Expenditures And
Changes In Fund Balance - Budget And Actual
Local Option Sales Tax Fund
Year Ended September 30, 2023**

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Taxes	\$ 15,394,764	\$ 15,394,764	\$ 14,165,469	\$ (1,229,295)
Miscellaneous	-	-	785,923	785,923
Total Revenues	15,394,764	15,394,764	14,951,392	(443,372)
Expenditures				
Current				
General Government	5,725,300	672,661	90,173	582,488
Public Safety	5,265,164	6,979,481	4,236,999	2,742,482
Physical Environment	-	3,667,305	1,565,298	2,102,007
Transportation	4,404,300	11,775,561	4,581,056	7,194,505
Culture and Recreation	-	1,324,856	621,509	703,347
Total Expenditures	15,394,764	24,419,864	11,095,035	13,324,829
Excess (Deficiency) of Revenues Over Expenditures	-	(9,025,100)	3,856,357	12,881,457
Other Financing Sources (Uses)				
Net Change in Fund Balances	-	(9,025,100)	3,856,357	12,881,457
Fund Balance, Beginning of Year	-	9,025,100	14,545,193	5,520,093
Fund Balance, End of Year	\$ -	\$ -	\$ 18,401,550	\$ 18,401,550

**Schedule of Revenues, Expenditures And
 Changes In Fund Balance - Budget And Actual
 American Rescue Plan Fund
 Year ended September 30, 2023**

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ -	\$ -	\$ 11,233,866	\$ 11,233,866
Miscellaneous	-	-	964,823	964,823
Total Revenues	-	-	12,198,689	12,198,689
Expenditures				
Current				
General Government	7,820,000	3,886,460	1,241,116	2,645,344
Physical Environment	-	7,906,862	5,683,921	2,222,941
Transportation	-	671,106	288,589	382,517
Total Expenditures	7,820,000	12,464,428	7,213,626	5,250,802
Excess (Deficiency) of Revenues Over Expenditures	(7,820,000)	(12,464,428)	4,985,063	17,449,491
Other Financing Sources (Uses)				
Transfers Out	(10,000,000)	(11,799,357)	(4,020,241)	(7,779,116)
Total Other Financing Sources (Uses)	(10,000,000)	(11,799,357)	(4,020,241)	(7,779,116)
Net Change in Fund Balances	(17,820,000)	(24,263,785)	964,822	9,670,375
Fund Balance, Beginning of Year	17,820,000	24,263,785	170,041	(24,093,744)
Fund Balance, End of Year	\$ -	\$ -	\$ 1,134,863	\$ 1,134,863

**Schedule of Proportionate Share of Net Pension Liability
Florida Retirement System
Last 10 Fiscal Years***

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Santa Rosa County's Proportion of the Net Pension Liability (Asset)	0.2095483%	0.2037317%	0.1923068%	0.2046801%	0.1955403%	0.1830653%	0.1807210%	0.1798519%	0.1770031%	0.1700709%
Santa Rosa County's Proportionate Share of the Net Pension Liability (Asset)	\$83,498,374	\$75,804,558	\$14,526,590	\$88,711,393	\$67,341,361	\$55,140,232	\$53,456,063	\$45,412,751	\$22,862,319	\$10,376,824
Santa Rosa County's Covered Payroll	\$64,563,032	\$56,156,589	\$53,020,919	\$51,902,491	\$47,286,528	\$42,962,825	\$41,063,802	\$39,821,770	\$40,091,164	\$37,602,391
Santa Rosa County's Proportionate Share of the Net Pension Liability (Asset) As a Percentage of Its Covered Payroll	129.33%	134.99%	27.40%	170.92%	142.41%	128.34%	130.18%	114.04%	57.03%	27.60%
Plan Fiduciary Net Position As a Percentage of the Total Pension Liability	82.38%	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%	96.09%

**Schedule of Contributions
 Florida Retirement System
 Last 10 Fiscal Years***

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 10,080,622	\$ 8,693,601	\$ 7,326,057	\$ 6,800,614	\$ 6,063,160	\$ 5,217,215	\$ 4,704,612	\$ 4,385,976	\$ 4,315,479	\$ 3,725,277
Contributions in Relation to the Contractually Required Contribution	\$(10,080,622)	\$(8,693,601)	\$(7,326,057)	\$(6,800,614)	\$(6,063,160)	\$(5,217,215)	\$(4,704,612)	\$(4,385,976)	\$(4,315,479)	\$(3,725,277)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Santa Rosa County's Covered Payroll	\$ 66,005,697	\$58,590,788	\$53,243,045	\$52,745,830	\$48,472,434	\$43,196,946	\$41,328,034	\$39,966,760	\$40,683,002	\$38,301,106
Contributions As a Percentage of Covered Payroll	15.27%	14.84%	13.76%	12.89%	12.51%	12.08%	11.38%	10.97%	10.61%	9.73%

**Schedule of Proportionate Share of Net Pension Liability
Health Insurance Subsidy Program
Last 10 Fiscal Years***

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Santa Rosa County's Proportion of the Net Pension Liability (Asset)	0.1604894%	0.1474479%	0.1470628%	0.1451438%	0.1385028%	0.1298831%	0.1270599%	0.1272274%	0.1301442%	0.1262288%
Santa Rosa County's Proportionate Share of the Net Pension Liability (Asset)	\$25,487,855	\$16,406,474	\$18,039,464	\$17,721,820	\$15,497,077	\$13,746,976	\$13,585,836	\$14,827,824	\$13,272,657	\$11,802,701
Santa Rosa County's Covered Payroll	\$64,563,032	\$56,156,589	\$53,020,919	\$51,902,491	\$47,286,528	\$42,962,825	\$41,063,802	\$39,821,770	\$40,091,164	\$37,602,391
Santa Rosa County's Proportionate Share of the Net Pension Liability (Asset) As a Percentage of Its Covered Payroll	39.48%	29.22%	34.02%	34.14%	32.77%	32.00%	33.08%	37.24%	33.11%	31.39%
Plan Fiduciary Net Position As a Percentage of the Total Pension Liability	4.12%	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%	0.99%

**Schedule of Contributions
 Health Insurance Subsidy Program
 Last 10 Fiscal Years***

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 1,055,728	\$ 937,281	\$ 864,436	\$ 836,395	\$ 769,092	\$ 704,358	\$ 672,437	\$ 652,122	\$ 497,492	\$ 432,418
Contributions in Relation to the Contractually Required Contribution	<u>\$ (1,055,728)</u>	<u>\$ (937,281)</u>	<u>\$ (864,436)</u>	<u>\$ (836,395)</u>	<u>\$ (769,092)</u>	<u>\$ (704,358)</u>	<u>\$ (672,437)</u>	<u>\$ (652,122)</u>	<u>\$ (497,492)</u>	<u>\$ (432,418)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Santa Rosa County's Covered Payroll	\$66,005,697	\$58,590,788	\$53,243,045	\$52,745,830	\$48,472,434	\$43,196,946	\$41,328,034	\$39,966,760	\$40,683,002	\$38,301,106
Contributions As a Percentage of Covered Payroll	1.60%	1.60%	1.62%	1.59%	1.59%	1.63%	1.63%	1.63%	1.22%	1.13%

Schedule of Changes In Total Liability And Related Ratios Other Post-Employment Benefit Plan Last 10 Fiscal Years*

Total OPEB Liability	2023	2022	2021	2020	2019	2018
Service Cost	\$ 455,930	\$ 419,411	\$ 409,784	\$ 314,183	\$ 330,066	\$ 344,631
Interest Cost	175,425	179,284	220,418	252,494	256,104	228,459
Differences Between Expected and Actual Experience	2,826,154	-	(319,155)	-	(722,727)	-
Changes of Assumptions	(2,847,435)	215,095	(506,981)	975,488	(332,063)	(356,889)
Benefit Payments	(243,925)	(241,483)	(259,373)	(238,969)	(273,218)	(264,000)
Net Change in Total Opeb Liability	366,149	572,307	(455,307)	1,303,196	(741,838)	(47,799)
Total OPEB Liability - Beginning of Year	8,132,217	7,559,910	8,015,217	6,712,021	7,453,859	7,501,658
Total OPEB Liability - End of Year	\$ 8,498,366	\$ 8,132,217	\$ 7,559,910	\$ 8,015,217	\$ 6,712,021	\$ 7,453,859
Contributions - Employer	\$ 243,925	\$ 241,483	\$ 259,373	\$ 238,969	\$ 273,218	\$ 264,000
Benefit Payments	(243,925)	(241,483)	(259,373)	(238,969)	(273,218)	(264,000)
Net Change in Fiduciary Net Position	-	-	-	-	-	-
Fiduciary Net Position - Beginning of Year	-	-	-	-	-	-
Fiduciary Net Position - End of Year	-	-	-	-	-	-
Net OPEB Liability	8,498,366	8,132,217	7,559,910	8,015,217	6,712,021	7,453,859
Fiduciary Net Position As a % of Total OPEB Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered-employee Payroll	\$58,590,788	\$53,243,045	\$52,745,830	\$48,472,434	\$43,196,946	\$41,328,034
Net OPEB Liability As a % of Covered-employee Payroll	14.50%	15.27%	14.33%	16.54%	15.54%	18.04%
Expected Average Remaining Service Years of All Participants	10	11	11	10	10	9

*Data was unavailable prior to 2018

NOTES TO REQUIRED SUPPLEMENTAL INFORMATION

September 30, 2023

Budgetary Information

Florida Statutes Chapters 129 and 200 govern the preparation, adoption, and administration of the County's annual budget. The budget must be balanced, i.e., the estimated revenues plus beginning fund balance brought forward must equal appropriations and be prepared on a basis consistent with generally accepted accounting principles (GAAP) as applicable to governmental units. The County may, at any time within a fiscal year, amend a budget for that year as follows:

Appropriations for expenditures in any fund may be decreased and other appropriations in the same fund correspondingly increased by motion recorded in the minutes. The budget officer may authorize certain inter-departmental and interdepartmental budget amendments, provided that the total appropriation of the fund is not changed. All annual appropriations lapse at fiscal year-end.

Other Post-Employment Benefits

There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the OPEB plan.

Benefit changes: None
 Changes of assumptions: The discount rate was changed as follows:

	<u>Discount Rate</u>
9/30/22	2.19%
9/30/23	4.40%





**Combining Individual
Fund Statements And
Schedules**

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Fine and Forfeiture Fund – accounts for fines, forfeitures and various other assessments used for law enforcement purposes.

State Matching Program Fund – accounts for state and local funding used for mosquito and other arthropod control.

Enhanced 911 Telephone System Fund – accounts for funds used to maintain the 911 telephone system.

Electric Franchise Fee Fund – accounts for funds from the Electric Franchise fee.

Local Option Tourist Tax Fund – accounts for tax revenues to be used for tourist development activities.

Impact Fees Fund – accounts for impact fees collected to provide for new infrastructure.

SHIP (State Housing Initiative Partnership) Fund – accounts for state funds received to provide housing assistance to low and middle income families.

Disaster Fund – accounts for federal, state and local funding relating to recovery from natural disasters.

MSBU (Municipal Service Benefit Unit) Fund – accounts for special assessments levied against property owners for capital improvements or services rendered for benefit of the affected areas.

Clerk's Courts Fund – accounts for the court related activities of the Clerk of the Court.

Clerk's Courts Technology Fund – accounts for the court technology related activities of the Clerk of the Court.

Clerk's RMTF (Records Modernization Trust Fund) – accounts for fees received that are legally restricted for the modernization of the public records maintained by the Clerk's office.

Clerk's Child Support Title IV-D accounts – for activities related to Title IV-D child support cases. The funding provides assistance to the plaintiff and enforcement of collections through the Office of Child Support Enforcement.

Sheriff's Grants Fund – accounts for federal and state grants received by the Sheriff's department for specific programs. Not budgeted.

Sheriff's Second Dollar Fund – accounts for shared fine revenues which are legally restricted for law enforcement training purposes. Not budgeted.

Sheriff's Jail Commissary Fund – accounts for jail commissary and vending machine revenues that are restricted to providing recreational facilities and equipment for prisoners. Not budgeted.

Sheriff's Local Option Sales Tax Fund – accounts for appropriations from the half-cent local option sales tax revenues which are restricted for capital-related purchases and construction projects. Not budgeted.

Debt Service Fund

Debt Service Fund – accounts for the funds used to pay down debt related to governmental funds

NONMAJOR GOVERNMENTAL FUNDS

Capital Projects Fund

Other Capital Projects Fund – accounts for the purchase or construction of other capital facilities which are not financed by proprietary funds or trust funds.

Combining Balance Sheet Nonmajor Governmental Funds September 30, 2023

Assets	Special Revenue	Debt Service	Other Capital Projects	Total Nonmajor Governmental Funds
Cash and Cash Equivalents	\$ 23,169,504	\$ 18,670	\$ 4,323,988	\$ 27,512,162
Receivables, Net of Uncollectibles				
Accounts	776,702	-	-	776,702
Due From Other Governments	1,858,425	-	300,000	2,158,425
Due From Other Funds	102,518	185,605	-	288,123
Total Assets	\$ 25,907,149	\$ 204,275	\$ 4,623,988	\$ 30,735,412
Liabilities				
Accounts Payable	462,275	25,651	939,909	1,427,835
Contracts Payable	-	-	429,365	429,365
Accrued Wages Payable	385,506	-	-	385,506
Unearned Revenue	19,604	-	-	19,604
Due to Other Funds	2,367,443	75,500	-	2,442,943
Due to Other Governments	704,627	-	-	704,627
Total Liabilities	3,939,455	101,151	1,369,274	5,409,880
Fund Balances				
Fund Balances				
Restricted	20,128,688	-	-	20,128,688
Committed	2,366,527	-	3,254,714	5,621,241
Assigned	-	103,124	-	103,124
Unassigned	(527,521)	-	-	(527,521)
Total Fund Balances	21,967,694	103,124	3,254,714	25,325,532
Total Liabilities and Fund Balances	\$ 25,907,149	\$ 204,275	\$ 4,623,988	\$ 30,735,412

Combining Statement of Revenues, Expenditures, And Changes In Fund Balances - Nonmajor Governmental Funds

Year Ended September 30, 2023

	Special Revenue	Debt Service	Other Capital Projects	Total Nonmajor Governmental Funds
Revenues				
Taxes	\$ 8,811,897	\$ -	\$ -	\$ 8,811,897
Licenses and Permits	12,977,868	-	-	12,977,868
Intergovernmental	7,541,981	-	1,563,400	9,105,381
Charges for Services	5,371,816	-	-	5,371,816
Fines and Forfeits	1,367,620	-	-	1,367,620
Miscellaneous	1,238,066	51,451	865,242	2,154,759
Total Revenues	37,309,248	51,451	2,428,642	39,789,341
Expenditures				
Current				
General Government	6,849,010	-	264,031	7,113,041
Public Safety	16,845,462	-	-	16,845,462
Physical Environment	625,740	-	-	625,740
Transportation	266,151	-	-	266,151
Economic Environment	6,733,980	-	-	6,733,980
Capital Outlay	-	-	13,456,989	13,456,989
Debt Service	-	4,616,870	-	4,616,870
Total Expenditures	31,320,343	4,616,870	13,721,020	49,658,233
Excess (Deficiency) of Revenues Over Expenditures	5,988,905	(4,565,419)	(11,292,378)	(9,868,892)
Other Financing Sources (Uses)				
Transfers in	458,095	4,557,527	11,307,222	16,322,844
Transfers Out	(10,096,414)	-	(288,984)	(10,385,398)
New Debt Issuance	1,897,124	-	-	1,897,124
Total Other Financing Sources (Uses)	(7,741,195)	4,557,527	11,018,238	7,834,570
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	(1,752,290)	(7,892)	(274,140)	(2,034,322)
Fund Balances, Beginning of Year	23,719,984	111,016	3,528,854	27,359,854
Fund Balances, End of Year	\$ 21,967,694	\$ 103,124	\$ 3,254,714	\$ 25,325,532

**Combining Balance Sheet
Nonmajor Special Revenue Funds
September 30, 2023**

	Fine and Forfeiture	State Match	Enhanced 911	Electric Franchise Fee	Local Option Tourist Tax	Impact Fees	SHIP Program	Disaster	MSBU
Assets									
Cash and Cash Equivalents	\$ 1,183,087	\$ 207,904	\$ 151,113	\$ 1,037,904	\$ 5,726,616	\$ 490,944	\$ 1,859,646	\$ 7,025,902	\$ 1,645,135
Receivables, Net of Uncollectibles	-	-	-	-	-	-	-	-	-
Accounts	2,917	-	-	734,702	-	-	-	-	5,838
Due From Other Governments	138,687	-	258,749	-	-	-	-	-	38,409
Due From Other Funds	-	-	-	-	-	-	-	-	-
Total Assets	\$ 1,324,691	\$ 207,904	\$ 409,862	\$ 1,772,606	\$ 5,726,616	\$ 490,944	\$ 1,859,646	\$ 7,025,902	\$ 1,689,382
Liabilities									
Accounts Payable	\$ 92,612	\$ -	\$ 56,690	\$ -	\$ 198,064	\$ -	\$ 3,457	\$ 2,755	\$ 47,709
Accrued Wages Payable	14,934	-	28,157	-	64,022	-	-	-	-
Unearned Revenue	-	-	-	-	-	-	-	-	-
Due to Other Funds	-	-	100,000	-	-	-	-	-	426,789
Due to Other Governments	-	-	-	-	-	8,000	-	-	-
Total Liabilities	107,546	-	184,847	-	262,086	8,000	3,457	2,755	474,498
Fund Balances									
Fund Balances									
Restricted	783,461	207,904	225,015	-	5,464,530	482,944	1,856,189	7,023,147	1,582,168
Committed	593,921	-	-	1,772,606	-	-	-	-	-
Unassigned	(160,237)	-	-	-	-	-	-	-	(367,284)
Total Fund Balances	1,217,145	207,904	225,015	1,772,606	5,464,530	482,944	1,856,189	7,023,147	1,214,884
Total Liabilities and Fund Balances	\$ 1,324,691	\$ 207,904	\$ 409,862	\$ 1,772,606	\$ 5,726,616	\$ 490,944	\$ 1,859,646	\$ 7,025,902	\$ 1,689,382

Combining Balance Sheet
Nonmajor Special Revenue Funds - Continued
 September 30, 2023

	Clerk's Courts Fund	Clerk's Court Tech	Clerk's RMTF	Clerk's Title IV-D	Sheriff's Grants	Sheriff's Second Dollar	Sheriff's Jail Commissary	Sheriff's LOST	Total Nonmajor Special Revenue Funds
Assets									
Cash and Cash Equivalents	\$ 692,562	\$ 670,211	\$ 1,204,276	\$ -	\$ 81,375	\$ 145,073	\$ 596,277	\$ 451,479	\$ 23,169,504
Receivables, Net of Uncollectibles									
Accounts	-	-	-	-	-	-	33,245	-	776,702
Due From Other Governments	67,471	-	-	46,646	1,016,331	-	-	292,132	1,858,425
Due From Other Funds	72,580	-	-	-	29,286	-	652	-	102,518
Total Assets	\$ 832,613	\$ 670,211	\$ 1,204,276	\$ 46,646	\$ 1,126,992	\$ 145,073	\$ 630,174	\$ 743,611	\$ 25,907,149
Liabilities									
Accounts Payable	\$ 14,610	\$ 4,580	\$ -	\$ -	\$ 382	\$ -	\$ 11,416	\$ 30,000	\$ 462,275
Accrued Wages Payable	191,298	14,580	-	-	71,289	-	1,226	-	385,506
Unearned Revenue	-	-	-	-	19,604	-	-	-	19,604
Due to Other Funds	25,934	-	-	46,646	1,003,697	2,441	48,325	713,611	2,367,443
Due to Other Governments	600,771	63,836	-	-	32,020	-	-	-	704,627
Total Liabilities	832,613	82,996	-	46,646	1,126,992	2,441	60,967	743,611	3,939,455
Fund Balances									
Fund Balances									
Restricted	-	587,215	1,204,276	-	-	142,632	569,207	-	20,128,688
Committed	-	-	-	-	-	-	-	-	2,366,527
Unassigned	-	-	-	-	-	-	-	-	(527,521)
Total Fund Balances	-	587,215	1,204,276	-	-	142,632	569,207	-	21,967,694
Total Liabilities and Fund Balances	\$ 832,613	\$ 670,211	\$ 1,204,276	\$ 46,646	\$ 1,126,992	\$ 145,073	\$ 630,174	\$ 743,611	\$ 25,907,149

Combining Statement of Revenues, Expenditures, And Changes In Fund Balances
Nonmajor Special Revenue Funds
Year Ended September 30, 2023

	Fine and Forfeiture	State Match	Enhanced 911	Electric Franchise Fee	Local Option Tourist Tax	Impact Fees	SHIP Program	Disaster	MSBU
Revenues									
Taxes	\$ 2	\$ -	\$ -	\$ -	\$ 5,261,092	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	7,960,578	-	-	-	-	5,017,290
Intergovernmental	2,049	38,892	318,364	-	-	-	1,583,803	287,354	-
Charges for Services	1,220,343	-	916,855	-	-	-	-	-	-
Fines and Forfeits	186,042	-	-	-	-	-	-	-	-
Miscellaneous	55,187	2,265	5,001	16,992	151,549	17,238	321,740	24,394	31,227
Total Revenues	1,463,623	41,157	1,240,220	7,977,570	5,412,641	17,238	1,905,543	311,748	5,048,517
Expenditures									
Current									
General Government	1,554,513	-	-	-	-	-	-	-	-
Public Safety	176,044	-	1,568,022	-	-	-	-	375,124	3,944,460
Physical Environment	-	-	-	-	-	-	-	-	625,740
Transportation	-	-	-	-	-	25,000	-	-	241,151
Economic Environment	-	-	-	-	5,077,338	-	1,656,642	-	-
Human Services	-	-	-	-	-	-	-	-	-
Total Expenditures	1,730,557	-	1,568,022	-	5,077,338	25,000	1,656,642	375,124	4,811,351
Excess (Deficiency) of Revenues Over Expenditures	(266,934)	41,157	(327,802)	7,977,570	335,303	(7,762)	248,901	(63,376)	237,166
Other Financing Sources (Uses)									
Transfers in	-	-	-	-	288,984	-	2,375	18,606	148,130
Transfers Out	(79,900)	-	-	(8,699,750)	(474,022)	-	(170,537)	-	(672,205)
New Debt Issuance	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	(79,900)	-	-	(8,699,750)	(185,038)	-	(168,162)	18,606	(524,075)
Net Change in Fund Balances	(346,834)	41,157	(327,802)	(722,180)	150,265	(7,762)	80,739	(44,770)	(286,909)
Fund Balances, Beginning of Year	1,563,979	166,747	552,817	2,494,786	5,314,265	490,706	1,775,450	7,067,917	1,501,793
Fund Balances, End of Year	\$ 1,217,145	\$ 207,904	\$ 225,015	\$ 1,772,606	\$ 5,464,530	\$ 482,944	\$ 1,856,189	\$ 7,023,147	\$ 1,214,884

Combining Statement of Revenues, Expenditures, And Changes In Fund Balances Nonmajor Special Revenue Funds - Continued Year Ended September 30, 2023

	Clerk's Courts Fund	Clerk's Courts Tech	Clerk's RMTF	Clerk's Title IV-D	Sheriff's Grants	Sheriff's Second Dollar	Sheriff's Jail Commissary	Sheriff's LOST	Total Nonmajor Special Revenue Funds
Revenues									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,550,803	\$ 8,811,897
Licenses and Permits	-	-	-	-	-	-	-	-	12,977,868
Intergovernmental	363,382	-	-	280,555	4,635,622	31,960	-	-	7,541,981
Charges for Services	2,772,154	347,796	114,668	-	-	-	-	-	5,371,816
Fines and Forfeits	1,181,578	-	-	-	-	-	-	-	1,367,620
Miscellaneous	-	-	-	-	-	16	612,457	-	1,238,066
Total Revenues	4,317,114	347,796	114,668	280,555	4,635,622	31,976	612,457	3,550,803	37,309,248
Expenditures									
Current									
General Government	4,317,114	696,828	-	280,555	-	-	-	-	6,849,010
Public Safety	-	-	-	-	4,635,622	14,053	1,074,955	5,057,182	16,845,462
Physical Environment	-	-	-	-	-	-	-	-	625,740
Transportation	-	-	-	-	-	-	-	-	266,151
Economic Environment	-	-	-	-	-	-	-	-	6,733,980
Human Services	-	-	-	-	-	-	-	-	-
Total Expenditures	4,317,114	696,828	-	280,555	4,635,622	14,053	1,074,955	5,057,182	31,320,343
Excess (Deficiency) of Revenues Over Expenditures	-	(349,032)	114,668	-	-	17,923	(462,498)	(1,506,379)	5,988,905
Other Financing Sources (Uses)									
Transfers in	-	-	-	-	-	-	-	-	458,095
Transfers Out	-	-	-	-	-	-	-	-	(10,096,414)
New Debt Issuance	-	-	-	-	-	-	390,745	1,506,379	1,897,124
Total Other Financing Sources (Uses)	-	-	-	-	-	-	390,745	1,506,379	(7,741,195)
Net Change in Fund Balances	-	(349,032)	114,668	-	-	17,923	(71,753)	-	(1,752,290)
Fund Balances, Beginning of Year	-	936,247	1,089,608	-	-	124,709	640,960	-	23,719,984
Fund Balances, End of Year	\$ -	\$ 587,215	\$ 1,204,276	\$ -	\$ -	\$ 142,632	\$ 569,207	\$ -	\$ 21,967,694

Budgetary Comparison Schedule (GAAP Basis)
Fine And Forfeiture Fund
Year Ended September 30, 2023

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Taxes	\$ -	\$ -	\$ 2	\$ 2
Intergovernmental	-	-	2,049	2,049
Charges for Services	1,400,800	1,400,800	1,220,343	(180,457)
Fines and Forfeits	6,000	6,000	186,042	180,042
Miscellaneous	1,050	1,050	55,187	54,137
Total Revenues	1,407,850	1,407,850	1,463,623	55,773
Expenditures				
Current				
General Government	1,317,850	1,354,760	1,554,513	(199,753)
Public Safety	115,000	115,000	176,044	(61,044)
Total Expenditures	1,432,850	1,469,760	1,730,557	(260,797)
Other Financing Sources (Uses)				
Transfers Out	-	(79,900)	(79,900)	-
Total Other Financing Sources (Uses)	-	(79,900)	(79,900)	-
Net Change in Fund Balances	(25,000)	(141,810)	(346,834)	(205,024)
Fund Balance, Beginning of Year	25,000	141,810	1,563,979	1,422,169
Fund Balance, End of Year	\$ -	\$ -	\$ 1,217,145	\$ 1,217,145

Budgetary Comparison Schedule (GAAP Basis)
State Match Fund
 Year Ended September 30, 2023

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 36,960	\$ 36,960	\$ 38,892	\$ 1,932
Miscellaneous	-	-	2,265	2,265
Total Revenues	36,960	36,960	41,157	4,197
Expenditures				
Current				
Human Services	36,960	36,960	-	36,960
Total Expenditures	36,960	36,960	-	36,960
Net Change in Fund Balances	-	-	41,157	41,157
Fund Balance, Beginning of Year	-	-	166,747	166,747
Fund Balance, End of Year	\$ -	\$ -	\$ 207,904	\$ 207,904

Budgetary Comparison Schedule (GAAP Basis)
Enhanced 911 Program Fund
Year Ended September 30, 2023

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ -	\$ 42,312	\$ 318,364	\$ 276,052
Charges for Services	664,005	664,005	916,855	252,850
Miscellaneous	475	475	5,001	4,526
Total Revenues	664,480	706,792	1,240,220	533,428
Expenditures				
Current				
Public Safety	1,361,653	1,797,775	1,568,022	229,753
Total Expenditures	1,361,653	1,797,775	1,568,022	229,753
Net Change in Fund Balances	(697,173)	(1,090,983)	(327,802)	763,181
Fund Balance, Beginning of Year	697,173	1,090,983	552,817	(538,166)
Fund Balance, End of Year	\$ -	\$ -	\$ 225,015	\$ 225,015

Budgetary Comparison Schedule (GAAP Basis)
Electric Franchise Fee Fund
 Year Ended September 30, 2023

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Permits, Fees and Special Assessments	\$ 7,200,000	\$ 7,200,000	\$ 7,960,578	\$ 760,578
Miscellaneous	-	-	16,992	16,992
Total Revenues	7,200,000	7,200,000	7,977,570	777,570
Excess (Deficiency) of Revenues Over Expenditures	7,200,000	7,200,000	7,977,570	777,570
Other Financing Sources (Uses)				
Transfers Out	(8,200,000)	(8,699,750)	(8,699,750)	-
Total Other Financing Sources (Uses)	(8,200,000)	(8,699,750)	(8,699,750)	-
Net Change in Fund Balances	(1,000,000)	(1,499,750)	(722,180)	777,570
Fund Balance, Beginning of Year	1,000,000	1,499,750	2,494,786	2,494,786
Fund Balance, End of Year	\$ -	\$ -	\$ 1,772,606	\$ 1,772,606

