

Triumph Gulf Coast, Inc.
Application for Funds



Franklin County
April 2024

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Applicant Information

Name of Entity/Organization: Franklin County Board of County Commissioners

Background of Applicant Individual/Entity/Organization: Franklin County is in Florida's Panhandle and is one of the eight counties negatively impacted by the 2010 Gulf Oil Spill. Franklin County's two municipalities include Apalachicola and Carrabelle with each having its own government and providing city services such as police and zoning protection. The county is comprised of 535 square miles and 342,400 acres and serves more than 12,450 residents. There are large areas of forest preserves and rivers. Primarily, Franklin County is a fish and timber industry. Additionally, Franklin County's tourism is growing. In 2021 alone, tourism jumped 71% from the previous year visiting and staying in the historical beach communities of Apalachicola, Carrabelle, St George Island, Dog Island and Alligator Point. According to the Franklin County Tourist Development Council, more than \$2.1 million in tourist dollars were collected during 2021.

Federal Employer Identification Number: 59-6000612

Contact Information:

Primary Contact Information: Erin Griffith

Title: Fiscal Manager / Grants Coordinator

Mailing Address: 33 Market Street
Apalachicola, Florida 32320

Phone: 850-653-9783

Email: erin@franklincountyflorida.com

Website: franklincountyflorida.com

Identify any co-applicants, partners, or other entities or organizations that will have a role in the proposed project or program and such partners proposed roles.

Franklin County Board of County Commissioners is the only applicant for this funding, however, the end users and partners for the First Responder Communication System are Franklin County Sheriff's Office, Franklin County EMS and Fire, Franklin County Road Department, Franklin County School District, Weems Hospital, Carrabelle Police Department and the City of Apalachicola Police Department.

Total amount of funding requested from Triumph Gulf Coast: \$9,200,000.00

Has the applicant in the past requested or applied for funds for all or part of the proposed project/program?

Yes No

If yes, please provide detailed information concerning the prior request for funding, including:

- the date the request/application for funding was made;
- the source to which the request/application for funding was made,
- the results of the request/application for funding, and
- projected or

Describe the financial status of the applicant and any co-applicants or partners:

Per Florida Statutes, 218.67(1), Franklin County is defined as a fiscally constrained county.

In a separate attachment, please provide financial statements or information that details the financial status of the applicant and any co-applicants or partners. See Attachment 2

Has the applicant or any co-applicants, partners or any associated or affiliated entities or individuals filed for bankruptcy in the last ten (10) years?

Yes No

Eligibility

Pursuant to Section 288.8017, Triumph Gulf Coast, Inc. was created to make awards from available funds to projects or programs that meet the priorities for economic recovery, diversification, and enhancement of the disproportionately affected counties. The disproportionately affected counties are: Bay County, Escambia County, Franklin County, Gulf County, Okaloosa County, Santa Rosa County, Walton County, or Wakulla County. *See*, Section 288.08012.

1. From the choices below, please check the box that describes the purpose of the proposed project or program (check all that apply):
 - Ad valorem tax rate reduction within disproportionately affected counties;
 - Local match requirements of s. 288.0655 for projects in the disproportionately affected counties.
 - Public infrastructure projects for construction, expansion, or maintenance which are shown to enhance economic recovery, diversification, and enhancement of the disproportionately affected counties.
 - Grants to local governments in the disproportionately affected counties to establish and maintain equipment and trained personnel for local action plans of response to respond to disasters, such as plans created for the Coastal Impacts Assistance Program.
 - Grants to support programs that prepare students for future occupations and careers at K-20 institutions that have campuses in the disproportionately affected counties. Eligible programs include those that increase students' technology skills and knowledge; encourage industry certifications; provide rigorous, alternative pathways for students to meet high school graduation requirements; strengthen career readiness initiatives; fund high-demand programs of emphasis at the bachelor's and master's level designated by the Board of Governors; and, similar to or the same as talent retention programs created by the Chancellor of the State University System and the Commission of Education, encourage students with interest or aptitude for science, technology, engineering, mathematics, and medical disciplines to pursue postsecondary education at a state university or a Florida College System institution within the disproportionately affected counties;
 - Grants to support programs that provide participants in the disproportionately affected counties with transferable, sustainable workforce skills that are not confined to a single employer; and
 - Grants to the tourism entity created under s. 288.1226 for the purpose of advertising and promoting tourism and Fresh From Florida, and grants to promote workforce and infrastructure, on behalf of all of the disproportionately affected counties.

2. Provide the title and a detailed description of the proposed project or program, including the location of the proposed project or program, a detailed description of, and quantitative evidence demonstrating how the proposed project or program will promote economic recovery, diversification, and enhancement of the disproportionately affected counties, a proposed timeline for the proposed project or program, and the disproportionately affected counties that will be impacted by the proposed project or program.

Title: First Responder Communication System / Franklin County Florida

Description: Franklin County is seeking \$9,200,000.00 in Triumph funding to assist with the cost of the First Responder Communication System for Franklin County's first responders. Secured radio communications are critical for 911 dispatch information to be received by the first responder and for first responders across the county to communicate with each other. The primary users of the proposed system will be the Franklin County Sheriff's Office, Franklin County EMS and Fire, Franklin County Road Department, Franklin County School District, Weems Hospital, Carrabelle Police Department and the City of Apalachicola Police Department. The new system will replace the county's aged radio communication network.

Secured radio communications are critical for 911 dispatch information to be received by the first responder and for first responders across the county to communicate with each other. This proposed project is eligible for use of Triumph Gulf Coast funds pursuant to section 288.8017, (1)(d), FS, "Grants to local governments in the disproportionately affected counties to establish and maintain equipment and trained personnel for local action plans of response to respond to disaster, such as plans to create for the Coastal Impact Assistance Program."

The project does not duplicate any other existing programs or projects. The County has not budgeted nor received any other funds for this project therefore it does not supplant other funding.

This project can be implemented quickly and efficiently. The project will be broken into two phases. The first phase will be for the preliminary design, bid specifications and a consultant to analyze the needs of the various first responders for the radio system. The second phase would be the actual purchase and installation of the equipment and training for all first responders on the new system. Franklin County plans to issue a competitive procurement for both the consultant and the radio system vendor. Franklin County anticipates that both Phase I and Phase II could be completed within 36 months of award.

This project is included on the Franklin County Local Mitigation Plan Project Priority List (Attachment 3) and is on the Franklin County Board of County Commissioners supported projects list (Attachment 1). This project is essential for our first responders to be able to effectively respond to the residents and visitors of Franklin County.

See maps of Franklin County in Attachment 4.

Current Situation: The county is currently operating on two separate systems. The Sheriff's Office and EMS are utilizing the state's 800 system and the remaining first responder entities are operating on the county's aged VHF system. The county has maintained these systems since 2010 when they began using them. The current system has not been sufficient since the beginning due to the lack of interoperability between the first responders. In addition, the entire state is being mandated to move from SLERS to P25. We do not have an option to not upgrade the entire radio system.

During emergencies and disaster events, Franklin County's first responders work closely with state law enforcement agencies and responders. These include, but are not limited to the Florida Highway Patrol, Florida Department of Law Enforcement, Florida Fish and Wildlife Commission, State Forestry Service, Florida Division of Emergency Management and other mutual aid agencies. It is imperative that all responding agencies have the capability to communicate with one another. In past events, outside agencies relied on being able to obtain a radio from the local agencies to ensure interoperability communications. The new communications system will lesson and/or eliminate this issue. Improved communication will increase public health, safety and protection of public and private property in the county.

Concerns with the existing system:

No redundancies if the current system becomes inoperable.

Lack of coverage in many areas due to forest, lack of cellular service

The current system is not secure, and information is not encrypted.

The current system is easily disrupted.

First Responders cannot communicate or receive communications from all other agencies.

Franklin County needs a First Responder Communication System that will at a minimum:

Improve communications with partner agencies.

Secure encrypted system to keep information confidential.

Improved coverage area

Provide redundancy.

Franklin County does not have the expertise nor the resources to evaluate our first responder communication systems needs to determine options that best meet our needs. The county needs to procure a professional consultant to assist with the evaluation of the current system, identifying options, assist with the procurement and in the vendor selection process. In addition, the consultant will oversee the installation of the equipment and the training of the first responders.

While this project does not directly propose new businesses or job creation, law enforcement and first responder's ability to ensure safe communities for existing and new businesses and tourists is critical to creating an environment for economic development. Monetary returns on investment are often hard to calculate. However,

investments in public safety infrastructure have been shown to reduce the risk of lives lost, injuries, time without necessities, property damage or loss, business losses, and quality of life. Without enhanced emergency response preparedness and infrastructure, the county would be at risk of not meeting the growing demands of the current population, tourism, and expanding business growth within the county. This improvement can positively affect the services provided to the public, making it more enticing for tourists to visit.

3. Explain how the proposed project or program is considered transformational and how it will affect the disproportionately affected counties in the next ten (10) years.

A new first responder communication system that can be easily upgraded and refreshed to keep pace with our growing population and calls for assistance positions will ensure that Franklin County keeps pace with the region. A new system will allow Franklin County to communicate with other first responders and all disproportionately affected counties over the next 10 years so that we may provide or receive needed assistance during emergency situations, which can save lives and property.

4. Describe data or information available to demonstrate the viability of the proposed project or program.

Franklin County tracks the number of calls that dispatch receives to be responded to by the various agencies. As Franklin County grows and traffic continues to increase it is anticipated that calls and response to calls will increase by at least 5 percent per year.

As the County grows in population and traffic from residents moving into the area along with increased tourism grows, it is anticipated that dispatch calls will increase as well. It is imperative that the communication system can provide reliable and continuous communication for the health and safety of our citizens and visitors.

In 2023, dispatch received over 41,000 calls across disciplines. Having no interoperability poses a stress on dispatchers relaying imperative information during response. The new communication system will enhance communication amongst first responders.

Our current communication system is not working efficiently due to our first responders operating on two separate systems. That along with the lack of cell towers throughout the county, we experience broken communications, hindering the responding units. In addition, our first responders do not have the capability to communicate with one another, other outside agencies or with state or federal agencies responding in the area.

Attachment 5 of this application contains a brief statement from the Marjory Stoneman Douglas Public Safety Commission report along with articles

demonstrating the outcomes of a failing first responder communication system.

5. Describe how the impacts to the disproportionately affected counties will be measured long term.

The new First Responder Communication System will allow Franklin County's first responders the ability to communicate with all disciplines within the county and other federal, state, and local agencies. It will enhance our mutual aid capabilities and will afford dispatch the abilities to track the calls for service. Long term it will provide interoperability, which provides security to our residents and visitors.

6. Describe how the proposed project or program is sustainable. (Note: Sustainable means how the proposed project or program will remain financially viable and continue to perform in the long-term after Triumph Gulf Coast, Inc. funding.)

Franklin County is committed to providing funds to maintain the new First Responder Communication System. Part of the procurement for the system will include a maintenance agreement that the county will fund as part of the cost match for the project. Lastly, Dispatch is a main component of communications and will continue to remain in the budget to receive funding for sustainability.

7. Describe how the deliverables for the proposed project or program will be measured.

There are four major deliverables for measuring outputs of the proposed project:

Procure a consultant: Let an RFQ search for a subject matter expert with expertise in public safety radio systems. The selected consultant will conduct a complete assessment of Franklin County's first responder radio system, resulting in an evaluation and recommendation for the future radio system needs of the county. This deliverable will be measured by the completeness of the assessment.

Procure a vendor: Once the assessment is completed in Phase I by the consultant, bid specifications will be let to procure a vendor for the First Responder Communication System. This deliverable will be measured by the responses to the bid specifications let by the county.

Install the system: Purchase and installation of the new First Responder Communication System. This deliverable will be measured by the interoperability of the system once installed.

Train all first responders: After the installation is completed, the selected vendor will conduct training for all first responders in Franklin County. In addition, "train-the-trainer" materials will be given so future employees/volunteers of the county's first responder disciplines will be afforded the same opportunity of training as the existing first responders. This deliverable will be measured by the completion of the training on the

new system.

Priorities

1. Please check the box if the proposed project or program will meet any of the following priorities (check all that apply):

- Generate maximum estimated economic benefits, based on tools and models not generally employed by economic input-output analyses, including cost-benefit, return-on-investment, or dynamic scoring techniques to determine how the long-term economic growth potential of the disproportionately affected counties may be enhanced by the investment.
- Increase household income in the disproportionately affected counties above national average household income.
- Leverage or further enhance key regional assets, including educational institutions, research facilities, and military bases.
- Partner with local governments to provide funds, infrastructure, land, or other assistance for the project.
- Benefit the environment, in addition to the economy.
- Provide outcome measures.
- Partner with K-20 educational institutions or school districts located within the disproportionately affected counties as of January 1, 2017.
- Are recommended by the board of county commissioners of the county in which the project or program will be located.
- Partner with convention and visitor bureaus, tourist development councils, or chambers of commerce located within the disproportionately affected counties.

2. Please explain how the proposed project meets the priorities identified above.

Partner with local governments to provide funds, infrastructure, land, or other assistance for the project: Franklin County is not only providing the First Responder Communication System to its own agencies; the Sheriff's Office, EMS, School District, Fire and Road Department, but also providing this system for the City of Apalachicola Police Department, the City of Carrabelle Police Department and Weems Hospital.

Provide Outcome Measures: Franklin County is committed to constantly improving its performance and response to the residents of the county and its visitors. All calls and responses will continue to be tracked.

Are recommended by the board of county commissioners of the county in which the project or program will be located: The Board of County Commissioners approved submitting this application on October 17, 2023.

3. Please explain how the proposed project or program meets the discretionary priorities identified by the Board.

Located in a Rural Area of Opportunity (RAO) as defined by the State of Florida: Franklin County is a recognized RAO by Florida Commerce.

Provide local investment and spending: Franklin County will incur all costs for maintenance, enhancements and upgrades to the First Responder Communication System.

Supported by more than one governmental entity and/or private sector companies: The First Responder Communication System is supported by the City of Apalachicola and the City of Carabelle. Both municipal police departments are part of the communication system project.

Safety and Security: By upgrading the communication system, first responders will be able enhance their communication between all responders allowing for enhanced safety and security for all residents and tourists.

Interoperability of all disciplines: With the new First Responder Communication System, all disciplines will be able to communicate with one another. Dispatch will be able to call out appropriate agencies to an event and all responders will be up to date on activities occurring, relieving dispatchers from relaying information to responding parties.

4. In which of the eight disproportionately affected county/counties is the proposed project or program located?

Franklin

5. Was this proposed project or program on a list of proposed projects and programs submitted to Triumph Gulf Coast, Inc., by one (or more) of the eight disproportionately affected Counties as a project and program located within its county?

Yes No

If yes, list all Counties that apply: Yes. The First Responder Communication System is one of the projects submitted to Triumph Gulf Coast, Inc for Franklin County.

6. Does the Board of County Commissioners for each County listed in response to question 5, above, recommend this project or program to Triumph?

Yes No

Located in Attachment 6 are the minutes from the October 17, 2023, Board of County Commissioners meeting and the Chairman for the Franklin County Board of County Commissioners signed the application for the First Responder Communication System

Approvals and Authority

1. If the Applicant is awarded grant funds based on this proposal, what approvals must be obtained before Applicant can execute an agreement with Triumph Gulf Coast, Inc.?

Franklin County Board of County Commissioners approves all awards. The award will be presented to the commissioners at a board meeting and will be accepted and approved.

2. If approval of a board, commission, council, or other group is needed prior to execution of an agreement between the entity and Triumph Gulf Coast:
 - A. Provide the schedule of upcoming meetings for the group for a period of at least six months.

Franklin County Board of County Commissioners meets monthly on the first and third Tuesday of each month.

- B. State whether that group can hold special meetings, and if so, upon how many days' notice.

Franklin County Board of County Commissioners can hold special meetings for emergency and time sensitive issues with at least a 5-business day notice of the meeting.

3. Describe the timeline for the proposed project or program if an award of funding is approved, including milestones that will be achieved following an award through completion of the proposed project or program.

Phase I: Procure a consultant to assist the county in evaluating its needs, assist with the development of procurement documents for the new communication system and recommend a potential vendor for the new system.

Phase II: Procurement and installation of the new communication system as well as training for all first responders.

4. Attach evidence that the undersigned has all necessary authority to execute this proposal on behalf of the entity applying for funding. This evidence may take a variety of forms, including but not limited to: a delegation of authority, citation to relevant laws or codes, policy documents, etc. In addition, please attach any support letters from partners.

Franklin County is a Charter County pursuant to Florida Law and operates under applicable Florida Statutes, Ordinances and policies. The Board of County Commissioners has the authority to enter into agreements and may authorize the Chairman to sign agreement documents.

Funding and Budget:

Pursuant to Section 288.8017, awards may not be used to finance 100 percent of any project or program. An awardee may not receive all of the funds available in any given year.

1. Identify the amount of funding sought from Triumph Gulf Coast, Inc. and the time period over which funding is requested.

Franklin County is seeking \$9,200,000.00 in Triumph funding for this project. It is anticipated that the project will be completed within 36 months from the date of award and contract execution.

The funds will be used for Phase I and Phase II:

Phase I: Procure and hire a consultant.

Phase II: Procure and install a new system as well as train all first responders on the system.

2. What percentage of total program or project costs does the requested award from Triumph Gulf Coast, Inc. represent? (Please note that an award of funding will be for a defined monetary amount and will not be based on a percentage of projected project costs.)

Franklin County estimates that this project will cost around \$10,720,000. The amount of funds being requested from Triumph represents 86% of the total estimated cost. The \$1,500,000 that has been received to contribute to this project was received by the Florida Legislature to assist with the new First Responder Communication System.