Budgetary Comparison Schedule (GAAP Basis)
Local Option Tourist Tax Fund
Year Ended September 30, 2023

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Taxes	\$ 5,200,000	\$ 5,200,000	\$ 5,261,092	\$ 61,092
Miscellaneous	950	950	151,549	150,599
Total Revenues	5,200,950	5,200,950	5,412,641	211,691
Expenditures				
Current				
Economic Environment	5,684,682	7,376,759	5,077,338	2,299,421
Total Expenditures	5,684,682	7,376,759	5,077,338	2,299,421
Excess (Deficiency) of Revenues Over Expenditures	(483,732)	(2,175,809)	335,303	2,511,112
Other Financing Sources (Uses)				
Transfers in	-	288,984	288,984	-
Transfers Out	(474,022)	(474,022)	(474,022)	-
Total Other Financing Sources (Uses)	(474,022)	(185,038)	(185,038)	-
Net Change in Fund Balances	(957,754)	(2,360,847)	150,265	2,511,112
Fund Balance, Beginning of Year	957,754	2,360,847	5,314,265	5,314,265
Fund Balance, End of Year	\$ -	\$ -	\$ 5,464,530	\$ 5,464,530

Budgetary Comparison Schedule (Gaap Basis)
Impact Fees Fund
 Year Ended September 30, 2023

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Miscellaneous	-	-	17,238	17,238
Total Revenues	-	-	17,238	17,238
Expenditures				
Current				
Transportation	-	25,000	25,000	-
Total Expenditures	-	25,000	25,000	-
Net Change in Fund Balances	-	(25,000)	(7,762)	17,238
Fund Balance, Beginning of Year	-	25,000	490,706	490,706
Fund Balance, End of Year	\$ -	\$ -	\$ 482,944	\$ 482,944

Budgetary Comparison Schedule (GAAP Basis)
SHIP Program Fund
Year Ended September 30, 2023

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 350,000	\$ 951,726	\$ 1,583,803	\$ 632,077
Miscellaneous	200,095	200,095	321,740	121,645
Total Revenues	550,095	1,151,821	1,905,543	753,722
Expenditures				
Current				
Economic Environment	910,885	3,873,757	1,656,642	2,217,115
Total Expenditures	910,885	3,873,757	1,656,642	2,217,115
Excess (Deficiency) of Revenues Over Expenditures	(360,790)	(2,721,936)	248,901	2,970,837
Other Financing Sources (Uses)				
Transfers in	-	2,375	2,375	-
Transfers Out	(110,365)	(170,537)	(170,537)	-
Total Other Financing Sources (Uses)	(110,365)	(168,162)	(168,162)	-
Net Change in Fund Balances	(471,155)	(2,890,098)	80,739	2,970,837
Fund Balance, Beginning of Year	471,155	2,890,098	1,775,450	1,775,450
Fund Balance, End of Year	\$ -	\$ -	\$ 1,856,189	\$ 1,856,189

Budgetary Comparison Schedule (GAAP Basis)
Disaster Fund
 Year Ended September 30, 2023

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ -	\$ 312,720	\$ 287,354	\$ (25,366)
Miscellaneous	-	-	24,394	24,394
Total Revenues	-	312,720	311,748	(972)
Expenditures				
Current				
Public Safety	-	331,326	375,124	(43,798)
Total Expenditures	-	331,326	375,124	(43,798)
Excess (Deficiency) of Revenues Over Expenditures	-	(18,606)	(63,376)	(44,770)
Other Financing Sources (Uses)				
Transfers in	-	18,606	18,606	-
Total Other Financing Sources (Uses)	-	18,606	18,606	-
Net Change in Fund Balances	-	-	(44,770)	(44,770)
Fund Balance, Beginning of Year	-	-	7,067,917	7,067,917
Fund Balance, End of Year	\$ -	\$ -	\$ 7,023,147	\$ 7,023,147

Budgetary Comparison Schedule (GAAP Basis)
MSBU (Municipal Service Benefit Unit) Fund
Year Ended September 30, 2023

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Permits, Fees and Special Assessments	\$ 4,917,675	\$ 4,917,675	\$ 5,017,290	\$ 99,615
Miscellaneous	190	190	31,227	31,037
Total Revenues	4,917,865	4,917,865	5,048,517	130,652
Expenditures				
Current				
Public Safety	3,965,897	3,974,460	3,944,460	30,000
Physical Environment	546,954	546,954	625,740	(78,786)
Transportation	583,309	536,269	241,151	295,118
Total Expenditures	5,096,160	5,057,683	4,811,351	246,332
Excess (Deficiency) of Revenues Over Expenditures	(178,295)	(139,818)	237,166	376,984
Other Financing Sources (Uses)				
Transfers in	148,130	148,130	148,130	-
Transfers Out	(569,600)	(672,205)	(672,205)	-
Total Other Financing Sources (Uses)	(421,470)	(524,075)	(524,075)	-
Net Change in Fund Balances	(599,765)	(663,893)	(286,909)	376,984
Fund Balance, Beginning of Year	599,765	663,893	1,501,793	1,501,793
Fund Balance, End of Year	\$ -	\$ -	\$ 1,214,884	\$ 1,214,884

Budgetary Comparison Schedule (GAAP Basis)
Clerk's Courts Fund
 Year Ended September 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues				
Intergovernmental	\$ 199,631	\$ 277,106	\$ 363,382	\$ 86,276
Charges for Services	2,363,169	2,363,169	2,772,154	408,985
Fines and Forfeits	846,420	1,046,420	1,181,578	135,158
Total Revenues	<u>3,409,220</u>	<u>3,686,695</u>	<u>4,317,114</u>	<u>630,419</u>
Expenditures				
Current				
General Government	3,409,220	3,686,695	4,317,114	(630,419)
Total Expenditures	<u>3,409,220</u>	<u>3,686,695</u>	<u>4,317,114</u>	<u>(630,419)</u>
Net Change in Fund Balances	-	-	-	-
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Budgetary Comparison Schedule (GAAP Basis)
Clerk's Courts Technology Fund
Year Ended September 30, 2023

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Charges for Services	\$ 511,289	\$ 720,289	\$ 347,796	\$ (372,493)
Total Revenues	511,289	720,289	347,796	(372,493)
Expenditures				
Current				
General Government	511,289	720,289	696,828	23,461
Total Expenditures	511,289	720,289	696,828	23,461
Net Change in Fund Balances	-	-	(349,032)	(349,032)
Fund Balance, Beginning of Year	779,820	779,820	936,247	156,427
Fund Balance, End of Year	\$ 779,820	\$ 779,820	\$ 587,215	\$ (192,605)

Budgetary Comparison Schedule (GAAP Basis)
Clerk's RMTF (Record Modernization Trust Fund)
 Year Ended September 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues				
Charges for Services	\$ 180,000	\$ 180,000	\$ 114,668	\$ (65,332)
Total Revenues	180,000	180,000	114,668	(65,332)
Expenditures				
Current				
General Government	180,000	180,000	-	180,000
Total Expenditures	180,000	180,000	-	180,000
Net Change in Fund Balances	-	-	114,668	114,668
Fund Balance, Beginning of Year	804,903	804,903	1,089,608	284,705
Fund Balance, End of Year	\$ 804,903	\$ 804,903	\$ 1,204,276	\$ 399,373

Budgetary Comparison Schedule (GAAP Basis)
Clerk's Child Support Title IV-D Fund
Year Ended September 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues				
Intergovernmental	\$ -	\$ 185,000	\$ 280,555	\$ 95,555
Total Revenues	<u>-</u>	<u>185,000</u>	<u>280,555</u>	<u>95,555</u>
Expenditures				
Current				
General Government	-	185,000	280,555	(95,555)
Total Expenditures	<u>-</u>	<u>185,000</u>	<u>280,555</u>	<u>(95,555)</u>
Net Change in Fund Balances	-	-	-	-
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Budgetary Comparison Schedule (GAAP Basis)
Debt Service Fund
 Year Ended September 30, 2023

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Miscellaneous	\$ -	\$ -	\$ 51,451	\$ 51,451
Total Revenues	<u>-</u>	<u>-</u>	<u>51,451</u>	<u>51,451</u>
Expenditures				
Current				
Debt Service	4,454,922	4,557,527	4,616,870	(59,343)
Total Expenditures	<u>4,454,922</u>	<u>4,557,527</u>	<u>4,616,870</u>	<u>(59,343)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(4,454,922)</u>	<u>(4,557,527)</u>	<u>(4,565,419)</u>	<u>(7,892)</u>
Other Financing Sources (Uses)				
Transfers in	4,454,922	4,557,527	4,557,527	-
Total Other Financing Sources (Uses)	<u>4,454,922</u>	<u>4,557,527</u>	<u>4,557,527</u>	<u>-</u>
Net Change in Fund Balances	-	-	(7,892)	(7,892)
Fund Balance, Beginning of Year	-	-	111,016	111,016
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 103,124</u>	<u>\$ 103,124</u>

Budgetary Comparison Schedule (GAAP Basis)
Other Capital Projects Fund
Year Ended September 30, 2023

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ -	\$ 1,963,400	\$ 1,563,400	\$ (400,000)
Miscellaneous	-	-	865,242	865,242
Total Revenues	-	1,963,400	2,428,642	465,242
Expenditures				
Current				
General Government	1,950,000	2,225,477	264,031	1,961,446
Culture and Recreation	4,411,416	1,519,740	-	1,519,740
Capital Outlay	8,350,000	22,567,033	13,456,989	9,110,044
Total Expenditures	14,711,416	26,312,250	13,721,020	12,591,230
Excess (Deficiency) of Revenues Over Expenditures	(14,711,416)	(24,348,850)	(11,292,378)	13,056,472
Other Financing Sources (Uses)				
Transfers in	14,711,416	19,086,338	11,307,222	(7,779,116)
Transfers Out	-	(288,984)	(288,984)	-
Total Other Financing Sources (Uses)	14,711,416	18,797,354	11,018,238	(7,779,116)
Net Change in Fund Balances	-	(5,551,496)	(274,140)	5,277,356
Fund Balance, Beginning of Year	-	5,551,496	3,528,854	3,528,854
Fund Balance, End of Year	\$ -	\$ -	\$ 3,254,714	\$ 3,254,714

NONMAJOR ENTERPRISE FUNDS

Navarre Beach Fund – accounts for the operation and maintenance of the water and sewer utility system of Navarre Beach.

Peter Prince Fund – accounts for the operations of the Peter Prince Airport.

Combining Statement of Net Position Nonmajor Enterprise Funds September 30, 2023

	Navarre Beach	Peter Prince Field	Total Nonmajor Enterprise Funds
Assets			
Current Assets:			
Cash and Cash Equivalents	\$ 4,442,844	\$ 117,205	\$ 4,560,049
Accounts Receivable	258,857	32,766	291,623
Due From Other Governments	-	56,246	56,246
Total Current Assets	4,701,701	206,217	4,907,918
Noncurrent Assets			
Capital Assets, Net of Accumulated Depreciation	3,090,191	7,540,411	10,630,602
Total Noncurrent Assets	3,090,191	7,540,411	10,630,602
Total Assets	7,791,892	7,746,628	15,538,520
Deferred Outflows of Resources			
Deferred Outflow On Pension	117,124	-	117,124
Deferred Outflow On Health Insurance Subsidy	27,537	-	27,537
Deferred Outflow On OPEB	22,150	-	22,150
Total Deferred Outflows of Resources	166,811	-	166,811
Liabilities			
Current Liabilities			
Accounts Payable	78,268	10,262	88,530
Accrued Wages Payable	33,791	-	33,791
Due to Other Governments	-	2,562	2,562
Compensated Absences - Current Portion	53,649	-	53,649
Deposits	123,400	1,500	124,900
Total Current Liabilities	289,108	14,324	303,432
Noncurrent Liabilities			
Net Pension Liability	418,247	-	418,247
Net Health Insurance Subsidy Liability	206,671	-	206,671
OPEB Liability	67,550	-	67,550
Total Noncurrent Liabilities	692,468	-	692,468
Total Liabilities	981,576	14,324	995,900
Deferred Inflows of Resources			
Deferred Inflow On Health Insurance Subsidy	16,549	-	16,549
Deferred Inflow On Opeb	25,785	-	25,785
Total Deferred Inflows of Resources	42,334	-	42,334
Net Position			
Net Investment in Capital Assets	3,090,191	7,540,411	10,630,602
Unrestricted	3,844,602	191,893	4,036,495
Total Net Position	\$ 6,934,793	\$ 7,732,304	\$ 14,667,097

Combining Statement of Revenues, Expenses, And Changes In Net Position Nonmajor Enterprise Funds Year Ended September 30, 2023

	Navarre Beach	Peter Prince Field	Total Nonmajor Enterprise Funds
Operating Revenues			
Charges for Services	3,170,483	376,758	3,547,241
Miscellaneous	425	8,030	8,455
Total Operating Revenues	3,170,908	384,788	3,555,696
Operating Expenses			
Personal Services	818,704	-	818,704
Contract Services	1,346,414	246,892	1,593,306
Supplies	181,991	1,269	183,260
Repairs and Maintenance	403,275	98,188	501,463
Utilities	101,207	18,906	120,113
Depreciation	489,140	477,168	966,308
Travel and Per Diem	1,659	-	1,659
Insurance	13,450	-	13,450
Communications	8,741	555	9,296
Fuel and Oil	9,606	-	9,606
Rentals	31,535	-	31,535
Miscellaneous	4,090	659	4,749
Total Operating Expenses	3,409,812	843,637	4,253,449
Operating Income (Loss)	(238,904)	(458,849)	(697,753)
Non-operating Revenues (Expenses)			
Investment Income	157,549	5,728	163,277
Gain (Loss) On Disposal of Assets	(17,163)	-	(17,163)
Total Non-operating Revenues (Expenses)	140,386	5,728	146,114
Income (Loss) Before Contributions and Transfers	(98,518)	(453,121)	(551,639)
Transfers Out	(220,500)	(29,345)	(249,845)
Capital Contribution	-	137,810	137,810
Change in Net Position	(319,018)	(344,656)	(663,674)
Net Position, Beginning of Year	7,253,811	8,076,960	15,330,771
Net Position, End of Year	\$ 6,934,793	\$ 7,732,304	\$ 14,667,097

Combining Statement Of Cash Flows Nonmajor Enterprise Funds Year Ended September 30, 2023

	Navarre Beach	Peter Prince Field	Total Nonmajor Enterprise Funds
Cash Flows From Operating Activities			
Cash Received From Customers	\$ 3,164,958	\$ 328,869	\$ 3,493,827
Cash Paid to Suppliers	(1,878,111)	(677,466)	(2,555,577)
Cash Paid to Employees	(812,398)	-	(812,398)
Net Cash Provided (Used) By Operating Activities	474,449	(348,597)	125,852
Cash Flows From Noncapital Financing Activities			
Transfers Out	(220,500)	(29,345)	(249,845)
Net Cash Provided (Used) By Noncapital Financing Activities	(220,500)	(29,345)	(249,845)
Cash Flows From Capital and Related Financing Activities			
Proceeds From Sale of Assets	17,163	-	17,163
Capital Contribution	-	137,810	137,810
Purchases of Capital Assets	(61,995)	-	(61,995)
Net Cash Provided (Used) By Capital and Related Financing Activities	(44,832)	137,810	92,978
Cash Flows From Investing Activities			
Interest and Dividends	157,549	5,728	163,277
Net Cash Provided (Used) By Investing Activities	157,549	5,728	163,277
Net Increase (Decrease) in Cash and Cash Equivalents	366,666	(234,404)	132,262
Cash and Cash Equivalents At Beginning of Year	4,076,178	351,609	4,427,787
Cash and Cash Equivalents At End of Year	\$ 4,442,844	\$ 117,205	\$ 4,560,049
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) By Operating Activities			
Operating Income (Loss)	\$ (238,904)	\$ (458,849)	\$ (697,753)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) By Operating Activities			
Depreciation Expense	489,140	477,168	966,308
Gain (Loss) On Disposal of Capital Assets	(17,163)	-	(17,163)
Accounts Receivable	(5,950)	(20,187)	(26,137)
Due From Other Governments	-	349,056	349,056
Accounts Payable	18,633	3,762	22,395
Accrued Compensation	1,725	-	1,725
Compensated Absences	4,581	-	4,581
Due to Other Governments	-	453	453
Due to Other Funds	-	(700,000)	(700,000)
OPEB Liability	2,420	-	2,420
Deposits	119,500	-	119,500
Net Pension Liability	42,063	-	42,063
Net Health Insurance Subsidy	71,372	-	71,372
Deferred Outflows of Resources	(25,930)	-	(25,930)
Deferred Inflows of Resources	12,962	-	12,962
Net Cash Provided (Used) By Operating Activities	\$ 474,449	\$ (348,597)	\$ 125,852

CUSTODIAL FUNDS

Clerk's Court Registry Fund – accounts for funds deposited pursuant to court order pending the outcome of legal action and are distributed by order of the court.

Clerk's Fine and Cost Fund – Traffic and other fines are collected by the Clerk and remitted to the various governmental agencies.

Clerk's Intangible Tax Fund – The Clerk collects intangible tax and remits to the Department of Revenue.

Clerk's State Documentary Stamp Fund – The Clerk collects documentary stamps tax as an agent for the State of Florida and remits the revenue, less commission, to the Department of Revenue.

Clerk's Suspense Fund – The Clerk collects fees for marriage licenses, spousal abuse and restitution. Also the Clerk Collects money for the State co-educational trust fund and attorneys fees. Distributions on payments and remittances are made as appropriate to the various agencies or individuals.

Clerk's Tax Redemption Fund – accounts for tax deed application fees and tax deed bids and makes distributions on payments as appropriate.

Clerk's Ordinary Witness Fund – accounts for the funds collected and paid to witnesses.

Clerk's Bail Bond Fund – accounts for the collection and disbursement of bond monies posted by individuals upon arrest. These monies are held by the Clerk until final disposition instructions are received from the court.

Clerk's Flower Trust Fund – accounts for the collection and disbursement of funds donated by employees to purchase flowers for certain occasions.

Sheriff's Suspense Fund – accounts for the collection of monies obtained from the Sheriffs sale of abandoned and confiscated property, various court levies, writs of execution, and miscellaneous receipts and the subsequent disbursements to individuals, state agencies, and the Board of County Commissioners.

Sheriff's Seizure Fund – accounts for cash confiscated by the Sheriff's department which is held pending disposition.

Sheriff's Flower Fund – accounts for the collection and disbursement of funds donated by employees to purchase flowers for certain occasions.

Tax Collector's Tax Fund – accounts for receipts of various types of taxes, licenses, and fees collected on behalf of state, county, and municipal governmental agencies.

**Combining Statement of Fiduciary Net Position
Custodial Funds
September 30, 2023**

	<u>Court Registry</u>	<u>Fine and Cost</u>	<u>Intangible Tax</u>	<u>State Documentary Stamp</u>	<u>Clerk Suspense</u>	<u>Tax Redemption</u>	<u>Ordinary Witness</u>
Assets							
Cash and Cash Equivalents	\$ 3,842,955	\$ 265,035	\$ 147,457	\$ 975,455	\$ 71,313	\$ 1,024,948	\$ 13,039
Miscellaneous Receivables	-	-	-	-	-	-	-
Total Assets	\$ 3,842,955	\$ 265,035	\$ 147,457	\$ 975,455	\$ 71,313	\$ 1,024,948	\$ 13,039
Liabilities							
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to Other Governments	-	-	-	-	-	-	-
Miscellaneous Liabilities	-	-	-	-	-	-	-
Total Liabilities	-	-	-	-	-	-	-
Net Position							
Restricted for:							
Cash Bonds	-	-	-	-	-	-	-
Court Registry	3,842,955	-	-	-	-	-	-
General Trust	-	265,035	147,457	975,455	71,313	1,024,948	13,039
Seizure	-	-	-	-	-	-	-
Flowers or Donations	-	-	-	-	-	-	-
Total Net Position	\$ 3,842,955	\$ 265,035	\$ 147,457	\$ 975,455	\$ 71,313	\$ 1,024,948	\$ 13,039

**Combining Statement of Fiduciary Net Position
 Custodial Funds - Continued
 September 30, 2023**

	<u>Bail Bonds</u>	<u>Clerk Flower Trust</u>	<u>Sheriff Suspense</u>	<u>Sheriff Seizure</u>	<u>Sheriff Flower</u>	<u>Tax Fund</u>	<u>Totals</u>
Assets							
Cash and Cash Equivalents	\$ 336,444	\$ 2,277	\$ 22,859	\$ 113,290	\$ 24,668	\$ 1,710,089	\$ 8,549,829
Miscellaneous Receivables	-	-	-	-	-	4,565	4,565
Total Assets	\$ 336,444	\$ 2,277	\$ 22,859	\$ 113,290	\$ 24,668	\$ 1,714,654	\$ 8,554,394
Liabilities							
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,250	\$ 8,250
Due to Other Governments	-	-	-	-	-	1,653,886	1,653,886
Miscellaneous Liabilities	-	-	22,859	1,764	90	52,518	77,231
Total Liabilities	-	-	22,859	1,764	90	1,714,654	1,739,367
Net Position							
Restricted for:							
Cash Bonds	336,444	-	-	-	-	-	336,444
Court Registry	-	-	-	-	-	-	3,842,955
General Trust	-	2,277	-	-	-	-	2,499,524
Seizure	-	-	-	111,526	-	-	111,526
Flowers or Donations	-	-	-	-	24,578	-	24,578
Total Net Position	\$ 336,444	\$ 2,277	\$ -	\$ 111,526	\$ 24,578	\$ -	\$ 6,815,027

Combining Statement of Changes in Fiduciary Net Position Custodial Funds September 30, 2023

	Court Registry	Fine and Cost	Intangible Tax	State Documentary Stamp	Clerk Suspense	Tax Redemption	Ordinary Witness
Additions							
Deposits in Court Registry	\$ 10,770,296	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Recording Fees	87,953	-	3,755,133	24,279,044	-	-	-
Deposits for Real Estate Auction	2,136,164	-	-	-	-	-	-
Deposits for Tax Deeds	-	-	-	-	-	541,079	-
Deposits for Restitution	-	-	-	-	222,584	-	-
Deposits for Bonds	-	-	-	-	-	-	-
Payments from State	-	-	-	-	-	-	-
Payments from Individuals	-	3,680,096	-	-	922,605	-	-
Unclaimed Funds	-	-	-	-	-	-	-
Child Support Purges and Levies	-	-	-	-	-	-	-
Cash Seized	-	-	-	-	-	-	-
Property Tax Collections for Other Governments	-	-	-	-	-	-	-
Other Taxes and Fees for Other Governments	-	-	-	-	-	-	-
License and Fees Collected for State	-	-	-	-	-	-	-
Other Fees Collected for Other Entities	-	-	-	-	-	-	-
Total Additions	\$ 12,994,413	\$ 3,680,096	\$ 3,755,133	\$ 24,279,044	\$ 1,145,189	\$ 541,079	\$ -
Deductions							
Release of Bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Refunds of Real Estate Auction Deposits	2,175,330	-	-	-	-	591,365	-
Tax Deed Deferred	-	-	-	-	-	106,408	-
Payments to State	88,648	2,183,931	3,744,534	24,257,262	904,666	-	-
Payments to Local Agencies	-	1,481,389	19,554	126,844	919	-	-
Payments for Witnesses	-	-	-	-	-	-	10,056
Payments to Victims	-	-	-	-	213,498	-	-
Refunds	-	-	-	-	26,035	105,551	-
Court Ordered Disbursements	9,495,745	-	-	-	-	-	-
Flower Fund	-	-	-	-	-	-	-
Purges and Levies Paid to Other Agencies	-	-	-	-	-	-	-
Payments to Law Enforcement Trust	-	-	-	-	-	-	-
Payments of Property Tax to Other Governments	-	-	-	-	-	-	-
Payments of Other Taxes and Fees to Other Governments	-	-	-	-	-	-	-
Payments to Other Entities	-	-	-	-	-	-	-
Total Deductions	\$ 11,759,723	\$ 3,665,320	\$ 3,764,088	\$ 24,384,106	\$ 1,145,118	\$ 803,324	\$ 10,056
Changes in Net Position	1,234,690	14,776	(8,955)	(105,062)	71	(262,245)	(10,056)
Net Position Beginning	2,608,265	250,259	156,412	1,080,517	71,242	1,287,193	23,095
Net Position Ending	\$ 3,842,955	\$ 265,035	\$ 147,457	\$ 975,455	\$ 71,313	\$ 1,024,948	\$ 13,039

Combining Statement of Changes in Fiduciary Net Position Custodial Funds - Continued September 30, 2023

	Bail Bonds	Clerk Flower Trust	Sheriff Suspense	Sheriff Seizure	Sheriff Flower	Tax Fund	Totals
Additions							
Deposits in Court Registry	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,770,296
Recording Fees	-	-	-	-	-	-	28,122,130
Deposits for Real Estate Auction	-	-	-	-	-	-	2,136,164
Deposits for Tax Deeds	-	-	-	-	-	-	541,079
Deposits for Restitution	-	-	-	-	-	-	222,584
Deposits for Bonds	834,388	-	-	-	-	-	834,388
Payments from State	-	-	-	-	-	-	-
Payments from Individuals	-	1,002	-	-	3,597	-	4,607,300
Unclaimed Funds	-	-	-	-	-	-	-
Child Support Purges and Levies	-	-	34,499	-	-	-	34,499
Cash Seized	-	-	-	84,054	-	-	84,054
Property Tax Collections for Other Governments	-	-	-	-	-	195,381,903	195,381,903
Other Taxes and Fees for Other Governments	-	-	-	-	-	2,514,482	2,514,482
License and Fees Collected for State	-	-	-	-	-	55,874,130	55,874,130
Other Fees Collected for Other Entities	-	-	-	-	-	5,307,843	5,307,843
Total Additions	\$ 834,388	\$ 1,002	\$ 34,499	\$ 84,054	\$ 3,597	\$ 259,078,358	\$ 306,430,852
Deductions							
Release of Bonds	\$ 880,986	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 880,986
Refunds of Real Estate Auction Deposits	-	-	-	-	-	-	2,766,695
Tax Deed Deferred	-	-	-	-	-	-	106,408
Payments to State	-	-	-	-	-	55,874,130	87,053,171
Payments to Local Agencies	-	-	-	-	-	-	1,628,706
Payments for Witnesses	-	-	-	-	-	-	10,056
Payments to Victims	-	-	-	-	-	-	213,498
Refunds	-	-	-	-	-	-	131,586
Court Ordered Disbursements	-	-	-	-	-	-	9,495,745
Flower Fund	-	1,243	-	-	2,263	-	3,506
Purges and Levies Paid to Other Agencies	-	-	34,499	-	-	-	34,499
Payments to Law Enforcement Trust	-	-	-	114,339	-	-	114,339
Payments of Property Tax to Other Governments	-	-	-	-	-	195,381,903	195,381,903
Payments of Other Taxes and Fees to Other Governments	-	-	-	-	-	2,514,482	2,514,482
Payments to Other Entities	-	-	-	-	-	5,307,843	5,307,843
Total Deductions	\$ 880,986	\$ 1,243	\$ 34,499	\$ 114,339	\$ 2,263	\$ 259,078,358	\$ 305,643,423
Changes in Net Position	(46,598)	(241)	-	(30,285)	1,334	-	787,429
Net Position Beginning	383,042	2,518	-	141,811	23,244	-	6,027,598
Net Position Ending	\$ 336,444	\$ 2,277	\$ -	\$ 111,526	\$ 24,578	\$ -	\$ 6,815,027





Statistical
section

Statistical section

This part of Santa Rosa County's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the government's overall financial health.

126 **Financial Trends**

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

132 **Revenue Capacity**

These schedules contain information to help the reader assess the governments most significant local revenue source, the property tax.

136 **Debt Capacity**

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

139 **Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment which the government's financial activities take place.

142 **Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive financial reports for the relevant year.

Net Position By Category
Last Ten Fiscal Years
(Unaudited)
(accrual basis of accounting)

	Fiscal Year				
	2014	2015	2016	2017	2018
Governmental Activities					
Net Investment in Capital Assets	\$ 130,795,701	\$ 135,370,552	\$ 139,306,062	\$ 138,455,254	\$ 143,546,487
Restricted	23,548,402	25,790,229	14,142,440	18,257,036	16,813,623
Unrestricted	29,782,242	(5,401,187)	3,139,025	3,552,425	8,509,671
Governmental Activities Net Position	184,126,345	155,759,594	156,587,527	160,264,715	168,869,781
Business-type Activities					
Net Investment in Capital Assets	11,967,295	12,195,766	14,179,449	14,826,919	17,650,472
Restricted	4,966,334	5,226,306	8,639,599	10,035,008	521,014
Unrestricted	(163,114)	872,240	(512,914)	1,665,310	5,250,192
Business-type Activities Net Position	16,770,515	18,294,312	22,306,134	26,527,237	23,421,678
Primary Government					
Net Investment in Capital Assets	142,762,996	147,566,318	153,485,511	153,282,173	161,196,959
Restricted	28,514,736	31,016,535	22,782,039	28,292,044	17,334,637
Unrestricted	29,619,128	(4,528,947)	2,626,111	5,217,735	13,759,863
Primary Government Net Position	\$ 200,896,860	\$ 174,053,906	\$ 178,893,661	\$ 186,791,952	\$ 192,291,459
Fiscal Year					
	2019	2020	2021	2022	2023
Governmental Activities					
Net Investment in Capital Assets	\$ 160,555,326	\$ 185,355,064	\$ 188,258,381	\$ 219,040,140	\$ 248,714,869
Restricted	18,026,667	23,951,628	40,641,717	37,057,762	41,587,554
Unrestricted	(6,037,439)	(22,567,012)	(9,488,131)	(15,760,694)	(31,803,097)
Governmental Activities Net Position	172,544,554	186,739,680	219,411,967	240,337,208	258,499,326
Business-type Activities					
Net Investment in Capital Assets	25,192,457	26,540,665	30,061,433	34,174,122	33,077,614
Restricted	-	-	3,393,954	2,901,540	1,600,705
Unrestricted	4,218,096	10,584,302	21,255,869	25,061,247	32,298,386
Business-type Activities Net Position	29,410,553	37,124,967	54,711,256	62,136,909	66,976,705
Primary Government					
Net Investment in Capital Assets	185,747,783	211,895,729	218,319,814	253,214,262	281,792,483
Restricted	18,026,667	23,951,628	44,035,671	39,959,302	43,188,259
Unrestricted	(1,819,343)	(11,982,710)	11,767,738	9,300,553	495,289
Primary Government Net Position	\$ 201,955,107	\$ 223,864,647	\$ 274,123,223	\$ 302,474,117	\$ 325,476,031

Changes In Net Position - Expenses

Last Ten Fiscal Years

(Unaudited)
(accrual basis of accounting)

Expenses	Fiscal Year				
	2014	2015	2016	2017	2018
Governmental Activities:					
General Government	\$ 32,077,210	\$ 33,323,950	\$ 34,534,581	\$ 37,755,441	\$ 34,666,832
Public Safety	43,539,307	43,855,080	47,580,239	53,019,105	56,939,023
Physical Environment	2,670,154	3,232,111	16,540,405	2,998,450	5,972,999
Transportation	18,931,798	6,301,085	12,053,535	18,934,987	16,294,559
Economic Environment	3,677,666	4,138,167	3,585,571	4,199,033	4,719,843
Human Services	5,557,949	5,632,639	5,209,959	5,057,580	4,757,808
Culture and Recreation	4,053,156	4,458,293	4,430,637	4,936,498	5,603,068
Interest On Long-term Debt	189,570	151,820	851,086	(426,343)	145,914
Total Governmental Activities	110,696,810	101,093,145	124,786,013	126,474,751	129,100,046
Business-type Activities:					
Navarre Beach Water and Sewer	1,959,739	1,840,277	2,019,652	2,189,343	2,263,432
Inspections	-	-	-	-	2,069,711
Peter Prince Airport	448,747	434,803	439,498	1,693,306	550,774
Landfill	4,241,176	4,661,715	4,072,679	4,696,121	11,583,634
Total Business-type Activities	6,649,662	6,936,795	6,531,829	8,578,770	16,467,551
Total Government Expenses	\$ 117,346,472	\$ 108,029,940	\$ 131,317,842	\$ 135,053,521	\$ 145,567,597

Expenses	Fiscal Year				
	2019	2020	2021	2022	2023
Governmental Activities:					
General Government	\$ 44,503,615	\$ 47,658,998	\$ 46,740,092	\$ 55,214,059	\$ 61,512,610
Public Safety	67,942,448	77,119,442	74,022,556	74,526,545	91,840,336
Physical Environment	13,076,260	10,306,476	2,887,030	2,047,991	6,474,752
Transportation	12,129,579	14,885,818	19,401,797	18,913,783	19,790,081
Economic Environment	5,923,430	3,950,617	5,404,978	7,105,266	8,903,948
Human Services	5,268,916	5,996,196	7,016,076	6,716,570	7,353,874
Culture and Recreation	5,884,463	7,343,967	4,716,703	6,532,472	6,907,795
Interest On Long-term Debt	104,063	142,169	715,958	894,182	931,699
Total Governmental Activities	154,832,774	167,403,683	160,905,190	171,950,868	203,715,095
Business-type Activities:					
Navarre Beach Water and Sewer	2,466,621	2,541,597	2,070,412	2,230,911	3,409,812
Inspections	2,048,065	2,473,657	2,402,559	3,297,751	4,044,542
Peter Prince Airport	575,137	849,076	547,568	1,715,758	843,637
Landfill	6,825,399	7,636,450	2,683,431	9,569,297	8,930,717
Total Business-type Activities	11,915,222	13,500,780	7,703,970	16,813,717	17,228,708
Total Government Expenses	\$ 166,747,996	\$ 180,904,463	\$ 168,609,160	\$ 188,764,585	\$ 220,943,803

* Inspections was implemented as a separate business-type activity starting FY 2018

Changes In Net Position - Program Revenues

Last Ten Fiscal Years

(Unaudited)
(accrual basis of accounting)

Program Revenues	Fiscal Year				
	2014	2015	2016	2017	2018
Governmental Activities:					
Charges for Services:					
General Government	\$ 19,838,193	\$ 20,486,568	\$ 20,165,926	\$ 21,197,918	\$ 21,841,976
Public Safety	4,699,449	7,228,652	7,526,515	6,896,820	3,244,589
Physical Environment	5,707,544	5,431,080	4,680,733	4,905,470	4,795,879
Transportation	191,636	146,383	47,551	89,554	1,930
Human Services	37,188	33,079	37,259	40,752	41,886
Culture and Recreation	403,688	391,097	488,274	494,203	497,209
Operating Grants and Contributions	3,881,017	2,760,609	12,902,748	3,682,161	5,828,954
Capital Grants and Contributions	3,884,357	2,879,592	3,091,704	819,579	4,137,239
Total Governmental Activities Program Revenues	38,643,072	39,357,060	48,940,710	38,126,457	40,389,662
Business-type Activities:					
Charges for Services:					
Navarre Beach Water and Sewer	1,904,215	2,091,096	2,124,356	2,163,525	2,242,090
Inspections	-	-	-	-	2,799,768
Peter Prince Airport	253,484	269,440	297,943	297,426	299,295
Landfill	4,808,104	5,886,791	7,965,978	9,503,609	9,677,360
Capital Grants and Contributions	329,224	815,405	67,154	1,080,363	33,819
Total Business-type Activities	7,295,027	9,062,732	10,455,431	13,044,923	15,052,332
Total Government Program Revenues	\$ 45,938,099	\$ 48,419,792	\$ 59,396,141	\$ 51,171,380	\$ 55,441,994
Net (Expense)/revenue					
Governmental Activities	\$ (72,053,738)	\$ (61,736,085)	\$ (75,845,303)	\$ (88,348,294)	\$ (88,710,384)
Business-type Activities	645,365	2,125,937	3,923,602	4,466,153	(1,415,219)
Total Government Net Expense	\$ (67,169,390)	\$ (59,610,792)	\$ (71,921,701)	\$ (83,882,141)	\$ (90,125,603)

Program Revenues	Fiscal Year				
	2019	2020	2021	2022	2023
Governmental Activities:					
Charges for Services:					
General Government	\$ 21,834,143	\$ 21,871,252	\$ 25,333,440	\$ 26,239,308	\$ 28,851,463
Public Safety	5,112,437	5,465,077	4,119,687	3,170,146	2,479,133
Physical Environment	6,253,640	4,576,373	4,580,401	5,285,967	5,017,290
Transportation	61,917	1,339	-	26	-
Human Services	40,422	39,828	33,908	45,021	37,067
Culture and Recreation	548,804	428,720	673,632	726,625	844,400
Operating Grants and Contributions	8,214,191	30,483,218	29,194,878	11,784,991	22,103,542
Capital Grants and Contributions	6,127,420	14,337,999	12,146,602	14,752,521	9,491,865
Total Governmental Activities Program Revenues	48,192,974	77,203,806	76,082,548	62,004,605	68,824,760
Business-type Activities:					
Charges for Services:					
Navarre Beach Water and Sewer	2,377,243	2,273,197	2,500,689	2,720,600	3,170,483
Inspections	3,252,216	4,404,116	5,308,350	5,094,953	4,342,104
Peter Prince Airport	305,168	300,817	324,930	367,227	376,758
Landfill	11,399,817	12,597,507	16,961,961	15,767,594	14,335,352
Capital Grants and Contributions	329,652	812,540	801,537	1,132,211	148,860
Total Business-type Activities	17,664,096	20,388,177	25,897,467	25,082,585	22,373,557
Total Government Program Revenues	\$ 65,857,070	\$ 97,591,983	\$ 101,980,015	\$ 87,087,190	\$ 91,198,317
Net (Expense)/revenue					
Governmental Activities	\$ (106,639,800)	\$ (90,199,877)	\$ (84,822,642)	\$ (109,946,263)	\$ (134,890,335)
Business-type Activities	5,748,874	6,887,397	18,193,497	8,268,868	5,144,849
Total Government Net Expense	\$ (100,890,926)	\$ (83,312,480)	\$ (66,629,145)	\$ (101,677,395)	\$ (129,745,486)

* Inspections was implemented as a separate business-type activity starting FY 2018

Changes In Net Position - General Revenues And Other Changes Last Ten Fiscal Years (Unaudited) (accrual basis of accounting)

	Fiscal Year				
	2014	2015	2016	2017	2018
General Revenues and Other Changes in Net Position					
Governmental Activities:					
Taxes					
Property Taxes	\$ 48,305,322	\$ 46,335,319	\$ 49,251,991	\$ 49,696,434	\$ 51,841,396
Sales, Use and Fuel Taxes	5,521,730	6,182,387	9,220,510	15,431,701	22,250,020
Communication Services Taxes	1,415,391	1,363,480	1,264,504	1,179,568	1,246,878
Unrestricted Grants and Contributions	13,791,230	14,226,746	14,929,576	15,654,668	15,716,188
Unrestricted Investment Earnings	87,033	163,795	309,686	539,578	1,235,761
Miscellaneous	1,675,778	2,322,467	1,696,967	8,988,712	2,497,875
Gain On Sale of Assets	1,700,455	-	-	-	-
Transfers	-	(142,066)	-	534,822	2,063,351
Total Governmental Activities	72,496,939	70,452,128	76,673,234	92,025,483	96,851,469
Business-type Activities:					
Unrestricted Grants and Contributions	10,611	57,894	-	-	-
Unrestricted Investment Earnings	36,488	6,660	91,861	139,703	243,890
Miscellaneous	21,402	235,101	11,044	61,301	35,852
Gain On Sale of Assets	110,452	-	85,312	69,882	67,771
Transfers	-	142,066	-	(515,937)	(2,063,351)
Total Business-type Activities	178,953	441,721	188,217	(245,051)	(1,715,838)
Total Government	\$ 72,675,892	\$ 70,893,849	\$ 76,861,451	\$ 91,780,432	\$ 95,135,631
Change in Net Position					
Governmental Activities	\$ 443,201	\$ 8,716,043	\$ 827,931	\$ 3,677,189	\$ 8,141,085
Business-type Activities	824,318	2,567,658	4,111,819	4,221,102	(3,131,057)
Total Government	\$ 1,267,519	\$ 11,283,701	\$ 4,939,750	\$ 7,898,291	\$ 5,010,028
	Fiscal Year				
	2019	2020	2021	2022	2023
General Revenues and Other Changes in Net Position					
Governmental Activities:					
Taxes					
Property Taxes	\$ 56,284,626	\$ 60,822,610	\$ 65,623,243	\$ 72,945,764	\$ 83,601,586
Sales, Use and Fuel Taxes	23,346,073	21,602,823	25,981,294	29,508,769	32,700,174
Communication Services Taxes	1,135,739	1,168,514	1,143,101	1,256,011	1,278,164
Unrestricted Grants and Contributions	17,227,434	17,065,719	20,968,519	23,135,579	23,801,882
Unrestricted Investment Earnings	1,760,570	899,130	138,790	743,432	5,694,217
Miscellaneous	10,111,508	3,050,125	4,017,359	2,563,372	3,365,140
Transfers	444,116	(213,923)	730,120	718,577	2,611,290
Total Governmental Activities	110,310,066	104,394,998	118,602,426	130,871,504	153,052,453
Business-type Activities:					
Unrestricted Investment Earnings	708,723	520,265	37,949	(178,172)	2,168,134
Miscellaneous	30,111	520	5,120	4,683	20,273
Gain On Sale of Assets	(54,717)	92,309	79,840	48,851	117,829
Transfers	(444,116)	213,923	(730,120)	(718,577)	(2,611,290)
Total Business-type Activities	240,001	827,017	(607,211)	(843,215)	(305,054)
Total Government	\$ 110,550,067	\$ 105,222,015	\$ 117,995,215	\$ 130,028,289	\$ 152,747,399
Change in Net Position					
Governmental Activities	\$ 3,670,266	\$ 14,195,121	\$ 33,779,784	\$ 20,925,241	\$ 18,162,118
Business-type Activities	5,988,875	7,714,414	17,586,286	7,425,653	4,839,795
Total Government	\$ 9,659,141	\$ 21,909,535	\$ 51,366,070	\$ 28,350,894	\$ 23,001,913

Fund Balances - Governmental Funds

Last Ten Fiscal Years

(Unaudited)
 (modified accrual basis of accounting)

POST-GASB 54

	Fiscal Year				
	2014	2015	2016	2017	2018
General Fund					
Nonspendable					
Nonspendable	\$ 107,193	\$ 90,672	\$ 62,459	\$ 72,278	\$ 69,487
Spendable					
Restricted	1,733,869	1,901,139	2,033,211	2,154,342	2,241,173
Committed	3,598,490	3,599,211	3,599,876	3,600,551	3,601,260
Assigned	8,586,073	8,805,007	2,967,560	2,797,226	3,068,669
Unassigned	23,606,591	24,700,673	31,055,759	33,735,553	37,463,097
Total General Fund	\$ 37,632,216	\$ 39,096,702	\$ 39,718,865	\$ 42,359,950	\$ 46,443,686
All Other Governmental Funds					
Nonspendable					
Nonspendable	\$ 304,885	\$ 318,926	\$ 315,881	\$ 354,955	\$ 345,224
Spendable					
Restricted	12,011,918	11,021,558	12,109,229	16,102,694	14,572,450
Committed	9,462,579	9,008,363	8,385,969	9,236,431	10,125,637
Assigned	6,676,129	7,258,486	8,907,488	9,791,607	10,973,321
Unassigned	(1,135,383)	(208,078)	(1,695,801)	(787,135)	(438,508)
Total All Other Governmental Funds	\$ 27,320,128	\$ 27,399,255	\$ 28,022,766	\$ 34,698,552	\$ 35,578,124

	Fiscal Year				
	2019	2020	2021	2022	2023
General Fund					
Nonspendable					
Nonspendable	\$ 82,929	\$ 78,837	\$ 92,746	\$ 157,300	\$ 100,439
Spendable					
Restricted	2,080,921	2,112,038	1,597,453	1,490,055	1,566,634
Committed	3,601,898	50,668	50,961	51,291	51,826
Assigned	3,593,803	4,453,703	5,538,442	6,753,536	8,127,985
Unassigned	34,347,223	42,442,838	40,117,694	42,266,933	46,235,164
Total General Fund	\$ 43,706,774	\$ 49,138,084	\$ 47,397,296	\$ 50,719,115	\$ 56,082,048
All Other Governmental Funds					
Nonspendable					
Nonspendable	\$ 304,304	\$ 809,336	\$ 244,831	\$ 302,776	\$ 274,053
Spendable					
Restricted	15,945,746	21,839,589	52,650,956	35,567,707	40,020,920
Committed	12,081,897	6,261,377	1,949,434	6,559,276	5,621,241
Assigned	7,847,916	4,966,935	4,883,792	5,178,267	3,581,117
Unassigned	(270,524)	(182,512)	(188,418)	(625,082)	(527,521)
Total All Other Governmental Funds	\$ 35,909,339	\$ 33,694,725	\$ 59,540,595	\$ 46,982,944	\$ 48,969,810

Note: Ten years data available for post GASB-54 compliance.

**Changes In Fund Balances
All Governmental Fund Types
Last Ten Fiscal Years**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Taxes	\$55,242,443	\$53,881,186	\$59,737,006	\$66,307,703	\$75,338,294	\$80,766,438	\$83,593,948	\$92,747,638	\$103,710,544	\$117,579,924
Permits, Fees and Special Assessments ⁽¹⁾	13,251,694	13,213,555	13,747,389	14,185,289	11,769,439	13,460,617	11,864,624	12,575,209	13,268,892	13,934,310
Intergovernmental	21,745,969	20,163,571	31,201,335	20,450,515	25,909,785	30,676,851	52,779,178	55,273,767	44,494,937	55,325,589
Charges for Services	12,285,986	15,335,216	14,661,408	14,913,717	13,851,454	15,378,297	15,500,924	16,935,410	16,808,519	17,255,179
Fines and Forfeitures	1,270,224	1,463,623	1,412,344	1,444,898	1,347,679	1,444,555	1,589,074	1,584,110	1,536,455	1,801,925
Miscellaneous	5,652,134	3,376,219	3,166,862	3,479,581	4,184,541	6,263,474	4,105,854	4,225,597	4,600,920	10,111,683
Total Revenues	109,448,450	107,433,370	123,926,344	120,781,703	132,401,192	147,990,232	169,433,602	183,341,731	184,420,267	216,008,610
Expenditures										
General Government	27,665,859	28,832,963	28,320,515	30,187,666	29,643,720	39,202,349	41,469,829	50,614,457	54,644,540	54,261,611
Public Safety	43,474,891	45,351,135	43,704,141	48,958,472	55,091,743	61,523,944	68,909,625	78,191,141	71,607,244	81,571,562
Physical Environment	2,547,824	3,257,125	16,356,077	2,835,197	6,303,950	12,833,590	11,074,990	5,080,242	3,897,554	11,595,200
Transportation	17,551,654	12,885,058	13,640,571	15,923,262	19,313,501	17,189,151	22,375,506	16,366,281	25,384,035	28,061,139
Economic Environment	3,607,947	4,068,837	3,427,798	4,203,529	4,581,029	5,757,690	4,694,136	5,288,003	7,244,328	8,623,521
Human Services	5,449,681	5,944,871	5,003,386	5,046,765	4,746,285	5,258,684	5,956,334	7,082,636	6,741,713	7,029,548
Culture and Recreation	2,867,276	3,235,694	2,916,554	3,307,556	4,480,244	4,469,669	5,662,522	4,859,727	4,885,120	5,379,049
Capital Outlay	488,191	349,049	12,644,982	1,770	2,417,398	2,665,420	8,743,442	33,945,647	15,566,184	13,456,989
Debt Service										
Principal	1,259,276	1,193,194	1,773,560	1,428,549	1,968,707	1,100,079	1,275,559	1,354,109	3,489,161	3,749,308
Interest	172,712	134,732	196,066	156,236	154,384	117,288	119,595	512,528	935,646	867,562
Total Expenditures	105,085,311	105,252,658	127,983,650	112,049,002	128,700,961	150,117,864	170,281,538	203,294,771	194,395,525	214,595,489
Excess of Revenues Over (Under) Expenditures	4,363,139	2,180,712	(4,057,306)	8,732,701	3,700,231	(2,127,632)	(847,936)	(19,953,040)	(9,975,258)	1,413,121
Other Financing Sources (Uses)										
Transfers in	10,209,704	12,423,537	13,448,087	12,237,875	20,409,367	20,776,838	27,004,305	33,616,202	36,048,024	31,119,628
Transfers Out	(10,705,368)	(13,065,603)	(13,398,087)	(11,703,053)	(20,744,047)	(21,288,432)	(28,191,228)	(32,886,082)	(35,329,447)	(28,808,338)
New Debt Issue	-	-	5,279,240	-	1,604,000	273,965	530,2518	12,035,500	20,849	3,625,388
Total Other Financing Sources (Uses)	(495,664)	(642,066)	5,329,240	534,822	1,269,320	(237,629)	4,115,595	12,765,620	739,426	5,936,678
Net Change in Fund Balances	3,867,475	1,538,646	1,271,934	9,267,523	4,969,551	(2,365,261)	3,267,659	(7,187,420)	(9,235,832)	7,349,799
Debt Service As a Percentage of Noncapital Expenditures	1%	1%	2%	2%	2%	1%	1%	1%	3%	3%

⁽¹⁾The state mandated chart of accounts was modified to move special assessments from Miscellaneous to a newly named category Permits, Fees and Special Assessments.

Franchise fees were reclassified from Taxes to Permits and Fees

Just And Taxable Value of Real And Personal Property Last Ten Fiscal Years (Unaudited)

Fiscal Year	Real Property	Personal Property	Real Property Exemptions	Personal Property Exemptions	Less: Tax Exempt Property	Real Property Taxable Value	Personal Property Taxable Value	Total Just Value	Total Taxable Assessed Value	Total Direct Tax Rate
2014	\$ 11,632,334,984	\$ 605,255,817	\$ 4,497,322,031	\$ 50,842,317	\$ 4,548,164,348	\$ 7,135,012,953	\$ 554,413,500	\$ 12,237,590,801	\$ 7,689,426,453	\$ 6.0953
2015	\$ 11,995,646,721	\$ 627,728,822	\$ 4,514,497,235	\$ 349,017,918	\$ 4,863,515,153	\$ 7,481,149,486	\$ 278,710,904	\$ 12,623,375,543	\$ 7,759,860,390	\$ 6.0953
2016	\$ 12,499,933,594	\$ 661,823,887	\$ 4,740,517,328	\$ 51,988,439	\$ 4,792,505,767	\$ 7,759,416,266	\$ 609,835,448	\$ 13,161,757,481	\$ 8,369,251,714	\$ 6.0953
2017	\$ 13,127,940,336	\$ 680,101,947	\$ 4,967,098,700	\$ 48,847,262	\$ 5,015,945,962	\$ 8,160,841,636	\$ 631,254,685	\$ 13,808,042,283	\$ 8,792,096,321	\$ 6.0953
2018	\$ 14,345,023,878	\$ 747,289,282	\$ 4,746,010,616	\$ 75,186,719	\$ 4,821,197,335	\$ 9,599,013,262	\$ 672,102,563	\$ 15,092,313,160	\$ 10,271,115,825	\$ 6.0953
2019	\$ 15,536,241,039	\$ 780,898,125	\$ 5,898,391,227	\$ 91,223,721	\$ 5,989,614,948	\$ 9,637,849,812	\$ 689,674,404	\$ 16,317,139,164	\$ 10,327,524,216	\$ 6.0953
2020	\$ 16,961,974,463	\$ 823,083,072	\$ 6,503,125,337	\$ 85,395,842	\$ 6,588,521,179	\$ 10,458,849,126	\$ 737,687,230	\$ 17,785,057,535	\$ 11,196,536,356	\$ 6.0953
2021	\$ 19,081,193,231	\$ 860,667,436	\$ 7,600,043,926	\$ 89,767,155	\$ 7,689,811,081	\$ 11,481,149,305	\$ 770,900,281	\$ 19,941,860,667	\$ 12,252,049,586	\$ 6.0953
2022	\$ 24,122,956,215	\$ 972,826,231	\$ 10,976,491,508	\$ 87,497,571	\$ 11,063,989,079	\$ 13,146,464,707	\$ 885,328,660	\$ 25,095,782,446	\$ 14,031,793,367	\$ 6.0953
2023	\$ 27,218,029,329	\$ 1,023,220,426	\$ 12,040,789,136	\$ 111,212,623	\$ 12,152,001,759	\$ 15,177,240,193	\$ 912,007,803	\$ 28,241,249,755	\$ 16,089,247,996	\$ 6.0953

Source: Property Appraiser, Santa Rosa County

**Property Tax Rates
Direct And Overlapping Governments
Last Ten Fiscal Years
(Unaudited)**

Year	Santa Rosa County Operating Millage				Overlapping Rates								Total Millage
	General Fund	Road & Bridge Fund	Fine & Forfeiture Fund	Total County	School Board Operating Millage	City of Gulf Breeze Operating Millage	City of Milton Operating Millage	City of Jay Operating Millage	Avalon-Mulat Fire District Millage	Midway Fire District Millage	Pace Fire District Millage	NW Florida Water Management Millage	
2014	6.0856	-	0.0097	6.0953	7.4430	1.9723	3.2373	2.0000	2.0000	1.7500	-	0.0390	24.5369
2015	6.0953	-	-	6.0953	7.2020	1.9723	3.2373	2.0000	2.0000	1.7500	-	0.0378	24.2947
2016	6.0953	-	-	6.0953	6.8400	1.9723	3.2373	2.0000	2.0000	1.8500	-	0.0366	24.0315
2017	6.0953	-	-	6.0953	6.8400	1.9723	3.2373	2.0000	2.0000	1.8500	-	0.0353	24.0302
2018	6.0953	-	-	6.0953	6.2990	1.9723	3.2373	2.5000	2.0000	2.2000	-	0.0338	24.3377
2019	6.0953	-	-	6.0953	6.0910	1.9723	3.2373	2.5000	2.0000	2.2000	1.4800	0.0327	25.6086
2020	6.0953	-	-	6.0953	6.0500	1.9723	3.0841	2.5000	2.0000	2.2000	1.4800	0.0311	25.4182
2021	6.0953	-	-	6.0953	5.9040	1.9723	2.9900	3.8000	2.0000	2.3818	1.4800	0.0294	26.6528
2022	6.0953	-	-	6.0953	5.5600	1.9723	2.9900	3.8000	2.0000	2.4818	1.5300	0.0261	26.4555
2023	6.0953	-	-	6.0953	5.4460	1.9723	2.9900	3.8000	2.0000	2.4818	1.5300	0.0234	26.3388

Source: Property Appraiser, Santa Rosa County

Principal Taxpayers Current Year And Nine Years Ago (Unaudited)

Taxpayer	2023			2014		
	Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Florida Power & Light/Gulf Power	\$ 224,332,657	1	1.39%	\$ 98,748,475	1	1.28%
Florida Gas Transmission	\$ 68,778,198	2	0.43%	\$ 82,322,947	3	1.07%
Bellsouth Telecomm	\$ 67,118,710	3	0.42%	\$ 44,870,970	4	0.58%
Breitburn Operating LP	\$ 58,059,617	4	0.36%	\$ -		
Taminco Us	\$ 57,322,598	5	0.36%	\$ 22,394,277	7	0.29%
Walmart Stores East	\$ 43,988,219	6	0.27%	\$ 34,358,857	5	0.45%
Brookview Navarre Beach	\$ 36,520,625	7	0.23%	\$ -		
Indigo Clarkston, Colony & Equ	\$ 34,358,524	8	0.21%	\$ -		
8375 Navarre Beach Holdings	\$ 32,882,803	9	0.20%	\$ -		
Landarkway Exchange LLC	\$ 28,835,749	10	0.18%	\$ -		
Quantum Resources	\$ -			\$ 83,437,778	2	1.09%
Santa Rosa Energy	\$ -			\$ 31,065,184	6	0.40%
Andrews Institute Medical Park	\$ -			\$ 16,741,118	8	0.22%
Sea Shell Collections, LLC	\$ -			\$ 15,072,516	9	0.20%
Cole Mt Pace FL, LLC	\$ -			\$ 13,718,192	10	0.18%
Total Assessed	\$ 16,109,247,996			\$ 7,689,426,453		

Source: Property Appraiser, Santa Rosa County

Property Tax Levies And Collections
All Governmental Fund Types
Last Ten Fiscal Years
(Unaudited)

Year	Total Tax Levy	Current and Prior Years Adjustments	Outstanding Delinquent Taxes	Discounts Allowed	Current Tax Collections	Percent of Current Tax Collections to Total Levy	Total Tax Collection	Percent of Total Tax Collection to Total Levy	Percent of Delinquent Taxes to Tax Levy
2014	\$ 44,620,332	\$ 8,315	\$ 266,157	\$ 1,433,608	\$ 42,836,934	96.00%	\$ 44,270,542	99.22%	0.60%
2015	\$ 46,948,088	\$ 10,720	\$ 47,384	\$ 1,588,836	\$ 45,266,448	96.42%	\$ 46,855,284	99.80%	0.10%
2016	\$ 49,217,480	\$ 23,618	\$ 43,820	\$ 1,687,131	\$ 47,091,704	95.68%	\$ 48,778,836	99.11%	0.09%
2017	\$ 51,164,884	\$ 2,450	\$ 27,116	\$ 1,768,619	\$ 49,122,581	96.01%	\$ 50,891,200	99.47%	0.05%
2018	\$ 53,680,748	\$ 1,473	\$ 28,909	\$ 1,880,853	\$ 51,692,210	96.30%	\$ 53,573,063	99.80%	0.05%
2019	\$ 58,620,914	\$ 1,413	\$ 412,688	\$ 2,026,716	\$ 56,030,367	95.58%	\$ 58,057,083	99.04%	0.70%
2020	\$ 63,128,171	\$ 25,827	\$ 254,041	\$ 2,205,184	\$ 60,560,940	95.93%	\$ 62,766,125	99.43%	0.40%
2021	\$ 68,585,495	\$ 33,900	\$ 389,366	\$ 2,422,956	\$ 65,739,273	95.85%	\$ 68,162,229	99.38%	0.57%
2022	\$ 74,733,486	\$ 102,226	\$ 310,645	\$ 2,666,465	\$ 71,858,602	96.15%	\$ 74,525,068	99.72%	0.42%
2023	\$ 86,856,566	\$ 110,926	\$ 518,918	\$ 3,073,403	\$ 83,375,171	95.99%	\$ 86,448,574	99.53%	0.60%