With Franklin County being a fiscally constrained county, these funds are needed to comply with the state standards of moving from SLERS to P25. If we don't receive the full amount of funds requested, we will not be able to move forward with the purchase of the new system.

3. Please describe the types and number of jobs expected from the proposed project or program and the expected average wage.

This project does not create any jobs. However, this project will assist in keeping first responders, citizens, visitors and property safe while facilitating Franklin County's efforts to be recognized as a safe place that people want to live, work and visit. The new communication system will also assist the first responders to conduct their daily jobs more efficiently.

4. Does the potential award supplement but not supplant existing funding sources? If yes, describe how the potential award supplements existing funding sources.

Yes No

Franklin County does not have the funding in the budget for the new communications system. There have not been any grant funds received or state assistance for this project other than the Sheriff's legislative appropriation of \$1,500,000 which we are using for this project.

5. Please provide a Project/Program Budget. Include all applicable costs and other funding sources available to support the proposal.

A. Project/Program Costs:

\$750,000.00 - contractual services for elements of Phase I and II.
Estimated at less than 10% of total project cost.

\$9,970,000.00 – equipment purchase, installation and training of first responders on new communications system.

TOTAL PROJECT COSTS: \$10,720,000.00

B. Other Project Funding Sources:

Franklin County Board of County Commissioners: \$1,520,000.00

TOTAL AMOUNT REQUESTED: \$9,200,000.00

- C. Provide a detailed budget narrative, including the timing and steps necessary to obtain the funding and any other pertinent budget-related information.

Milestone 1: Within 6 months from award and contract execution, Franklin County will complete the procurement for and have a consultant under contract to assist the county to evaluate its current communication needs and assist with the procurement process for the equipment purchase. The selected consultant will also oversee the installation and training of the new equipment for all first responders.

Milestone 2: Within 24 months from award and contract execution, Franklin County will complete the procurement and installation of the new communication system for first responders.

Milestone 3: Within 30 months from award and contract execution, Franklin County will complete the new communication system training for all first responders.

Milestone 4: Within 36 months from the award and contract execution, Franklin County will have the new communication system in place and operational.

Applicant understands that the Triumph Gulf Coast, Inc. statute requires that the award contract must include provisions requiring a performance report on the contracted activities, must account for the proper use of funds provided under the contract, and must include provisions for recovery of awards in the event the award was based upon fraudulent information, or the awardee is not meeting the performance requirements of the award.

Yes No

Applicant understands that awardees must regularly report to Triumph Gulf Coast, Inc. the expenditure of funds and the status of the project or program on a schedule determined by Triumph Gulf Coast, Inc.

Yes No

Applicant acknowledges that Applicant and any co-Applicants will make books and records and other financial data available to Triumph Gulf Coast, Inc. as necessary to measure and confirm performance metrics and deliverables.

Yes No

Applicant acknowledges that Triumph Gulf Coast, Inc. reserves the right to request additional information from Applicant concerning the proposed project or program.

Yes No

ADDENDUM FOR LOCAL ACTION PLAN

1. Program Requirements

- A. Describe how the proposed award will establish and maintain equipment and trained personnel for local action plans of response to respond to disasters.

The First Responder Communication System will provide a system that is imperative for Franklin County. Training will be provided for all first responders, to include dispatch. The equipment will be maintained by the county and training will be a “train-the-trainer” curriculum for first responders that are hired after the initial training conducted by the selected vendor and after the system is in place.

- B. Describe the type and amount of equipment and trained personnel that will be established or maintained by the proposed award.

The type and amount of equipment will be determined by the procured consultant during Phase I. The consultant will conduct a study of the current system and determine the best solution for the county to make the communications interoperable. During Phase II, the actual purchase and installation of the equipment will occur along with implementing a complete training program for all first responders. As stated, Franklin County will maintain the equipment.

- C. Identify the specific local action plans (e.g., Coastal Impacts Assistance Program) that will benefit from the proposed award.

Uploaded in Attachment 3 is the Franklin County Local Mitigation Strategy Project List. This list includes projects from all disciplines within Franklin County and it is determined and voted on by the members of the committee.

- D. Provide a detailed explanation of how the proposed award will connect to a broader economic recovery, diversification, enhancement of the disproportionately affected counties and/or enhancement of a targeted industry.

Safety of our citizens, environment and infrastructure are paramount to economic recovery, diversification, enhancement of the disproportionately affected counties and/or a targeted industry. It is essential that we provide our first responders with the capability of interoperability with other agencies within Franklin County and the surrounding counties to ensure safety for our citizens and visitors.

- E. Provide a detailed description of the quantitative evidence demonstrating how the proposed will promote:
- Economic recovery,

- Economic Diversification,
- Enhancement of the disproportionately affected counties,
- Enhancement of a Targeted Industry.

The First Responder Communication System falls under the Triumph category to establish and maintain equipment and trained personnel for local action plans of response to respond to disasters, such as plans created for the Coastal Impacts Assistance Program which was designed to help coastal communities with funding to support beneficial projects. While this project does not directly propose new businesses or job creation, it does provide the critical resources needed by first responders to ensure safety for the citizens and visitors of Franklin County. Investments in public safety have been shown to reduce the risk of lives lost, injuries, property damage and quality of life.

2. Additional Information

- A. What is the location of the local action program that will be supported by the proposed award?

Franklin County, Florida

- B. Detail the current status of the local action plans (*e.g.*, new plans, existing plans, etc.) that will be supported by the proposed award and provide a detailed description of when and how the proposed award will be implemented.

Franklin County's Local Mitigation Strategy (LMS) Plan was adopted by the Board of County Commissioners in 2021. This plan is submitted to the State of Florida every five years with updated information to remain compliant with the state and federal government. The LMS committee meets regularly to discuss and update the priority project list based on past and current events and needs.

- C. Provide any additional information or attachments to be considered for this proposal.

List of Attachments:

Attachment 1 – Franklin County Triumph Funding Projects – Post Hurricane Michael

Attachment 2 – 2022 Franklin County Annual Financial Report

Attachment 3 – Local Mitigation Strategy Plan Project List, Project #64 listed: First Responder Communication System

Attachment 4 - Land Mass / Use Maps

Attachment 5 – Data on Importance of a properly functioning communication system

Attachment 6 – Franklin County Board of County Commissioners October 17, 2023, Board Meeting Minutes

I, the undersigned, do hereby certify that I have express authority to sign this proposal on my behalf or on behalf of the above-described entity, organization, or governmental entity:

Name of Applicant: Franklin County Board of County Commissioners

Name and Title of Authorized Representative: Ricky Jones, Chairman

Representative Signature: Ricky D. Jones

Signature Date: 03/26/24

Attachment 1

Franklin County Triumph Funding Projects
Post Hurricane Michael

FRANKLIN COUNTY

REPLY TO:
BOARD OF COUNTY COMMISSIONERS
33 MARKET STREET, SUITE 203
APALACHICOLA, FL 32320
(850) 653-8861, EXT. 100
(850) 653-4795 FAX



REPLY TO:
PLANNING & BUILDING DEPARTMENT
34 FORBES STREET, SUITE 1
APALACHICOLA, FL 32320
(850) 653-9783
(850) 653-9799 FAX

March 26, 2024

David M Bear, Chairman
Triumph Gulf Coast, Inc.
PO Box 12007
Tallahassee, Florida 32317

Re: List of Franklin County Supported Projects for Triumph Funding

Dear Chairman Bear:

The Franklin County Board of County Commissioners continually reviews projects it supports for Triumph funding and seeks new proposals from the community to ensure that supported projects reflect current transformational needs.

The enclosed list indicates the County's current proposals along with those projects that have been approved for funding.

Thank you in advance for your continued support.

Sincerely,

A handwritten signature in cursive script that reads "Ricky D. Jones".

Ricky Jones
Chairman

FRANKLIN COUNTY LIST OF PROJECTS FOR TRIUMPH FUNDING

ORGANIZATION	PROJECT TITLE	ESTIMATED COST	STATUS
Franklin County Board of County Commissioners	First Responder Communication System	\$9,200,000.00	Current Proposal
FSU Marine Lab	Apalachicola Bay System Initiative	\$7,998,678.00	Approved for Funding
Franklin County School District	Franklin Environmental Career and Technical Training	\$2,327,322.00	Approved for Funding
Franklin County Board of County Commissioners	Apalachicola Regional Airport Fuel System Upgrade	\$2,311,182.00	Approved for Funding
Franklin County School District	Career and Technical Training	\$1,265,000.00	Approved for Funding

Attachment 2

2022 Franklin County
Annual Financial Report

Franklin County, Florida

Annual Financial Report
September 30, 2022

Vance CPA, LLC

Certified Public Accountants

219-B Avenue E

Apalachicola, FL 32320

Tel. (706) 278-1221 • Fax (800) 532-1015

BOARD OF COUNTY COMMISSIONERS

Ricky Jones – District 1

Bert Boldt – District 2

Noah Lockley, Jr. – District 3

Joseph Parrish – District 4

Jessica Ward – District 5

CONSTITUTIONAL OFFICERS

Clerk of the Circuit Court

Michele Maxwell

Sheriff

A. J. Smith

Tax Collector

Rick Watson

Property Appraiser

Rhonda Skipper

Supervisor of Elections

Heather Riley

**FRANKLIN COUNTY, FLORIDA
SEPTEMBER 30, 2022**

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**FRANKLIN COUNTY, FLORIDA
SEPTEMBER 30, 2022**

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INDEPENDENT AUDITORS' REPORT

Honorable Members of the
Board of County Commissioners
Franklin County, Florida

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and aggregate remaining fund information of the Franklin County, Florida, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise Franklin County, Florida'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 aggregate remaining fund information of Franklin County, Florida, as of September 30, 2022, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

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 Franklin County, Florida's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 Franklin County, Florida's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Franklin County, Florida's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedules of funding progress and employees contributions for retiree health insurance, schedule of proportionment share of net pension liability, and schedule of pension plan contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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 statement, 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

The accompanying schedule of expenditures of federal awards, and state financial assistance as required by 2 *CFR Part 200, Uniform Administrative Requirement, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, as presented for purposes of additional analysis and is also 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2023, on our consideration of Franklin County, Florida's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 Franklin County, Florida's internal control over financial reporting and compliance.

Vance CPA LLC

June 28, 2023
Apalachicola, Florida

Vance CPA LLC

**FRANKLIN COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Management of the Board of County Commissioners of Franklin County (County) has prepared the following discussion and analysis to (a) assist the reader in focusing on significant financial issues, (b) provide an overview and analysis of the County's financial activities, (c) identify changes in the County's financial position, (d) identify material deviations from the financial plan (approved budget), and (e) highlight significant issues in individual funds.

Because the information contained in Management's Discussion and Analysis is intended to highlight significant transactions, events and conditions, it should be considered in conjunction with the County's financial statements.

Financial Highlights

- The County's total net position increased \$6,217,660 or 6.01% from September 30, 2021, to September 30, 2022.
- During the year ended September 30, 2022, the financial statements show that the County's general fund revenues exceeded expenditures by \$35,725. Total expenditures in the general fund were less than budgeted amount.
- The County's capital assets, net of accumulated depreciation, increased \$5,300,746 which represents an increase of 5.3% for the year.

Nonfinancial Events

- In 2021, Franklin County received the first allocation of the American Rescue Plan. The second installment was received in October of 2022 which brings the total allocation to \$2,355,139. The county has drafted a spending plan which will address unfunded infrastructure needs such as a new roof and exterior joint sealant of the County Courthouse, acquisition of office space for the Supervisor of Elections, beach parking improvements and imaging of public records.
- On October 10, 2018, Hurricane Michael made landfall as a category 5 hurricane just 30 miles from the Franklin County line on the west side of Mexico Beach and east end of Tyndall Air Force Base. Hurricane Michael was the strongest storm to strike the mainland of the United States since Hurricane Andrew in 1992. Franklin County was fortunate the storm was not a direct hit but still sustained major damage. Franklin County had six large FEMA recovery projects (projects whereas restoration/repair would cost more than \$139,800). Three of the large recovery projects were completed in early 2022 and three more are nearing completion. The largest project is the reconstruction of Alligator Drive in Alligator Point which had an obligated project cost of \$5,583,530.
- There are several large ongoing improvement projects at the County Airport in Apalachicola. These projects are 100% funded by state and federal grants. The ongoing projects include the rehabilitation of the runway lighting on Runway 6-24, the Triumph RESTORE program funded replacement of the airport's fuel farm, airport obstruction removal and the rehabilitation of the airfield pavement aprons.
- The Florida Department of Transportation's Small County Outreach Grant Program (SCOP) provided \$894,596 for the surveying, design, permitting, and roadway resurfacing with a 2' expansion of the width of the travel lanes from the intersection of Timber Island Road and Highway 98 to the end at the Timber Island Boat Ramp. The Florida Department of Transportation's Small County Road Assistance Program (SCRAP) provided \$3,671,550 for the widening and resurfacing of 3.466 miles of CR30A from 13 Mile Road East towards Highway 98. Both projects were completed in 2022.
- Franklin County is to receive 12 million dollars over 15 years as part of pot three (Gulf Consortium) of the RESTORE settlement from the Deepwater Horizon oil spill. "Florida's 23 Gulf Coast Counties formed the Consortium to meet requirements of the RESTORE Act to develop a State Expenditure Plan for

economic and environmental recovery of the Gulf coast in Florida following the Deepwater Horizon oil spill. The RESTORE Act was passed by the Congress on June 29, 2012, and signed into law on July 6, 2012 by the President.” There are three proposed projects included in the State Expenditure Plan for the county’s Consortium Funds – Dredging of the Eastpoint and 2 Mile Channels, Construction of a new EOC, and Bay Restoration. In 2022, Franklin County contracted with the Army Corp of Engineers for \$6,000,000 in Consortium funds to dredge the Eastpoint Channel (which had not been dredged since the 1980’s) and the 2 Mile Channel in Apalachicola. The dredge work should be completed sometime in 2023.

- In January of 2008, Franklin County began levying the 1% Discretionary Sales Surtax for health care on all taxable purchases. The proceeds of the 1% Discretionary Sales Surtax is split between capital outlay and operating expenses for the local Weems Memorial Hospital. At September 30, 2022, the balance available in the Health Care Trust Fund for capital improvements is \$7,983,862.43.
- The 2021 gross taxable value of property in Franklin County saw a steady increase of 9.03% over the prior year. This was the eighth year of increasing taxable value since 2006. The County’s 2021 gross taxable value as certified by the Franklin County Property Appraiser increased by approximately 193 million dollars from the 2020 certified value. The millage rate decreased slightly to 5.4707 mills in fiscal year 2021/2022 with budgeted property tax proceeds of \$12,769,264. The budgeted proceeds were \$403,309 more than the budgeted proceeds in fiscal year 2020/2021. The total budgeted positions in the 2021/2022 fiscal year were 181, down from a high in 2006/2007 of 191 budgeted positions. The county implemented year one of a five year pay and classification plan to address concerns with wage compression and to slowly increase wages to meet the \$15 per hour minimum which goes into effect in 2026.

Overview of the Financial Statements

The basic financial statements consist of three components:

1. Government-wide financial statements
2. Fund financial statements
3. Notes to the financial statement

In addition, this report presents certain required supplementary information.

Government-wide Financial Statements

The government-wide financial statements provide both short-term and long-term information about the County’s overall financial condition in a manner similar to those of a private-sector business. This statement combines and consolidates governmental fund’s current financial resources (short-term expendable resources) with capital assets and long-term obligations. The statements include a *statement of net assets* and a *statement of activities* that are designed to provide consolidated financial information about the governmental activities of the County presented on the accrual basis of accounting.

- The *statement of net assets* provides information about the government’s financial position, its assets and liabilities, using an economic resources measurement focus. The difference between the assets and liabilities, the net assets, is a measure of the financial health of the County.
- The *statement of activities* presents information showing how the County’s net assets changed during the 2022 fiscal year. All changes in net assets 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 in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes earned, and earned but unused vacation leave). This statement is intended to summarize and simplify the user’s analysis of cost of various governmental services. An increase or decrease in net assets is an indication of whether the County’s financial health is improving or deteriorating.

Both of these financial statements present the functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the County include general government, public safety, physical environment, transportation, economic environment, human services, culture and recreation, and court related activities.

Over a period of time, changes in the County's net assets are an indication of improving or deteriorating financial condition. This information should be evaluated in conjunction with other nonfinancial factors, such as changes in the County's property tax base and the condition of the County's capital assets including infrastructure assets.

Fund Financial Statements.

Fund financial statements are one of the components of the basic 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 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements and prudent fiscal management. Certain funds are established by law while others are created by legal agreements, such as bond covenants. Fund financial statements provide more detailed information about the County's financial activities, focusing on its most significant or "major" funds rather than fund types. This is in contrast to the entity-wide perspective contained in the government-wide statements.

All of the County's funds may be classified in the broad category of *Governmental Funds*, *Proprietary Funds* or *Fiduciary (Agency) Funds*.