Source: Tax Collector, Santa Rosa County

Ratios of Outstanding Debt By Type
Last Ten Fiscal Years
(Unaudited)

Year	General Obligation Debt	Governmental Activities				Business-type Activities			Percentage of Personal Income	Per Capita
		Revenue- Backed Debt	Special Assessment Debt	Leases	SBITA	Revenue Debt	Leases	Total		
2014	\$ -	\$ 1,580,707	\$ 3,192,183	\$ -	\$ -	\$ 4,058,392	\$ -	\$ 8,831,282	0.144%	\$ 54.04
2015	\$ -	\$ 1,210,908	\$ 2,368,788	\$ -	\$ -	\$ 3,330,357	\$ -	\$ 6,910,053	0.103%	\$ 41.51
2016	\$ 4,564,519	\$ 832,801	\$ 1,688,055	\$ -	\$ -	\$ 2,580,741	\$ -	\$ 9,666,116	0.139%	\$ 57.88
2017	\$ 3,837,034	\$ 740,509	\$ 1,079,284	\$ -	\$ -	\$ 2,102,521	\$ -	\$ 7,759,348	0.104%	\$ 45.42
2018	\$ 3,096,555	\$ 58,348	\$ 2,137,218	\$ -	\$ -	\$ 1,606,035	\$ -	\$ 6,898,156	0.086%	\$ 39.44
2019	\$ 2,342,849	\$ 24,074	\$ 2,100,118	\$ -	\$ -	\$ 1,090,588	\$ -	\$ 5,557,629	0.071%	\$ 31.06
2020	\$ 1,575,683	\$ 2,700,000	\$ 4,215,549	\$ -	\$ -	\$ 1,090,588	\$ -	\$ 9,581,820	0.113%	\$ 51.89
2021	\$ 794,815	\$ 46,288,897	\$ 4,478,912	\$ -	\$ -	\$ 555,568	\$ -	\$ 52,118,192	0.549%	\$ 271.57
2022	\$ -	\$ 44,137,723	\$ 4,023,240	\$ 594,680	\$ 653,493	\$ -	\$ 2,163,411	\$ 51,572,547	0.487%	\$ 262.01
2023	\$ 1,033,305	\$ 40,849,429	\$ 3,562,632	\$ 2,652,168	\$ 442,428	\$ -	\$ 2,185,782	\$ 50,725,744	0.445%	\$ 255.55

Ratios of General Obligation Debt
Last Ten Fiscal Years
(Unaudited)

Year	Governmental Activities		Percentage of Actual Taxable Value of Property ⁽²⁾	Per Capita ⁽¹⁾
	General Obligation Debt			
2014	\$	-	0.000%	\$ -
2015	\$	-	0.000%	\$ -
2016	\$	4,564,519	0.055%	\$ 27
2017	\$	3,837,034	0.044%	\$ 22
2018	\$	3,096,555	0.030%	\$ 18
2019	\$	2,342,849	0.023%	\$ 13.09
2020	\$	1,575,683	0.014%	\$ 8.53
2021	\$	794,815	0.006%	\$ 4.14
2022	\$	-	0.000%	\$ -
2023	\$	1,033,305	0.006%	\$ 5.21

⁽¹⁾ US Bureau of Economic and Business Research

⁽²⁾ Property Appraiser, Santa Rosa County

Pledged Revenue Coverage

Last Ten Fiscal Years

(Unaudited)

Revenue Bonds

Year	Gross Revenues ⁽¹⁾	Less: Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2014	\$ 6,401,628	\$ -	\$ 6,401,628	\$ 558,953	\$ 26,274	1094%
2015	\$ 6,780,568	\$ -	\$ 6,780,568	\$ 568,686	\$ 13,636	1164%
2016	\$ 7,276,083	\$ -	\$ 7,276,083	\$ 578,589	\$ 6,381	1244%
2017	\$ 7,714,651	\$ -	\$ 7,714,651	\$ -	\$ -	0%
2018	\$ 7,484,101	\$ -	\$ 7,484,101	\$ -	\$ -	0%
2019	\$ 8,585,746	\$ -	\$ 8,585,746	\$ -	\$ -	0%
2020	\$ 9,092,163	\$ -	\$ 9,092,163	\$ -	\$ -	0%
2021	\$ 52,249,063	\$ -	\$ 52,249,063	\$ -	\$ 318,083	16426%
2022	\$ 66,979,566	\$ -	\$ 66,979,566	\$ 2,000,000	\$ 761,393	2426%
2023	\$ 80,267,048	\$ -	\$ 80,267,048	\$ 2,942,800	\$ 711,837	2196%

Notes Payable

Year	Gross Revenues ⁽²⁾	Less: Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2014	\$ 2,525,419	\$ 1,431,119	\$ 1,094,300	\$ 509,629	\$ 198,179	155%
2015	\$ 2,771,930	\$ 1,305,460	\$ 1,466,470	\$ 529,150	\$ 178,960	207%
2016	\$ 2,884,659	\$ 1,472,189	\$ 1,412,470	\$ 549,133	\$ 159,339	199%
2017	\$ 3,041,022	\$ 1,634,259	\$ 1,406,763	\$ 570,512	\$ 138,171	199%
2018	\$ 3,223,716	\$ 1,802,065	\$ 1,421,651	\$ 592,381	\$ 116,619	201%
2019	\$ 3,511,284	\$ 1,938,442	\$ 1,572,842	\$ 548,720	\$ 72,661	253%
2020	\$ 3,324,165	\$ 2,144,205	\$ 1,179,960	\$ 569,293	\$ 53,385	189%
2021	\$ 54,758,103	\$ 1,566,257	\$ 53,191,846	\$ 583,623	\$ 54,658	8334%
2022	\$ 66,979,566	\$ -	\$ 66,879,566	\$ 238,674	\$ 39,507	24042%
2023	\$ 80,267,048	\$ -	\$ 80,267,048	\$ 345,493	\$ 48,030	20397%

Special Assessment Notes

Year	Gross Revenues ⁽³⁾	Less: Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2014	\$ 1,155,998	\$ -	\$ 1,155,998	\$ 897,493	\$ 174,533	108%
2015	\$ 991,352	\$ -	\$ 991,352	\$ 823,894	\$ 88,461	109%
2016	\$ 772,276	\$ -	\$ 772,276	\$ 680,682	\$ 78,340	102%
2017	\$ 727,529	\$ -	\$ 727,529	\$ 592,839	\$ 44,387	114%
2018	\$ 641,896	\$ -	\$ 641,896	\$ 470,195	\$ 27,468	129%
2019	\$ 789,091	\$ -	\$ 789,091	\$ 210,380	\$ 21,284	341%
2020	\$ 2,448,261	\$ -	\$ 2,448,261	\$ 553,212	\$ 63,642	397%
2021	\$ 1,081,138	\$ 11,705	\$ 1,069,433	\$ 447,137	\$ 127,974	186%
2022	\$ 1,163,728	\$ -	\$ 1,163,728	\$ 455,670	\$ 120,551	202%
2023	\$ 1,195,305	\$ 29,220	\$ 1,166,085	\$ 460,609	\$ 107,693	205%

⁽¹⁾ Sales taxes until 2020, non-ad valorem revenues from 2021

⁽²⁾ Electric Franchise Fees until 2020, non-ad valorem revenues from 2021

⁽³⁾ Special Assessments

Demographic Statistics

Last Ten Fiscal Years (Unaudited)

Fiscal Year	Population ⁽¹⁾	Personal Income ⁽²⁾ (Thousands)	Per Capita Personal Income ⁽²⁾	Unemployment Rate ⁽³⁾
2014	163,422	\$ 6,146,309	\$ 37,610	5.4%
2015	166,486	\$ 6,721,674	\$ 40,506	4.3%
2016	167,009	\$ 6,943,907	\$ 41,869	4.6%
2017	170,835	\$ 7,477,766	\$ 42,909	3.2%
2018	174,887	\$ 7,985,954	\$ 44,527	2.9%
2019	178,928	\$ 7,841,227	\$ 44,615	2.7%
2020	184,653	\$ 8,474,829 *	\$ 45,981 *	4.1%
2021	191,911	\$ 9,494,221 *	\$ 49,472 *	2.7%
2022	196,834	\$ 10,585,339 *	\$ 53,778 *	2.3%
2023	198,494	\$ 11,401,495 *	\$ 57,440 *	2.5%

* Projected

⁽¹⁾ Florida Legislature, Office of Economic and Demographic Research

⁽²⁾ US Bureau of Economic Analysis

⁽³⁾ US Bureau of Labor Statistics

**Principal Employers
 Current Year And Nine Years Ago
 (Unaudited)**

Employer	2023			2014		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Santa Rosa County School District	3,100	1	3.48%	2,687	1	3.57%
Federal Military	2,500	2	2.80%			
Federal Government	2,449	3	2.75%	2,086	2	2.77%
State Government	1,330	4	1.49%	1,301	3	1.73%
Santa Rosa County Government	1,093	5	1.23%	903	5	1.20%
Baptist Healthcare Systems	849	6	0.95%	580	6	0.77%
Wal-Mart Stores	800	7	0.90%	1,282	4	1.70%
Santa Rosa Medical Center	700	8	0.79%	400	7	0.53%
Publix	500	9	0.56%	359	8	0.48%
Gulf Cable	360	10	0.40%			
Lowe's				304	9	0.40%
Mediacom				300	10	0.40%
Total	13,681		15%	8,861		12%
Total Employment			89,164			75,252

Source: Santa Rosa County Economic Development Office

County Employees By Function
Last Ten Fiscal Years
(Unaudited)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government	269	269	261	268	280	290	301	308	330	335
Public Safety	451	445	451	450	444	486	508	509	527	524
Physical Environment	64	65	60	58	63	64	64	50	53	51
Transportation	111	110	108	107	105	105	103	103	117	129
Economic Environment	10	11	7	12	9	9	9	13	12	13
Human Services	25	25	25	24	22	21	21	24	24	28
Culture and Recreation	35	38	37	37	41	39	38	45	45	45
Total	965	963	949	956	964	1,014	1,044	1,052	1,108	1,125

Source: Departmental reports.

Operating Indicators By Function Last Ten Fiscal Years (Unaudited)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Public Safety										
Law Enforcement										
Service Calls	119,731	126,423	144,727	149,702	139,233	142,655	125,022	124,798	128,533	130,727
DUI Arrests	236	215	273	352	331	269	247	225	269	883
Jail Inmates	6,577	7,249	7,746	7,807	7,383	7,431	5,612	6,364	6,369	6,706
Physical Environment										
Transportation										
Economic Environment										
Human Services										
Animal Services										
Service Calls	7,201	7,162	6,520	6,970	6,572	5,206	4,120	4,455	5,160	5,030
Adoptions	571	616	570	583	511	926	1,196	1,448	1,853	1,919
Animal Visits to Shelter	6,592	6,631	6,137	6,038	5,990	4,050	2,826	3,250	3,521	3,791
Culture and Recreation										
Libraries										
Items Circulated	434,571	420,730	405,000	398,597	401,333	411,656	311,742	378,037	490,022	584,980
Registered Borrowers	46,111	49,771	52,343	57,568	63,238	69,206	72,488	74,064	84,859	67,596

Indicators are not available for the general government function.

Source: Departmental reports

Capital Asset Statistics By Function
Last Ten Fiscal Years
(Unaudited)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Public Safety										
Sheriff's Officers Vehicles	285	285	275	293	296	281	326	310	370	321
Fire Districts	15	15	15	15	15	15	15	15	15	15
Physical Environment										
Landfills	2	2	2	2	2	2	2	2	2	2
Transfer Stations	1	1	1	1	1	1	1	1	1	1
Water Taps	1,955	2,137	2,152	2,171	2,190	2,220	2,247	2,255	2,282	2,299
Sewer Taps	1,942	2,124	2,139	2,158	2,177	2,207	2,234	2,242	2,269	2,286
Transportation										
Airports	1	1	1	1	1	1	1	1	1	1
Airport Hangars	16	16	16	16	16	16	16	23	23	23
Economic Environment										
Industrial Parks	2	2	2	2	2	2	2	2	2	2
Human Services										
Animal Services Vehicles	11	11	11	11	10	11	9	10	8	11
Culture and Recreation										
Libraries	5	5	5	6	6	6	6	6	6	6
Items in Library Collection	138,565	156,786	148,288	155,149	156,773	156,152	156,111	164,258	214,287	194,880
Parks	56	56	56	56	56	56	56	56	56	56

Indicators Are Not Available for the General Government Function.

Source: Departmental Reports



COMPLIANCE SECTION

**INDEPENDENT ACCOUNTANTS' REPORT ON EXAMINATION OF
COMPLIANCE REQUIREMENTS IN ACCORDANCE WITH CHAPTER 10.550,
RULES OF THE AUDITOR GENERAL**

The Honorable Board of County Commissioners
Santa Rosa County, Florida

We have examined Santa Rosa County, Florida's, (hereinafter referred to as the "the County") compliance with the following requirements for the year ended September 30, 2023:

- (1) Florida Statute 218.415 in regards to investments.
- (2) Florida Statute 288.8018 in regards to the Deepwater Horizon Oil Spill receipts and expenditures.
- (3) Florida Statutes 365.172 and 365.173 in regards to use of E-911 revenues and expenditures.

Management is responsible for the County's compliance with those requirements. Our responsibility is to express an opinion on the County's compliance based on our examination.

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

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

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

In our opinion, the County has complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2023.

Warren Averett, LLC

Pensacola, Florida
March 18, 2024

**INDEPENDENT AUDITORS' REPORT ON THE SCHEDULE OF RECEIPTS AND
EXPENDITURES OF FUNDS RELATED TO THE DEEPWATER HORIZON OIL SPILL**

The Honorable Board of County Commissioners
Santa Rosa County, Florida

We have audited the financial statements of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of Santa County, Florida as of March 18, 2024 which contained an unmodified opinion on those financial statements.

The Schedule of Receipts and Expenditures of Funds related to the Deepwater Horizon Oil Spill, as listed in the table of contents, is presented for the purpose of additional analysis as required by Florida Statute 288.8018 and the Rules of the Auditor General Chapter 10.557(3)(f), 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 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Warren Averett, LLC

Pensacola, Florida
March 18, 2024

**SANTA ROSA COUNTY, FLORIDA
SCHEDULE OF RECEIPTS AND EXPENDITURES OF
FUNDS RELATED TO THE DEEPWATER HORIZON OIL SPILL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

Source	Amount Received in the 2022-23 Fiscal Year	Amount Expended in the 2022-23 Fiscal Year
Triumph Gulf Coast, Inc.		
Project #72 – Whiting Field MRO	\$ -	\$ 63,893
Project#209- NWFL @ I-10	1,181,063	2,604,753
Project #240 - Santa Rosa Industrial Park East	-	3,537,641
Project #251- Milton Interchange Park	2,520,267	130,560
U.S. Department of Treasury		
Restore Oyster Habitat Restoration Project 1 RDCGR210076-01-00	202,786	17,004
Restore Dirt Road Paving Districts 1 RDCGR210100-01-00	261,623	165,400
Gulf Consortium		
Gulf Coast Ecosystem Restoration Council Oil Spill Impact Program GNTSP22FL0036	-	42,187
TOTAL:	\$ 4,165,739	\$ 6,561,438

Note: These funds related to the Deepwater Horizon Oil Spill are considered Federal Awards and are reported on the Schedule of Expenditures of Federal Awards and State Financial Assistance under Assistance Listings #21.015 and #87.052. These were not tested as major programs in Fiscal Year 2023.

This schedule is prepared on the cash basis of accounting.

MANAGEMENT LETTER

The Honorable Board of County Commissioners
Santa Rosa County, Florida

Report on the Financial Statements

We have audited the financial statements Santa Rosa County, Florida (hereinafter referred to as the "County"), as of and for the year ended September 30, 2023, and have issued our report thereon dated March 18, 2024.

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 of Federal Awards (Uniform Guidance); and Chapter 10.550 *Rules of the Florida Auditor General*.

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control Over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountants' Report on Examination of Compliance Requirements in Accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated March 18, 2024, 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. See finding 2023-001 in the accompanying schedule of findings and questioned costs. This finding has been repeated in a similar finding identified in finding 2022-001 (FY22) and finding 2021-001 (FY 21).

Financial Condition and Management

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

Financial Condition and Management - Continued

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

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

Specific Information

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the Districts referenced below reported:

Blackwater Soil and Water Conservation District - The operations of the District are included within the General Fund.

- a. The total number of District employees compensated in the last pay period of the District's fiscal year was four.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the District's fiscal year was 0.
- c. All compensation earned by or awarded to employees, whether paid or accrued regardless of contingency was \$365,599
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency was \$0.
- e. The District does not have any construction project with a total cost of at least \$65,000 approved by the District that is scheduled to begin on or after October 1 of the fiscal year being reported.
- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the District amends a final adopted budget under Section 189.016(6), Florida Statutes, as included in the Schedule of Revenues, Expenditures, and Changes in Fund Balance- Budget to Actual – General Fund as reported in the table of contents.

Santa Rosa County Health Facilities Authority- The Authority reported no operations during the fiscal year.

- a. The total number of District employees compensated in the last pay period of the District's fiscal year was 0.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the District's fiscal year was 0.
- c. All compensation earned by or awarded to employees, whether paid or accrued regardless of contingency was \$0.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency was \$0.
- e. The District does not have any construction project with a total cost of at least \$65,000 approved by the District that is scheduled to begin on or after October 1 of the fiscal year being reported.
- f. There was not a budget adopted for the District during the fiscal year.

Santa Rosa County Housing Finance Authority -The operations of the District are included within the General Fund.

- a. The total number of District employees compensated in the last pay period of the District's fiscal year was 3.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the District's fiscal year was 0.
- c. All compensation earned by or awarded to employees, whether paid or accrued regardless of contingency was \$246,559.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency was \$0.
- e. The District does not have any construction project with a total cost of at least \$65,000 approved by the District that is scheduled to begin on or after October 1 of the fiscal year being reported.
- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the District amends a final adopted budget under Section 189.016(6), Florida Statutes, as included in the Schedule of Revenues, Expenditures, and Changes in Fund Balance- Budget to Actual- General Fund as reported in the table of contents.

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

Special District Component Units

Section 10.554(1)(i)5.d, *Rules of the Auditor General*, requires that we determine whether or not a special district that is a component unit of the County provided the financial information necessary for proper reporting of the component unit, within the audited financial statements of the County in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we determined that all special district component units provided the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

Additional Matters

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

Purpose of this Letter

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

Warren Averett, LLC

Pensacola, Florida
March 18, 2024

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

The Honorable Board of County Commissioners
Santa Rosa County, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of Santa Rosa County, Florida, (hereinafter referred to as "County"), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 18, 2024.

Report on Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2023-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

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

Report on Compliance and Other Matters – Continued

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*.

Management’s Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the County’s response to the finding identified in our audit and described in the accompanying schedule of findings and question costs. The County’s response was not subjected to the other auditing procedures applied in the engagement to audit of 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 entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Warren Averett, LLC

Pensacola, Florida

March 18, 2024

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

Board of County Commissioners
Santa Rosa 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 Santa Rosa County, Florida’s (hereinafter referred to as “County”) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement*, and the requirements described in the State of Florida Department of Financial Services’ *State Projects Compliance Supplement* that could have a direct and material effect on each of the County’s major federal programs and state projects for the year ended September 30, 2023. The County’s major federal programs and state projects are identified in the summary of auditor results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended September 30, 2023.

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; 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 Chapter 10.550, *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 the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program and state project. Our audit does not provide a legal determination of the County’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 the County's compliance with the requirements of each major federal program and state project as a whole.

In performing an audit in accordance with generally accepted auditing standards, *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 the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and the Florida Department of Financial Services *State Projects Compliance Supplement*, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

Report on Schedule of Expenditures of Federal Awards 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 of Santa Rosa County, Florida, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated March 18, 2024 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 the purpose 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 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 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 as a whole.

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.

Warren Averett, LLC

Pensacola, Florida
March 18, 2024

**SANTA ROSA COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

<u>Federal Grantor / Pass-Through Grantor / Program Title</u>	<u>Assistance Listing</u>	<u>Contract / Grant Number</u>	<u>Expenditures</u>	<u>Passed Through to Subrecipients</u>
<u>U.S. Department of Commerce</u>				
Passed Through Florida Department of Environmental Protection Office for Coastal Management	11.473	0318.22.069548	\$ 62,495	\$ -
Office for Coastal Management	11.473	0318.22.074507	17,673	-
			<u>80,168</u>	<u>-</u>
<u>U.S. Department of Housing and Urban Development</u>				
Passed Through Florida Department of Commerce Community Development Block Grant	14.228	22DB-OP-01-27-01-N14	20,500	-
Passed Through Escambia County Consortium Home Investment Partnerships Program	14.239	M-14-DC-12-0225	173,063	-
<u>U.S. Department of Agriculture</u>				
Passed Through Natural Resources Conservation Service Florida Natural Resource Damage Assessment and Restoration	15.658	N1220CPT0011021	19,356	-
<u>U.S. Department of Justice</u>				
Passed Through Florida Office of the Attorney General Crime Victim Assistance	16.575	VOCA-2022-710	160,458	-
Direct Program Edward Byrne Memorial Justice Assistance Grant Program	16.738	C-8C123:SRCBOC TF	79,521	-
Direct Program Equitable Sharing Program	16.922	N/A	24,023	-
<u>U.S. Department of Transportation Federal Aviation Administration</u>				
Direct Program COVID-19 Airport Improvement Program	20.106	3-12-0052-019-2022	2,160	-
Airport Improvement Program	20.106	3-12-0052-020-2022	107,098	-
			<u>109,258</u>	<u>-</u>
<u>U.S. Department of Transportation</u>				
Passed Through Florida Dept. of Transportation Highway Planning and Construction	20.205	G1Z40	49,926	-
Passed Through Florida Dept. of Transportation Formula Grants for Rural Areas	20.509	G1M17	100,262	100,262
Highway Safety Cluster				
Passed Through Florida Dept. of Transportation State and Community Highway Safety	20.600	SC-2023-00006	97,741	-
Passed Through Florida Dept. of Transportation National Priority Safety Programs	20.616	M5HVE-2023-00007	18,203	-
Total Highway Safety Cluster			<u>115,944</u>	<u>-</u>
<u>U.S. Department of the Treasury</u>				
Direct Program RESTORE Act	21.015	1 RDCGR210076-01-00	10,367	10,367
RESTORE Act	21.015	1 RDCGR210100-01-00	148,472	148,472
			<u>158,839</u>	<u>158,839</u>
Direct Program COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	SLT-1712	11,233,867	-

(Continued)

SANTA ROSA COUNTY, FLORIDA
NOTES TO THE SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Federal Grantor / Pass-Through Grantor / Program Title	Assistance Listing	Contract / Grant Number	Expenditures	Passed Through to Subrecipients
<u>U.S. Environmental Protection Agency (EPA)</u>				
Direct Program				
Gulf of Mexico Program	66.475	RDCGR210124	\$ 33,078	\$ 33,078
<u>Gulf Ecosystem Restoration Council</u>				
Passed Through Florida Department of Environmental Protection Gulf Coast Ecosystem Restoration Council Oil Spill Impact Program	87.052	GNSP22FL0036	51,003	51,003
<u>U.S. Election Assistance Commission</u>				
Passed Through Florida Dept. of State COVID-19 Help America Vote Act Election Security Grants	90.404	3E055	97,350	-
<u>U.S. Department of Health and Human Services</u>				
Passed Through Florida Dept. of Revenue Child Support Enforcement Program	93.563	COC57	280,555	-
Child Support Enforcement Program	93.563	CSU57	11,223	-
			<u>291,778</u>	<u>-</u>
<u>Executive Office of the President</u>				
Passed Through Office of National Drug Policy High Intensity Drug Trafficking Areas Program	95.001	G20GC0007A/G21GC0007A/ G22GC0007A	117,343	98,850
<u>U.S. Department of Homeland Security</u>				
Passed Through Florida Division of Emergency Management Flood Mitigation Assistance	97.029	B0074	265,591	-
Passed Through Florida Division of Emergency Management Disaster Grants - Public Assistance SALLY	97.036	Z2563	283,405	-
Disaster Grants - Public Assistance IAN (D) (P)	97.036	Mission-01239	259,123	-
Disaster Grants - Public Assistance IDALIA (D) (P)	97.036	Mission-0871	289,026	-
			<u>831,554</u>	<u>-</u>
Passed Through Florida Division of Emergency Management Hazard Mitigation Grant	97.039	H0702	1,280,325	-
Hazard Mitigation Grant	97.039	H0854	16,785	-
			<u>1,297,110</u>	<u>-</u>
Passed Through Volunteer Florida Emergency Management Performance Grant	97.042	G0396	79,640	-
Emergency Management Performance Grant	97.042	CC 23-01	5,000	-
			<u>84,640</u>	<u>-</u>
Passed Through Florida Division of Emergency Management Homeland Security Grant Program	97.067	R0560	38,825	-
Homeland Security Grant Program	97.067	R0432	41,864	-
Homeland Security Grant Program	97.067	R0468	8,673	-
Homeland Security Grant Program	97.067	R0579	8,170	-
			<u>97,532</u>	<u>-</u>
TOTAL FEDERAL AWARDS			<u>\$ 15,492,164</u>	<u>\$ 442,032</u>

(Continued)

SANTA ROSA COUNTY, FLORIDA
NOTES TO THE SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2023

State Grantor / Pass-Through Grantor / Program Title	Assistance Listing	Contract / Grant Number	Expenditures	Passed Through to Subrecipients
Florida Division of Emergency Management				
Emergency Management Programs	31.063	A0399	\$ 24,011	\$ -
Emergency Management Programs	31.063	A0262	82,476	-
			106,487	-
Emergency Management Projects - Hazards Analysis	31.067	T0215	4,359	-
Florida Department of Environmental Protection				
Statewide Water Quality Restoration Projects	37.039	LPA0379	300,000	-
Resilient Florida Program	37.098	22PLN39	73,802	-
Resilient Florida Program	37.098	22PLN40	60,000	-
			133,802	-
Florida Water Estuary Program Projects	37.110	FY2023	44,256	-
Florida Department of Economic Opportunity				
Division of Housing and Community Development	40.038	HL139	348,082	-
Economic Development Partnerships	40.040	S0197	50,460	-
Florida Housing Finance Corporation				
State Housing Initiative Partnership Program	40.901	N/A	1,656,642	-
Florida Department of Education				
Coach Aaron Feis Guardian Program	48.140	89G-90210-3D001	38,897	-
Florida Department of Agriculture and Consumer Services				
Mosquito Control	42.003	29358	38,892	-
Florida Department of State				
		CC SRP23 SRCL		
Florida Endowment for the Humanities	45.011	2313	1,500	-
State Aid to Libraries	45.030	23-ST-75	41,703	-
Florida Department of Transportation				
Aviation Grant Program	55.004	G2K10	31,890	-
Small County Outreach Program (SCOP)	55.009	G2E02	153,320	-
Transportation Regional Incentive Program (TRIP)	55.026	G1U28	61,249	-
Florida Department of Health				
County Grant Awards	64.005	C1055	19,153	-
Florida Department of Law Enforcement				
Florida Incident Based Reporting System	71.043	2021-FBSFA-F2-038	10,358	-
Florida Department of Management Services				
E911 State Grant Program	72.002	S14-19-12-15	12,150	-
Prepaid Next Generation 911 (NG911) State Grant Program	72.003	S17-21-02-66	83,148	-
Prepaid Next Generation 911 (NG911) State Grant Program	72.003	S17-21-02-67	103,313	-
Prepaid Next Generation 911 (NG911) State Grant Program	72.003	S20-21-12-15	89,591	-
			276,052	-

(Continued)

**SANTA ROSA COUNTY, FLORIDA
NOTES TO THE SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

<u>State Grantor / Pass-Through Grantor / Program Title</u>	<u>Assistance Listing</u>	<u>Contract / Grant Number</u>	<u>Expenditures</u>	<u>Passed Through to Subrecipients</u>
Florida Fish and Wildlife Conservation Commission Florida Boating Improvement Program	77.006	FWC-20109	12,500	-
TOTAL STATE AWARDS			<u>\$ 3,341,752</u>	<u>\$ -</u>
TOTAL FEDERAL AND STATE AWARDS			<u>\$ 18,833,916</u>	<u>\$ 442,032</u>

**SANTA ROSA COUNTY, FLORIDA
NOTES TO THE SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance (the Schedule) includes the federal and state grant activity of Santa Rosa County, Florida, under programs of the federal and state government for the year ended September 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), Chapter 69I-5, State Financial Assistance, Rules of the Department of Financial Services, and Chapter 10.550, *Rules of the Auditor General*. Therefore, some amounts presented in this Schedule may differ from amounts presented in or used in the preparation of the basic financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and Chapter 69I-5, State Financial Assistance, Rules of the Department of Financial Services, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Santa Rosa County, Florida, elected to utilize the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

3. EXPENDITURES INCURRED IN PRIOR FISCAL YEAR

Total Federal Assistance Listing No. 97.036 expenditures of \$283,405 were incurred in a prior fiscal year and obligated by FEMA in the current fiscal year.