- **Governmental Funds** - These funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, the governmental funds utilize a spendable financial resources measurement focus rather than the economic resources measurement focus found in the government-wide financial statements. This financial resources measurement focus allows the governmental fund statements to provide information on near-term inflows and outflows of spendable resources as well as balances of spendable resources available at the end of the fiscal year. Consequently, the governmental fund statements provide a detailed short-term view that may be used to evaluate the County's near-term financing requirements. This short-term view is useful when compared to the long-term financing requirements. This short-term view is useful when compared to the long-term view presented as governmental activities in the government-wide financial statements. To facilitate this comparison, both the governmental balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation of governmental funds to governmental activities.
- **Proprietary Funds** - The County maintains one type of proprietary fund which is the hospital fund. This fund is used to report business-type activities in the government-wide financial statements. The County uses the hospital fund to account for the fiscal activities relating to the hospital and emergency medical services provided in Franklin County. Proprietary funds provide the same type of information found in the government-wide financial statements, but in greater detail.
- **Fiduciary (Agency) Funds** – Fiduciary funds are used to report assets held in a trustee or fiduciary capacity for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide statements because the resources are not available to support the County's own programs. In its fiduciary capacity, the County is responsible for ensuring that the assets reported in these funds are used only for their intended purposes.

Infrastructure Assets

Generally, a government's largest group of assets (infrastructure – roads, bridges, traffic signals, underground pipes) are not reported nor depreciated in governmental fund financial statements. This statement requires that these assets be valued and reported within the Governmental column of the Government-wide statements. Additionally, the government must elect to either (a) depreciate these assets over their estimated useful life or (b) develop a system of asset management designed to

maintain the service delivery potential to near perpetuity. If the government develops the asset management system (the modified approach) which periodically (at least every third year), by category measures and demonstrates its maintenance of locally established levels of service standards, the government may record its cost of maintenance in lieu of depreciation. The County elected to depreciate its infrastructure assets.

Government-wide Financial Analysis

Statement of Net Assets

Net assets may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by \$108,863,469 million at September 30, 2022, and \$103 million at September 30, 2021.

Franklin County's Net Position

<u>September 30,</u>	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Current and other assets	\$ 40,063,635	\$ 35,766,715	\$ 3,587,003	\$ 5,958,115	\$ 43,650,638	\$ 41,724,830
Capital assets, net	<u>101,185,235</u>	<u>95,991,341</u>	<u>4,161,972</u>	<u>4,055,120</u>	<u>105,347,207</u>	<u>100,046,461</u>
Total assets	<u>141,248,870</u>	<u>131,758,056</u>	<u>7,748,975</u>	<u>10,013,235</u>	<u>148,997,845</u>	<u>141,771,291</u>
Deferred Outflows	<u>2,176,373</u>	<u>2,929,991</u>	<u>—</u>	<u>—</u>	<u>2,176,373</u>	<u>2,929,991</u>
Current and other liabilities	4,421,952	3,076,360	1,244,450	2,500,961	5,666,402	5,577,321
Long-term liabilities	<u>34,055,228</u>	<u>24,548,846</u>	<u>91,323</u>	<u>—</u>	<u>34,146,551</u>	<u>24,548,846</u>
Total liabilities	<u>38,477,180</u>	<u>27,625,206</u>	<u>1,335,773</u>	<u>2,500,961</u>	<u>39,812,953</u>	<u>30,126,167</u>
Deferred Inflows	<u>2,497,796</u>	<u>11,918,012</u>	<u>—</u>	<u>—</u>	<u>2,497,796</u>	<u>11,918,012</u>
Net position:						
Net investment in capital assets	99,279,524	94,159,486	3,979,282	4,055,120	103,258,806	98,214,606
Restricted	19,911,830	15,247,831	—	—	19,911,830	13,306,031
Unrestricted	<u>(16,741,087)</u>	<u>(14,262,488)</u>	<u>2,433,920</u>	<u>3,457,154</u>	<u>(14,307,167)</u>	<u>(10,805,334)</u>
Total net position	<u>\$ 102,450,267</u>	<u>\$ 95,144,829</u>	<u>\$ 6,413,202</u>	<u>\$ 7,512,274</u>	<u>\$108,863,469</u>	<u>\$102,657,103</u>

**Franklin County's Statement of Activities
For The Years Ended September 30, 2022 and 2021**

The following schedule summarizes revenues and expenses for the years ended September 30, 2022, and 2021:

Year ended Sept 30,	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Program Revenues						
Charges for services	\$ 3,088,202	\$ 2,858,915	\$ 6,782,243	\$ 8,251,035	\$ 9,870,445	\$ 11,109,950
Operating grants and contribution	11,648,982	7,724,113	396,376	412,844	12,045,358	8,136,957
Capital grants and contributions	8,255,985	2,442,655	—	—	8,255,985	2,442,655
General Revenues-						
Property taxes	12,768,922	12,160,741	—	—	12,768,922	12,160,741
Other taxes	11,487,637	9,627,016	—	—	11,487,637	9,627,016
Investment earnings	127,024	119,363	—	—	127,024	119,363
Other	412,199	532,333	—	—	412,199	532,333
Transfers	<u>(2,598,054)</u>	<u>(2,402,292)</u>	<u>2,598,054</u>	<u>2,402,292</u>	<u>—</u>	<u>—</u>
Total revenues	<u>45,190,897</u>	<u>33,062,844</u>	<u>9,776,673</u>	<u>11,066,171</u>	<u>54,967,570</u>	<u>44,129,015</u>
Expenses						
Program activities						
General government	11,277,975	6,389,758	—	—	11,277,975	6,389,758
Public safety	10,402,492	6,389,758	—	—	10,402,492	7,765,128
Physical environment	2,394,774	2,739,299	—	—	2,394,774	2,739,299
Transportation	8,082,391	7,762,044	—	—	8,082,391	7,762,044
Economic environment	1,787,620	1,555,217	—	—	1,787,620	1,555,217
Human services	1,049,038	1,555,217	—	—	1,049,038	791,532
Culture and recreation	1,916,610	1,178,505	—	—	1,916,610	1,178,505
Court related	974,559	1,844,068	—	—	974,559	1,844,068
Business-type activities	<u>—</u>	<u>—</u>	<u>10,864,451</u>	<u>10,505,812</u>	<u>10,864,451</u>	<u>10,505,812</u>
Total expenses	<u>37,885,459</u>	<u>30,025,551</u>	<u>10,864,451</u>	<u>10,505,812</u>	<u>48,749,910</u>	<u>40,531,363</u>
Increase (decrease)	<u>\$ 7,305,438</u>	<u>\$ 3,037,293</u>	<u>\$ (1,087,778)</u>	<u>\$ 560,359</u>	<u>\$ 6,217,660</u>	<u>\$ 3,597,652</u>

Financial Analysis of Individual Funds

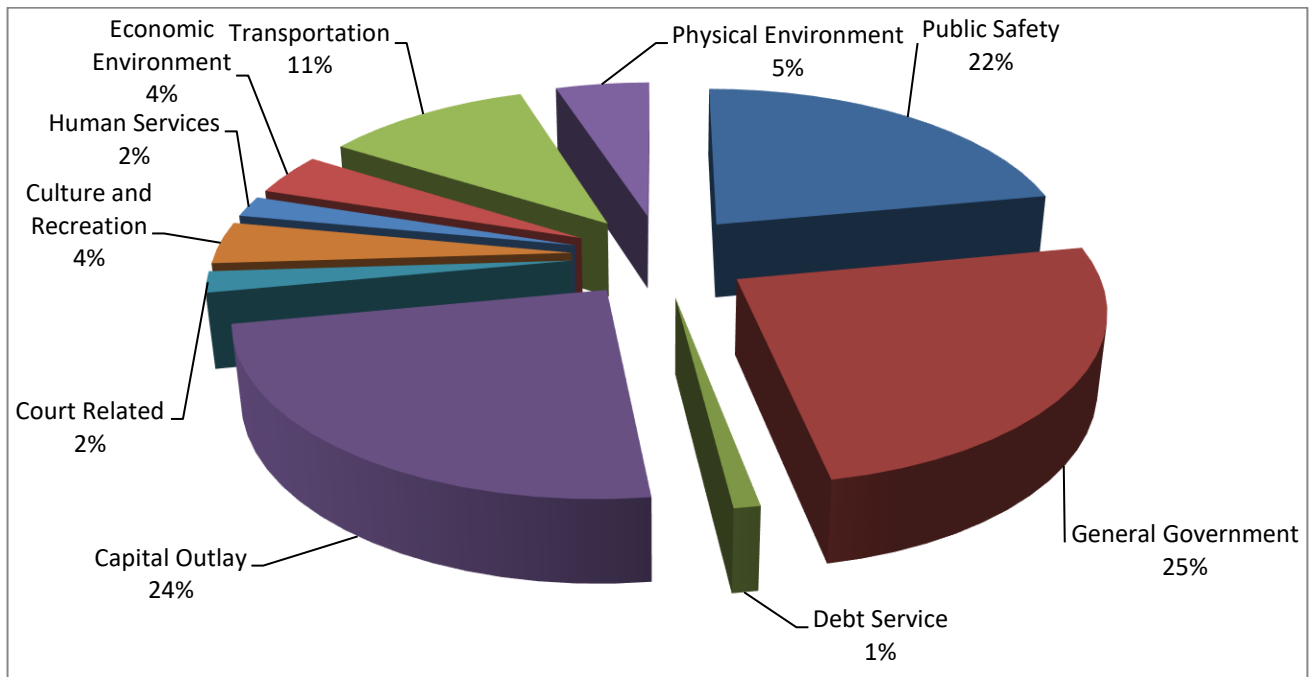
This section provides an analysis of the balances and transactions of individual funds. The County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The primary purpose of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of *spendable resources*. Such information is useful in assessing the County's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources, available for spending, at the end of the fiscal year. See note 10 for further details.

As of the end of fiscal year 2022, the county's governmental funds reported combined ending fund balances of \$33,791,184. Of this amount, *unassigned fund balance* is \$13,802,145.

Total Governmental Funds Expenditures by Functions



Major Funds

The general fund, hospital trust, and the landfill funds are reported as major funds.

- The general fund is the general operating fund of the County. All general tax revenues and other receipts that are not required either legally or by generally accepted accounting principles to be accounted for in other funds are accounted for in the general fund.
- General operating funds of the clerk of the Circuit Court, Property Appraiser, Sheriff, Tax Collector, and Supervisor of Elections represent sub funds of the County's general fund that are held and accounted for individually, but presented with the balance of the Board of County Commissioners' operating funds.
- The Hospital Trust accounts for the sales tax proceeds restricted for use at the County hospital.
- The Landfill Fund accounts for the landfill operations.

Budget Variances in the Major Funds

- Tax revenue of the general fund shows a negative budget variance of \$122,734. The County budget shows 100% of anticipated revenues with “less 5% of estimated revenues” being shown separately as a deduction. Additionally, taxpayers can take advantage of as much as 4% reduction in taxes by paying in the month of November.

Capital Assets and Long-Term Debt

Below is a summary of the large projects that are still in progress at the end of the current fiscal year (many of these projects will take longer than one fiscal year to complete), large capital asset purchases during the year, and long-term debt status update.

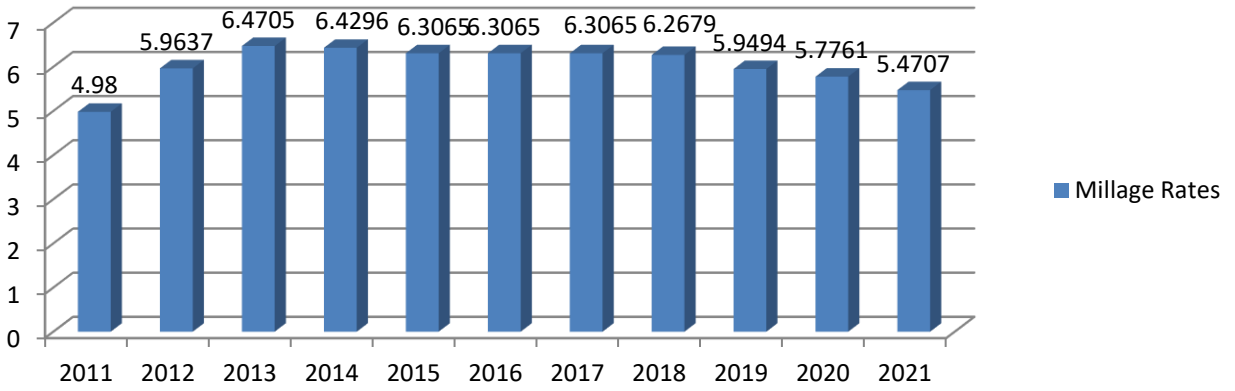
- In May of 2021, the County entered into the fourth rolling lease/purchase agreement for (2) 2021 Mack GR64F Dump Trucks at \$319,243 each. The county owns the trucks for 24 months total for an annual lease payment of \$15,000 each the first year and \$17,500 for the second year. Before the third year’s payment, the county anticipates trading the trucks with vendor Nextran of Tallahassee for a new lease with the next year’s model trucks.
- In 2019, the county financed a new Caterpillar Compactor and a Morbark Tub Grinder for the Solid Waste Department. Tipping Fee revenues fund the debt-service payments on this equipment and there was a balance of \$51,322 for the Compactor and \$523,550 for the Tub Grinder on September 30th.
- In October of 2018, Franklin County purchased eleven 30-foot lots in the commercial district of St. George Island. This property is located at 223 Franklin Boulevard. This purchase was part of a mediated settlement agreement whereas Franklin County paid \$600,000 for the parcel. The capital outlay fund paid \$100,000 down and the balance was financed by the owner at 4.5% fixed for a period of five years. The balance on September 30th was \$185,334.
- In 2020/2021, Franklin County financed the construction of the new restrooms at the county beach park on St. George Island. The total amount financed for up to (5) years was \$337,595 or \$72,781 per year. The annual debt service payments for the beach park facilities are funded by the Tourist Development sales tax proceeds.

Significant Economic Factors

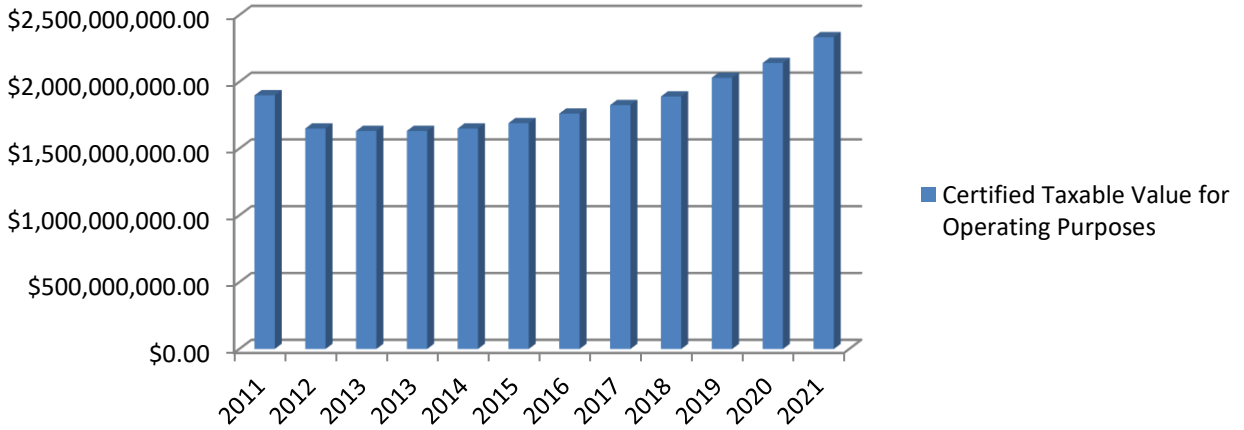
Taxable Value of Property and Millage Rates

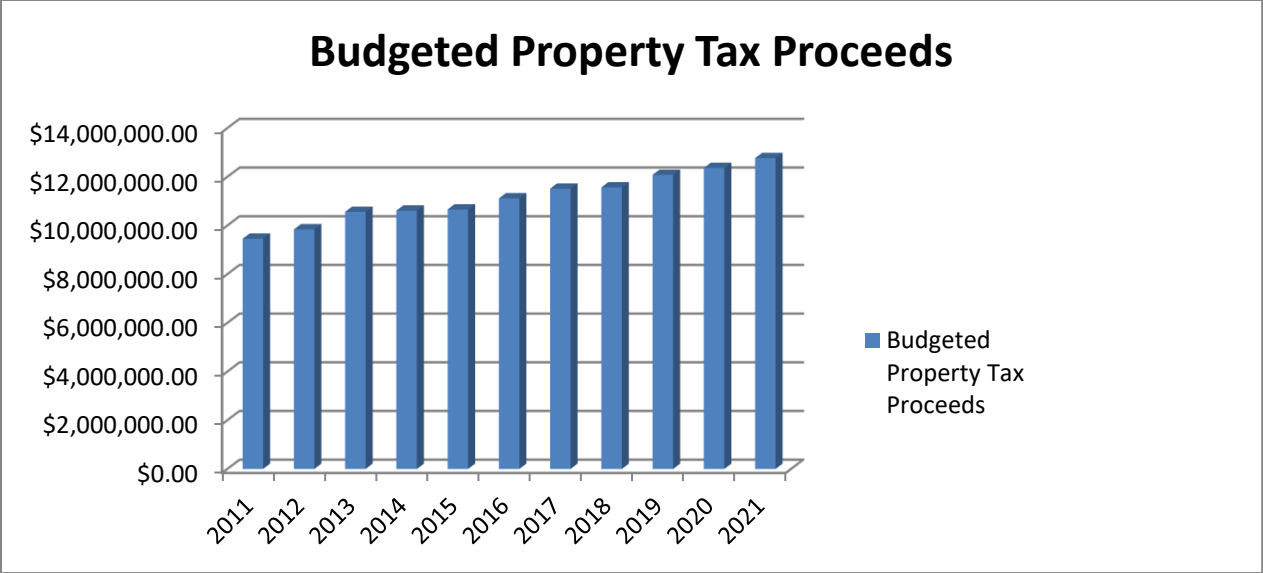
The County received approximately \$12.647 million in property taxes based on the certified taxable value of property in Franklin County. This represents an increase from the prior year of \$651,613 and is a result of an increase property values and an increase in the taxable value of new construction in the County.