**SANTA ROSA COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

A. SUMMARY OF AUDITOR RESULTS

FINANCIAL STATEMENTS

Type of auditor's report issued: Unmodified Opinion
Internal control over financial reporting:
Material weakness(es) identified? yes no
Significant deficiency (ies) identified that are
not considered to be material weakness(es)? yes none reported
Noncompliance material to financial statements
noted? yes no

FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

Internal control over major programs:
Material weakness(es) identified? yes no
Significant deficiency (ies) identified that are
not considered to be material weakness(es)? yes none reported
Type of auditor's report issued on compliance
for major programs: Unmodified opinion
Any audit findings disclosed that are required
to be reported in accordance with the Uniform
Guidance or Chapter 10.550, *Rules of
the Auditor General*? yes no

IDENTIFICATION OF MAJOR PROGRAMS

Federal Programs

Federal Assistance Listing No. 21.027 Coronavirus State and Local Fiscal Recovery Funds
Federal Assistance Listing No. 97.039 Hazard Mitigation Grant

Dollar threshold used to distinguish
between type A and type B programs: \$750,000
Auditee qualified as low-risk auditee? yes no

**SANTA ROSA COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

A. SUMMARY OF AUDITOR RESULTS (CONTINUED)

State Projects

State Assistance Listing No. 40.901 State Housing Initiative Partnership Program
State Assistance Listing No. 72.003 Prepaid Next Generation 911 (NG911) State Grant

Dollar threshold used to distinguish
between type A and type B programs: \$750,000

B. FINANCIAL STATEMENT FINDING

Finding required to be reported in accordance with *Government Auditing Standards*:

FINDING 2023-001 GRANT REVENUE RECOGNITION (RECURRING) – MATERIAL WEAKNESS

Criteria

The County's internal control over financial reporting is designed to allow for management and employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, a material misstatement on a timely basis. Pursuant to GASB Statement No. 33, recipients of expenditure-driven grants should recognize revenue as qualifying expenditures are incurred.

Condition

Supporting documentation for grant revenues and expenditures did not reconcile to the accounting records and to the Schedule of Expenditures of Financial Awards (SEFA).

Cause

Reconciliation of grant activities for financial reporting purposes was not prepared and reviewed on a timely basis by appropriately experienced and trained personnel. While the County has a written policy for grant administration activities, that policy does not provide the guidance necessary to facilitate financial reporting of grant activities in accordance with U.S. general accepted accounting procedures as well as preparation of the SEFA required by the Uniform Guidance.

Effect

Adjustments were required to properly reconcile grant activity for financial reporting purposes and to prepare the SEFA.

Recommendation

Management should review grant policies and procedures with key personnel to ensure the process for estimating the year-end grant accrual balance allows for matching grant revenues with related qualifying expenditures. These policies should reflect who is responsible for preparing and reviewing the reconciling schedule of grant activities for financial reporting purposes as well as preparation of the SEFA.

**SANTA ROSA COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

B. FINANCIAL STATEMENT FINDING – CONTINUED

Views of Responsible Officials

We have reviewed the report and are pleased that you found the County complied with the types of requirements identified in OMB Compliance Supplement and the requirements described in the State of Florida Department of Financial Services' State Projects Compliance Supplement that could have a direct and material effect on each of our major federal programs and state projects for the year ended September 30, 2023. To ensure we continue to maintain compliance with these standards, the Board of County Commissioner's staff plan to take the following actions.

- Establish Compliance Policies and Procedures in the Grant Manual to ensure review of expenditures and revenues on a regular basis in accordance with GASB Statement No. 33.
 - With the separation of the financial responsibilities between the Clerk Comptroller and the Board of County Commissioners (BOCC), it is imperative to clearly identify and communicate who the responsible party is for reconciling grant revenues and expenditures.
- Establish a reporting system that easily identifies discrepancies or irregularities in revenues versus expenditures.
 - With the increase of grant funding in the last several years, the Clerk Comptroller current finance system has not allowed for the quick review of the various grants managed by various departments. Implementation of separate system is currently underway and will provide the reporting capability necessary to quickly review revenues and expenditures per grant project.
- Attend training provided by the Clerk Comptroller or assigned personnel related to the preparation of the SEFA.
 - The Single Audit Report for the fiscal year ending September 30, 2022, outlined training that would be provided to ensure future compliance. BOCC staff are eager to attend the training when scheduled.

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL PROGRAM

There were no findings, which were required to be reported in accordance with the Uniform Guidance.

D. FINDINGS AND QUESTIONED COSTS – MAJOR STATE FINANCIAL ASSISTANCE

There were no findings, which were required to be reported in accordance with Chapter 10.550, *Rules of the Auditor General*.



DONALD C. SPENCER
CLERK OF THE CIRCUIT COURT & COMPTROLLER
SANTA ROSA COUNTY, FLORIDA

Clerk of the County Court & Comptroller
Recorder of Deeds
Clerk and Accountant of the Board of County Commissioners
Custodian of County Funds
County Auditor

6495 Caroline Street
Milton, Florida 32570
P O BOX 472
Milton, Florida 32572
Telephone: (850) 983-1975
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**SANTA ROSA COUNTY, FLORIDA
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

SCHEDULE OF PRIOR YEAR FINDINGS

FINDING 2022-001 GRANT REVENUE RECOGNITION

Condition

During 2022 audit procedures, supporting documentation for grant revenues and expenditures did not reconcile to the accounting records and to the Schedule of Expenditures of Financial Awards (SEFA).

Current Status

A similar finding was noted during the 2023 audit procedures. See Finding 2032-001.



Clerk of the County Court & Comptroller
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Custodian of County Funds
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**SANTA ROSA COUNTY, FLORIDA
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

The County respectfully submits the following corrective action plan for the year ended September 30, 2023.

Name and address of independent public accounting firm:

Warren Averett, LLC
350 W Cedar Street, Suite 400
Pensacola, Florida 32502

The finding from the schedule of findings and questioned costs for the year ended September 30, 2023, is discussed below. The finding is numbered consistently with the number assigned in the schedule of findings and questioned costs.

Name of Contact Person for Completing Corrective Action Plan:

Robert Miller, Senior Accountant
(850) 983-1963
millerr@santarosaclerks.com

Expected date of completion is September 30, 2024.

FINDING 2023-001 GRANT REVENUE RECOGNITION (RECURRING)

Management's Response

We have reviewed the report and are pleased that you found the County complied with the types of requirements identified in OMB Compliance Supplement and the requirements described in the State of Florida Department of Financial Services' State Projects Compliance Supplement that could have a direct and material effect on each of our major federal programs and state projects for the year ended September 30, 2023. To ensure we continue to maintain compliance with these standards, the Board of County Commissioner's staff plan to take the following actions.



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**SANTA ROSA COUNTY, FLORIDA
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

- Establish Compliance Policies and Procedures in the Grant Manual to ensure review of expenditures and revenues on a regular basis in accordance with GASB Statement No. 33.
 - With the separation of the financial responsibilities between the Clerk Comptroller and the Board of County Commissioners (BOCC), it is imperative to clearly identify and communicate who the responsible party is for reconciling grant revenues and expenditures.
- Establish a reporting system that easily identifies discrepancies or irregularities in revenues versus expenditures.
 - With the increase of grant funding in the last several years, the Clerk Comptroller current finance system has not allowed for the quick review of the various grants managed by various departments. Implementation of separate system is currently underway and will provide the reporting capability necessary to quickly review revenues and expenditures per grant project.
- Attend training provided by the Clerk Comptroller or assigned personnel related to the preparation of the SEFA.
 - The Single Audit Report for the fiscal year ending September 30, 2022, outlined training that would be provided to ensure future compliance. BOCC staff are eager to attend the training when scheduled.

**SANTA ROSA COUNTY, FLORIDA
CLERK OF COURT AND COMPTROLLER**

FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

**SANTA ROSA COUNTY, FLORIDA, CLERK OF COURT AND COMPTROLLER
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INDEPENDENT AUDITORS' REPORT

Honorable Donald Spencer – Clerk of Court and Comptroller
Santa Rosa County, Florida

Opinions

We have audited the accompanying financial statements of each major fund, and the aggregate remaining fund information of the Office of Clerk of Court and Comptroller of Santa Rosa County, Florida (hereinafter referred to as “Clerk”), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Clerk’s financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the Clerk, as of September 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above have been prepared for the purpose of complying with the Rules of the Auditor General, State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of each major fund and aggregate remaining fund information, only for that portion of the major funds, and the aggregate remaining fund information, of Santa Rosa County, Florida, that are attributable to the Clerk. They do not purport to, and do not, present fairly the financial position of Santa Rosa County, Florida, as of September 30, 2023, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

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 Clerk's ability to continue as a going concern for 12 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 Clerk's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Clerk's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information and notes on pages 14-16 be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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 financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Clerk's financial statements. The accompanying supplementary information, the combining fund financial statements on pages 17-18, are presented for purposes of additional analysis and are 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 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 21, 2024, on our consideration of the Clerk's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts, grant agreements and other matters included under the heading: Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. The purpose of the report is to describe the scope of our testing of internal control over financial reporting and compliance, and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. The report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Warren Averett, LLC

Pensacola, Florida
February 21, 2024

**SANTA ROSA COUNTY, FLORIDA, CLERK OF COURT AND COMPTROLLER
BALANCE SHEET – ALL GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023**

	Major Funds				Non-Major	Total
	General	Courts	Courts	Records	Child Support Title IV-D	
			Technology	Modernization Trust		
ASSETS						
Cash and cash equivalents	\$ 1,716,432	\$ 692,562	\$ 670,211	\$ 1,204,276	\$ -	\$ 4,283,481
Accounts receivable, net	10,455	-	-	-	-	10,455
Due from other funds	-	72,580	-	-	-	72,580
Due from other governmental units	-	67,471	-	-	46,646	114,117
TOTAL ASSETS	\$ 1,726,887	\$ 832,613	\$ 670,211	\$ 1,204,276	\$ 46,646	\$ 4,480,633
LIABILITIES						
Accounts payable	\$ 27,557	\$ 14,610	\$ 4,580	\$ -	\$ -	\$ 46,747
Accrued wages and salaries	167,902	191,298	14,580	-	-	373,780
Due to BOCC	1,244,714	-	-	-	-	1,244,714
Due to other funds	-	25,934	-	-	46,646	72,580
Due to other governmental units	238,867	600,771	63,836	-	-	903,474
Deposits	47,847	-	-	-	-	47,847
TOTAL LIABILITIES	1,726,887	832,613	82,996	-	46,646	2,689,142
FUND BALANCES						
Restricted for records modernization	-	-	-	1,204,276	-	1,204,276
Restricted for court equipment and technology	-	-	587,215	-	-	587,215
TOTAL FUND BALANCES	-	-	587,215	1,204,276	-	1,791,491
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,726,887	\$ 832,613	\$ 670,211	\$ 1,204,276	\$ 46,646	\$ 4,480,633

See notes to the financial statements.

SANTA ROSA COUNTY, FLORIDA, CLERK OF COURT AND COMPTROLLER
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – ALL GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Major Funds				Non-Major	Total
	General	Courts	Courts Technology	Records Modernization Trust	Child Support Title IV-D	
REVENUES						
Intergovernmental	\$ -	\$ 363,382	\$ -	\$ -	\$ 280,555	\$ 643,937
Charges for services	1,282,896	2,772,154	347,796	114,668	-	4,517,514
Fines and forfeitures	-	1,181,578	-	-	-	1,181,578
Miscellaneous	74,203	-	-	-	-	74,203
Total revenues	1,357,099	4,317,114	347,796	114,668	280,555	6,417,232
EXPENDITURES						
Current:						
General government:						
Financial and administrative:						
Personal services	3,782,339	-	-	-	-	3,782,339
Operating	680,005	-	-	-	-	680,005
Capital outlay	111,212	-	-	-	-	111,212
Judicial:						
Personal services	573,376	3,280,409	278,260	-	280,555	4,412,600
Operating	-	205,131	412,568	-	-	617,699
Capital outlay	-	-	6,000	-	-	6,000
Total expenditures	5,146,932	3,485,540	696,828	-	280,555	9,609,855
Excess (deficiency) of revenue over (under) expenditures	(3,789,833)	831,574	(349,032)	114,668	-	(3,192,623)
OTHER FINANCING SOURCES (USES)						
BOCC appropriation	5,031,411	-	-	-	-	5,031,411
BOCC unspent revenues	(1,241,578)	-	-	-	-	(1,241,578)
Payments to Clerks of the Court Trust Fund	-	(831,574)	-	-	-	(831,574)
Total other financing sources (uses)	3,789,833	(831,574)	-	-	-	2,958,259
NET CHANGE IN FUND BALANCES	-	-	(349,032)	114,668	-	(234,364)
FUND BALANCES, BEGINNING	-	-	936,247	1,089,608	-	2,025,855
FUND BALANCES, ENDING	\$ -	\$ -	\$ 587,215	\$ 1,204,276	\$ -	\$ 1,791,491

See notes to the financial statements.

**SANTA ROSA COUNTY, FLORIDA, CLERK OF COURT AND COMPTROLLER
STATEMENT OF FIDUCIARY NET POSITION – CUSTODIAL FUNDS
SEPTEMBER 30, 2023**

ASSETS

Cash and cash equivalents	\$ 6,678,923
TOTAL ASSETS	6,678,923

NET POSITION

Restricted for:	
Cash bonds	336,444
Court registry	3,842,955
General trust	<u>2,499,524</u>
TOTAL NET POSITION	<u><u>\$ 6,678,923</u></u>

See notes to the financial statements.

**SANTA ROSA COUNTY, FLORIDA, CLERK OF COURT AND COMPTROLLER
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – CUSTODIAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

ADDITIONS

Deposits in court registry	\$ 10,770,296
Recording fees	28,122,129
Deposits for real auction	2,136,164
Deposits for tax deeds	541,079
Deposits for restitution	222,584
Deposits for bonds	834,388
Payments from individuals	4,603,703
TOTAL ADDITIONS	47,230,343

DEDUCTIONS

Release of bonds	880,986
Refunds of real auction deposits	2,766,696
Tax deed deferred	106,408
Payments to State	31,179,041
Payment to local agencies	1,628,706
Payments for witnesses	10,056
Payments to victims	213,498
Refunds	131,586
Court-ordered disbursements	9,495,745
Flower fund	1,243
TOTAL DEDUCTIONS	46,413,963
CHANGES IN NET POSITION	816,380
NET POSITION, BEGINNING	5,862,543
NET POSITION, ENDING	\$ 6,678,923

See notes to the financial statements.

**SANTA ROSA COUNTY, FLORIDA, CLERK OF COURT AND COMPTROLLER
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the financial statements follows:

Reporting Entity

The Office of the Clerk of Court and Comptroller of Santa Rosa County, Florida (the Clerk), was established as a constitutional office of Santa Rosa County, Florida (the County), by Article VIII, Section 1(d) of the Constitution of the State of Florida. The Clerk is an elected official of the County and serves as Clerk of the Circuit Court (duties described in Chapter 28, Florida Statutes), Clerk of the County Court (duties described in Chapter 34, Florida Statutes), and Clerk and Accountant to the Santa Rosa County Board of County Commissioners (the BOCC). In this capacity the Clerk is required to keep the minutes of the county commission, keep the accounts of the County, invest County funds and perform such other duties as provided by law. The Clerk's office is funded by appropriations from the BOCC and by fees charged for providing court-related services. Although the Clerk is operationally autonomous from the BOCC, it does not hold sufficient corporate powers to be considered a legally separate entity for financial reporting purposes. Therefore, the Clerk is considered part of the County's primary government.

These financial statements of the Clerk are not intended to be a complete presentation of the financial position and results of operations of the County, taken as a whole. As permitted by Chapter 10.556(4), Rules of the Auditor General, State of Florida, the financial statements consist of only the *fund level* financial statements, as defined in Government Accounting Standards Board (GASB) Statement No. 34, and do not include presentations of *government-wide* financial statements of the Clerk.

Fund Accounting

The accounting system of the Clerk's office is organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and financial resources, together with all related liabilities and residual equities or balances and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

The funds utilized by the Clerk are as follows:

Governmental Funds

These funds utilize a modified accrual basis of accounting. The measurement focus is upon determination of financial position and changes in financial position (sources, uses and balances of financial resources rather than upon net income determination).

The Clerk reports the following major governmental funds:

General Fund is used to account for all financial resources that are generated from operations of the office, appropriations from the BOCC and any other resources not required to be accounted for in another fund.

Courts Fund is a special revenue fund used to account for all court-related activities and court-related financial resources of the Clerk.

**SANTA ROSA COUNTY, FLORIDA, CLERK OF COURT AND COMPTROLLER
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

1. SUMMARY OF ACCOUNTING POLICIES – CONTINUED

Governmental Funds – Continued

Courts Technology Fund is a special revenue fund used to account for the court-related technology needs of the Clerk.

Records Modernization Trust Fund is a special revenue fund used to account for monies collected according to Chapter 28.24, Florida Statutes, to be used exclusively for equipment, personnel training and technical assistance in modernizing the official records system, and to pay for equipment and start-up costs necessitated by a statewide recording system.

The non-major governmental fund of the Clerk is as follows:

Title IV-D Fund is a special revenue fund used to account for activities related to Title IV-D child support cases. The funding provides assistance to the plaintiff and enforcement of collections through the Office of Child Support Enforcement.

Fiduciary Funds

The Clerk uses custodial funds to account for assets being held in a custodial capacity for individuals, private organizations and/or other governments.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. The basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied. All governmental funds are accounted for using the modified accrual basis of accounting. Revenues are recognized when they become both measurable and available as net current assets. The Clerk considers receivables collected within 60 days after year end to be available and recognizes them as revenues of the current year. Expenditures are recognized when the related fund liability is incurred. Custodial funds use the accrual basis of accounting.

Cash and Cash Equivalents

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

Accounting for Capital Assets

Capital assets (vehicles, equipment and other tangible property and certain intangible property costing at least \$5,000, with a useful life of more than one year) are recorded as expenditures at the time of purchase. These assets are capitalized at cost and are accounted for in the County's government-wide financial statements.

Compensated Absences

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

**SANTA ROSA COUNTY, FLORIDA, CLERK OF COURT AND COMPTROLLER
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

1. SUMMARY OF ACCOUNTING POLICIES – CONTINUED

Unspent Revenue

Annually, the Clerk must remit to the BOCC any unspent revenues attributable to non-court-related functions. Additionally, the Clerk must calculate and remit to the Department of Revenue Clerks of Courts Trust Fund the unspent revenues attributable to state-funded, court-related functions. These amounts are reported as due to other governmental units at year end.

Fund Balances

Fund balances are classified either as non-spendable or as restricted, committed, assigned or unassigned based on the extent to which there are external and internal constraints on the spending of these fund balances.

2. CHANGE IN ACCOUNTING PRINCIPLE

For the year ended September 30, 2023, the Clerk implemented GASB Statement No. 96, *Subscription-Based Information Technology Agreements*. Implementation had no effect on the Clerk's financial statements.

3. CASH

At September 30, 2023, the banks reported deposits before outstanding checks of approximately \$12 million, all of which were held by a financial institution designated as a qualified public depository by the State Treasurer. All deposits were fully insured through a combination of federal depository insurance and participation of the financial institution in the multiple financial institution collateral pool as specified in Chapter 280, Florida Statutes. Accordingly, risk of loss due to bank failure is not significant.

4. PENSION AND RETIREMENT PLAN

Substantially, all full-time employees of the Clerk are covered by the Florida Retirement System (FRS). The FRS was established in 1970 by Chapter 121, Florida Statutes and is administered by the Florida Department of Management Services, Division of Retirement. Changes to the FRS can be made only by an act of the Florida Legislature. Rules governing the operation and administration of the system may be found in Chapter 60S of the Florida Administrative Code. The FRS issues a financial report that includes financial statements and required supplementary information. The report may be obtained at www.myfrs.com or by writing to FRS, 2639-C North Monroe Street, Tallahassee, FL 32399.

The FRS offers two retirement plans – the FRS Pension Plan and the FRS Investment Plan. An employee may participate in only one of the plans. Both plans, effective July 1, 2011, are funded monthly by a combination of employer and employee contributions.

**SANTA ROSA COUNTY, FLORIDA, CLERK OF COURT AND COMPTROLLER
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

4. PENSION AND RETIREMENT PLAN – CONTINUED

The FRS Pension Plan is a multiple employer, cost-sharing defined benefit plan, which provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. For employees who were enrolled in the plan prior to July 1, 2011, normal retirement benefits are available at age 62 with six or more years of service, or to those employees who have at least 30 years of creditable service, regardless of age. Early retirement is available after six years of service with a 5% reduction of benefits for each year prior to the normal retirement age.

For employees enrolling in the plan for the first time on or after July 1, 2011, normal retirement benefits are available at age 65 with eight or more years of service, or to those employees who have at least 33 years of creditable service, regardless of age. Early retirement is available after eight years of service with a 5% reduction of benefits for each year prior to the normal retirement age.

Retirement age and years of service requirements also vary depending on membership class. Retirement benefits are based upon age, average compensation and years-of-service credit where average compensation is computed as the average of the members highest five (if enrolled prior to July 1, 2011) or eight (if enrolled on or after July 1, 2011) fiscal years of earnings.

The FRS Investment Plan is a defined contribution plan funded monthly by employer and employee contributions based on salary and membership class. Employer contributions vest after one year of service, whereas employee contributions vest immediately. Members in the Investment Plan decide how their funds are allocated between various investment accounts, and the vested funds are portable upon termination.

The final retirement benefit is equal to the vested contributions plus investment earnings less expenses and losses allocated to the member's account. Members in the Investment Plan are not eligible for participation in the Deferred Retirement Option Program (DROP).

DROP is available for members of the FRS Pension Plan, who are vested and elect to participate in DROP within one year after reaching normal retirement age. Under this program, a member effectively retires while continuing to be employed for up to five years. While in DROP, the member's deferred monthly retirement benefits accumulate, earning interest and cost-of-living increases. When the DROP period is over, the participant terminates covered employment and begins receiving their predetermined monthly retirement benefit, as well as the accrued DROP benefit. Disability retirees are not eligible to participate in DROP, and DROP participants do not qualify for disability retirement.

Prior to July 2011, the plans were noncontributory for employees with all contributions being the participating FRS employer's responsibility. Effective July 1, 2011, participating employees contribute 3% of their gross salaries each pay period to the plan. Participating employer contributions are based upon rates established by the State of Florida.

**SANTA ROSA COUNTY, FLORIDA, CLERK OF COURT AND COMPTROLLER
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

4. PENSION AND RETIREMENT PLAN – CONTINUED

Blended contribution rates for the fiscal year ended September 30, 2023, were as follows: regular employees – 12.33%; special risk employees – 29.04%; elected officials – 57.42%; senior management employees – 32.31%; and DROP participants – 19.23%. The Clerk’s contributions to the Pension Plan, funded on a pay-as-you-go basis, were equal to the actuarially determined contributions for each year. Contributions to the Investment Plan were equal to the legislatively mandated contribution rates. Contributions to both plans totaled \$783,957, \$638,058, and \$550,554, for the years ended September 30, 2023, 2022 and 2021, respectively.

Net Pension Liability – Proportionate Share

The Clerk has a net FRS pension liability determined in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. This long-term liability is only reported in the County-wide financial statements and is not a current liability of the governmental funds. All required disclosures and schedules may be found in the County’s Comprehensive Annual Financial Report of Santa Rosa County, Florida.

5. OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN

The BOCC offers postemployment health care benefits (OPEB) to all retired employees of the Clerk’s Office and their dependents. Participating retirees are required to reimburse the BOCC for 100% of the premium cost, which is netted against the premium payment, so that no net expense is initially recorded in the Board’s financial statements. However, these retirees are receiving an “implicit subsidy” because the premium is a group rate, which includes active, lower-cost employees. This implicit subsidy has a cost; however, this annual cost and the total OPEB liability are measured as the portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service. The total OPEB liability and other required disclosures have been calculated for the County as a whole and not separately for the Clerk’s Office. Accordingly, these calculations and disclosures can be found in the County’s Comprehensive Annual Financial Report.

6. FUND BALANCES

Fund balances consist of the following:

Non-spendable fund balances include amounts that cannot be spent because they are not in spendable form or are legally or contractually required to be maintained intact. The Clerk does not have any non-spendable fund balances.

The remaining fund balances are classified as follows, depending on the Clerk’s ability to control their spending:

Restricted fund balances can only be used for specific purposes, which are externally imposed by creditors, grantors, contributors, laws or regulations, or are imposed by law through constitutional provisions or enabling legislation.

**SANTA ROSA COUNTY, FLORIDA, CLERK OF COURT AND COMPTROLLER
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

6. FUND BALANCES – CONTINUED

Committed fund balances can only be used for specific purposes imposed internally by the Clerk's formal action of highest level of decision-making authority. At year end, the Clerk had no committed fund balances.

Assigned fund balances are fund balances intended to be used for specific purposes, but which do not meet the more formal criterion to be considered either restricted or committed. At year end, the Clerk had no assigned fund balances.

Unassigned fund balances represent the residual positive fund balance within the General Fund, which has not been assigned to other funds and has not been restricted, committed or assigned. In funds other than the General Fund, unassigned fund balances are limited to negative residual balances. At year end, the Clerk had no unassigned fund balances because all unspent revenues of the General Fund are required to be returned to the BOCC, and there were no negative residual balances in the special revenue funds.

7. CLAIMS AND CONTINGENCIES

The Clerk is involved from time to time in routine civil litigation incidental to the ordinary course of operations. In the opinion of management and legal counsel, there are no lawsuits or claims outstanding which might materially affect the financial position of the Clerk's Office.

8. RISK MANAGEMENT

The Clerk is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The BOCC maintains a Self-Insurance Fund (an internal service fund) to account for and finance its uninsured risks of loss.

Under this program, the County is self-insured with respect to the following exposures:

- Workers Compensation
- Auto Physical Damage
- Auto Liability
- Construction and Road Equipment
- Portable Communication Equipment

The County is covered by outside insurance for the following exposures:

- Building and Contents – \$5,000 deductible
- Employee Fidelity
- General Liability – \$25,000 deductible
- Public Officials' Liability – \$25,000 deductible

**SANTA ROSA COUNTY, FLORIDA, CLERK OF COURT AND COMPTROLLER
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

8. RISK MANAGEMENT – CONTINUED

Conventional insurance remains in effect for buildings and contents. There also were no significant reductions in insurance coverage from the prior year, and settled claims resulting from conventional insurance risks have not exceeded coverage in any of the past three fiscal years. The County is a member of the Florida Association of Counties Trust, a pooled liability program providing general liability coverage and public official's liability coverage. The Clerk participates in the program and makes payments to the Self-Insurance Fund based on historical estimates of amounts needed to pay prior and current year claims, and to establish a reserve for catastrophic losses.

REQUIRED SUPPLEMENTARY INFORMATION

**SANTA ROSA COUNTY, FLORIDA, CLERK OF COURT AND COMPTROLLER
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	General Fund				Special Revenue Fund Courts Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 199,631	\$ 277,106	\$ 363,382	\$ 86,276
Charges for services	1,050,787	1,050,787	1,282,896	232,109	2,363,169	2,363,169	2,772,154	408,985
Fines and forfeitures	-	-	-	-	846,420	1,046,420	1,181,578	135,158
Miscellaneous	40,515	40,515	74,203	33,688	-	-	-	-
Total revenues	1,091,302	1,091,302	1,357,099	265,797	3,409,220	3,686,695	4,317,114	630,419
EXPENDITURES								
Current:								
General government:								
Financial and administrative:								
Personal services	4,017,336	4,192,512	3,782,339	410,173	-	-	-	-
Operating	669,694	933,715	680,005	253,710	-	-	-	-
Capital outlay	286,946	240,346	111,212	129,134	-	-	-	-
Judicial:								
Personal services	479,282	663,440	573,376	90,064	3,223,002	3,521,520	3,280,409	241,111
Operating	-	-	-	-	186,218	165,175	205,131	(39,956)
Total expenditures	5,453,258	6,030,013	5,146,932	883,081	3,409,220	3,686,695	3,485,540	201,155
Excess (deficiency) of revenues over (under) expenditures	(4,361,956)	(4,938,711)	(3,789,833)	1,148,878	-	-	831,574	831,574
OTHER FINANCING SOURCES (USES)								
BOCC appropriation	4,581,111	4,981,111	5,031,411	50,300	-	-	-	-
BOCC unspent revenues	(219,155)	(42,400)	(1,241,578)	(1,199,178)	-	-	-	-
Payments to Clerks of the Court Trust Fund	-	-	-	-	-	-	(831,574)	(831,574)
Total other financing sources (uses)	4,361,956	4,938,711	3,789,833	(1,148,878)	-	-	(831,574)	(831,574)
NET CHANGE IN FUND BALANCES	-	-	-	-	-	-	-	-
FUND BALANCES, BEGINNING	-	-	-	-	-	-	-	-
FUND BALANCES, ENDING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

See notes to required supplementary information.