Millage Rates



Certified Taxable Value for Operating Purposes





Requests for Information

This report is designed to provide citizens and taxpayers with a general overview of the County’s finances and to demonstrate compliance and accountability for its resources. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Franklin County Clerk of Courts
 Michele Maxwell
 33 Market Street, Suite 203
 Apalachicola, FL 32320

BASIC FINANCIAL STATEMENTS

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

	Primary Government		Total
	Governmental Activities	Business-type Activities	
ASSETS			
Cash and Cash Equivalents	\$ 23,946,004	\$ 1,133,573	\$ 25,079,577
Equity in pooled cash	5,427,074	—	5,427,074
Patient accounts receivable, net of Uncollectibles of approximately \$1,457,946	—	1,318,354	1,318,354
Other accounts receivable	798,179	461,759	1,259,938
Internal balances	(562,904)	562,904	—
Prepaid expenses	47,928	21,629	69,557
Due from other governments	10,407,354	—	10,407,354
Supplies inventory	—	88,784	88,784
Non-Depreciable Capital Assets	16,927,687	13,400	16,941,087
Depreciable Capital Assets, Net	<u>84,257,548</u>	<u>4,148,572</u>	<u>88,406,120</u>
Total Assets	<u>141,248,870</u>	<u>7,748,975</u>	<u>148,997,845</u>
DEFERRED OUTFLOWS			
Employee Pension Contributions	<u>2,176,373</u>	—	<u>2,176,373</u>
Total Deferred Outflows	<u>2,176,373</u>	<u>—</u>	<u>2,176,373</u>
LIABILITIES			
Accounts payable	3,449,984	913,102	4,363,086
Due to other governments	183,890	—	183,890
Other accrued liabilities	—	76,683	76,683
Long-term liabilities			
Customer deposits	4,000	—	4,000
Due within one year			
Accrued compensated absences	197,688	163,298	360,986
Lease liabilities	36,027	91,367	127,394
Notes and leases payable	554,363	—	554,363
Due in more than one year			
Accrued compensated absences	593,065	—	593,065
Lease liabilities	102,026	91,323	193,349
Notes	1,213,295	—	1,213,295
Net OPEB obligation	15,133,969	—	15,133,969
Landfill closure liability	3,330,353	—	3,330,353
Net pension liability	<u>13,678,520</u>	<u>—</u>	<u>13,678,520</u>
Total Liabilities	<u>38,477,180</u>	<u>1,335,773</u>	<u>39,812,953</u>
DEFERRED INFLOWS			
Grant funds	1,939,067	—	1,939,067
Employee pension contributions	<u>558,729</u>	<u>—</u>	<u>558,729</u>
Total Deferred Inflows	<u>2,497,796</u>	<u>—</u>	<u>2,497,796</u>
NET POSITION			
Net investment in capital assets	99,279,524	3,979,282	103,258,806
Restricted	19,911,830	—	19,911,830
Unrestricted	<u>(16,741,087)</u>	<u>2,433,920</u>	<u>(14,307,167)</u>
Total Net Position	<u>\$ 102,450,267</u>	<u>\$ 6,413,202</u>	<u>\$ 108,863,469</u>

See accompanying notes to the basic financial statements

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

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues/</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>		<u>Total</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business Type Activities</u>	
Primary Government							
Governmental activities							
General government	\$11,277,975	\$ 183,727	\$ 202,061	\$ —	\$(10,892,187)	\$ —	\$ (10,892,187)
Public safety	10,402,492	1,146,349	420,581	—	(8,835,562)	—	(8,835,562)
Physical environment	2,394,774	1,206,851	48,848	33,650	(1,105,425)	—	(1,105,425)
Transportation	8,082,391	259,733	2,354,992	3,104,822	(2,362,844)	—	(2,362,844)
Economic environment	1,787,620	—	7,729,127	4,546,197	10,487,704	—	10,487,704
Human services	1,049,038	14,110	313,296	—	(721,632)	—	(721,632)
Culture and recreation	1,916,610	8,141	62,000	571,316	(1,275,153)	—	(1,275,153)
Court related	974,559	269,291	518,077	—	(187,191)	—	(187,191)
Total Governmental Activities	<u>37,885,459</u>	<u>3,088,202</u>	<u>11,648,982</u>	<u>8,255,985</u>	<u>(14,892,290)</u>		<u>(14,892,290)</u>
Business-Type Activities							
Hospital	10,864,451	6,782,243	396,376	—	—	(3,685,832)	(3,685,832)
Total Primary Government	<u>\$ 48,749,910</u>	<u>\$ 9,870,445</u>	<u>\$12,045,358</u>	<u>\$ 8,285,985</u>	(14,892,290)	(3,685,832)	(18,578,122)
General Revenues:							
Property tax					12,768,922	—	12,768,922
Local Option Sales					6,922,492	—	6,922,492
Sales tax and other shared revenues					4,259,671	—	4,259,671
Local option gas tax					305,474	—	305,474
Investment earnings					127,024	—	127,024
Miscellaneous					412,199	—	412,199
Transfers					<u>(2,598,054)</u>	<u>2,598,054</u>	<u>—</u>
Total General Revenues					<u>22,197,728</u>	<u>2,598,054</u>	<u>24,795,782</u>
Changes in Net Position					<u>7,305,438</u>	<u>(1,087,778)</u>	<u>6,217,660</u>
Net Position – Beginning of Year					<u>95,144,829</u>	<u>7,500,980</u>	<u>102,645,809</u>
Net Position – End of Year					<u>\$ 102,450,267</u>	<u>\$ 6,413,202</u>	<u>\$ 108,863,469</u>

See accompanying notes to the basic financial statements

**FRANKLIN COUNTY, FLORIDA
BALANCE SHEET
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	<u>General</u>	<u>Healthcare Trust</u>	<u>Landfill Fund</u>	<u>Local Option Gas Tax</u>	<u>Other Funds</u>	<u>Total Governmental Funds</u>
Assets						
Cash & cash equivalent	\$ 7,948,734	\$ 4,923,687	\$ 3,211,482	\$ 419,490	\$ 7,442,611	\$ 23,946,004
Equity in pooled cash	513,256	3,060,175	773,904	413,443	666,296	5,427,074
Accounts receivable	63,511	—	109,508	7,503	617,657	798,179
Due from other governments	4,932,055	576,904	—	3,993,672	904,723	10,407,354
Due from constitutional officers	18,302	—	—	—	29,626	47,928
Due from other funds	<u>3,954,515</u>	<u>298,937</u>	<u>963</u>	<u>—</u>	<u>56,956</u>	<u>4,311,371</u>
Total Assets	<u>\$ 17,430,373</u>	<u>\$ 8,859,703</u>	<u>\$ 4,095,857</u>	<u>\$ 4,834,108</u>	<u>\$ 9,717,869</u>	<u>\$ 44,937,910</u>
Liabilities Deferred						
Inflows & Fund Balances						
Liabilities						
Accounts payable and accrued	\$ 1,887,367	\$ —	\$ 17,454	\$ 1,203,892	\$ 353,655	\$ 3,462,368
Deposits	—	—	4,000	—	—	4,000
Due to other governmental units	87,800	—	—	—	138,187	225,987
Due to other funds	<u>1,457,282</u>	<u>645,252</u>	<u>41,260</u>	<u>2,295,158</u>	<u>380,842</u>	<u>4,819,794</u>
Total Liabilities	<u>3,432,449</u>	<u>645,252</u>	<u>62,714</u>	<u>3,499,050</u>	<u>872,684</u>	<u>8,512,149</u>
Deferred Inflows						
Unavailable revenues	<u>104,519</u>	<u>75,316</u>	<u>—</u>	<u>—</u>	<u>2,454,742</u>	<u>2,634,577</u>
Total Deferred Inflows	<u>104,519</u>	<u>75,316</u>	<u>—</u>	<u>—</u>	<u>2,454,742</u>	<u>2,634,577</u>
Fund Balances						
Nonspendable	18,302	—	—	—	29,626	47,928
Restricted fund balance	72,958	8,139,135	4,033,143	1,335,058	6,331,536	19,911,830
Assigned	—	—	—	—	29,281	29,281
Unassigned	<u>13,802,145</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>13,802,145</u>
Total fund Balances	<u>13,893,405</u>	<u>8,139,135</u>	<u>4,033,143</u>	<u>1,335,058</u>	<u>6,390,443</u>	<u>33,791,184</u>
Total Liabilities Deferred						
Inflows & Fund Balances	<u>\$ 17,430,373</u>	<u>\$ 8,859,703</u>	<u>\$ 4,095,857</u>	<u>\$ 4,834,108</u>	<u>\$ 9,717,869</u>	

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

Capital assets used in governmental activities are not financial resources and, therefore are not reported in the funds 101,185,235

Long term liabilities are not due and payable in the current period and, therefore, they are not reported in the fund. (21,160,786)

Pension liabilities are not due and payable in the current period and therefore, are not reported as liabilities in government funds, nor are related deferred outflows and inflows. (12,060,876)

Other long-term assets are not available to pay for current period expenditures and therefore, are deferred in the funds. 695,510
Net position of governmental activities \$ 102,450,267

See accompanying notes to the basic financial statements

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

	<u>General</u>	<u>Healthcare Trust</u>	<u>Landfill Fund</u>	<u>Local Option Gas Tax</u>	<u>Other Funds</u>	<u>Total Governmental Funds</u>
Revenues						
Taxes	\$ 12,691,987	\$ 3,427,608	\$ —	\$ 305,474	\$ 3,494,884	\$ 19,919,953
Licenses	648,145	—	—	—	467,893	1,116,038
Intergovernmental	15,886,921	—	—	5,908,502	3,722,648	25,518,071
Fines and forfeitures	5,697	—	—	—	79,804	85,501
Charges for services	367,272	—	1,199,746	—	202,545	1,769,563
Investment earnings and other	328,324	30,607	19,503	14,658	423,160	816,252
Total Revenues	<u>29,928,346</u>	<u>3,458,215</u>	<u>1,219,249</u>	<u>6,228,634</u>	<u>8,390,934</u>	<u>49,225,378</u>
Expenditures						
Current						
General government	10,800,411	—	—	—	129,233	10,929,644
Public safety	8,744,303	—	—	—	904,972	9,649,275
Physical environment	1,296,010	—	671,708	—	—	1,967,718
Transportation	—	—	—	3,147,574	1,799,854	4,947,428
Economic environment	63,043	—	—	—	1,711,417	1,774,460
Human services	658,990	—	—	—	222,027	881,017
Culture and recreation	1,590,206	—	—	—	—	1,590,206
Court related	144,900	—	—	—	709,611	854,511
Debt service	100,000	—	148,347	—	270,781	519,128
Capital outlay	<u>6,494,758</u>	<u>—</u>	<u>—</u>	<u>3,073,442</u>	<u>1,007,301</u>	<u>10,575,501</u>
Total Expenditures	<u>29,892,621</u>	<u>—</u>	<u>820,055</u>	<u>6,221,016</u>	<u>6,755,196</u>	<u>43,688,888</u>
Excess (deficit) of revenues over (under) expenditures	<u>35,725</u>	<u>3,458,215</u>	<u>399,194</u>	<u>7,618</u>	<u>1,635,738</u>	<u>5,536,490</u>
Other financing sources (uses)						
Transfers in	906,827	—	200,000	—	271,133	1,377,960
Transfers out	(1,325,820)	(1,833,804)	(400,000)	—	(416,390)	(3,976,014)
Sale of equipment	—	5,937	—	—	—	5,937
Debt proceeds	<u>595,103</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>595,103</u>
Total other financing sources (uses)	<u>176,110</u>	<u>(1,827,867)</u>	<u>(200,000)</u>	<u>—</u>	<u>(145,257)</u>	<u>(1,997,014)</u>
Net change in fund balances	211,835	1,630,348	199,194	7,618	1,490,481	3,539,476
Fund balances-beginning	<u>13,681,570</u>	<u>6,508,787</u>	<u>3,833,949</u>	<u>1,327,440</u>	<u>4,899,962</u>	<u>30,251,708</u>
Fund balances-ending	<u>\$ 13,893,405</u>	<u>\$8,139,135</u>	<u>\$ 4,033,143</u>	<u>\$ 1,335,058</u>	<u>\$ 6,390,443</u>	<u>\$ 33,791,184</u>

See accompanying notes to the basic financial statements

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

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

Net change in fund balances – total governmental funds (page 15)	\$ 3,539,476
Capital outlay, reported as expenditures in governmental funds, are shown as capital assets in the statement of activities.	9,479,671
Pension contributions are reported as expenditures in the funds while pension expenses is reported in the government-wide statements.	(989,893)
Depreciation expense on governmental capital assets included in the governmental activities in the statement of activities.	(4,280,594)
Repayment of long-term debt is reported as an expenditure in governmental funds but as a reduction of long-term liabilities in the statement of net position. While borrowing is reported as a revenue in the funds and an increase in long term liabilities in the statement of net position.	
Repayment of long term debt	660,885
New borrowings	(734,741)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	<u>(369,366)</u>
 Change in net position of governmental activities	 <u>\$ 7,305,438</u>

See accompanying notes to the basic financial statements

**FRANKLIN COUNTY, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

<u>Business-type Activities – Enterprise Fund</u>	<u>Hospital</u>
ASSETS	
Current Assets	
Cash and cash equivalents	\$ 1,133,573
patient accounts receivable, net of estimated uncollectibles of \$1,457,946 in 2022 and \$3,844,003 in 2021	1,318,354
Due from other funds	645,249
Estimated third party settlements	119,019
Other receivables	342,740
Prepaid expenses	21,629
Supplies inventory	<u>88,784</u>
Total current assets	<u>3,669,348</u>
Noncurrent Assets	
Capital assets	
Land	13,400
Right-of-use-assets, net	175,270
Depreciable assets, net	<u>3,973,302</u>
Net capital assets (net of accumulated depreciation)	<u>4,161,972</u>
Total Assets	<u>\$ 7,831,320</u>
LIABILITIES and Net Position	
Current Liabilities	
Current maturities of long-term debt	
Lease liability	\$ 91,367
Accounts payable	913,102
Accrued compensation	76,683
Due to other funds	82,345
Compensated absences	<u>163,298</u>
Total current liabilities	<u>1,326,795</u>
Long-term Liabilities	
Lease liability, less current portion	<u>91,323</u>
Total Liabilities	<u>1,418,118</u>
Net Position:	
Net investment in capital assets	3,979,282
Unrestricted	<u>2,433,920</u>
Total Net Position	<u>6,413,202</u>
Total Liabilities and Net Position	<u>\$ 7,831,320</u>

See accompanying notes to the basic financial statements

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

<u>Business-type Activities – Enterprise Fund</u>		<u>Hospital</u>
Operating Revenues		
Net patient service revenue before provision		
for uncollectible accounts		\$ 6,845,652
Provision for uncollectible accounts		(188,743)
Net patient service revenue		<u>6,656,909</u>
Other operating revenue		<u>6,779</u>
Total operating revenue		<u>6,663,688</u>
Operating expenses		
Salaries, wages, and benefits		5,250,762
Other contract services		3,055,560
Supplies		690,187
Depreciation and amortization		493,570
Repairs and maintenance		425,486
Insurance		273,881
Utilities		236,309
Other current expenses		160,872
Lease and rental		133,292
Licenses, permits and fees		101,999
Communications		23,960
Other patient care related costs		<u>10,262</u>
Total operating expenses		<u>10,856,140</u>
		<u>(4,192,452)</u>
Operating Income (loss)		
Nonoperating revenues (expenses)		
Interest income		5,471
PPP forgiveness, grants and contributions		111,565
CARES PRF income (repayment), net		284,811
Other income (expense)		113,084
Interest expense		(8,311)
Total nonoperating revenues (expenses)		<u>506,620</u>
		(3,685,832)
Transfers		
Transfers in		<u>2,598,054</u>
		<u>(1,087,778)</u>
		<u>7,500,980</u>
Net Position – beginning of year		<u>7,500,980</u>
Net position , end of year		<u><u>\$ 6,413,202</u></u>

See accompanying notes to the basic financial statements

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

<u>Business-type Activities – Enterprise Fund</u>	
	<u>Hospital</u>
Operating activities	
Receipts from and on behalf of patients	\$ 6,025,040
Payments to suppliers and others	(4,961,500)
Payments to and on behalf of leased employees	(5,293,028)
Other receipts (payments), net	<u>6,779</u>
Net cash provided by (used in) operating activities	<u>(4,222,709)</u>
Noncapital financing activities	
Receipt (repayment) of CARES Act & ARPA funds	(761,362)
Receipt (repayment) of advanced medicare payments	(172,867)
Other receipts (payments), net	224,648
Net change in due from other funds	82,345
Interest paid	(8,311)
Non-capital related transfers in	<u>2,326,732</u>
Net cash provided by noncapital financing activities	<u>1,691,185</u>
Capital and related financing activities	
Purchase of capital assets	(396,947)
Proceeds from (repayments of) lease liability, net	<u>(32,078)</u>
Net cash provided by (used in) capital and Related financing activities	<u>(429,025)</u>
Investing activities	
Interest income	<u>5,471</u>
Net cash provided by investing activities	<u>5,471</u>
Net increase (decrease) in cash and cash equivalents	(2,955,078)
Cash and cash equivalents, beginning	<u>4,088,651</u>
Cash and cash equivalents, ending	<u>\$ 1,133,573</u>