**SANTA ROSA COUNTY, FLORIDA, CLERK OF COURT AND COMPTROLLER
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS – CONTINUED
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	Special Revenue Fund Courts Technology Fund				Special Revenue Fund Records Modernization Trust Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES								
Charges for services	\$ 511,289	\$ 720,289	\$ 347,796	\$ (372,493)	\$ 180,000	\$ 180,000	\$ 114,668	\$ (65,332)
Total revenues	511,289	720,289	347,796	(372,493)	180,000	180,000	114,668	(65,332)
EXPENDITURES								
Current:								
Judicial:								
Personal services	271,989	289,389	278,260	11,129	-	-	-	-
Operating	239,300	391,900	412,568	(20,668)	65,200	65,200	-	65,200
Capital outlay	-	39,000	6,000	33,000	114,800	114,800	-	114,800
Total expenditures	511,289	720,289	696,828	23,461	180,000	180,000	-	180,000
Excess (deficiency) of revenues over (under) expenditures	-	-	(349,032)	(349,032)	-	-	114,668	114,668
FUND BALANCES, BEGINNING	779,820	779,820	936,247	156,427	804,903	804,903	1,089,608	284,705
FUND BALANCES, ENDING	<u>\$ 779,820</u>	<u>\$ 779,820</u>	<u>\$ 587,215</u>	<u>\$ (192,605)</u>	<u>\$ 804,903</u>	<u>\$ 804,903</u>	<u>\$ 1,204,276</u>	<u>\$ 399,373</u>

See notes to required supplementary information.

**SANTA ROSA COUNTY, FLORIDA, CLERK OF COURT AND COMPTROLLER
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2023**

BUDGET AND BUDGETARY ACCOUNTING

The Clerk establishes annual budgets for its general fund and special revenue funds pursuant to Section 218.35, Florida Statutes. The Clerk's budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America. The legal level of budgetary control is the fund level.

SUPPLEMENTARY INFORMATION

**COMBINING FUND
FINANCIAL STATEMENTS**

**SANTA ROSA COUNTY, FLORIDA, CLERK OF COURT AND COMPTROLLER
 COMBINING STATEMENT OF FIDUCIARY NET POSITION –
 CUSTODIAL FUNDS
 SEPTEMBER 30, 2023**

	<u>Court Registry</u>	<u>Fine and Cost</u>	<u>Intangible Tax</u>	<u>State Documentary Stamp</u>	<u>Suspense</u>	<u>Tax Redemption</u>	<u>Ordinary Witness</u>	<u>Bail Bonds</u>	<u>Flower Trust Fund</u>	<u>Total</u>
ASSETS										
Cash and cash equivalents	\$3,842,955	\$ 265,035	\$147,457	\$ 975,455	\$ 71,313	\$1,024,948	\$ 13,039	\$ 336,444	\$ 2,277	\$ 6,678,923
TOTAL ASSETS	3,842,955	265,035	147,457	975,455	71,313	1,024,948	13,039	336,444	2,277	6,678,923
NET POSITION										
Restricted for:										
Cash bonds	-	-	-	-	-	-	-	336,444	-	336,444
Court registry	3,842,955	-	-	-	-	-	-	-	-	3,842,955
General trust	-	265,035	147,457	975,455	71,313	1,024,948	13,039	-	2,277	2,499,524
TOTAL NET POSITION	<u>\$3,842,955</u>	<u>\$ 265,035</u>	<u>\$147,457</u>	<u>\$ 975,455</u>	<u>\$ 71,313</u>	<u>\$1,024,948</u>	<u>\$ 13,039</u>	<u>\$ 336,444</u>	<u>\$ 2,277</u>	<u>\$ 6,678,923</u>

See independent auditors' report.

**SANTA ROSA COUNTY, FLORIDA, CLERK OF COURT AND COMPTROLLER
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION –
CUSTODIAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	Custodial Funds									
	Court Registry	Fines and Costs	Intangible Tax	State Documentary Stamp	Suspense	Tax Redemption	Ordinary Witness	Bail Bonds	Flower Trust Fund	Total
ADDITIONS										
Deposits in court registry	\$ 10,770,296	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,770,296
Recording fees	87,953	-	3,755,133	24,279,044	-	-	-	-	-	28,122,129
Deposits for real estate auction	2,136,164	-	-	-	-	-	-	-	-	2,136,164
Deposits for tax deeds	-	-	-	-	-	541,079	-	-	-	541,079
Deposits for restitution	-	-	-	-	222,584	-	-	-	-	222,584
Deposits for bonds	-	-	-	-	-	-	834,388	-	-	834,388
Payments from individuals	-	3,680,096	-	-	922,605	-	-	-	1,002	4,603,703
TOTAL ADDITIONS	12,994,413	3,680,096	3,755,133	24,279,044	1,145,189	541,079	-	834,388	1,002	47,230,343
DEDUCTIONS										
Release of bonds	-	-	-	-	-	-	-	880,986	-	880,986
Refunds of real estate auction deposits	2,175,330	-	-	-	-	591,365	-	-	-	2,766,696
Tax deed deferred	-	-	-	-	-	106,408	-	-	-	106,408
Payments to State	88,648	2,183,931	3,744,534	24,257,262	904,667	-	-	-	-	31,179,041
Payment to local agencies	-	1,481,389	19,554	126,844	919	-	-	-	-	1,628,706
Payments for witnesses	-	-	-	-	-	-	10,056	-	-	10,056
Payments to victims	-	-	-	-	213,498	-	-	-	-	213,498
Refunds	-	-	-	-	26,035	105,551	-	-	-	131,586
Court ordered disbursements	9,495,745	-	-	-	-	-	-	-	-	9,495,745
Flower fund	-	-	-	-	-	-	-	-	1,243	1,243
TOTAL DEDUCTIONS	11,759,723	3,665,320	3,764,088	24,384,106	1,145,118	803,324	10,056	880,986	1,243	46,413,963
CHANGES IN NET POSITION	1,234,690	14,776	(8,955)	(105,062)	71	(262,245)	(10,056)	(46,598)	(241)	816,380
NET POSITION, BEGINNING	2,608,265	250,259	156,412	1,080,517	71,242	1,287,193	23,095	383,042	2,518	5,862,543
NET POSITION, ENDING	\$ 3,842,955	\$ 265,035	\$ 147,457	\$ 975,455	\$ 71,313	\$ 1,024,948	\$ 13,039	\$ 336,444	\$ 2,277	\$ 6,678,923

See independent auditors' report.

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

Honorable Donald Spencer – Clerk of Court and Comptroller
Santa Rosa County, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of each major fund and the aggregate remaining fund information of the Office of Clerk of Court and Comptroller of Santa Rosa County, Florida (hereinafter referred to as "Clerk"), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Clerk's financial statements and have issued our report thereon dated February 21, 2024.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

Warren Averett, LLC

Pensacola, Florida
February 21, 2024

**INDEPENDENT ACCOUNTANTS' REPORT ON EXAMINATION OF
COMPLIANCE REQUIREMENTS PERFORMED IN ACCORDANCE WITH
CHAPTER 10.550, RULES OF THE AUDITOR GENERAL**

Honorable Donald Spencer – Clerk of Court and Comptroller
Santa Rosa County, Florida

We have examined the Office of Clerk of Court and Comptroller of Santa Rosa County, Florida's (hereinafter referred to as the "Clerk"), compliance with Florida Statute 218.415 regarding investments, Florida Statutes 28.35 and 28.36 regarding certain court-related functions, and Florida Statute 61.181 regarding the operation of a depository for alimony and child support for the year ended September 30, 2023. Management is responsible for the Clerk's compliance with those requirements. Our responsibility is to express an opinion on the Clerk's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Clerk complied, in all material respects, with the specified requirements. 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 ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement.

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

In our opinion, the Clerk complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2023.

Warren Averett, LLC

Pensacola, Florida
February 21, 2024

MANAGEMENT LETTER

Honorable Donald Spencer – Clerk of Court and Comptroller
Santa Rosa County, Florida

Report on the Financial Statements

We have audited the financial statements of each major fund and the aggregate remaining fund information of the Office of Clerk of Court and Comptroller of Santa Rosa County, Florida (hereinafter referred to as “Clerk”), as of and for the year ended September 30, 2023, and have issued our report thereon dated February 21, 2024.

Auditors’ Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors’ Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant’s Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated February 21, 2024, 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 corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no recommendations made in the preceding audit report.

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, grant agreements, 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, the Clerk and the Santa Rosa County Board of County Commissioners, and is not intended to be, and should not be, used by anyone other than these specified parties.

Warren Averett, LLC

Pensacola, Florida
February 21, 2024

**SANTA ROSA COUNTY, FLORIDA, CLERK OF COURT AND COMPTROLLER
MANAGEMENT'S RESPONSE TO MANAGEMENT LETTER
SEPTEMBER 30, 2023**

There are no findings which require a response from management.

**SANTA ROSA COUNTY, FLORIDA
PROPERTY APPRAISER**

FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

**SANTA ROSA COUNTY, FLORIDA
PROPERTY APPRAISER
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INDEPENDENT AUDITORS' REPORT

Honorable Gregory S. Brown
Santa Rosa County Property Appraiser

Opinion

We have audited the financial statements of the general fund of the Santa Rosa County, Florida, Property Appraiser (the Property Appraiser), as of and for the fiscal year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Property Appraiser's financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the general fund information for the Property Appraiser as of September 30, 2023, and the respective changes in financial position thereof for the fiscal year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida (the Rules). In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of the general fund information, but only for that portion of the major funds and the aggregate remaining fund information of Santa Rosa County, Florida, that is attributable to the Property Appraiser. They do not purport to, and do not, present fairly the financial position of Santa Rosa County, Florida, as of September 30, 2023, and the changes in its financial position for the fiscal year then ended, in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Property Appraiser's ability to continue as a going concern for 12 months beyond the financial statement date, including any 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 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, individually or in the aggregate, they could reasonably be expected to influence the judgment made by a reasonable user made on the basis of these financial statements.

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

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

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

Required Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2023, on our consideration of the Property Appraiser's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance, and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Property Appraiser's internal control over financial reporting and compliance.



Pensacola, Florida
December 18, 2023

**SANTA ROSA COUNTY, FLORIDA PROPERTY APPRAISER
BALANCE SHEET – GENERAL FUND
SEPTEMBER 30, 2023**

ASSETS

Cash	<u>\$ 555,481</u>
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LIABILITIES

Accounts payable	34,640
Due to Board of County Commissioners	419,520
Accrued payroll and benefits	<u>101,321</u>
Total liabilities	555,481

FUND BALANCE

Fund balance – unassigned	<u>-</u>
Total liabilities and fund balance	<u>\$ 555,481</u>

See notes to the financial statements.

**SANTA ROSA COUNTY, FLORIDA PROPERTY APPRAISER
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE –
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

REVENUES

Charges for services	\$ 23,373
Miscellaneous	1,892
	25,265
Total revenues	25,265

EXPENDITURES

Current	
General government:	
Personal services	3,339,215
Operating expenditures	683,968
Capital outlay	25,984
	4,049,167
Total expenditures	4,049,167
Deficiency of revenues under expenditures	(4,023,902)

OTHER FINANCING SOURCES (USES)

Board of County Commissioners appropriation	4,443,422
Board of County Commissioners unspent revenue	(419,520)
	4,023,902
Total other financing sources	4,023,902

NET CHANGE IN FUND BALANCE

FUND BALANCE, BEGINNING OF YEAR

FUND BALANCE, END OF YEAR

	-
	-
	\$ -

See notes to the financial statements.

**SANTA ROSA COUNTY, FLORIDA
PROPERTY APPRAISER
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

1. SUMMARY OF ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the financial statements follows.

Reporting Entity

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

The financial statements of the Property Appraiser are not intended to be a complete presentation of the financial position and results of operations of the County taken as a whole. As permitted by Chapter 10.556(4), Rules of the Auditor General State of Florida, the financial statements consist of only the fund level financial statements as defined in Governmental Accounting Standards Board (GASB) Statement No. 34, and do not include presentations of government-wide financial statements of the Property Appraiser.

Fund Accounting

The accounting system of the Property Appraiser is organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and financial resources, together with all related liabilities and residual equities or balances and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

The general fund of the Property Appraiser is used to account for all financial resources, which are generated from operations of the office, appropriations from the Board, or any other resources not required to be accounted for in another fund. The measurement focus is upon determination of financial position and changes in financial position (sources, uses and balances of financial resources rather than upon net income determination).

Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. The basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The general fund uses the modified accrual basis of accounting. Its revenues are recognized when they become both measurable and available as net current assets. The Property Appraiser considers receivables collected within 60 days after year end to be available and recognizes them as revenues of the current year. Expenditures are recognized when the related fund liability is incurred, except for compensated absences.

**SANTA ROSA COUNTY, FLORIDA
PROPERTY APPRAISER
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

1. SUMMARY OF ACCOUNTING POLICIES – CONTINUED

Accounting for Capital Assets

Capital assets (vehicles, equipment, other tangible property, and certain intangible property costing at least \$5,000 with a useful life of more than one year) are recorded as expenditures at the time of purchase. These assets are capitalized at cost and accounted for in the County's government-wide financial statements.

Compensated Absences

Employees accumulate a limited amount of earned, but unused annual and sick leave, which will be paid upon separation from service. Unpaid compensated absences are recorded as a liability when the benefits are earned in the County's government-wide financial statements. For the general fund, compensated absence expenditures are recognized when payments are made to employees.

Unspent Revenue and Fund Balance

In accordance with Section 218.36(2), Florida Statutes, unspent revenue is remitted to the Board at fiscal year end. This unspent revenue is reported as "Due to Board of County Commissioners", therefore, fund balance is zero.

Subsequent Events

The Property Appraiser has evaluated events and transactions that occurred between September 30, 2023, and December 18, 2023, which is the date that the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.

2. CHANGE IN ACCOUNTING PRINCIPLE

For the year ended September 30, 2023, the Property Appraiser implemented GASB Statement No. 96, Subscription-Based Information Technology Agreements. Implementation had no effect on the Property Appraiser's financial statements.

3. CASH

At September 30, 2023, the bank reported deposits before outstanding checks of approximately \$624,000, all of which were held by a financial institution designated as a "qualified public depository" by the State Treasurer. All deposits were fully insured through a combination of federal depository insurance and participation of the financial institution in the multiple financial institution collateral pool as specified in Chapter 280, Florida Statutes. Accordingly, risk of loss due to bank failure is not significant.

**SANTA ROSA COUNTY, FLORIDA
PROPERTY APPRAISER
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

4. PENSION AND RETIREMENT PLAN

Substantially all full-time employees of the Property Appraiser are covered by the Florida Retirement System (FRS). The FRS was established in 1970 by Chapter 121, Florida Statutes and is administered by the Florida Department of Management Services, Division of Retirement. Changes to the FRS can be made only by an act of the Florida Legislature. Rules governing the operation and administration of the system may be found in Chapter 60S of the Florida Administrative Code. The FRS issues a financial report that includes financial statements and required supplementary information. The report may be obtained at www.myfrs.com or by writing to FRS, 2639-C North Monroe Street, Tallahassee, Florida, 32399.

The FRS offers two retirement plans – the FRS Pension Plan and the FRS Investment Plan. An employee may participate in only one of the plans. Both plans are funded monthly by a combination of employer and employee contributions.

The FRS Pension Plan is a multiple employer, cost-sharing defined benefit plan, which provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. For employees who were enrolled in the plan prior to July 1, 2011, normal retirement benefits are available at age 62 with six or more years of service or to those employees who have at least 30 years of creditable service, regardless of age. Early retirement is available after six years of service with a 5% reduction of benefits for each year prior to the normal retirement age.

For employees enrolling in the plan for the first time on or after July 1, 2011, normal retirement benefits are available at age 65 with eight or more years of service or to those employees who have at least 33 years of creditable service, regardless of age. Early retirement is available after eight years of service with a 5% reduction of benefits for each year prior to the normal retirement age. Retirement age and years of service requirements also vary depending on membership class.

Retirement benefits are based upon age, average compensation and years-of-service credit where average compensation is computed as the average of the members highest five (if enrolled prior to July 1, 2011) or eight (if enrolled on or after July 1, 2011) fiscal years of earnings.

The FRS Investment Plan is a defined contribution plan funded monthly by employer and employee contributions based on salary and membership class. Employer contributions vest after one year of service, whereas employee contributions vest immediately. Members in the FRS Investment Plan decide how their funds are allocated between various investment accounts, and the vested funds are portable upon termination. The final retirement benefit is equal to the vested contributions plus investment earnings, less expenses and losses allocated to the member's account. Members in the Investment Plan are not eligible for participation in the Deferred Retirement Option Program (DROP).

The DROP is available for members of the FRS Pension Plan, who are vested and elect to participate in DROP within one year after reaching normal retirement age. Under this program, a member effectively retires while continuing to be employed for up to five years. While in DROP, the member's deferred monthly retirement benefits accumulate, earning interest and cost-of-living increases. When the DROP period is over, the participant terminates covered employment and begins receiving their predetermined monthly retirement benefit, as well as the accrued DROP benefit.

**SANTA ROSA COUNTY, FLORIDA
PROPERTY APPRAISER
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

5. PENSION AND RETIREMENT PLAN – CONTINUED

Disability retirees are not eligible to participate in DROP and DROP participants do not qualify for disability retirement.

Participating employees contribute 3% of their gross salaries each pay period to the plan, whereas employer contributions are based upon statewide rates established by the state of Florida. Average contribution rates for the fiscal year ended September 30, 2023, were as follows: regular employees – 12.33%; special risk employees – 29.04%; elected officials – 57.42%; senior management employees – 32.31%; and DROP participants – 19.23%.

The Property Appraiser’s contributions to the FRS Pension Plan, funded on a pay-as-you-go basis, were equal to the actuarially determined contributions for each year. Contributions to the FRS Investment Plan were equal to the legislatively mandated contribution rates.

Contributions to both plans totaled \$406,463, \$361,687, and \$311,488 for the years ended September 30, 2023, 2022, and 2021, respectively.

Net Pension Liability – Proportionate Share

The Property Appraiser has a net FRS pension liability determined in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. This long-term liability is only reported in the countywide financial statements and is not a current liability of the general fund. All required disclosures and schedules may be found in the countywide financial statements of Santa Rosa County, Florida.

6. OTHER POST-EMPLOYMENT BENEFIT (OPEB) PLAN

The Board offers post-employment health care benefits (OPEB) to all retired employees of the Property Appraiser’s Office and their dependents. Participating retirees are required to reimburse the Board for 100% of the premium cost, which is netted against the premium payment, so that no net expense is initially recorded in the Board’s financial statements. However, these retirees are receiving an “implicit subsidy” because the premium is a group rate, which includes active, lower-cost employees. This implicit subsidy has a cost; however, this annual cost and the total OPEB liability is measured as the portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service. The total OPEB liability and other required disclosures have been calculated for the County as a whole and not separately for the Property Appraiser’s Office. Accordingly, these calculations and disclosures can be found in the County’s Annual Comprehensive Financial Report.

**SANTA ROSA COUNTY, FLORIDA
PROPERTY APPRAISER
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

7. RISK MANAGEMENT

The Property Appraiser is exposed to various risks of loss related to torts; theft and damage of assets; errors and omissions; injuries to employees; and natural disasters. The Board has a Self-Insurance Fund (an internal service fund) to account for and finance its uninsured risks of loss.

The County is self-insured with respect to the following exposures:

- Workers Compensation
- Auto Physical Damage
- Auto Liability
- Construction and Road Equipment
- Portable Communication Equipment

The County is covered by outside insurance for the following exposures:

- Buildings and Contents – \$5,000 deductible
- Boats
- Employee Fidelity
- General Liability – \$25,000 deductible
- Public Officials' Liability – \$25,000 deductible

Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. The County is a member of the Florida Association of Counties Trust, a pooled liability program providing general liability coverage and public officials' liability coverage.

The Property Appraiser participates in the County's self-insurance program and makes payments to the Self-Insurance Fund based on historical estimates of the amounts needed to pay prior and current year claims and to establish a reserve for catastrophic losses.

8. LITIGATION

The Property Appraiser is contingently liable with respect to lawsuits and other claims, which might be filed incidental to the ordinary course of operations. In the opinion of management, based on the advice of legal counsel, there are no lawsuits or claims outstanding which might have a material adverse effect on the financial position of the Property Appraiser's Office.

REQUIRED SUPPLEMENTARY INFORMATION

**SANTA ROSA COUNTY, FLORIDA PROPERTY APPRAISER
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND (UNAUDITED)
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Charges for services	\$ -	\$ -	\$ 23,373	\$ 23,373
Miscellaneous	-	-	1,892	1,892
Total revenues	-	-	25,265	25,265
EXPENDITURES				
Current				
General government:				
Personal services	3,781,945	3,944,332	3,339,215	605,117
Operating expenditures	661,477	663,717	683,968	(20,251)
Capital outlay	-	26,092	25,984	108
Total expenditures	4,443,422	4,634,141	4,049,167	584,974
Deficiency of revenues under expenditures	(4,443,422)	(4,634,141)	(4,023,902)	610,239
OTHER FINANCING SOURCES (USES)				
BOCC appropriation	4,443,422	4,634,141	4,443,422	(190,719)
BOCC unspent revenue	-	-	(419,520)	(419,520)
Total other financing sources	4,443,422	4,634,141	4,023,902	(610,239)
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE, BEGINNING OF YEAR	-	-	-	-
FUND BALANCE, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See notes to the required supplementary information.

**SANTA ROSA COUNTY, FLORIDA
PROPERTY APPRAISER
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

Budget and Budgetary Accounting

The Property Appraiser operates under budget procedures pursuant to Section 195.087, Florida Statutes. The Property Appraiser's budget is 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.

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

Honorable Gregory S. Brown
Santa Rosa County Property Appraiser

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 Santa Rosa County, Florida, Property Appraiser (the Property Appraiser) as of and for the year ended September 30, 2023, and the related notes to the financial statements, and have issued our report thereon dated December 18, 2023.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Warren Averett, LLC

Pensacola, Florida
December 18, 2023

**INDEPENDENT ACCOUNTANTS' REPORT ON EXAMINATION OF
COMPLIANCE REQUIREMENTS IN ACCORDANCE WITH CHAPTER 10.550,
RULES OF THE AUDITOR GENERAL**

Honorable Gregory S. Brown
Santa Rosa County Property Appraiser

We have examined the Office of the Property Appraiser of Santa Rosa County, Florida's (hereinafter referred to as Property Appraiser) compliance with Florida Statute 218.415 in regard to investments for the year ended September 30, 2023.

Management is responsible for the Property Appraiser's compliance with those requirements. Our responsibility is to express an opinion on the Property Appraiser's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Property Appraiser complied, in all material respects, with the 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 that we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our ethical responsibilities in accordance with relevant ethical requirements related to the examination 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, 2023.

Warren Averett, LLC

Pensacola, Florida
December 18, 2023

MANAGEMENT LETTER

Honorable Gregory S. Brown
Santa Rosa County Property Appraiser

Report on the Financial Statements

We have audited the financial statements of the general fund of the Office of the Property Appraiser of Santa Rosa County, Florida, as of and for the fiscal year ended September 30, 2023, and the related notes to the financial statements and have issued our report thereon dated December 18, 2023.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Report on 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 December 18, 2023, should be considered in conjunction with this management letter.

Prior Audit Findings

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

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

Purpose of this Letter

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

Warren Averett, LLC

Pensacola, Florida
December 18, 2023

**SANTA ROSA COUNTY, FLORIDA
PROPERTY APPRAISER
MANAGEMENT'S RESPONSE TO MANAGEMENT LETTER
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

There were no comments which require management's written response.

SANTA ROSA COUNTY, FLORIDA SHERIFF

FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

**SANTA ROSA COUNTY, FLORIDA SHERIFF
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INDEPENDENT AUDITORS' REPORT

Honorable Robert Johnson, Sheriff
Santa Rosa County, Florida

Opinions

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the Office of the Sheriff of Santa Rosa County, Florida ("Sheriff"), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Sheriff's financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the Sheriff as of September 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above have been prepared for the purpose of complying with the *Rules of the Auditor General* (Rules), State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of each major fund, and aggregate remaining fund information, only for that portion of the major funds, and the aggregate remaining fund information, of Santa Rosa County, Florida, that are attributable to the Sheriff. They do not purport to, and do not, present fairly the financial position of Santa Rosa County, Florida, as of September 30, 2023, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

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.

Responsibilities of Management for the Financial Statements - Continued

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Sheriff's ability to continue as a going concern for 12 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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Sheriff's basic financial statements. The accompanying combining fund financial statements, as listed in the table of contents, 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 auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 23, 2024, on our consideration of the Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Sheriff's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Sheriff's internal control over financial reporting and compliance.

Warren Averett, LLC

Pensacola, Florida
February 23, 2024

**SANTA ROSA COUNTY, FLORIDA SHERIFF
BALANCE SHEET – GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023**

	<u>Major Funds</u>			<u>Non-Major</u>	<u>Total</u>
	<u>General</u>	<u>Jail Commissary</u>	<u>Grants</u>	<u>Other Governmental Funds</u>	
ASSETS					
Cash	\$ 5,466,087	\$ 596,277	\$ 81,375	\$ 596,552	\$ 6,740,291
Due from other funds	1,768,074	652	29,286	-	1,798,012
Due from other governmental units	707,295	-	1,016,331	292,132	2,015,758
Accounts receivable	43,805	33,245	-	-	77,050
Inventory	51,766	-	-	-	51,766
TOTAL ASSETS	<u>\$ 8,037,027</u>	<u>\$ 630,174</u>	<u>\$ 1,126,992</u>	<u>\$ 888,684</u>	<u>\$ 10,682,877</u>
LIABILITIES					
Accounts payable and accrued payroll	\$ 2,981,275	\$ 12,642	\$ 71,671	\$ 30,000	\$ 3,095,588
Due to other funds	29,938	48,325	1,003,697	716,052	1,798,012
Due to other governmental units	4,959,986	-	32,020	-	4,992,006
Unearned revenue	14,062	-	19,604	-	33,666
Total liabilities	7,985,261	60,967	1,126,992	746,052	9,919,272
FUND BALANCES					
Restricted for inmate welfare and recreation	-	569,207	-	-	569,207
Restricted for law enforcement training	-	-	-	142,632	142,632
Nonspendable - inventory	51,766	-	-	-	51,766
Total fund balances	51,766	569,207	-	142,632	763,605
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 8,037,027</u>	<u>\$ 630,174</u>	<u>\$ 1,126,992</u>	<u>\$ 888,684</u>	<u>\$ 10,682,877</u>

See notes to the financial statements.

**SANTA ROSA COUNTY, FLORIDA SHERIFF
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	<u>Major Funds</u>			<u>Non-Major</u>	<u>Total</u>
	<u>General</u>	<u>Jail Commissary</u>	<u>Grants</u>	<u>Other Governmental Funds</u>	
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ 3,550,803	\$ 3,550,803
Intergovernmental	-	-	4,635,622	31,960	4,667,582
Commissions	-	612,457	-	-	612,457
Miscellaneous	15,000	-	-	16	15,016
Total revenues	15,000	612,457	4,635,622	3,582,779	8,845,858
EXPENDITURES					
Current					
General government:					
Judicial:					
Personal services	1,788,066	-	-	-	1,788,066
Operating	37,782	-	-	-	37,782
Public safety:					
Law enforcement:					
Personal services	29,360,206	-	4,328,402	-	33,688,608
Operating	5,364,052	-	279,738	256,871	5,900,661
Capital outlay	895,752	-	27,482	4,672,909	5,596,143
Debt service	96,218	-	-	141,455	237,673
Correction and detention:					
Personal services	14,263,867	70,426	-	-	14,334,293
Operating	5,745,577	465,242	-	-	6,210,819
Capital outlay	420,244	539,287	-	-	959,531
Debt service	45,410	-	-	-	45,410
Total expenditures	58,017,174	1,074,955	4,635,622	5,071,235	68,798,986
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES					
	(58,002,174)	(462,498)	-	(1,488,456)	(59,953,128)
OTHER FINANCING SOURCES (USES)					
BOCC appropriation	61,194,083	-	-	-	61,194,083
BOCC unspent funds	(4,179,928)	-	-	-	(4,179,928)
Lease financing proceeds	585,908	-	-	1,506,379	2,092,287
Debt proceeds	396,010	390,745	-	-	786,755
Total other financing sources	57,996,073	390,745	-	1,506,379	59,893,197
NET CHANGES IN FUND BALANCES	(6,101)	(71,753)	-	17,923	(59,931)
FUND BALANCES, BEGINNING OF YEAR	57,867	640,960	-	124,709	823,536
FUND BALANCES, END OF YEAR	<u>\$ 51,766</u>	<u>\$ 569,207</u>	<u>\$ -</u>	<u>\$ 142,632</u>	<u>\$ 763,605</u>

See notes to the financial statements.