See accompanying notes to the basic financial statements

**FRANKLIN COUNTY, FLORIDA
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS (continued)**

FOR THE YEAR ENDED SEPTEMBER 30, 2022

<u>Business-type Activities – Enterprise Fund</u>	
	<u>Hospital</u>
Reconciliation of operating income (loss) to net cash used in operating activities	
Operating income (loss)	\$ <u>(4,192,452)</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities	
Depreciation and amortization	493,570
Provision for bad debts	188,743
Changes in assets and liabilities:	
Patient accounts receivable	(494,715)
Supplies	63,098
Prepaid expenses	(15,543)
Other receivables	(17,553)
Accounts payable	110,988
Accrued compensation and payroll taxes	17,182
Other accrued liabilities	(64,000)
Compensated absences	(993)
Estimated third-party settlements	<u>(311,034)</u>
Net cash used in operating activities	<u>\$ (4,222,709)</u>
Noncash Investing, Capital and Financing Activities:	
Receipt of donated equipment from State of Florida	\$ —
Forgiveness of PPP Loan (with related interest)	—

See accompanying notes to the basic financial statements

**FRANKLIN COUNTY, FLORIDA
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION**

FOR THE YEAR ENDED SEPTEMBER 30, 2022

Custodial Funds	
Assets	
Cash and cash equivalents	\$ 1,267,335
Accounts receivable (net)	—
Due from other funds	—
Total Assets	<u>\$ 1,267,335</u>
Liabilities	
Due to individuals	\$ —
Due to other funds	54,485
Due to other governments	592,041
Due to other Board of County Commissioners	<u>7,700</u>
Total Liabilities	<u>\$ 654,226</u>
Net Position	
Restricted for:	
Other individuals and organizations	<u>\$ 613,109</u>
Total Net Position	<u>\$ 613,109</u>

See accompanying notes to the basic financial statements

**FRANKLIN COUNTY, FLORIDA
FIDUCIARY FUNDS
STATEMENT OF CHANGES FIDUCIARY NET POSITION**

FOR THE YEAR ENDED SEPTEMBER 30, 2022

<u>Custodial Funds</u>	
Additions	
Tax related	\$30,593,817
Permits, fees and special assessments	2,288,878
Deposits/escrow/surplus	—
Service charges/general government	159,678
Court related	<u>6,395,776</u>
Total Additions	<u>39,438,149</u>
Deductions	
Payment to individuals	2,284,722
Court related	6,124,976
Service charges/DT others	54,119
Payment to other governments	17,622,771
Payment to BOCC	13,092,084
Payment to Constitutional Officers	<u>101,857</u>
Total Deductions	<u>39,280,529</u>
Net change in fiduciary net position	59,345
Net position, beginning	<u>553,764</u>
Net position, ending	<u>\$ 613,109</u>

See accompanying notes to the basic financial statements

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

The County, located in Northwest Florida, is a political subdivision of the State of Florida and provides services to approximately 11,000 residents in many areas including general government, public safety, physical environment, transportation, economic environment, human services, and culture and recreation. It is governed by a five-member elected Board of County Commissioners (Board), which derives its authority from Florida Statutes and regulations. In addition to the members of the Board, there are five elected constitutional officers: Clerk of the circuit Court, Sheriff, Tax Collector, Property Appraiser and Supervisor of Elections.

The elected offices of the Clerk of the circuit Court, Sheriff, Tax Collector, property Appraiser, and Supervisor of Elections are operated as separate County agencies in accordance with applicable provisions of Florida Statutes. The offices of the Sheriff, Tax Collector, Property Appraiser and Supervisor of Elections operate on a budget system whereby County appropriated funds are received from the Board with unexpended funds returned to the Board. The Clerk of the Circuit Court operates as a fee officer by retaining various fees collected by this office and billing the Board for certain services provided. Separate accounting records and budgets are maintained by each individual office.

Component Units

As required by the Governmental Accounting Standards Board, the financial reporting entity consists of the primary government, and its component units for which the primary government is considered to be financially accountable. Also included are other entities whose exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Each potential component unit is individually evaluated using specific criteria outline in GASB Standards to determine whether the entity is: q) part of the primary government; b) a component unit which should be included in the reporting entity (blended or discretely presented); or c) an organization which should be excluded from the reporting entity entirely. The principal criteria for classifying a potential component unit include the legal separateness of the organization, the financial accountability of the primary government for the potential component unit resulting from either the primary government's ability to impose its will on the potential component unit, or the potential component unit's fiscal dependency on the primary government. Based upon the application of these criteria, there were no entities that required inclusion as a component unit within the County's financial statements. There were no entities for which there were positive responses to specific criteria used for establishing oversight responsibility that were excluded from the County's financial statements.

The County was established by the Constitution of the State of Florida, Article VIII, and Section 1€

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

- Government-wide financial statements
- Fund financial statements
- Notes to the financial statements

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Government-wide Financial Statements

Government-wide financial statements display information about the reporting government as a whole, except for its fiduciary activities. These statements include separate columns for the governmental and business-type activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent, on fees and charges for support. Likewise, the primary government is reported separately from the legally separate component units and fiduciary funds for which the primary government is financially accountable.

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement 33 – Accounting and Financial Reporting for nonexchange Transactions.

Program revenues include charges for services, special assessments, and payments made by parties outside of the reporting government's citizenry, if that money is restricted to a particular program. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program.

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as expenditures. Proceeds of long-term debt are recorded as liabilities in the government-wide financial statements, rather than as other financing sources. Amounts paid to reduce long-term indebtedness of the reporting government are reported as reductions of the related liabilities, rather than as expenditures.

As a general rule, the effects of interfund activity have been eliminated from the government-wide financial statements. The County eliminates indirect expenses between governmental activities to avoid duplicating revenues and expenditures. Direct expenses are not eliminated from the various functional categories.

Fund Financial Statements

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Governmental Funds

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

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

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

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

Proprietary Funds

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

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies, taxes, and investment earnings, result from nonexchange transactions or ancillary activities. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. Expenses not meeting this definition are reported as nonoperating expenses.

Amounts paid to acquire capital assets are capitalized as assets in the fund financial statements, rather than reported as expenditures. Proceeds of long-term debt are recorded as a liability in the fund financial statements, rather than as other financing sources. Amounts paid to reduce long-term indebtedness are reported as a reduction of the related liabilities, rather than as expenses.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation

GASB Statement Number 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of any fund category and the governmental and enterprise combined) for the determination of major funds. The County has used GASB Statement Number 34 minimum criteria for major fund determination to determine which funds are required to be reported as major funds. The Nonmajor funds are combined in a column in the fund financial statements and detailed in the combining section.

Governmental Major Funds

- General – The general fund is the County’s primary operating fund. It is used to account for all resources traditionally associated with governments except those required to be accounted for in other funds.
- Hospital Trust – This fund is used to account for the sales tax proceeds restricted for use at the county hospital.
- Landfill Fund – This fund is used to account for landfill activities.
- Local Option Gas Tax Fund – This fund accounts for the gas tax proceeds.

Proprietary Major Funds

- Hospital – This fund is used to account for balances and activities of the George E. Weems Memorial Hospital.

Other Fund Types

The County reports one type of fiduciary fund, agency funds which are used to account for the collection and disbursement of monies by the County on behalf of other governments and individuals.

Noncurrent Governmental Assets/Liabilities

GASB Statement Number 34 requires noncurrent governmental assets, such as land, buildings and equipment and noncurrent governmental liabilities, such as general obligation bonds and capital leases, to be reported in the governmental activities column in the government-wide statement of net position.

Budgets

Annual budgets are legally adopted for all governmental funds and proprietary funds. Budgets are prepared and adopted on a basis of accounting consistent with U.S. generally accepted accounting principles. Encumbrances are not recorded. Unexpended items at year end must be reappropriated in the subsequent year.

The annual budgets serve as the legal authorization for expenditures. Expenditures cannot legally exceed the total amount budgeted for each fund. All budget amendments, which change the legally adopted total appropriation for a fund, are approved by the Board.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Florida Statutes provide that it is unlawful to make expenditures that exceed the total amount budgeted for each fund. Therefore, the fund level is the legal level of control for budget considerations. Chapter 129, Florida Statutes, governs the manner in which the budget may be legally amended once it has been approved. Pursuant to Chapter 129, only the Board of County Commissioners can approve budget amendments that change the total approved budget appropriation of an individual fund. Department managers can transfer appropriations within the budget, but cannot change the total appropriation of an individual fund without the approval of the Board of County Commissioners.

If during the fiscal year additional revenue becomes available for appropriations in excess of those estimated in the budget, the Board by resolution may make supplemental appropriations for the year up to the amount of such excess. During the current fiscal year, various supplemental appropriations were approved by the Board in accordance with Florida Statutes.

Budgetary data presented in the accompanying basic financial statements in the final budgeted amounts column represents the final budgetary data. In this column the effects of budget amendments have been applied to original budgetary data.

Investments

Investments of the County are reported at fair value unless otherwise disclosed.

External Investment Pools

Local Government Surplus Funds Trust Fund (pool) – The County maintains deposits in the Local Government Surplus Funds Trust Fund. This external investment pool, which is administered by the State of Florida State Board of Administration (SBA), has adopted operating procedures consistent with the requirements for a “2a-7 like” pool and the fair value of the position in the pool is equal to the value of the pool shares. Pursuant to the provisions of GASB Statement 31, such investments are stated at cost.

Derivatives and Similar Debt and Investment Items

The County has not directly or indirectly used or written any derivatives or similar debt and investment items during the current year. However, the County did have indirect exposure to similar debt and investment items through the investments held in the State of Florida State Board of Administration.

Cash and Cash Equivalents

For the purpose of the statement of cash flows, the County considers bank deposits, certificates of deposit and all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents.

Restricted Assets

Certain assets of the various funds are required by resolutions or ordinances to be set aside and used for specific purposes; thus, they are not available to be used for general operations. When both restricted and unrestricted resources are available for use, it is the government’s policy to use externally restricted resources first, then unrestricted resources – committed, assigned, and unassigned – in order as needed.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounts Receivable

Accounts receivable are shown at their net realizable value and reduced by an allowance for uncollectible accounts.

Due from (to) Other Funds

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed.

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, rights of way, stormwater system, sidewalks, and similar items), are reported in the governmental column in the government-wide financial statements. Capital assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one operating cycle are recorded as capital assets. Infrastructure, such as roads, bridges and sidewalks are capitalized when their initial costs exceed \$25,000. Capital assets are recorded at historical cost or estimated historical cost if actual cost is unknown. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or extend its useful life are expensed as incurred.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. For assets constructed with governmental fund resources, interest during construction is not capitalized.

The Board holds legal title to the capital assets used in its operations, and those of the following: Clerk of the Circuit Court, Property Appraiser, Supervisor of Elections and Tax Collector, and is accountable for them by Florida Law.

The Sheriff is accountable for and maintains capital asset records pertaining only to equipment used in his operations. These assets have been combined with the Board's governmental activities capital assets in the statement of net position.

Property, plant and equipment are depreciated using the straight-line method over the following estimated useful lives of the related assets. Estimated useful lives are generally as follows:

Buildings	20-50 years
Improvements other than buildings	20-50 years
Machinery and equipment	5-20 years
Infrastructure	15-50 years

Deferred Inflows

Deferred inflows reported in the government-wide financial statements represent unearned revenues. The deferred inflows will be recognized as revenue in the fiscal year they are earned in accordance with the accrual basis of accounting. Deferred inflows reported in governmental fund financial statements represent unearned revenues which are measurable but not available, and in accordance with the modified accrual basis of accounting, are reported as deferred inflows.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Compensated Absences

The County maintains a policy that permits employees to accumulate earned but unused vacation and sick pay benefits that will be paid to employees upon separation from County service if certain criteria are met. These benefits, plus their related tax and retirement costs are classified as compensated absences. Employees may be paid for unused vacation hours accrued up to a maximum amount. Payment of unused sick leave, upon termination, is also provided for up to varying amounts.

Both the current and long-term portion of compensated absences are accrued and reported in the government-wide financial statements. No expenditure is reported in the government fund level statements for these amounts until payment is made. Compensated absences liability is based on current rates of pay.

Fund Balances

The County has implements GASB Statement 54 employing new terminology and classifications for fund balance.

Nonspendable – This category includes the resources that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact.

Restricted – This category includes resources restricted by creditors, grantors, contributors, laws or regulations of other governments, constitutional provisions, or enabling legislation.

Committed – This category includes resources that can only be used for specific purposes pursuant to constraints imposed by formal action of the highest level of decision- making authority which is the County Commissioners. Commitments may be altered or removed only by formal action of the County Commissioners.

Assigned – This category includes resources that are intended to be used for specific purposes, but is neither restricted nor committed. These are resources that have been set aside for a specific purpose by an authorized government body or official.

Unassigned – This category is the residual classification for the County’s fund balances.

When both restricted and unrestricted amounts are available the County spends the restricted amounts first, unless prohibited by law, grant agreements or other contractual arrangement, further, when committed fund balance is available the County will use it first, followed by assigned fund balance and then unassigned fund balance for purposes in which any of the unrestricted fund balance classifications could be used.

Property Taxes

Under Florida law, the assessment of all properties and the collection of all County, Municipal and School Board property taxes are consolidated in the offices of the Property Appraiser and Tax Collector. The laws of the State regulating tax assessment are also designed to assure a consistent property valuation method statewide. Florida Statutes permit counties to levy property taxes at a rate of up to 10 mills for general operations. The millage rate assessed by the County for the year ended September 30, 2022 was 6.3065 mills.

The tax levy of the County is established by the Board prior to October 1, of each year and the Property Appraiser incorporates the County millage rates into the total tax levy, which includes the various municipalities, the County School Board, and other taxing authorities.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

All taxes become payable on November 1, of each year, or as soon thereafter as the assessment roll is certified and delivered to the Tax Collector. All unpaid taxes become delinquent on April 1 following the year in which they are assessed. Discounts are allowed for early payment at the rate of 4% in the month of November, 3% in the month of December, 2% in the month of January and 1% in the month of February. Taxes paid in March are without discount.

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

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ significantly from those estimates.

Encumbrances

Encumbrances represent commitments in the form of purchase orders which are chargeable to an appropriation and for which a part of the appropriation is reserved. Encumbrances do not represent expenditures or liabilities. The County does not record encumbrances outstanding at year end.

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 postclosure maintenance over the active life of each landfill area, based on landfill capacity used during the period. Required obligations for closure and postclosure costs are recognized in the general fund.

Subsequent Events

The County evaluated subsequent events through June 28, 2023, the date which the financial statements were available to be issued.

In October of 2018, Hurricane Michael made landfall as the strongest hurricane on record to hit the Florida Panhandle and the fourth strongest hurricane to ever hit the contiguous United States. The County incurred property and infrastructure damage and its operations were impacted directly for a period of time and will be indirectly impacted for years to come while Franklin County and the surrounding areas continue their recovery efforts. Management is not able to accurately estimate the potential financial impact of Hurricane Michael on the County for the upcoming fiscal years, and any such impacts could be significant.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

On January 7, 2020, the Florida Department of Emergency Management allocated \$266,578 to the Hospital for loss of revenue claims during Hurricane Michael, which made landfall in October 2018 as the strongest hurricane on record to hit the Florida Panhandle and the fourth strongest hurricane to ever hit the contiguous United States. The Hospital incurred structural damage and its operations were impacted directly for a period of time and will be indirectly impacted for years to come while Franklin County and the surrounding areas continue their recovery efforts. Management is not able to accurately estimate the potential financial impact of Hurricane Michael on the Hospital for the upcoming fiscal years, and any such impacts could be significant.

NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position:

The governmental fund balance sheet includes reconciliation between *fund balances – total governmental funds* and *net position of governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains, long-term liabilities are not due and payable in the current period and therefore, are not reported in the funds.” The details of this difference are as follows:

Leases payable	\$ 138,053
Loans payable	1,767,658
Compensated absences	790,753
Net OPEB obligation	15,133,969
Landfill closing costs	<u>3,330,353</u>
Net adjustment to reduce fund balances – total governmental funds to arrive at net position of governmental activities	<u>\$ 21,160,786</u>

Another element of that reconciliation states, “capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.” The details of this difference are as follows:

Cost of capital assets	\$ 180,291,428
Less: accumulated depreciation	<u>(79,106,193)</u>
Net adjustment to increase fund balances – total governmental funds to arrive at net position of governmental activities	<u>\$ 101,185,235</u>

Another element of that reconciliation states, “Other long-term assets are not available to pay for current period expenditures and therefore, are deferred in the funds.” The details of this difference are as follows:

Deferred revenues	<u>\$ 695,510</u>
Net adjustment to increase fund balances – total governmental funds to arrive at net position of governmental activities	<u>\$ 695,510</u>

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

NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (continued)

Another element of that reconciliation states, “some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.” The details of this difference are as follows:

Cost of capital assets sold	\$ (5,184)
Compensated absences	(70,075)
Change in deferred revenue	367,611
Change in opeb	(445,000)
Change in landfill closure liability	<u>(216,718)</u>
Net adjustment to increase net change in fund balances - total governmental funds to arrive at change in net position of governmental activities	<u>\$ (369,366)</u>

NOTE 3 –CASH AND INVESTMENTS

Deposits Policies

All cash resources of the County are placed in banks that are qualified public depositories, as required by law (Florida Security for Public Deposits Act). Every qualified public depository is required by this law to deposit with the State Treasurer eligible collateral equal to, or in excess of, an amount to be determined by the State Treasurer. The State Treasurer is required to ensure that the County’s funds are entirely collateralized throughout the fiscal year. In the event of failure by a qualified public depository, losses in excess of federal depository insurance and proceeds from the sale of the securities pledged by the defaulting depository are assessed against the other qualified public depositories of the same type as the depository in default. When other qualified public depositories are assessed additional amounts, they are assessed on a pro-rata basis.

The County’s cash and cash equivalents include cash on hand, demand deposits, and short-term investment with original maturities of three months or less from the date of acquisition.

Investment Policies

Florida Statutes, section 218.415, authorizes the County to invest surplus funds in the following:

The Local Government Surplus Funds Trust Fund or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act as provided in s. 163.01.

Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency.

Interest-bearing time deposits or savings accounts in qualified public depositories as defined in s. 280.02.

Direct obligations of the United States Treasury.

Federal agencies and instrumentalities.

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

NOTE 3 –CASH AND INVESTMENTS (continued)

Securities of, or other interests in, any open-end or closed-end management-type investment company or investment trust registered under the Investment Company Act of 1940, 15 U.S.C. ss. 80a-1 et. Seq., as amended from time to time, provided that the portfolio of such investment company or investment trust is limited to obligations of the United States Government or any agency or instrumentality thereof and to repurchase agreements fully collateralized by such United States Government obligations, and provided that such investment company or investment trust takes delivery of such collateral either directly or through an authorized custodian.

The County had no investments at September 30, 2022.

Credit Risks

The credit risk of certain investments, such as investment pools managed by other governments, cannot be categorized as to credit risk because the County investments are not evidenced by specific, identifiable investment securities.

Interest Rate Risks

At September 30, 2022, the County did not hold any investments other than those disclosed below that were considered to be an interest rate risk.

Custodial Risks

At September 30, 2022, the County held deposits or investments that were considered to be a custodial risk. See below.

Concentration of Credit Risk

At September 30, 2022, the County did not hold any investments that were considered to be a concentration of credit risk.

At September 30, 2022, the County’s cash and investments consisted of the following:

	Credit Rating	Current	0 - 5 Years	5 – 10 Years	Total Carrying Amount
Cash including money market fund	(1)	\$25,079,577	\$ —	\$ —	\$25,079,577
Local Government Surplus Trust Fund Pool		<u>5,427,074</u>	<u>—</u>	<u>—</u>	<u>5,427,074</u>
Total		<u>\$30,506,651</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$30,506,651</u>

(1) These funds are not rated. Investments in these funds are restricted to cash, short term obligations of the U.S. government and government backed securities.

Local Government Surplus Funds Trust Fund (Florida PRIME)

The Florida PRIME is considered a SEC 2a7-like fund and the account balance is the fair value of the investment.

Credit quality disclosure – Florida PRIME is rated by Standard and Poor’s. The current rating is AAAM.

Interest rate risk – The weighted average days to maturity of the Florida PRIME at September 30, 2022 was 30 days.

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

NOTE 4 –ACCOUNTS RECEIVABLE AND NOTES RECEIVABLE

Accounts receivables at September 30, 2022, consisted of the following:

Governmental Activities - Accounts/Notes Receivable	General	Other Governmental Funds	Total
Accounts receivable	\$ 63,511	\$ 448,984	\$ 512,495
Notes receivable	—	285,684	285,684
(Allowance for doubtful accounts)	—	—	—
Accounts receivable, net	<u>\$ 63,511</u>	<u>\$ 734,668</u>	<u>\$ 798,179</u>

Business-type Activities - Accounts Receivable	Hospital
Accounts receivable	\$2,776,300
(Allowance for uncollectible accounts)	(1,457,946)
Accounts receivable, net	<u>\$1,318,354</u>

NOTE 5 –INTERFUND RECEIVABLE, PAYABLES AND TRANSFERS

All interfund balance are due to timing differences and are expected to be repaid during the fiscal year ending September 30, 2022.

Internal balances at September 30, 2022, consist of the following:

Fund	Interfund Receivables	Interfund Payables
General	\$ 3,954,515	\$ 1,457,282
Special revenue		
Funds	<u>356,856</u>	<u>3,362,512</u>
Agency	—	54,481
Enterprise - Hospital	<u>645,249</u>	<u>82,345</u>
Total	<u>\$ 4,956,620</u>	<u>\$ 4,956,620</u>

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

NOTE 5 –INTERFUND RECEIVABLE, PAYABLES AND TRANSFERS (continued)

During 2020, the County approved the removal of an outstanding amount due of \$690,000 from Weems Memorial Hospital to the Health Care Trust Fund. The \$690,000 was the outstanding balance of operational advancements given to Weems Hospital from the Health Care Trust Fund in 2015/2016 when they were experiencing Medicare and Medicaid billing issues.

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

<u>Fund Transferred From</u>	<u>Fund Transferred to</u>	<u>Amount</u>	<u>Purpose</u>
Healthcare Trust Fund	Hospital	\$ 1,833,804	Transfer of ½ cent sales tax and clinic operation
General Fund	Hospital	764,250	Transfer for ambulance service operation
Nonmajor governmental funds	General	416,390	Budgeted transfers
General Fund	Other governmental funds	961,570	Transfer allowable expenditures
Total		<u>\$ 3,976,014</u>	

NOTE 6 –CAPITAL ASSETS

Capital asset activity for the governmental activities for the year ended September 30, 2022, is as follows:

	<u>September 30, 2021</u>	<u>Increases</u>	<u>Decreases</u>	<u>September 30, 2022</u>
Capital assets not being depreciated:				
Land	\$ 6,951,569	\$ 181,794	\$ —	\$ 7,133,363
Construction in progress	3,516,218	6,916,876	638,770	9,794,324
Total capital assets, not being depreciated	<u>10,467,787</u>	<u>7,098,670</u>	<u>638,770</u>	<u>16,927,687</u>
Capital assets being depreciated:				
Buildings	15,099,644	—	—	15,099,644
Improvements other than buildings	12,164,165	—	—	12,164,165
Machinery and equipment	19,435,834	1,234,612	632,072	20,038,374
Infrastructure	114,276,399	1,647,106	—	115,923,505
Total capital assets being depreciated	<u>160,976,042</u>	<u>2,881,718</u>	<u>632,072</u>	<u>163,225,688</u>
Accumulated depreciation:				
Buildings	6,363,778	395,988	—	6,759,766
Improvements other than buildings	4,724,152	319,005	—	5,043,157
Machinery and equipment	13,601,268	525,506	626,888	13,499,886
Infrastructure	50,763,289	3,040,094	—	53,803,383
Total accumulated depreciation	<u>75,452,487</u>	<u>4,280,594</u>	<u>626,888</u>	<u>79,106,193</u>
Total capital assets being depreciated, net	<u>85,523,555</u>	<u>(1,398,876)</u>	<u>5,184</u>	<u>84,119,495</u>
Total governmental-type activities', capital assets, (net of accumulated depreciation)	<u>\$ 95,991,342</u>	<u>\$ 5,699,794</u>	<u>\$ 643,954</u>	<u>\$ 101,047,182</u>

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

NOTE 6 – CAPITAL ASSETS (continued)

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

General Government	\$ 234,443
Court related	45,048
Public safety	453,217
Physical environment	190,338
Transportation	3,024,963
Economic environment	3,160
Human services	93,021
Culture and recreation	236,404
Total depreciation expense – governmental activities	<u>\$ 4,280,594</u>

Capital assets activity for the business-type activities for the year ended September 30, 2022, was as follows:

	Estimated Useful Lives (in years)	Restated Balance 10/1/2021	Additions	Reductions	Balance 9/30/2022
Nondepreciable capital assets					
Land		\$ 13,400	\$ -	\$ -	\$ 13,400
Total nondepreciable		13,400	-	-	13,400
Depreciable capital assets					
Buildings	20 - 50	3,097,155	30,658	-	3,127,813
Right-of-use assets	2 - 7	552,624	55,984	-	608,608
Equipment and furniture	3 - 10	3,443,972	310,305	-	3,754,277
Total depreciable, at cost		7,093,751	396,947	-	7,490,698
Less accumulated depreciation/amortization					
Buildings		(496,150)	(74,297)	-	(570,447)
Right-of-use assets		(349,150)	(84,188)	-	(433,338)
Equipment and furniture		(2,003,257)	(335,084)	-	(2,338,341)
Total accumulated depreciation/amortization		(2,848,557)	(493,569)	-	(3,342,126)
Depreciable, net		4,245,194	(96,622)	-	4,148,572
Total capital assets, net		\$ 4,258,594	\$ (96,622)	\$ -	\$ 4,161,972

Depreciation expense, which includes amortization of right-of-use (ROU) assets, for the years ended September 30, 2022 totaled \$493,569. No interest was capitalized during the years ended September 30, 2022.

The ROU assets at September 30, 2022 is comprised entirely of equipment. The Hospital is required to make monthly principal and interest payments on the leases totaling approximately \$8,000 in fiscal year 2023, and reducing thereafter, with currently scheduled expiration of those leases in fiscal year 2026.

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

NOTE 7 –LONG-TERM DEBT

Long-term debt of the County’s governmental activities for the year ended September 30, 2022, is as follows:

Notes Payable	Balance September 30, 2021	Additions	Deductions	Balance September 30, 2022	Due Within One Year
Loan to purchase 2016 Caterpillar 826K Compactor for Landfill, lease payable in annual payments of \$82,807, full maturity March 2023	101,201	-	49,879	51,322	51,322
Loan to construct bathrooms on St George Island, payable in monthly installments of \$6,065 including interest at 2.95% - full maturity March 2024.	332,387	-	226,710	105,677	70,613
Loan to purchase 2019 Morbark Tub Grinder for Landfill, lease payable in annual installments of \$95,540 including interest at 2.65% full maturity March 2028.	603,086	-	79,536	523,550	81,647
Rolling Lease Arrangement for lease purchase of (2) 2021 GR64B Mack GR64F Dump Trucks for Road Department, payable \$30,000 first payment, \$35,000 2nd payment, then 3-6 \$70,789 annual payment including interest at 2.85% - full maturity July 2026, will rotate with 2 new dump trucks in 2023.	290,788	-	26,713	264,075	63,263
Loan to purchase 223 Franklin Boulevard, SGI, 11 lots in commercial district, owner-financed at 4.5% fixed, 5 year term, paid in full by 07/15/24	274,473	-	89,139	185,334	93,218
Loan to purchase 2020 Chevrolet Silverado Truck, payable in monthly payments of \$996, including interest at 3.00% full maturity June 2023.	20,300	-	12,466	7,834	7,834
Loan to purchase 2020 Chevrolet Silverado Truck, payable in monthly payments of \$958, including interest at 3.00% full maturity June 2023.	5,499	-	5,499	-	-
Loan to purchase 2021 Chevrolet Silverado Truck, payable in monthly payments of \$1,145 including interest at 3.00% full maturity January 2025	43,449	-	13,660	29,789	11,929
Loan to purchase 2021 Chevrolet Silverado Truck, payable in monthly payments of \$1,145 including interest at 3.00% full maturity January 2025	43,449	-	13,660	29,789	11,929
Loan to purchase 2021 Chevrolet Silverado Truck, payable in monthly payments of \$918 including interest at 3.00% full maturity January 2025	34,823	-	25,936	8,887	8,887
Loan to purchase 2021 Chevrolet Silverado Truck, payable in monthly payments of \$918 including interest at 3.00% full maturity January 2025	34,823	-	10,947	23,876	9,561
Loan to purchase Kubota tractor in monthly payments of \$734 including interest at 4.44% full maturity May 2025.	30,340	-	8,085	22,255	7,986
Loan to purchase 2021 Polaris Ranger in monthly payments of \$417 including interest at 4.44% full maturity June 2025.	17,237	-	4,246	12,991	4,518
Loan to purchase 2022 Chevrolet Silverado Truck, payable in monthly payments of \$1,087 including interest at 4.00% full maturity August 2026	-	48,084	788	47,296	11,359

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

NOTE 7 –LONG-TERM DEBT (continued)

Notes Payable	Balance September 30, 2021	Additions	Deductions	Balance September 30, 2022	Due Within One Year
Loan to purchase 2022 Chevrolet Silverado Truck, payable in monthly payments of \$696 including interest at 3.00% full maturity February 2026	-	31,416	5,007	26,409	7,663
Loan to purchase 2022 Chevrolet Silverado Truck, payable in monthly payments of \$429 including interest at 3.25% full maturity April 2026	-	19,269	2,255	17,014	4,270
Loan to purchase 2021 Chevrolet Silverado Truck, payable in monthly payments of \$1,002 including interest at 3.00% full maturity November 2025	-	45,238	9,961	35,277	10,109
Loan to purchase 2021 Dodge Challenger, payable in monthly payments of \$800 including interest at 3.00% full maturity January 2026	-	36,106	6,478	29,628	8,765
Loan to purchase 2022 Chevrolet Silverado Truck, payable in monthly payments of \$802 including interest at 4.00% full maturity June 2028	-	51,184	1,996	49,188	8,148
Loan to purchase 2022 American Trailer, payable in monthly payments of \$916 including interest at 3.25% full maturity May 2025	-	59,779	3,746	56,033	8,525
Loan to purchase 2021 Chevrolet Silverado Truck, payable in monthly payments of \$1,002 including interest at 3.00% full maturity November 2025	-	45,238	9,808	35,430	11,038
Loan to purchase 2022 Nissan Frontier Truck, payable in monthly payments of \$878 including interest at 3.00% full maturity November 2025	-	39,645	9,630	30,015	8,067
Loan to purchase 2021 Ameratrail Trailer and 2022 Blackjack 224 Bay Boat in monthly payments of \$1,744 including interest at 4.44% full maturity October 2025.	-	76,474	16,382	60,092	18,636
Loan to purchase 2021 Jeep Gladiator, payable in monthly payments of \$1,100 including interest at 4.25% full maturity November 2025	-	48,435	9,521	38,914	11,777
Loan to purchase 2021 Jeep Gladiator, payable in monthly payments of \$1,108 including interest at 4.25% full maturity November 2025	-	48,775	9,588	39,187	11,860
Loan to purchase 2021 Dodge Ram 1500, payable in monthly payments of \$1,069 including interest at 4.25% full maturity November 2025	-	47,045	9,248	37,797	11,439
Total:	1,831,855	596,688	660,885	1,767,658	554,363
Long-term landfill closure and postclosure liability, see note 12	3,113,635	216,718	-	3,330,353	-
Liability for postemployment benefits	14,688,969	445,000	-	15,133,969	-
Liability for compensated absences	720,678	542,260	472,185	790,753	197,688
Total:	18,523,282	1,203,978	472,185	19,255,075	197,688
Total of All Liabilities:	20,355,137	1,800,666	1,133,070	21,022,733	752,052

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

NOTE 7 –LONG-TERM DEBT(continued)

Future Debt Service Requirements			
Due during YE 9-30-	Principle	Interest	Total
2023	554,363	33,182	587,545
2024	467,064	19,160	486,225
2025	348,887	10,133	359,020
2026	198,663	7,692	206,355
2027	99,942	7,692	107,634
2028	98,739	63	98,802
Total	1,767,658	77,923	1,845,581

Noncurrent liabilities of the Hospital for the year ended September 30, 2022, were as follows:

	Balance September 30, 2021	Additions	Deductions	Balance September 30, 2022
Liability for compensated absences	\$ 164,291	\$ 993	\$ —	\$ 163,298
Total	\$ 164,291	\$ 993	\$ —	\$ 163,298

NOTE 8- PENSION PLAN

A. Florida Retirement System

Plan Description – The County contributes to the Florida Retirement System (the FRS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of Florida, Department of Administration, Division of Retirement. The FRS provides retirement, disability or death benefits to retirees or their designated beneficiaries along with an annual cost-of-living adjustment. Employees are classified in either the regular service class or the senior management service class. Currently, the active participants for Franklin County, Florida are 204 out of total of 629,073 active FRS participants.

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

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

NOTE 8- PENSION PLAN (continued)

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

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

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

The FRS CAFR and actuarial valuation reports as of July 1, 2020 are available online at http://ww.dms.myflorida.com/workforce_operations/retirement/publications/annual_reports.

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

Department of Management Services
Division of Retirement
Bureau of Research and Member Communications
P O Box 9000
Tallahassee, Florida 32315-9000
850-488-4706 or toll free at 877-377-1737

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

The FRS relies upon contributions from employees and employers, along with investment income, to meet the funding requirements of an actuarially determined accrued liability. As of July 1, 2022, the date of the latest valuation, the FRS funded ratio was 82.4% on the valuation funding basis and 82.9% on a Market Value of Assets basis.

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

In addition to the above benefits, the FRS administers a Deferred Retirement Option Program (“DROP”). This program allows eligible employees to defer receipt of monthly retirement benefit payments while continuing employment with a Florida Retirement System employer for a period not to exceed 60 months after electing to participate. DROP benefits are held in the FRS Trust Fund and accrue interest.

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

NOTE 8- PENSION PLAN (continued)

The HIS Program is funded by required contributions from FRS participating employers as set by the State Legislature. Employer contributions are a percentage of gross compensation for all active FRS employees and are reported by employers with monthly payroll reports and included with the amount submitted for retirement contributions. For the fiscal year ended September 30, 2022, the contribution rate was 1.66% of payroll pursuant to Section 112.363, *Florida Statutes*.

The contributions required for the years ended September 30, 2022, 2021, and 2020 were \$1,652,412 and \$1,354,521, and \$1,234,517, respectively, which is equal to 100% of the required contribution for each year.