**SANTA ROSA COUNTY, FLORIDA SHERIFF
STATEMENT OF FIDUCIARY NET POSITION – CUSTODIAL FUNDS
SEPTEMBER 30, 2023**

ASSETS	
Cash	\$ 160,817
TOTAL ASSETS	<u>160,817</u>
LIABILITIES	
Accrued child support purges and levies	24,623
Due to florists	<u>90</u>
TOTAL LIABILITIES	<u>24,713</u>
NET POSITION	
Restricted for:	
Seizure	111,526
Flowers or donations	<u>24,578</u>
TOTAL NET POSITION	<u><u>\$ 136,104</u></u>

See notes to the financial statements.

**SANTA ROSA COUNTY, FLORIDA SHERIFF
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – CUSTODIAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

ADDITIONS

Child support purges and levies	\$ 34,499
Cash seized	84,054
Contributions from employees	<u>3,597</u>
Total additions	122,150

DEDUCTIONS

Purges and levies paid to other government agencies	34,499
Paid to BOCC LET	114,339
Payments for flowers or donations	<u>2,263</u>
Total deductions	<u>151,101</u>

NET CHANGE IN FIDUCIARY NET POSITION (28,951)

NET POSITION, OCTOBER 1, 2022 165,055

NET POSITION, SEPTEMBER 30, 2023 \$ 136,104

See notes to the financial statements.

**SANTA ROSA COUNTY, FLORIDA SHERIFF
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the financial statements is as follows:

Reporting Entity

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

These financial statements are not intended to be a complete presentation of the financial position and results of operations of the County taken as a whole. As permitted by Chapter 10.556(4), *Rules of the Auditor General*, State of Florida, the financial statements consist of only the fund level financial statements as defined in Governmental Accounting Standards Board (“GASB”) Statement No. 34, and do not include presentations of government-wide financial statements of the Sheriff.

Fund Accounting

The accounting system of the Sheriff is organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The funds utilized by the Sheriff’s office are as follows:

Governmental Funds

These funds utilize a modified accrual basis of accounting. The measurement focus is based upon determination of financial position and changes in financial position (sources, uses and balances of financial resources rather than upon net income determination). The Sheriff reports the following major governmental funds:

General Fund is used to account for all financial resources, which are generated from operations of the office, appropriations from the Board or any other resources not required to be accounted for in another fund.

Jail Commissary Fund accounts for jail commissary and vending machine revenues that are used to provide recreational facilities and equipment for inmates.

Grants Fund accounts for grant revenues and expenditures according to the terms of each grant.

**SANTA ROSA COUNTY, FLORIDA SHERIFF
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Governmental Funds – Continued

Non-major governmental funds of the Sheriff are as follows:

Second Dollar accounts for shared fine revenues from the Board, which are used for law enforcement training purposes.

LOST accounts for the half-penny local options sales tax (LOST), which is used towards capital projects.

Fiduciary Funds

The Sheriff uses custodial funds to account for assets held in a custodial capacity for others.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements and relates to the timing of the measurements made, regardless of the measurement focus applied. All governmental funds are accounted for using the modified accrual basis of accounting. Revenues are recognized when they become both measurable and available as net current assets. The Sheriff considers receivables collected within 60 days after year-end to be available and recognizes them as revenues of the current year. Expenditures are recognized when the related fund liability is incurred. Proceeds from general long-term debt are reported as other financing sources. Custodial funds use the accrual basis of accounting.

Cash and Cash Equivalents

For financial statement reporting, all highly liquid investments with a maturity of three months or less when purchased are considered to be cash equivalents.

Inventory

Inventory, which consists of expendable supplies held for consumption, is stated at cost using the average cost method. Inventory is recorded when consumed rather than when purchased.

Accounting for Capital Assets

Capital assets (vehicles, equipment and other tangible and certain intangible property costing at least \$5,000 with a useful life of more than one year) are recorded as expenditures by the acquiring fund at the time of purchase. The Sheriff does not engage in the acquisition of public domain (infrastructure) assets.

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at estimated acquisition value on the date donated.

Depreciation of vehicles and equipment is calculated using the straight-line method over the estimated useful lives of the assets of three to 10 years.

**SANTA ROSA COUNTY, FLORIDA SHERIFF
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Accounting for Capital Assets – Continued

Capital assets and related depreciation expense are reported as a component of the County's annual comprehensive financial report and are not reflected in the Sheriff's governmental fund financial statements. Buildings and improvements are owned by the Board.

Compensated Absences

Employees accumulate a limited amount of earned but unused sick leave, annual leave and compensatory time, which will be paid upon separation from service. Unpaid compensated absences are recorded as a liability when the benefits are earned in the County's annual comprehensive financial report. For the governmental fund financial statements, expenditures are not recognized until payments are made to employees.

Unspent Appropriations from the Board

In accordance with Section 30.50 (6), Florida Statutes, excess appropriations are returned to the Board at fiscal year-end and are reported in the "due to other governmental units" liability account. Charges for services, interest income and other miscellaneous revenues collected by the Sheriff are considered to be "custodial" transactions, not available for expenditure by the Sheriff and are remitted to the Board on a monthly basis.

Fund Balances

Fund balances are classified as either non-spendable or as restricted, committed, assigned and unassigned based on the extent to which there are external and internal constraints on the spending thereof.

2. CASH

The Sheriff's deposits at year-end were held by a financial institution designated as a "qualified public depository" by the State Treasurer. All deposits were fully insured through a combination of Federal depository insurance and participation of the financial institution in the multiple financial institution collateral pool as specified in Chapter 280, Florida Statutes. At September 30, 2023, the reported amount of the Sheriff's deposits was \$6,895,909, and the bank balance was \$7,304,108, consisting entirely of deposits in checking accounts with a financial institution.

**SANTA ROSA COUNTY, FLORIDA SHERIFF
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

3. INTERFUND BALANCES

Interfund balances at September 30, 2023, consisted of the following:

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 1,768,074	\$ 29,938
Jail Commissary Fund	652	48,325
Grants	29,286	1,003,697
Non-major governmental funds	-	716,052
	<u>\$ 1,798,012</u>	<u>\$ 1,798,012</u>

Amounts due to the General Fund from grants and non-major governmental funds are related to advances which will be paid back to the General Fund after taxes are collected and reimbursement is received from grantors, respectively. Amounts due to the General Fund from the Jail Commissary Fund are for various expenditures paid by the General Fund on behalf of the Jail Commissary Fund.

4. PENSION AND RETIREMENT PLAN

Substantially all full-time employees of the Sheriff are covered by the Florida Retirement System (FRS). The FRS was established in 1970 by Chapter 121, Florida Statutes, and is administered by the Florida Department of Management Services, Division of Retirement. Changes to the FRS can be made only by an act of the Florida Legislature. Rules governing the operation and administration of the system may be found in Chapter 60S of the Florida Administrative Code. The FRS issues a financial report that includes financial statements and required supplementary information. The report may be obtained at www.myfrs.com or by writing to FRS, 2639-C North Monroe Street, Tallahassee, Florida 32399.

The FRS offers two retirement plans – the FRS Pension Plan and the FRS Investment Plan. An employee may participate in only one of the plans. Both plans, effective July 1, 2011, are funded monthly by a combination of employer and employee contributions.

The FRS Pension Plan is a multiple employer cost sharing defined benefit plan, which provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. For employees who were enrolled in the plan prior to July 1, 2011, normal retirement benefits are available at age 62 with six or more years of service or to those employees who have at least 30 years of creditable service, regardless of age. Early retirement is available after six years of service with a 5% reduction of benefits for each year prior to the normal retirement age.

For employees enrolling in the plan for the first time on or after July 1, 2011, normal retirement benefits are available at age 65, with eight or more years of service or to those employees who have at least 33 years of creditable service, regardless of age.

**SANTA ROSA COUNTY, FLORIDA SHERIFF
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

4. PENSION AND RETIREMENT PLAN – CONTINUED

Early retirement is available after eight years of service, with a 5% reduction of benefits for each year prior to the normal retirement age. Retirement age and years of service requirements also vary depending on membership class. Retirement benefits are based upon age, average compensation and years-of-service credit where average compensation is computed as the average of the members highest five (if enrolled prior to July 1, 2011) or eight (if enrolled on or after July 1, 2011) fiscal years of earnings.

The FRS Investment Plan is a defined contribution plan funded monthly by employer and employee contributions based on salary and membership class. Employer contributions vest after one year of service, whereas employee contributions vest immediately. Members in the Investment Plan decide how their funds are allocated between various investment accounts, and the vested funds are portable upon termination. The final retirement benefit is equal to the vested contributions plus investment earnings, less expenses and losses allocated to the member's account. Members in the Investment Plan are not eligible for participation in the Deferred Retirement Option Program (DROP).

DROP is available for members of the FRS Pension Plan who are vested and elect to participate in DROP within one year after reaching normal retirement age. Under this program, a member effectively retires while continuing to be employed for up to five years (eight years under certain circumstances). While in DROP, the member's deferred monthly retirement benefits accumulate, earning interest and cost-of-living increases.

When the DROP period is over, the participant terminates covered employment and begins receiving their predetermined monthly retirement benefit, as well as the accrued DROP benefit. Disability retirees are not eligible to participate in DROP, and DROP participants do not qualify for disability retirement.

Prior to July 2011, the plans were noncontributory for employees with all contributions being the participating FRS employer's responsibility. Effective July 1, 2011, participating employees contribute 3% of their gross salaries each pay period to the plan. Participating employer contributions are based upon state-wide rates established by the state of Florida. Average contribution rates for the fiscal year ended September 30, 2023, were as follows: regular employees – 12.33%; special risk employees – 29.04%; elected officials – 57.42%; senior management employees – 32.31%; and DROP participants – 19.23%. The Sheriff's contributions to the Pension Plan, funded on a pay-as-you-go basis, were equal to the actuarially determined contributions for each year. Contributions to the Investment Plan were equal to the legislatively mandated contribution rates. Contributions to both plans totaled \$7,826,260, \$6,670,025 and \$5,513,485 for the years ended September 30, 2023, 2022 and 2021, respectively.

Net Pension Liability – Proportionate Share

The Sheriff has a net FRS pension liability determined in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. This long-term liability is only reported in the County's annual comprehensive financial report and is not a current liability of the governmental funds. All required disclosures and schedules may be found in the annual comprehensive financial report of the County.

**SANTA ROSA COUNTY, FLORIDA SHERIFF
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

5. OTHER POST-EMPLOYMENT BENEFIT (OPEB) PLAN

The Sheriff offers post-employment health care benefits (OPEB) to all retired employees and their dependents. Participating retirees are required to reimburse the Sheriff for 100% of the premium cost, which is netted against the premium payment, so that no net expenditure is initially recorded in the financial statements. However, these retirees are receiving an “implicit subsidy” because the premium is a group rate, which includes active lower cost employees. This implicit subsidy has a cost; however, the annual cost and the total OPEB liability is measured as the portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service. The total OPEB liability and other required disclosures have been calculated for the County as a whole and not separately for the Sheriff. Accordingly, these calculations and disclosures can be found in the County’s annual comprehensive financial report.

6. GRANT ASSISTANCE

The Sheriff receives grants that are presented in the schedule of expenditures of federal awards and state financial assistance within the Santa Rosa County Annual Comprehensive Financial Report under the Uniform Guidance.

7. RISK MANAGEMENT

The Sheriff is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Board has established a Self-Insurance Fund (an internal service fund) to account for and finance its uninsured risks of loss. Under this program, the County is self-insured with respect to the following exposures:

- Auto Physical Damage
- Auto Liability
- Construction and Road Equipment
- Portable Communication Equipment
- Workers’ Compensation

The County is covered by outside insurance for the following exposures:

- Employee Fidelity
- General Liability, \$25,000 deductible
- Public Officials’ Liability, \$25,000 deductible
- Building Contents, \$5,000 deductible

Conventional insurance provided by the Florida Sheriff’s Risk Management Fund remains in effect for the Sheriff’s general and professional liability, the Sheriff’s workers’ compensation liability, the Sheriff’s automobiles and the Sheriff’s medical catastrophic insurance for treatment of prisoners. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. Annual premium costs under the workers’ compensation coverage were \$1,146,927 and \$1,040,495 for the years ended September 30, 2023 **and 2022**, respectively.

**SANTA ROSA COUNTY, FLORIDA SHERIFF
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

7. RISK MANAGEMENT – CONTINUED

Coverage limits under the policy include \$1,000,000 bodily injury for each accident and \$1,000,000 bodily injury by disease for each employee with a \$1,000,000 limit.

8. FUND BALANCES

Fund balances are classified as follows:

Non-spendable fund balances include amounts that cannot be spent because they are not in spendable form or are legally or contractually required to be maintained intact.

Other fund balance amounts are classified depending on the Sheriff's ability to control the spending of the fund balances as follows:

Restricted fund balances can only be used for specific purposes, which are externally imposed by creditors, grantors, contributors and other governments (via laws and regulations) or are imposed by law through constitutional provisions or enabling legislation.

Committed fund balances can only be used for specific purposes imposed internally by the Sheriff's formal action of highest level of decision-making authority. At year-end, the Sheriff had no committed fund balances.

Assigned fund balances are fund balances intended to be used for specific purposes, but which do not meet the more formal criterion to be considered either restricted or committed. At year-end, the Sheriff had no assigned fund balances.

Unassigned fund balances represent the residual positive fund balance within the General Fund, which has not been assigned to other funds and has not been restricted, committed or assigned. In funds other than the General Fund, unassigned fund balances are limited to negative residual balances. At year-end, the Sheriff had no unassigned fund balances because all unspent Board appropriations of the General Fund are required to be remitted to the Board, and there were no negative residual balances in the special revenue funds.

9. CLAIMS AND CONTINGENCIES

The Sheriff is involved from time to time in routine civil litigation incidental to the ordinary course of operations. In the opinion of management and legal counsel, there are no lawsuits or claims outstanding, which might materially affect the financial position of the Sheriff's Office.

**SANTA ROSA COUNTY, FLORIDA SHERIFF
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

10. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

Change in Accounting Principle

Effective October 1, 2022, the Sheriff adopted the provisions of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, which provides accounting and financial reporting guidance for SBITAs. The objective of this statement is to better meet the informational needs of financial statement users by improving accounting and financial reporting for leases by governments. The adoption of this statement did not affect the Sheriff's financial statements.

11. LEASES

The Sheriff leases equipment under certain agreements that meet the definition of a lease under GASB Statement No. 87, *Leases*. Detailed information about the Sheriff's leases can be found in the Santa Rosa County Annual Comprehensive Financial Report or County-wide financial statements.

Leases entered into by the Sheriff are included as other financing sources and capital outlay expenditures in the Statement of Revenues, Expenditures and Changes in Fund Balance in the year of inception. Payments made in accordance with the lease terms are reported as debt service expenditures in the Statement of Revenues, Expenditures and Changes in Fund Balance as they are incurred.

12. NOTE PAYABLE

During the year ended September 30, 2023, the Sheriff entered into a non-interest-bearing note for \$786,755. The loan is to be paid in full at maturity on November 1, 2024.

The long-term debt activity for the Sheriff is included in the government-wide financial statements of Santa Rosa County, Florida, for the year ended September 30, 2023. The following is a summary of the changes in the note payable of the Sheriff for fiscal year ended September 30, 2023.

	October 1 2022	Increases	Decreases	September 30 2023
Note payable	\$ -	\$ 786,755	\$ -	\$ 786,755

**SANTA ROSA COUNTY, FLORIDA SHERIFF
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

12. NOTE PAYABLE - CONTINUED

Debt service requirements to maturity on long-term debt at September 30, 2023 are as follows:

Year ending September 30,	<u>Loan</u>	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 393,378	\$ -
2025	393,377	-
	<u>\$ 786,755</u>	<u>\$ -</u>

REQUIRED SUPPLEMENTARY INFORMATION

**SANTA ROSA COUNTY, FLORIDA SHERIFF
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES				
Miscellaneous	\$ -	\$ -	\$ 15,000	\$ 15,000
Total revenues	-	-	15,000	15,000
EXPENDITURES				
Current:				
General government:				
Judicial:				
Personal services	1,710,350	1,804,389	1,788,066	16,323
Operating	43,269	48,953	37,782	11,171
Public safety:				
Law enforcement:				
Personal services	29,410,029	29,410,029	29,360,206	49,823
Operating	6,842,391	7,685,937	5,364,052	2,321,885
Capital outlay	-	334,081	895,752	(561,671)
Debt service	-	-	96,218	(96,218)
Correction and detention:				
Personal services	14,910,571	14,910,571	14,263,867	646,704
Operating	7,000,123	7,000,123	5,745,577	1,254,546
Capital outlay	-	-	420,244	(420,244)
Debt service	-	-	45,410	(45,410)
Total expenditures	<u>59,916,733</u>	<u>61,194,083</u>	<u>58,017,174</u>	<u>3,176,909</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(59,916,733)	(61,194,083)	(58,002,174)	3,191,909
OTHER FINANCING SOURCES (USES)				
BOCC appropriation	59,916,733	61,194,083	61,194,083	-
BOCC unspent funds	-	-	(4,179,928)	(4,179,928)
Lease financing proceeds	-	-	585,908	585,908
Debt proceeds	-	-	396,010	396,010
Total other financing sources	<u>59,916,733</u>	<u>61,194,083</u>	<u>57,996,073</u>	<u>(3,198,010)</u>
NET CHANGES IN FUND BALANCE	-	-	(6,101)	(6,101)
FUND BALANCE, BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>57,867</u>	<u>57,867</u>
FUND BALANCE, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 51,766</u>	<u>\$ 51,766</u>

See notes to the required supplementary information.

**SANTA ROSA COUNTY, FLORIDA SHERIFF
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2023**

BUDGETS AND BUDGETARY ACCOUNTING

The Sheriff operates under budget procedures pursuant to Chapters 30 and 129, Florida Statutes. The General Fund's budget is prepared on a basis consistent with accounting principles generally accepted in the United States of America. The Sheriff is not legally required to prepare a budget for the other governmental funds; therefore, comparative budget and actual results are not presented for these funds. The legal level of budgetary control is the fund level.

**SUPPLEMENTARY INFORMATION – COMBINING FUND
FINANCIAL STATEMENTS**

**SANTA ROSA COUNTY, FLORIDA SHERIFF
COMBINING BALANCE SHEET – ALL NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023**

	LOST Fund	Second Dollar Fund	Totals
ASSETS			
Cash	\$ 451,479	\$ 145,073	\$ 596,552
Due from other governmental units	292,132	-	292,132
TOTAL ASSETS	\$ 743,611	\$ 145,073	\$ 888,684
LIABILITIES			
Accounts payable	\$ 30,000	\$ -	\$ 30,000
Due to other funds	713,611	2,441	716,052
Total liabilities	743,611	2,441	746,052
FUND BALANCES			
Restricted for law enforcement training	-	142,632	142,632
TOTAL LIABILITIES AND FUND BALANCES	\$ 743,611	\$ 145,073	\$ 888,684

See independent auditors' report.

**SANTA ROSA COUNTY, FLORIDA SHERIFF
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – ALL NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	LOST Fund	Second Dollar Fund	Totals
REVENUES			
Taxes	\$ 3,550,803	\$ -	\$ 3,550,803
Intergovernmental	-	31,960	31,960
Miscellaneous	-	16	16
Total revenues	<u>3,550,803</u>	<u>31,976</u>	<u>3,582,779</u>
EXPENDITURES			
Current:			
Public safety:			
Law enforcement:			
Operating	242,818	14,053	256,871
Capital outlay	4,672,909	-	4,672,909
Debt service	141,455	-	141,455
Total expenditures	<u>5,057,182</u>	<u>14,053</u>	<u>5,071,235</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,506,379)	17,923	(1,488,456)
OTHER FINANCING SOURCES			
Lease financing proceeds	1,506,379	-	1,506,379
Total other financing sources	<u>1,506,379</u>	<u>-</u>	<u>1,506,379</u>
NET CHANGES IN FUND BALANCES	-	17,923	17,923
FUND BALANCES, BEGINNING OF YEAR	-	124,709	124,709
FUND BALANCES, END OF YEAR	<u>\$ -</u>	<u>\$ 142,632</u>	<u>\$ 142,632</u>

See independent auditors' report.

**SANTA ROSA COUNTY, FLORIDA SHERIFF
 COMBINING STATEMENT OF FIDUCIARY NET POSITION – ALL CUSTODIAL FUNDS
 SEPTEMBER 30, 2023**

	<u>Suspense Fund</u>	<u>Seizure Fund</u>	<u>Flower Fund</u>	<u>Totals</u>
ASSETS				
Cash	\$ 22,859	\$ 113,290	\$ 24,668	\$ 160,817
TOTAL ASSETS	<u>22,859</u>	<u>113,290</u>	<u>24,668</u>	<u>160,817</u>
LIABILITIES				
Accrued child support purges and levies	22,859	1,764	-	24,623
Due to florists	-	-	90	90
TOTAL LIABILITIES	<u>22,859</u>	<u>1,764</u>	<u>90</u>	<u>24,713</u>
NET POSITION				
Restricted for:				
Seizure	-	111,526	-	111,526
Flowers or donations	-	-	24,578	24,578
TOTAL NET POSITION	<u>\$ -</u>	<u>\$ 111,526</u>	<u>\$ 24,578</u>	<u>\$ 136,104</u>

See independent auditors' report.

**SANTA ROSA COUNTY, FLORIDA SHERIFF
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION –
ALL CUSTODIAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	<u>Suspense Fund</u>	<u>Seizure Fund</u>	<u>Flower Fund</u>	<u>Totals</u>
ADDITIONS				
Child support purges and levies	\$ 34,499	\$ -	\$ -	\$ 34,499
Cash seized	-	84,054	-	84,054
Contributions from employees	-	-	3,597	3,597
Total additions	<u>34,499</u>	<u>84,054</u>	<u>3,597</u>	<u>122,150</u>
DEDUCTIONS				
Purges and levies paid to other govt agencies	34,499	-	-	34,499
Paid to BOCC LET	-	114,339	-	114,339
Payments for flowers or donations	-	-	2,263	2,263
Total deductions	<u>34,499</u>	<u>114,339</u>	<u>2,263</u>	<u>151,101</u>
NET CHANGE IN FIDUCIARY NET POSITION	-	(30,285)	1,334	(28,951)
NET POSITION, OCTOBER 1, 2022	<u>-</u>	<u>141,811</u>	<u>23,244</u>	<u>165,055</u>
NET POSITION, SEPTEMBER 30, 2023	<u>\$ -</u>	<u>\$ 111,526</u>	<u>\$ 24,578</u>	<u>\$ 136,104</u>

See independent auditors' report.

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

Honorable Robert Johnson, Sheriff
Santa Rosa 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 (hereinafter referred to as "financial statements") of each major fund and the aggregate remaining fund information of the Office of the Sheriff of Santa Rosa County, Florida (hereinafter referred to as "Sheriff"), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Sheriff's financial statements, and have issued our report thereon dated February 23, 2024.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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



Pensacola, Florida
February 23, 2024

**INDEPENDENT ACCOUNTANTS' REPORT ON EXAMINATION OF COMPLIANCE
REQUIREMENTS IN ACCORDANCE WITH CHAPTER 10.550,
RULES OF THE AUDITOR GENERAL**

Honorable Robert Johnson, Sheriff
Santa Rosa County, Florida

We have examined the Office of the Sheriff of Santa Rosa County, Florida's (hereinafter referred to as the "Sheriff"), compliance with Florida Statute 218.415 in regard to investments for the year ended September 30, 2023. Management is responsible for the Sheriff's compliance with those requirements. Our responsibility is to express an opinion on the Sheriff's compliance based on our examination.

Our examination was conducted in accordance with 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. 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 examination 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, 2023.



Pensacola, Florida
February 23, 2024

MANAGEMENT LETTER

Honorable Robert Johnson, Sheriff
Santa Rosa County, Florida

Report on the Financial Statements

We have audited the financial statements of each major fund and the aggregate remaining fund information of the Office of the Sheriff of Santa Rosa County, Florida (hereinafter referred to as the "Sheriff"), as of and for the year ended September 30, 2023, and the related notes to the financial statements, and have issued our report thereon dated February 23, 2024.

Auditors' Responsibility

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

Other Report Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Report on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated February 23, 2024, 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. No recommendations were made in the preceding annual financial report.

Financial Management

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

Additional Matters

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

Purpose of This Letter

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

Warren Averett, LLC

Pensacola, Florida

February 23, 2024

**SANTA ROSA COUNTY, FLORIDA SHERIFF
MANAGEMENT'S RESPONSE TO MANAGEMENT LETTER
SEPTEMBER 30, 2023**

There were no comments which require management's written response.

**SANTA ROSA COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS**

FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

**SANTA ROSA COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
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SEPTEMBER 30, 2023**

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INDEPENDENT AUDITORS' REPORT

Honorable Tappie Villane
Supervisor of Elections of Santa Rosa County, Florida

Opinions

We have audited the accompanying financial statements of the general fund of the Santa Rosa County, Florida, Supervisor of Elections (the Supervisor of Elections), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Supervisor of Elections' financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the general fund of the Supervisor of Elections as of September 30, 2023, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the *Rules of the Auditor General* of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of that portion of the general fund attributable solely to the operations of the Supervisor of Elections. They do not purport to and do not present fairly the financial position of Santa Rosa County, Florida, as of September 30, 2023, 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.

Responsibilities of Management for the Financial Statements

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

Responsibilities of Management for the Financial Statements – Continued

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Supervisor of Elections' ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of Financial Statements

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

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

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

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

Required Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report 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, grant agreements and other matters included under the heading, "Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*." The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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.

Warren Averett, LLC

Pensacola, Florida
February 14, 2024

**SANTA ROSA COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
BALANCE SHEET – GENERAL FUND
SEPTEMBER 30, 2023**

ASSETS

Due from Board of County Commissioners	\$ 48,292
--	-----------

LIABILITIES

Accounts payable	\$ 5,888
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Accrued expenses	42,404
------------------	--------

Total liabilities	48,292
-------------------	--------

FUND BALANCE

Fund balance	-
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Total liabilities and fund balance	\$ 48,292
------------------------------------	-----------

See notes to the financial statements.

**SANTA ROSA COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

REVENUES

Grant revenue	\$ 97,350
Total revenues	97,350

EXPENDITURES

Current:	
General government:	
Personal services	893,015
Operating	751,752
Capital outlay	201,140
Total expenditures	1,845,907
Deficiency of revenues over expenditures	(1,748,557)

OTHER FINANCING SOURCES

Board of County Commissioners appropriation	1,748,557
	-

NET CHANGE IN FUND BALANCE

FUND BALANCE, BEGINNING OF YEAR

FUND BALANCE, END OF YEAR

	-
	-
	\$ -

See notes to the financial statements.

**SANTA ROSA COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

1. SUMMARY OF ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the financial statements follows.

Reporting Entity

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

These financial statements are not intended to be a complete presentation of the financial position and results of operations of the County, taken as a whole. As permitted by Chapter 10.556(4), *Rules of the Auditor General* of the State of Florida, the financial statements consist of only the fund level financial statements, as defined in Government Accounting Standards Board (GASB) Statement No. 34, and do not include presentations of government-wide financial statements of the Supervisor of Elections.

Pursuant to the provisions of 129.202, Florida Statutes, the Supervisor of Elections has elected to have the Office of the Clerk of Court and Comptroller of Santa Rosa County (the Clerk) maintain the books and records pertaining to the operations of the Supervisor of Elections. Therefore, the Supervisor of Elections does not maintain a separate cash account, and all cash activity for the Supervisor of Elections is recorded in the common cash account of the Board. The "Due from Board of County Commissioners" account on the balance sheet represents the amount of cash held on behalf of the Supervisor of Elections.

Fund Accounting

The accounting system of the Supervisor of Elections is organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts, recording cash and financial resources together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

The general fund of the Supervisor of Elections is used to account for all financial resources which are generated from operations of the office, appropriations from the Board or any other resources not required to be accounted for in another fund.

This fund utilizes a modified accrual basis of accounting. The measurement focus is upon determination of financial position and changes in financial position (sources, uses and balances of financial resources rather than upon net income determination).

**SANTA ROSA COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

1. SUMMARY OF ACCOUNTING POLICIES – CONTINUED

Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statement. The basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become both measurable and available as net current assets. The Supervisor of Elections considers receivables collected within 60 days after year-end to be available and recognizes them as revenues of the current year. Expenditures are recognized when the related fund liability is incurred.

Accounting for Capital Assets

Capital assets (vehicles, equipment and other tangible and certain intangible property costing at least \$5,000 with a useful life of more than one year) are recorded as expenditures in the fund level financial statements at the time of purchase. These assets are also capitalized at cost and accounted for in the County's comprehensive annual financial report.

Compensated Absences

Employees accumulate a limited amount of earned, but unused sick and annual leave, which will be paid upon separation from service. Unpaid compensated absences are recorded as a liability in the County's comprehensive annual financial report when the benefits are earned. For the governmental fund statements, expenditures are recognized when payments are made to employees.

2. CHANGE IN ACCOUNTING PRINCIPLE

For the year ended September 30, 2023, the Supervisor of Elections implemented Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Agreements*. Implementation had no effect on the Supervisor of Elections' financial statements.