Contributions

The contribution requirements of plan members and the City are established and may be amended by the Florida Legislature. Employees are required to contribute 3% of their salary to FRS. The City's contribution rates as of September 30, 2022 were as follows:

	<u>FRS</u>	<u>HIS</u>
Regular Class	9.10%	1.66%
Special Risk Class	24.17%	1.66%
Senior Management Service Class	27.29%	1.66%
Elected Officials	49.70%	1.66%
DROP	16.68%	1.66%

Net Pension Liability – At September 30, 2022, the County reported for its share of the FRS and HIS plans the amount for the net pension liability as shown below:

	<u>FRS</u>	<u>HIS</u>	<u>Total</u>
June 30, 2022	\$11,306,255	\$2,372,265	\$13,678,520
June 30, 2021	\$ 2,199,805	\$2,557,445	\$ 4,757,250

The net pension liability for each plan was determined by the plans' actuary and reported in the plans' valuations dated July 1, 2022 and July 1, 2021 for the net pension liability as of June 30, 2022 and 2021, respectively.

At September 30, 2022, the County reported for its proportionate share of the employer portion for the FRS and HIS net pension liability the percentages below:

	<u>FRS</u>	<u>HIS</u>
June 30, 2022	0.030386594%	0.022397613%
June 30, 2021	0.029121590%	0.020849016%
Increase/(Decrease) in Share for 2022	(0.001265004)%	0.001548597%

The County's proportionate share of the net pension liability was based on the County's 2021-2022 fiscal year contributions relative to the 2020-2021 fiscal year contributions of all participating members of FRS.

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

NOTE 8- PENSION PLAN (continued)

Actuarial Assumptions

The total pension liability for each of the defined benefit plans, measured as of June 30, 2022, was determined by an actuarial valuation dated July 1, 2022, using the individual entry age normal actuarial cost method and the following significant actuarial assumptions:

	<u>FRS</u>	<u>HIS</u>
Inflation	2.4%	2.4%
Salary increases	3.25%	3.25%
Investment rate of return	6.7%	N/A
Discount rate	6.7%	3.54%

Mortality assumptions for both plans were based on the Generational RP-2000 with Projection Scale BB.

For both plans, the actuarial assumptions used in the valuation dated July 1, 2022 were based on the results of an actuarial experience study for the period July 1, 2013, through June 30, 2018.

The following changes in key actuarial assumptions occurred in 2022:

FRS: The long-term expected rate of return decreased from 6.8% to 6.7%, and the active member mortality assumption was updated.

HIS: The municipal rate used to determine total pension liability was decreased from 2.21% to 2.16%.

The long-term expected investment rate of return was not based on historical returns, but instead was based on a forward-looking capital market economic model. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. For the FRS Pension Plan, the table below summarizes the target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class.

<u>Asset Class</u>	<u>Target Allocation (1)</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>
Cash	1.00%	2.6%	2.6%
Fixed Income	19.8%	4.4%	4.4%
Global Equity	54.00%	8.8%	7.3%
Real Estate (Property)	10.30%	7.4%	6.3%
Private Equity	11.10%	12.0%	8.9%
Strategic Investments	3.80%	6.2%	5.9%
Total	<u>100.00%</u>		

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

NOTE 8- PENSION PLAN (continued)

Discount Rate

The discount rate used to measure the total pension liability for the FRS Pension Plan was 6.7%. FRS fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Because the HIS Program is essentially funded on a pay-as-you-go basis, a municipal bond rate of 3.54% was used to determine the total pension liability for the program. The Bond Buyer General Obligation Bond 20-Bond Municipal Bond Index was used as the applicable municipal bond index.

Sensitivity Analysis – the tables below represent the sensitivity of the net pension liability to changes in the discount rate for Franklin County, Florida. The sensitivity analysis shows the impact to the collective net pension liability of the participating employers if the discount rate shows as 1.00% higher or 1.00% lower than the current discounted rate at June 30, 2022.

<u>FRS Net Pension Liability</u>		
1% Decrease	Current Discount Rate	1% Increase
5.7%	6.7%	7.7%
<u>\$ 19,553,390</u>	<u>\$ 11,306,255</u>	<u>\$ 4,410,668</u>

<u>HIS Net Pension Liability</u>		
1% Decrease	Current Discount Rate	1% Increase
2.54%	3.54%	4.54%
<u>\$ 2,717,066</u>	<u>\$ 2,372,265</u>	<u>\$ 2,089,432</u>

Pension Expense and Deferred Outflows (Inflows) of Resources – In accordance with GASB 68, paragraph 71, changes in the net pension liability are recognized as pension expense in the current measurement period with the following exceptions shown below. For each of the following, a portion is recognized in pension expense in the current measurement period, and the balance is amortized as deferred outflows or inflows of resources using rational method over a time period, as defined below:

- Differences between expected and actual experience with regard to economic and demographic factors which are amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan, both active and inactive.

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

NOTE 8- PENSION PLAN (continued)

- Changes of Assumptions or other inputs which are amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan, both active and inactive.
- Differences between expected and actual earnings on pension plan investments are amortized over five years.

For the fiscal year ended September 30, 2022, the County recognized pension expense of \$2,119,315 for the FRS plan. In addition the County reported deferred outflows of resources and deferred inflows of resources relate to pensions from the following sources:

Description	Deferred Outflows of Resources for the FRS Plan	Deferred Inflows of Resources for the FRS Plan
Differences between expected and actual experience	\$ 536,982	\$ —
Change of assumptions	1,392,413	—
Net difference between projected and actual earnings on FRS Plan investments	746,551	—
Changes in proportion and differences between County FRS Plan contributions and proportionate share of contributions	(1,019,591)	204,485
County FRS Plan contributions subsequent to the measurement date	<u>355,923</u>	<u>—</u>
Total	<u>\$ 2,012,278</u>	<u>\$ 204,485</u>

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

Reporting Period Ending June 30	FRS Expense
2023	\$ 647,135
2024	244,195
2025	(218,540)
2026	1,901,476
2027	101,680
Thereafter	—

For the fiscal year ended September 30, 2022, the County recognized pension expense of \$360,705 for the HIS plan. In addition the County reported deferred outflows of resources and deferred in flows of resources related to pensions from the following sources:

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

NOTE 8- PENSION PLAN (continued)

Description	Deferred Outflows of Resources for the HIS Plan	Deferred Inflows of Resources for the HIS Plan
Differences between expected and actual experience	\$ 72,004	\$ 10,438
Change of assumptions	135,980	366,988
Net difference between projected and actual earnings on HIS Plan investments	3,435	—
Changes in proportion and differences between County HIS Plan contributions and proportionate share of contributions	(81,642)	(23,182)
County HIS Plan contributions subsequent to the measurement date	<u>34,368</u>	<u>—</u>
Total	<u>\$ 164,145</u>	<u>\$ 354,244</u>

Other amounts reported by the County as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense as follows:

Reporting Period Ending June 30	FRS Expense
2023	\$ (39,756)
2024	(21,438)
2025	(9,802)
2026	(21,697)
2027	(50,362)
Thereafter	(22,952)

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Description

The County has established the Retiree’s Health Insurance Other Postemployment Benefits Plan, a single employer plan. Pursuant to the provisions of Section 112.0801, Florida Statutes, employees who retire from the County and eligible dependents, may continue to participate in the group insurance plan. Retirees and their eligible dependents shall be offered the same health and hospitalization insurance coverage as is offered to active employees at a premium cost of no more than the premium cost applicable to active employees. The County subsidizes the premium rates paid by the retirees by paying 50% of the premium for the retiree, excluding dependent coverage, and also by allowing them to participate in the plan at blended group (implicitly subsidized)

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

NOTE 9 – OTHER POSTEMPLOYEMENT BENEFITS (OPEB)

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 currently has approximately 226 total active and retired employees eligible to receive these benefits. No stand-alone report is issued for this plan.

Eligibility

A participant is eligible to receive benefits from the plan upon retirement under the Florida Retirement System plan provisions. To be eligible for retiree benefits, the participant must be covered under the medical plan as an active employee immediately prior to retirement. Participants not eligible for retirement at the time of their termination are not eligible for immediate or future benefits from the plan.

Funding Policy

Although the contribution requirement is established by Statute, the contribution amount required by plan members and the government are established and may be amended by the Franklin County Board of County Commissioners. Currently, members receiving benefits pay half of the full cost (total premium) for medical coverage for individual coverage and 100% of the full cost for dependent coverage.

The contribution rate effective for other eligible County plan members during the year for the implied subsidy is \$323 per month each for each retiree. Dependent coverage is available; however, dependent coverage is not subsidized. The explicit subsidy contribution rate is 50% of the actual premium, \$323 per month during the current year. This valuation includes both the implied and explicit subsidies.

The County has not advance-funded or established a funding methodology for the annual Other Postemployment Benefit (OPEB) costs or the net OPEB obligation. Rather, the funding is based on a pay-as-you-go basis. During the fiscal year, the County provided contributions of \$273,000 toward the annual OPEB cost. A Schedule of Employer Contributions can be found in required supplementary information immediately following the notes.

Actuarial Methods and Assumptions

The actuarial assumptions used represent a reasonable long term expectation of future OPEB outcomes. As a national economic and County experience change over time, the assumptions will be tested for ongoing reasonableness and, if necessary updated. Significant methods and assumptions were as follows:

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

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Actuarial Valuation Date/Measurement Date	9/30/2020
Actuarial Cost Method	Entry age
Discount Rate	2.21%
Projected Cash Flows	Pay As You Go
Municipal Bond Rate	20-Year Tax Exempt General Obligation
Bond Rate Basis	AA/Aa or higher
Projected Salary Increases	2.50%
Healthcare Cost Trend Rate	5.0% initial; 3.7% ultimate

Changes in Total OPEB Liability and Related Ratios

Below are the details regarding the total OPEB liability for the period from October 1, 2020 to September 30, 2021 (in thousands):

Total OPEB Liability at 10/1/2020	\$ 12,967
Changes for the Fiscal Year	
Service Cost	378
Interest	351
Difference Between Actual and Expected Experience	—
Economic/demographic gains or losses	—
Assumption Changes	1,281
Benefit Payments	(288)
Net Changes in Total OPEB	(1,722)
Total OPEB liability at 9/30/2021	\$ 14,689
Covered-Employee Payroll	\$ 7,155
TOL as a Percentage of Covered-Employee Payroll	205.28%

Sensitivity of the Total OPEB Liability

The following presents the total OPEB liability, as well as what the 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 discount rate.

	1% Decrease	Current Discount Rate	1% Increase
	1.21%	2.21%	3.21%
Total OPEB Liability	\$18,252,947	\$14,688,969	\$12,053,789

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

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)

The following presents the total OPEB liability of the County, as well as what the County’s total OPEB expense of .283 million. At September 30, 2022, the County reported deferred outflows and deferred inflows of resources related to OPEB for the following sources (in thousands):

	1% Decrease	Current Trend Rate	1% Increase
Total OPEB Liability	\$12,022,024	\$14,688,969	\$18,222,105

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2021, the County recognized OPEB expense of .283 million. At September 30, 2021, the county reported deferred outflows and deferred inflows of resources related to OPEB for the following sources (in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ —	\$ (41)
Change of Assumptions	1,153	(4,189)
Contributions subsequent to measurement date	<u>273</u>	<u>—</u>
Total	\$ 1,426	\$ (4,230)

Amounts recognized in the deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the OPEB expense as follows (in thousands):

Year ended September 30:	
2022	\$ (445)
2023	(445)
2024	(445)
2025	(445)
2026	(445)
Thereafter	<u>(850)</u>
Total	<u>\$ (3,075)</u>

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

NOTE 10 – FUND BALANCE

Fund balance consisted of the following amounts as of September 30, 2022:

<u>Fund Balances</u>	<u>Amount</u>
Nonspendable:	
General fund	\$ 18,302
911 trust fund	<u>29,626</u>
Total Nonspendable Fund Balance	<u>47,928</u>
Restricted:	
911 trust fund	547,069
Airport	201,984
Boating improvement fund	75,086
Clerk’s modernization trust	227,377
County road and bridge	450,395
Economic development fund	304,539
Fire protection	1
General Fund	72,958
HHRP Trust	838
Hospital trust	8,139,135
Landfill	4,033,144
Law enforcement education trust	73,429
Law enforcement trust	3,187
Local option gas tax	1,335,058
State housing initiatives partnership	85,278
Sheriff’s special revenue funds	39,904
Tourist development fund	<u>4,322,448</u>
Total Restricted Fund Balance	<u>19,911,830</u>
Assigned:	
Mosquito control fund	<u>29,281</u>
Total Assigned Fund Balance	<u>29,281</u>
Unassigned:	
General fund	<u>13,802,145</u>
Total Unassigned Fund Balance	<u>13,802,145</u>
Total Fund Balance	<u>\$ 33,791,184</u>

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

NOTE 11 – RISK MANAGEMENT

The Sheriff participates in the Florida Sheriff's Self-Insurance Fund Program, administered by the Florida Sheriff's association. The program is considered a public entity risk pool which purchases insurance policies on behalf of its members. The pool's members are not obligated for risk associated with such coverage. Coverage under this program includes general liability, public officials' liability and public employees' blanket bond.

The funding agreements provide that the self-insurance fund will be self-sustaining through member premiums and that the Sheriff's liability fund will reinsure through commercial companies. Aggregate coverage provided by the liability fund is \$3,300,000 for professional liability and \$3,200,000 for public officials' coverage.

The Sheriff provides for automobile liability coverage and workers' compensation coverage through the Board. The Board established a risk management program to administer both its uninsured and insured risk of loss.

There has been no significant reduction in insurance coverage from the prior year and there have been non settlements in excess of insurance coverage in the past three years.

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors or omissions; injuries to employees and/or the public; or damage to property of others. The county is a member of the Florida Association of Counties Trust (the Trust) for its general liability insurance coverage. The County pays an annual premium to the Trust and a debt service payment to the pooled liability insurance program revenue bond. The Trust is to be self-sustaining through member premiums and will reinsure through commercial companies for certain claims. The County continues to purchase commercial insurance to cover their other risks of loss. Insurance against losses are provided for the following types of risk:

- Workers' compensation and employer's liability
- General and automobile liability
- Real and personal property damage
- Public officials liability
- Accidental death and dismemberment

The County's coverage for workers' compensation is under a retrospectively rated policy. Premiums are accrued based on the ultimate cost-to-date of the County's experience for this type of risk.

NOTE 12 – LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

The County maintains a special revenue fund for its landfill management escrow account to ensure the availability of financial resources for closing the landfill. The escrow account balance is \$3,113,635 at September 30, 2022. Receipt of waste at the County's Class I central landfill has been indefinitely suspended and the County contracts for waste to be transported out of the Count. In the event operations were to resume at the Class I landfill, there are about two years remaining capacity. Currently, the County also operates a Class III landfill.

State and federal laws and regulations require the County to place a final cover on its landfill sites when it stops accepting waste, and to perform certain maintenance and monitoring functions at the site for approximately thirty years after closure. The \$3,330,353 amount reported as landfills closure and postclosure care liability at September 30, 2022 (see note 7), represents the portion of costs to be incurred and reported as a liability to-date based on the use of 56% of the Class I landfill estimated capacity and 100% of the Class III (original) and 37% of the Class III (expansion) landfill estimated capacity. Total estimated costs are projected at \$2,564,449 for closure and \$3,171,016 for postclosure care at current prices. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. The Board follows GASB Statement No. 18 entitled *Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs*.

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

NOTE 13 – LITIGATION AND CONTINGENT LIABILITIES

The County is a party to a number of lawsuits and claims arising out of the normal conduct of its activities. While the results of these lawsuits and claims against the County cannot be predicted with certainty, management does not expect that these matters will have a material adverse effect on the financial position of the County.

The following is a summary of major commitments of the County and contracts in progress as of September 30, 2022:

PROJECT	SOURCE OF PAYMENT	PAID TO DATE	COMMITMENT REMAINING
EOC Design Grant	Grant - FDEM	95,000	95,000
Armory Sprinkler System Design Grant	Grant - DFS Fire Marshall	462,630	294,013
Armory Sprinkler System Design Grant	Insurance Proceeds	68,033	7,578
Island View Park FEMA Repairs	Grant - FEMA	111,873	32,603
Island View Park FEMA Repairs	Grant - FEMA	1,077,148	675,047
Restore SGI Storm Water Improvements Project	Grant - RESTORE	39,151	60,849
Restore SGI Storm Water Improvements Project	Grant - RESTORE	5,250	1,750
Alligator Drive FEMA Repairs	Grant - FEMA	4,449,482	862,638
SCOP 30A Resurfacing Project	Grant - FDOT	122,722	86,166
SCOP 30A Resurfacing Project	Grant - FDOT	2,600,793	978,489
SCOP Womack Creek Bridge Culvert Repairs	Grant - FDOT	90,595	17,594
TRIP Airport Pavement Aprons	Grant - FDOT	175,660	73,940
TRIUMPH Airport Fuel Farm Project	Grant - Triumph Gulf Coast	120,395	68,060

NOTE 14 – LEASE OF FRANKLIN COUNTY AIRPORT

On October 17, 2017, the County entered into a 60 month contract with rent at \$2,500 per month plus a fuel flowage fee of \$0.25 per gallon sold plus tax.

NOTE 15 – LOCAL OPTION GAS TAX

The County adopted an ordinance effective January 1, 1998 for a period of twenty years providing for a five-cent per gallon local option gas tax on fuel sold in the County. The proceeds of this tax are being expended on road construction and road maintenance. The tax generates approximately \$250,000 in annual revenue.

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

NOTE 16 – EMPLOYEE LEASE

On April 16, 2019, the Hospital entered into an agreement with Paychex Business Solutions, to provide employees for the Hospital. Under the agreement, Paychex Business Solutions was the employer of all persons working at the Hospital during the year ended September 30, 2020 and through July 4, 2021, and was reimbursed by the Hospital for all wages and management fees associated with the lease. On July 5, 2021, the Hospital entered into a similar employee leasing agreement with Modern Business Associates, Inc. which remains in effect.