3. PENSION AND RETIREMENT PLAN

Substantially, all full-time employees of the Supervisor of Elections are covered by the Florida Retirement System (FRS). The FRS was established in 1970 by Chapter 121, Florida Statutes and is administered by the Florida Department of Management Services, Division of Retirement. Changes to the FRS can be made only by an act of the Florida Legislature. Rules governing the operation and administration of the system may be found in Chapter 60S of the Florida Administrative Code. The FRS issues a financial report that includes financial statements and required supplementary information. The report may be obtained at www.myfrs.com or by writing to FRS, 2639-C North Monroe Street, Tallahassee, Florida 32399.

**SANTA ROSA COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

3. PENSION AND RETIREMENT PLAN – CONTINUED

The FRS offers two retirement plans – the FRS Pension Plan and the FRS Investment Plan. An employee may participate in only one of the plans. Both plans are funded monthly by a combination of employer and employee contributions.

The FRS Pension Plan is a multiple employer, cost-sharing defined benefit plan, which provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. For employees who were enrolled in the plan prior to July 1, 2011, normal retirement benefits are available at age 62 with six or more years of service, or to those employees who have at least 30 years of creditable service, regardless of age. Early retirement is available after six years of service with a 5% reduction of benefits for each year prior to the normal retirement age.

For employees enrolling in the plan for the first time on or after July 1, 2011, normal retirement benefits are available at age 65 with eight or more years of service, or to those employees who have at least 33 years of creditable service, regardless of age. Early retirement is available after eight years of service with a 5% reduction of benefits for each year prior to the normal retirement age.

Retirement age and years of service requirements also vary depending on membership class. Retirement benefits are based upon age, average compensation and years-of-service credit, where average compensation is computed as the average of the members highest five (if enrolled prior to July 1, 2011) or eight (if enrolled on or after July 1, 2011) fiscal years of earnings.

The FRS Investment Plan is a defined contribution plan funded monthly by employer and employee contributions based on salary and membership class. Employer contributions vest after one year of service whereas employee contributions vest immediately. Members in the Investment Plan decide how their funds are allocated between various investment accounts, and the vested funds are portable upon termination. The final retirement benefit is equal to the vested contributions plus investment earnings less expenses and losses allocated to the member's account. Members in the Investment Plan are not eligible for participation in the Deferred Retirement Option Program (DROP).

DROP is available for members of the FRS Pension Plan who are vested and elect to participate in DROP within one year after reaching normal retirement age. Under this program, a member effectively retires while continuing to be employed for up to five years. While in DROP, the member's deferred monthly retirement benefits accumulate, earning interest and cost-of-living increases. When the DROP period is over, the participant terminates covered employment and begins receiving their predetermined monthly retirement benefit, as well as the accrued DROP benefit. Disability retirees are not eligible to participate in DROP, and DROP participants do not qualify for disability retirement.

**SANTA ROSA COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

3. PENSION AND RETIREMENT PLAN – CONTINUED

Participating employees contribute 3% of their gross salaries each pay period to the plan, whereas employer contributions are based upon state-wide rates established by the state of Florida. Average contribution rates for the fiscal year ended September 30, 2023, were as follows: regular employees, 12.33%; special risk employees, 29.04%; elected officials, 57.42%; senior management employees, 32.31%; and DROP participants, 19.23%.

The Supervisor of Elections contributions to the Pension Plan, funded on a pay-as-you-go basis, were equal to the actuarially determined contributions for each year. Contributions to the Investment Plan were equal to the legislatively mandated contribution rates. Contributions to both plans totaled \$135,463, \$112,859 and \$103,747 for the years ended September 30, 2023, 2022 and 2021, respectively.

Net Pension Liability – Proportionate Share

The Supervisor of Elections has a net FRS pension liability determined in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. This long-term liability is only reported in the county-wide financial statements and is not a current liability of the General Fund. All required disclosures and schedules may be found in the county's comprehensive annual financial report of Santa Rosa County, Florida.

4. OTHER POST-EMPLOYMENT BENEFIT (OPEB) PLAN

The Board offers post-employment health care benefits (OPEB) to all retired employees of the Supervisor of Election's office and their dependents. Participating retirees are required to reimburse the Board for 100% of the premium cost, which is netted against the premium payment, so that no net expense is initially recorded in the Board's financial statements. However, these retirees are receiving an "implicit subsidy" because the premium is a group rate, which includes active, lower-cost employees. This implicit subsidy has a cost; however, this annual cost and the total OPEB liability is measured as the portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service. The total OPEB liability and other required disclosures have been calculated for the County, as a whole, and not separately for the Supervisor of Election's office. Accordingly, these calculations and disclosures can be found in the County's comprehensive annual financial report.

**SANTA ROSA COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

5. RISK MANAGEMENT

The Supervisor of Elections is exposed to various risks of loss related to torts; theft of, damage to and damage of assets; errors and omissions; injuries to employees; and natural disasters. The Board uses a Self-Insurance Fund (an internal service fund) to account for and finance its uninsured risks of loss.

The County is self-insured with respect to the following exposures:

- Workers Compensation
- Auto Physical Damage
- Auto Liability
- Construction and Road Equipment
- Portable Communication Equipment

The County is covered by outside insurance for the following exposures:

- Buildings and Contents – \$5,000 deductible
- Boats
- Employee Fidelity
- General Liability – \$25,000 deductible
- Public Officials' Liability – \$25,000 deductible

Conventional insurance remains in effect for buildings and their contents. Also, there were no significant reductions in insurance coverage from the prior year, and settled claims resulting from conventional insurance risks have not exceeded coverage in any of the past three fiscal years. The County is a member of the Florida Association of Counties Trust, a pooled liability program providing general liability coverage and public officials' liability coverage. The Supervisor of Elections participates in the program and makes payments to the Self-Insurance Fund based on historical estimates of the amounts needed to pay prior and current year claims and to establish a reserve for catastrophic losses.

REQUIRED SUPPLEMENTARY INFORMATION

**SANTA ROSA COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL –
GENERAL FUND (UNAUDITED)
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES				
Grant revenues	\$ 28,870	\$ 28,870	\$ 97,350	\$ 68,480
Total revenues	28,870	28,870	97,350	68,480
EXPENDITURES				
Current:				
General government:				
Personal services	899,696	899,696	893,015	6,681
Operating	935,700	826,550	751,752	74,798
Capital outlay	-	245,820	201,140	44,680
Total expenditures	1,835,396	1,972,066	1,845,907	126,159
Excess (deficiency) of revenues over expenditures	(1,806,526)	(1,943,196)	(1,748,557)	194,639
OTHER FINANCING SOURCES				
Board of County Commissioners appropriation	1,806,526	1,943,196	1,748,557	(194,639)
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE, BEGINNING OF YEAR	-	-	-	-
FUND BALANCE, END OF YEAR	\$ -	\$ -	\$ -	\$ -

See notes to the required supplementary information.

**SANTA ROSA COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

Budgets and Budgetary Accounting

The Supervisor of Elections operates under budget procedures pursuant to Florida Statutes. The Supervisor of Elections' budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America. Budget appropriations lapse at the end of the year and are not carried over to the following year. The legal level of budgetary control is at the fund level.

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

Honorable Tappie Villane
Supervisor of Elections of Santa Rosa County, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the general fund of the Office of the Supervisor of Elections of Santa Rosa County, Florida (hereinafter referred to as Supervisor of Elections), as of and for the year ended September 30, 2023, and the related notes to the financial statements, and have issued our report thereon dated February 14, 2024.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

Warren Averett, LLC

Pensacola, Florida
February 14, 2024

MANAGEMENT LETTER

Honorable Tappie Villane
Supervisor of Elections of Santa Rosa County, Florida

Report on the Financial Statements

We have audited the financial statements of the general fund of the Office of the Supervisor of Elections of Santa Rosa County, Florida (hereinafter referred to as the Supervisor of Elections), as of and for the year ended September 30, 2023, and the related notes to the financial statements, and have issued our report thereon dated February 14, 2024.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control Over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Report on Examination of Compliance Requirements in Accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated February 14, 2024, 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. No recommendations were made in the preceding annual financial audit report.

Financial Management

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

Additional Matters

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

Purpose of This Letter

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

Warren Averett, LLC

Pensacola, Florida
February 14, 2024

**SANTA ROSA COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
MANAGEMENT'S RESPONSE TO MANAGEMENT LETTER
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

There are no comments which require management's written response.

**SANTA ROSA COUNTY, FLORIDA
TAX COLLECTOR**

**FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

SEPTEMBER 30, 2023

**SANTA ROSA COUNTY, FLORIDA
TAX COLLECTOR
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SEPTEMBER 30, 2023**

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INDEPENDENT AUDITORS' REPORT

To the Honorable Stan Colie Nichols
Tax Collector of Santa Rosa County, Florida

Opinions

We have audited the accompanying financial statements of the general fund and the tax fund of the Office of the Tax Collector of Santa Rosa County, Florida (hereinafter referred to as "Tax Collector"), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Tax Collector's financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the general fund and the aggregate remaining fund information of the Tax Collector as of September 30, 2023, and the respective changes in financial position, where applicable, thereof and 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 the financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Tax Collector and to meet our ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the *Rules of the Auditor General* of the State of Florida. In conformity with the rules, the accompanying financial statements are intended to present the financial position and changes in financial position of each major fund, and the aggregate remaining fund information, only for the portion of each major fund, and the aggregate remaining fund information, of Santa Rosa County, Florida, that are attributable to the Tax Collector. They do not purport to, and do not, present fairly the financial position of Santa Rosa County, Florida, as of September 30, 2023, 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.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Tax Collector's ability to continue as a going concern for 12 months beyond the financial statement date, including any 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 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, individually or in the aggregate, they could reasonably be expected to influence the judgment made by a reasonable user made on the basis of these financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of the 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. According, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Tax Collector's ability to continue as a going concern for a reasonable period of time.

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

Other Matters*Required Supplementary Information*

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report on our consideration of the Tax Collector's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts, grant agreements and other matters included under the heading: Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Tax Collector's internal control over financial reporting and compliance.

Warren Averett, LLC

Pensacola, Florida
February 12, 2024

**SANTA ROSA COUNTY, FLORIDA
TAX COLLECTOR
BALANCE SHEET – GOVERNMENTAL FUND
SEPTEMBER 30, 2023**

	General Fund
ASSETS	
Cash and cash equivalents	\$ 535,518
Investments	98,768
TOTAL ASSETS	\$ 634,286
LIABILITIES	
Accounts payable	\$ 2,382
Accrued payroll, taxes and benefits	70,212
Unearned revenues	133,696
Due to other governmental units	427,996
TOTAL LIABILITIES	634,286
FUND BALANCE	-
TOTAL LIABILITIES AND FUND BALANCE	\$ 634,286

See notes to the financial statements.

**SANTA ROSA COUNTY, FLORIDA
TAX COLLECTOR
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – GOVERNMENTAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	General Fund
REVENUES	
Charges for services	\$ 5,807,280
Miscellaneous	55,986
	5,863,266
Total revenues	5,863,266
EXPENDITURES	
Current:	
General government:	
Personal services	4,466,086
Operating	679,703
Debt service - principal	245,698
Debt service - interest	2,315
Capital outlay	78,650
	78,650
Total expenditures	5,472,452
EXCESS OF REVENUES OVER EXPENDITURES	390,814
Other financing sources (uses):	
Transfers out	(414,796)
Lease financing proceeds	23,982
Total other financing sources (uses)	(390,814)
NET CHANGE IN BALANCE FUND	-
FUND BALANCE, OCTOBER 1, 2022	-
FUND BALANCE, SEPTEMBER 30, 2023	\$ -

See notes to the financial statements.

**SANTA ROSA COUNTY, FLORIDA
TAX COLLECTOR
STATEMENT OF FIDUCIARY NET POSITION – CUSTODIAL FUND
SEPTEMBER 30, 2023**

	Tax Fund
ASSETS	
Cash and cash equivalents	\$ 1,710,089
Miscellaneous receivables	4,565
TOTAL ASSETS	<u>\$ 1,714,654</u>
LIABILITIES	
Accounts payable	\$ 8,250
Due to other governmental units	1,653,886
Miscellaneous liabilities	52,518
TOTAL LIABILITIES	<u>1,714,654</u>
NET POSITION	<u>\$ -</u>

See notes to the financial statements.

**SANTA ROSA COUNTY, FLORIDA
TAX COLLECTOR
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – CUSTODIAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	Tax Fund
ADDITIONS	
Property tax collections for other governments	\$ 195,381,903
Other taxes and fees for other governments	2,514,482
License and fees collected for the State	55,874,130
Other fees collected for other entities	5,307,843
Total additions	259,078,358
DEDUCTIONS	
Payments of property tax to other governments	195,381,903
Payments of other taxes and fees to other governments	2,514,482
Payments to the State	55,874,130
Payments to other entities	5,307,843
Total deductions	259,078,358
NET CHANGE IN FIDUCIARY NET POSITION	-
NET POSITION, OCTOBER 1, 2022	-
NET POSITION, SEPTEMBER 30, 2023	\$ -

See notes to the financial statements.

**SANTA ROSA COUNTY, FLORIDA
TAX COLLECTOR
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

1. SUMMARY OF ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the financial statements follows.

Reporting Entity

The Office of the Tax Collector of Santa Rosa County, Florida (the "Tax Collector"), as established by Article VIII, Section 1(d), of the Constitution of the State of Florida, is an elected official of Santa Rosa County, Florida (the "County"). Although the Tax Collector is operationally autonomous from the Santa Rosa County Board of County Commissioners (the "Board"), it does not hold sufficient corporate powers to be considered a legally separate entity for financial reporting purposes. Therefore, the Tax Collector is considered part of the County's primary government for external financial reporting purposes.

These financial statements of the Tax Collector are not intended to be a complete presentation of the financial position and results of operations of the County taken as a whole. As permitted by Chapter 10.556(4), *Rules of the Auditor General*, State of Florida, the financial statements consist of only the fund level financial statements, as defined in Governmental Accounting Standards Board (GASB) Statement No. 34, and do not include presentations of government-wide financial statements of the Tax Collector.

Fund Accounting

The accounting system of the Tax Collector is organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

The funds utilized by the Tax Collector are as follows:

Governmental Funds

These funds utilize a modified accrual basis of accounting. The measurement focus is upon determination of financial position and changes in financial position (sources, uses and balances of financial resources rather than upon net income determination).

General Fund

The general fund of the Tax Collector is used to account for all financial resources which are generated from operations of the office and any other resources not required to be accounted for in another fund.

Fiduciary Funds

The Tax Collector's sole fiduciary fund is a custodial fund (the "Tax Fund"). Custodial funds are used to account for assets held for individuals, private organizations or other governments and consist primarily of taxes and fees collected, but not distributed to other governments. The Tax Fund is used primarily to account for receipts of various types of taxes, licenses and fees collected on behalf of state, county and municipal governmental agencies.

**SANTA ROSA COUNTY, FLORIDA
TAX COLLECTOR
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

1. SUMMARY OF ACCOUNTING POLICIES – CONTINUED

Basis of Accounting

Basis of accounting refers to *when* revenues and expenditures are recognized in the accounts and reported in the financial statements. The basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. All governmental funds are accounted for using the modified accrual basis of accounting. The revenues are recognized when they become both measurable and available as net current assets. The Tax Collector considers receivables collected within 60 days after year end to be available and recognizes them as revenues of the current year. Expenditures are recognized when the related fund liability is incurred. Custodial funds use the accrual basis of accounting.

Cash and Cash Equivalents

Cash equivalents are highly liquid investments with maturities of three months or less when purchased.

Accounting for Capital Assets

Capital assets are recorded as expenditures at the time of purchase by the Tax Collector. These assets (vehicles, equipment and other tangible property, and certain intangible property, costing at least \$5,000 and with a useful life of more than one year) are capitalized at cost and accounted for in the County's government-wide financial statements.

Compensated Absences

Employees accumulate a limited amount of earned, but unused annual and sick leave, which will be paid upon separation from service. Compensated absence expenditures are not recognized in the General Fund until payments are made to employees. However, these unpaid compensated absences are recorded as a liability when the benefits are earned in the County's government-wide financial statements.

Unspent Revenue and Fund Balance

In accordance with Section 218.36, Florida Statutes, unspent revenue is remitted proportionately to the various taxing districts at fiscal year end. As a result, no fund balance exists at year end in the General Fund.

2. CASH

At September 30, 2023, the bank reported deposits, before outstanding checks and deposits, of \$2,109,471; all of which was held by a financial institution designated as a "qualified public depository" by the State Treasurer.

All deposits were fully insured through a combination of federal depository insurance and participation of the financial institution in the multiple financial institution collateral pool as specified in Chapter 280, Florida Statutes. Accordingly, the Tax Collector does not believe it is exposed to any significant credit risk on its cash balances.

**SANTA ROSA COUNTY, FLORIDA
TAX COLLECTOR
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

3. INVESTMENTS

Florida Statutes authorize the Tax Collector to invest in obligations of the U.S. Treasury and interest-bearing time deposits or savings accounts in banks participating in the multiple financial institution collateral pool.

The Tax Collector invests surplus funds in the Florida Fixed Income Trust (FL-FIT) Cash Pool, an external investment pool. The investment in the pool is measured and reported at fair market value using the guidelines established by Generally Accepted Accounting Principles (GAAP). FL-FIT follows Financial Accounting Standards Board (FASB) Accounting Standards Topic ASC 820 *Fair Value Measurement and Disclosure* for financial reporting purposes. ASC 820 defines fair value, establishes a single framework for measuring fair value, and requires disclosures about fair value measurement. FL-FIT does not meet all of the specific criteria outlined in GASB 79 paragraph 4, therefore the Tax Collector measures this investment in the FL-FIT pool at fair value in accordance with paragraph 11 of GASB Statement 31.

The FL-FIT Cash Pool is rated by S&P Global. The current rating is AA Af/S1+. The dollar weighted average days to maturity (WAM) of FL-FIT Cash Pool at September 30, 2023, is 94 days.

The Trust is not required to register (and has not registered) with the SEC; however, the fund is an external investment pool that has historically adopted operating procedures consistent with those required by Florida Statutes. At September 30, 2023, the Tax Collector had \$98,768 invested in the FL-FIT Cash Pool.

4. PENSION AND RETIREMENT PLAN

Substantially all full-time employees of the Tax Collector are covered by the Florida Retirement System (FRS). The FRS was established in 1970 by Chapter 121, Florida Statutes, and is administered by the Florida Department of Management Services, Division of Retirement. Changes to the FRS can be made only by an act of the Florida Legislature. Rules governing the operation and administration of the system may be found in Chapter 60S of the Florida Administrative Code. The FRS issues a financial report that includes financial statements and required supplementary information. The report may be obtained at www.myfrs.com or by writing to FRS, 2639-C North Monroe Street, Tallahassee, Florida 32399.

The FRS offers two retirement plans – the FRS Pension Plan and the FRS Investment Plan. An employee may participate in only one of the plans. Both plans, effective July 1, 2011, are funded monthly by a combination of employer and employee contributions.

The FRS Pension Plan is a multiple employer, cost-sharing defined benefit plan, which provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. For employees who were enrolled in the plan prior to July 1, 2011, normal retirement benefits are available at age 62 with six or more years of service, or to those employees who have at least 30 years of creditable service, regardless of age.

**SANTA ROSA COUNTY, FLORIDA
TAX COLLECTOR
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

4. PENSION AND RETIREMENT PLAN – CONTINUED

Early retirement is available after six years of service with a 5% reduction of benefits for each year prior to the normal retirement age. For employees enrolling in the plan for the first time on or after July 1, 2011, normal retirement benefits are available at age 65 with eight or more years of service, or to those employees who have at least 33 years of creditable service, regardless of age. Early retirement is available after eight years of service with a 5% reduction of benefits for each year prior to the normal retirement age. Retirement age and years of service requirements also vary depending on membership class. Retirement benefits are based upon age, average compensation and years-of-service credit, where average compensation is computed as the average of the member's highest five (if enrolled prior to July 1, 2011) or eight (if enrolled on or after July 1, 2011) fiscal years of earnings.

The FRS Investment Plan is a defined contribution plan funded monthly by employer and employee contributions based on salary and membership class. Employer contributions vest after one year of service whereas employee contributions vest immediately. Members in the Investment Plan decide how their funds are allocated between various investment accounts, and the vested funds are portable upon termination. The final retirement benefit is equal to the vested contributions plus investment earnings less expenses and losses allocated to the member's account. Members in the Investment Plan are not eligible for participation in the Deferred Retirement Option Program (DROP).

DROP is available for members of the FRS Pension Plan who are vested and elect to participate in DROP within one year after reaching normal retirement age. Under this program, a member effectively retires while continuing to be employed for up to eight years. While in DROP, the member's deferred monthly retirement benefits accumulate, earning interest and cost-of-living increases. When the DROP period is over, the participant terminates covered employment and begins receiving their predetermined monthly retirement benefit, as well as the accrued DROP benefit. Disability retirees are not eligible to participate in DROP, and DROP participants do not qualify for disability retirement.

Participating employees contribute 3% of their gross salaries each pay period to the plan. Participating employer contributions are based upon state-wide rates established by the State of Florida. Average contribution rates for the fiscal year ended September 30, 2023, were as follows: regular employees – 12.33%, special risk employees – 29.04%, elected officials – 57.42%, senior management employees – 32.31%, and DROP participants – 19.23%. The Tax Collector's contributions to the Pension Plan, funded on a pay-as-you-go basis, were equal to the actuarially determined contributions for each year. Contributions to the Investment Plan were equal to the legislatively mandated contribution rates. Contributions to both plans totaled \$438,948, \$360,480, and \$339,879 for the years ended September 30, 2023, 2022 and 2021, respectively.

**SANTA ROSA COUNTY, FLORIDA
TAX COLLECTOR
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

4. PENSION AND RETIREMENT PLAN – CONTINUED

Net Pension Liability – Proportionate Share

The Tax Collector has a net FRS pension liability determined in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. This long-term liability is only reported in the County-wide financial statements and is not a current liability of the General Fund. All required disclosures and schedules may be found in the annual comprehensive financial report of Santa Rosa County, Florida.

5. OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN

The Board offers postemployment health care benefits (OPEB) to all retired employees of the Tax Collector's Office and their dependents. Participating retirees are required to reimburse the Board for 100% of the premium cost, which is netted against the premium payment, so that no net expense is initially recorded in the Board's financial statements. However, these retirees are receiving an "implicit subsidy" because the premium is a group rate, which includes active, lower-cost employees. This implicit subsidy, however, has a cost. This annual cost and the total OPEB liability are measured as the portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service. The total OPEB liability and other required disclosures have been calculated for the County as a whole, and not separately for the Tax Collector's Office. Accordingly, these calculations and disclosures can be found in the County's annual comprehensive financial report.

6. RISK MANAGEMENT

The Tax Collector is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Board has established a Self-Insurance Fund (an internal service fund) to account for and finance its uninsured risks of loss.

Under this program the County is self-insured with respect to the following exposures:

- Workers' compensation
- Auto, physical damage
- Auto, liability
- Construction and road equipment
- Portable communication equipment

**SANTA ROSA COUNTY, FLORIDA
TAX COLLECTOR
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

6. RISK MANAGEMENT – CONTINUED

The County is covered by outside insurance for the following exposures:

- Buildings and contents, \$5,000 deductible
- Boats
- Employee fidelity
- General liability, \$25,000 deductible
- Public officials' liability, \$25,000 deductible

Conventional insurance remains in effect for buildings and their contents. There also were no significant reductions in insurance coverage from the prior year, and settled claims resulting from conventional insurance risks have not exceeded coverage in any of the past three fiscal years. The County is a member of the Florida Association of Counties Trust, a pooled liability program providing general liability coverage and public officials' liability coverage. The Tax Collector participates in the program and makes payments to the Self-Insurance Fund based on historical estimates of amounts needed to pay prior and current year claims and to establish a reserve for catastrophe losses.

7. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

Change in Accounting Principle

Effective October 1, 2022, the Tax Collector adopted the provisions of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, which provides accounting and financial reporting guidance for SBITAs. The objective of this statement is to better meet the informational needs of financial statement users by improving accounting and financial reporting for leases by governments. The adoption of this statement did not affect beginning fund balance.

SBITAs

The Tax Collector's Office entered into a SBITA agreement that meets the definition of a SBITA under GASB Statement No. 96. Detailed information about the SBITA can be found in the Santa Rosa County Annual Comprehensive Financial Report or County-wide financial statements.

SBITAs entered into by the Tax Collector's Office are included as other financing sources and capital outlay expenditures in the Statement of Revenues, Expenditures and Changes in Fund Balance in the year of inception. Payments made in accordance with the lease terms are reported as debt service expenditures in the Statement of Revenues, Expenditures and Changes in Fund Balance as they are incurred.

**SANTA ROSA COUNTY, FLORIDA
TAX COLLECTOR
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

8. LEASES

The Tax Collector's Office leases office space and equipment under certain agreements that meet the definition of a lease under GASB Statement No. 87, *Leases*. Detailed information about the Tax Collector's leases can be found in the Santa Rosa County Annual Comprehensive Financial Report or County-wide financial statements.

Leases entered into by the Tax Collector's Office are included as other financing sources and capital outlay expenditures in the Statement of Revenues, Expenditures and Changes in Fund Balance in the year of inception. Payments made in accordance with the lease terms are reported as debt service expenditures in the Statement of Revenues, Expenditures and Changes in Fund Balance as they are incurred.

9. LITIGATION

The Tax Collector is contingently liable with respect to lawsuits and other claims, which might be filed incidental to the ordinary course of operations. In the opinion of management, based on the advice of legal counsel, there are no lawsuits or claims outstanding which will have a material adverse effect on the financial position of the Tax Collector's Office.

**REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)**

**SANTA ROSA COUNTY, FLORIDA, TAX COLLECTOR
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL –
GENERAL FUND (UNAUDITED)
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Charges for services	\$ 5,603,852	\$ 5,603,852	\$ 5,807,280	\$ 203,428
Miscellaneous	11,321	11,321	55,986	44,665
Total revenues	5,615,173	5,615,173	5,863,266	248,093
EXPENDITURES				
Current:				
General government:				
Personal services	4,618,287	4,613,487	4,466,086	147,401
Operating	888,668	932,709	679,703	253,006
Debt service - principal	-	-	245,698	(245,698)
Debt service - interest	-	-	2,315	(2,315)
Capital outlay	93,910	54,669	78,650	(23,981)
Total expenditures	5,600,865	5,600,865	5,472,452	128,413
EXCESS OF REVENUES OVER EXPENDITURES	14,308	14,308	390,814	376,506
OTHER FINANCING SOURCES (USES)				
Unspent revenues	(14,308)	(14,308)	(414,796)	(400,488)
Lease financing proceeds	-	-	23,982	23,982
Total other financing sources (uses)	(14,308)	(14,308)	(390,814)	(376,506)
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE, BEGINNING OF YEAR	-	-	-	-
FUND BALANCE, END OF YEAR	\$ -	\$ -	\$ -	\$ -

See independent auditors' notes to the required supplementary information.

**SANTA ROSA COUNTY, FLORIDA
TAX COLLECTOR
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2023**

Budgets and Budgetary Accounting

The Tax Collector establishes an annual budget pursuant to Section 195.087, Florida Statutes. The budget is submitted to the Florida Department of Revenue for approval. A copy is provided to the Board and is incorporated into the overall county budget. The Tax Collector's budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America. The legal level of budgetary control is the fund level.

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

To the Honorable Stan Colie Nichols
Tax Collector of Santa Rosa 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 (hereinafter referred to as "financial statements") of the general fund and the tax fund of the Tax Collector of Santa Rosa County, Florida (hereinafter referred to as "Tax Collector"), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Tax Collector's financial statements, and have issued our report thereon dated February 12, 2024.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

Warren Averett, LLC

Pensacola, Florida
February 12, 2024

**INDEPENDENT ACCOUNTANTS' REPORT ON EXAMINATION OF COMPLIANCE
REQUIREMENTS IN ACCORDANCE WITH CHAPTER 10.550,
RULES OF THE AUDITOR GENERAL**

To the Honorable Stan Colie Nichols
Tax Collector of Santa Rosa County, Florida

We have examined the Office of the Tax Collector of Santa Rosa County, Florida's (hereinafter referred to as "Tax Collector"), compliance with Florida Statute 218.415, in regard to investments for the year ended September 30, 2023. Management is responsible for the Tax Collector's compliance with those requirements. Our responsibility is to express an opinion on the Tax Collector's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Tax Collector complied, in all material respects, with the specified requirements. 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 examination 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, 2023.

Warren Averett, LLC

Pensacola, Florida
February 12, 2024

MANAGEMENT LETTER

To the Honorable Stan Colie Nichols
Tax Collector of Santa Rosa County, Florida

Report on the Financial Statements

We have audited the financial statements of the general fund and the tax fund of the Office of the Tax Collector of Santa Rosa County, Florida (hereinafter referred to as "Tax Collector"), as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated February 12, 2024.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Report on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated February 12, 2024, 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 corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no recommendations made in the preceding audit report.

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

Warren Averett, LLC

Pensacola, Florida
February 12, 2024

**SANTA ROSA COUNTY, FLORIDA
TAX COLLECTOR
MANAGEMENT'S RESPONSE TO MANAGEMENT LETTER
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

There were no comments which require management's written response.



SANTA ROSA COUNTY FLORIDA

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