Employee leasing costs totaled \$4,359,880 for the year ended September 30, 2022.

NOTE 17 – RECENT ACCOUNTING PRONOUNCEMENTS

The County did not adopt any new statements of financial accounting standards issued by GASB having a material impact on the financial statements.

In May 2020, the GASB issued Statement No. 95 (GASB 95), Postponement of the Effective Date of Certain Authoritative Guidance. GASB 95 extends the effective date of certain accounting and financial reporting provisions in Statements and Implementation Guides that were first effective for reporting periods beginning after June 15, 2018. The requirements of GASB 95 apply to the financial statements of all state and local governments. The primary objective of GASB 95 is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. The requirements of GASB 95 are effective immediately.

Pronouncements Issued But Not Yet Effective

GASB has issued the following pronouncements that may affect future financial position, results of operations, cash flows, or financial presentation of the Hospital upon implementation. Management has not yet evaluated the effect of implementation of these standards.

GASB Statement No.	GASB Accounting Standard	Effective Fiscal Year
91	<i>Conduit Debt Obligations</i>	2023
92	<i>Omnibus 2020</i>	
93	<i>Replacement of Interbank Offered Rates</i>	2023
94	<i>Public-Private and Public-Public Partnerships and Availability Payment Arrangements</i>	2023
96	<i>Subscription-Based Information Technology Arrangements Certain Component Unit Criteria, and Accounting and</i>	

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

NOTE 18 – CARES ACT FUNDING

Additional funding for the Public Health and Social Services Emergency Fund (“Relief Fund”) was among the provisions of the CARES Act, which was signed into law on March 27, 2020, and other legislation. In the year ended September 30, 2020, the Hospital received cash payments of approximately \$3,282,000 from the Relief Fund and state grant programs, associated with lost operating revenues and COVID-related costs, which is reported as nonoperating revenues in the accompanying statement of revenues, expenses and changes in net position. Approximately \$200,000 of federal funding was received during fiscal year 2021.

Payments from the Relief Fund are not loans and, therefore, they are not subject to repayment. However, as a condition to receiving distributions, providers must agree to certain terms and conditions, including, among other things, that the funds are being used for lost operating revenues and COVID-related costs, and that the providers will not seek collection of out-of-pocket payments from a COVID-19 patient that are greater than what the patient would have otherwise been required to pay if the care had been provided by an in-network provider. The Hospital recognizes grant payments as income when there is reasonable assurance of compliance with the conditions associated with the grant. The Hospital’s estimates could change materially in the future based on the Hospital’s operating performance or COVID-19 activities, as well as the evolving grant compliance guidance provided by the government.

The Coronavirus Aid, Relief, and Economic Security Act of 2020 and Related Legislation. The CARES Act and the Paycheck Protection Program and Health Care Enhancement Act (“Paycheck Protection Program”), which was signed into law on April 24, 2020, authorized up to \$2 trillion in government spending to mitigate the economic effects of the COVID-19 pandemic. Below is a brief overview of certain provisions of the CARES Act and related legislation that have impacted and expect will continue to impact the Hospital’s business. Please note that this summary is not exhaustive, and additional legislative action and regulatory developments may evolve rapidly. There is no assurance that the Hospital will continue to receive or remain eligible for funding or assistance under the CARES Act or similar measures.

Public Health and Social Services Emergency Fund. To address the fiscal burdens on healthcare providers created by the COVID-19 public health emergency, the CARES Act and the Paycheck Protection Program authorized \$175 billion for the Relief Fund.

The U.S. Department of Health and Human Services (“HHS”) has indicated that it will be closely monitoring and, along with the Office of Inspector General, auditing providers to ensure that recipients comply with the terms and conditions of relief programs and to prevent fraud and abuse. All providers will be subject to civil and criminal penalties for any deliberate omissions, misrepresentations or falsifications of any information given to HHS. The Hospital has formally accepted the terms and conditions associated with the receipt of its Relief Fund payments.

In fiscal year 2021, during completion of the reporting portal for expenditures of CARES PRF funds, management of the Hospital reported expenses and lost revenues for the period of availability that were less than the funds received for the corresponding period. Accordingly, a payable totaling approximately \$1,046,000 was recorded to “estimated third party settlements” with a corresponding nonoperating expense on the accompanying financial statements. This amount was paid, in full, in early fiscal year 2022. No revisions were made to the previously issued fiscal year 2020 financial statements, as a result of this change in estimate.

Medicare and Medicaid Payment Policy Changes. The CARES Act also alleviates some of the financial strain on hospitals, physicians, and other healthcare providers and states through a series Medicare and Medicaid payment policies that temporarily increase Medicare and Medicaid reimbursement and allow for added flexibility, as described below.

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

NOTE 18 – CARES ACT FUNDING (continued)

- Effective May 1, 2020 through December 31, 2020, the 2% sequestration reduction on Medicare FFS and Medicare Advantage payments to hospitals, physicians and other providers authorized by the Sequestration Transparency Act of 2020 is suspended and will resume at a future date.
- The CARES Act instituted a 20% increase in the Medicare MS-DRG payment for COVID-19 hospital admissions for the duration of the public health emergency as declared by the Secretary of HHS.
- The scheduled reduction of \$4 billion in federal Medicaid DSH allotments in FFY 2020, as mandated by the Affordable Care Act, is suspended until December 1, 2020. Also, the federal DSH allotment reduction for FFY 2021 will be reduced from \$8 billion to \$4 billion.
- Notwithstanding these adjustments, the ACA-mandated reduction is not expected to be extended past its original termination in FFY 2025.
- The CARES Act expanded the Medicare accelerated payment program, which provides prepayment of claims to providers in certain circumstances, such as national emergencies or natural disasters. Under this measure, providers could request accelerated payments that may be retained for 120 days during which time providers continue to receive payments for services. At the end of the 120-period, the accelerated payment will be repaid via a 100% offset of payments on claims that would otherwise be paid. The repayment period for hospitals and other providers is one year and 210 days, respectively, from the date of receipt of the accelerated payment, after which interest is assessed on the unpaid balance. During the fiscal year ended September 30, 2020, the Hospital applied for and received accelerated payments totaling approximately \$645,000, which is included in estimated third party settlements on the accompanying statements of net position. During fiscal year 2021, these amounts were recouped by the Medicare contractor, with a remaining balance totaling approximately \$172,000 at September 30, 2022, recorded as estimated third party settlements.
- A 6.2% increase in the Federal Medical Assistance Percentage (“FMAP”) matching funds was instituted to help states respond to the COVID-19 pandemic. The additional funds are available to states from January 1, 2020 through the quarter in which the public health emergency period ends, provided that states meet certain conditions. An increase in states’ FMAP leverages Medicaid’s existing financing structure, which allows federal funds to be provided to states more quickly and efficiently than establishing a new program or allocating money from a new funding stream. Increased federal matching funds support states in responding to the increased need for services, such as testing and treatment during the COVID-19 public health emergency, as well as increased enrollments as more people lose income and qualify for Medicaid during the economic downturn.

Because of the uncertainty associated with various factors that may influence Hospital’s future Medicare and Medicaid payments, including future legislative, legal or regulatory actions, or changes in volumes and case mix, there is a risk that Hospital’s estimates of the impact of the aforementioned payment and policy changes will be incorrect and that actual payments received under, or the ultimate impact of, these programs may differ materially from Hospital’s expectations.

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

NOTE 19– LEASE EQUIPMENT AND LEASE LIABILITY

Governmental Lease Activity

The County entered into various assets, equipment, copiers, and computer leases effective during the fiscal year 2022, which have terms through September 30, 2027. The original leases called for combined annual payments of \$39,672. The amortization of the leased assets will be over the life of the lease. The County implemented GASB Statement 87 (Leases) on October 1, 2021. The cumulative effect of this implementation on the beginning net position is not material. As of September 30, 2022, the leased equipment, accumulated amortization and lease liability are as follows:

	September 30, <u>2022</u>
Leased equipment	\$ 192,095
Accumulated amortization	<u>(54,042)</u>
Leased equipment, net	<u>\$ 138,053</u>
Lease liability, current	\$ 36,027
Lease liability, long-term	<u>102,026</u>
Lease liability	<u>\$ 138,053</u>

Amortization expense for the year ended September 30, 2022, was \$33,520.

Future payments relating to the lease liability are as follows:

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$35,920	\$ 3,753	\$39,673
2024	37,013	2,659	39,672
2025	35,331	1,550	36,881
2026	19,675	585	20,260
2027	10,114	184	10,298
Thereafter	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 138,053</u>	<u>\$ 8,731</u>	<u>\$146,784</u>

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

NOTE 19– LEASE EQUIPMENT AND LEASE LIABILITY

Leases – Lessee

Business-Type Lease Activity

The Hospital has entered into lease agreements to obtain the right-to-use to various specialized medical equipment and office equipment. The leases range from 24 to 60 months, often with one year renewal periods.

With the implementation of GASB 87, the initial lease liability was recorded in the amount of \$214,768 (September 30, 2021). As of September 30, 2022, the value of lease liability was \$182,690. The leases have interest rates of approximately 3.25%.

Minimum future lease payments under lease liability as of September 30, 2022 are as follows:

<i>For the years ending September 30,</i>	Principal Payments	Interest Expense	Total
2023	\$ 91,367	\$ 2,809	\$ 94,176
2024	38,562	1,164	39,726
2025	37,867	509	38,376
2026	14,894	40	14,934
Total	\$ 182,690	\$ 4,522	\$ 187,212

A summary of changes in the Hospital’s long-term debt, including lease liabilities, for the years ended September 30, 2022 and 2021 follows:

	Restated Balance 10/1/2021	Additions	Reductions	Balance 9/30/2022	Due Within One Year
Lease liability	\$ 214,768	\$ 55,983	\$ (88,061)	\$ 182,690	\$ 91,367

	Balance 10/1/2020	Additions	Reductions	Restated Balance 9/30/2021	Due Within One Year
Lease liability	\$ -	\$ 267,083	\$ (52,315)	\$ 214,768	\$ 75,748

REQUIRED SUPPLEMENTARY INFORMATION

**FRANKLIN COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES – BUDGET (GAAP BASIS) AND ACTUAL – GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	<u>Budget Original</u>	<u>Budget Final</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Taxes	\$12,805,397	\$12,805,397	\$ 12,691,987	\$ (113,410)
Licenses and permits	444,000	464,000	648,145	184,145
Intergovernmental	8,378,384	16,651,604	15,886,921	(764,683)
Fines and forfeitures	5,697	4,600	5,697	1,097
Charges for services	371,207	333,761	367,272	33,511
Investment and other	<u>209,607</u>	<u>249,721</u>	<u>328,324</u>	<u>78,603</u>
Total Revenues	<u>22,214,292</u>	<u>30,509,083</u>	<u>29,928,346</u>	<u>(580,737)</u>
EXPENDITURES				
Current				
General government	5,026,286	11,119,265	10,800,411	318,854
Public safety	8,677,202	8,807,451	8,744,303	63,148
Physical environment	1,356,772	1,321,772	1,296,010	25,762
Transportation	338,835	338,835	—	338,835
Economic environment	71,245	71,245	63,043	8,202
Human services	625,627	625,627	658,990	(33,363)
Culture and recreation	—	3,445,676	1,590,206	1,855,470
Court related	443,696	443,696	144,900	298,796
Debt Service	100,000	100,000	100,000	—
Capital outlay	<u>6,126,207</u>	<u>8,168,212</u>	<u>6,494,758</u>	<u>1,673,454</u>
Total Expenditures	<u>22,765,870</u>	<u>34,441,779</u>	<u>29,892,621</u>	<u>4,549,158</u>
Excess (deficit) of revenues over (under) expenditures	(551,578)	(3,932,696)	35,725	3,968,421
Other financing sources (uses)				
Transfers in	956,827	544,685	906,827	362,142
Transfers out	(1,632,565)	(1,959,015)	(1,325,820)	633,195
Debt issuance	<u>185,658</u>	<u>185,658</u>	<u>595,103</u>	<u>409,445</u>
Total other financing sources (uses)	<u>(490,080)</u>	<u>(1,228,672)</u>	<u>176,110</u>	<u>1,404,782</u>
Net change in Fund Balance	(1,041,658)	(5,161,368)	211,835	5,373,203
Fund balance - beginning	<u>13,681,570</u>	<u>13,681,570</u>	<u>13,681,570</u>	—
Fund balance - ending	<u>\$ 12,639,912</u>	<u>\$ 8,520,202</u>	<u>\$ 13,893,405</u>	<u>\$ 5,373,203</u>

The accompanying note to schedule of revenues, expenditures, and changes in fund balance – budget to actual – general fund is an integral part of this schedule.

**FRANKLIN COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET (GAAP BASIS) AND ACTUAL
HEALTHCARE TRUST
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	<u>Budget Original</u>	<u>Budget Final</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Taxes	\$ 2,338,160	\$ 2,338,160	\$ 3,427,608	\$ 1,089,448
Investment and other	7,999	7,999	36,545	28,546
Intergovernmental	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total Revenues	<u>2,346,159</u>	<u>2,346,159</u>	<u>3,464,153</u>	<u>1,117,994</u>
EXPENDITURES				
Total Expenditures	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Excess (deficit) of revenues over (under) expenditures	2,346,159	2,346,159	3,464,153	1,117,994
Other financing sources (uses)				
Transfers in	—	—	—	—
Transfers out	<u>(8,776,965)</u>	<u>(8,776,965)</u>	<u>(1,833,804)</u>	<u>6,943,161</u>
Total other financing sources (uses)	<u>(8,776,965)</u>	<u>(8,776,965)</u>	<u>(1,833,804)</u>	<u>6,943,161</u>
Net changes in fund balance	(6,430,806)	(6,430,806)	1,630,349	8,061,155
Fund balance – beginning of year	<u>6,508,787</u>	<u>6,508,787</u>	<u>6,508,787</u>	<u>—</u>
Fund balance – End of year	<u>\$ 77,981</u>	<u>\$ 77,981</u>	<u>\$ 8,139,136</u>	<u>\$ 8,061,155</u>

The accompanying note to schedule of revenues, expenditures, and changes in fund balance – budget to actual – general fund is an integral part of this schedule.

**FRANKLIN COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET (GAAP BASIS) AND ACTUAL
LANDFILL
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	<u>Budget Original</u>	<u>Budget Final</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Charges for services	\$ 1,000,000	\$ 1,000,000	\$ 1,199,746	\$ 199,746
Investment and other	6,764	6,764	19,473	12,709
Miscellaneous	<u>—</u>	<u>—</u>	<u>30</u>	<u>30</u>
Total Revenues	<u>1,006,764</u>	<u>1,006,764</u>	<u>1,219,249</u>	<u>212,485</u>
EXPENDITURES				
Physical environmental	3,866,890	3,994,314	671,708	3,322,606
Debt service	148,347	148,347	148,347	—
Capital outlay	<u>327,362</u>	<u>199,938</u>	<u>—</u>	<u>199,938</u>
Total Expenditures	<u>4,342,599</u>	<u>4,342,599</u>	<u>820,055</u>	<u>3,522,544</u>
Excess (deficit) of revenues over (under) expenditures	(3,335,835)	(3,335,835)	399,194	3,735,029
Other financing sources (uses)				
Transfers in	200,000	200,000	200,000	—
Transfers out	<u>(400,000)</u>	<u>(400,000)</u>	<u>(400,000)</u>	<u>—</u>
Total other financing sources (uses)	<u>(200,000)</u>	<u>(200,000)</u>	<u>(200,000)</u>	<u>—</u>
Net changes in fund balance	(3,535,835)	(3,535,835)	199,194	3,735,029
Fund balance – beginning of year	<u>3,833,949</u>	<u>3,833,949</u>	<u>3,833,949</u>	<u>—</u>
Fund balance – End of year	<u>\$ 298,114</u>	<u>\$ 298,114</u>	<u>\$ 4,033,143</u>	<u>\$ 3,735,029</u>

The accompanying note to schedule of revenues, expenditures, and changes in fund balance – budget to actual – general fund is an integral part of this schedule.

**FRANKLIN COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET (GAAP BASIS) AND ACTUAL
LOCAL OPTION GAS TAX
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	<u>Budget Original</u>	<u>Budget Final</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Taxes	\$ 326,967	\$ 326,967	\$ 305,475	\$ (21,492)
Intergovernmental	4,978,212	8,417,816	5,908,502	(2,509,314)
Investment and other	<u>12,110</u>	<u>12,110</u>	<u>14,658</u>	<u>2,548</u>
Total Revenues	<u>5,317,289</u>	<u>8,756,893</u>	<u>6,228,635</u>	<u>(2,528,258)</u>
EXPENDITURES				
Transportation	5,188,258	5,943,791	3,147,574	2,796,217
Capital outlay	<u>1,376,167</u>	<u>4,060,238</u>	<u>3,073,442</u>	<u>986,796</u>
Total Expenditures	<u>6,564,425</u>	<u>10,004,029</u>	<u>6,221,016</u>	<u>3,783,013</u>
Excess (deficit) of revenues over (under) expenditures	<u>(1,247,136)</u>	<u>(1,247,136)</u>	<u>7,619</u>	<u>1,276,247</u>
Net changes in fund balance	(1,247,136)	(1,247,136)	7,619	1,276,247
Fund balance – beginning of year	<u>1,327,440</u>	<u>1,327,440</u>	<u>1,327,440</u>	<u>—</u>
Fund balance – End of year	<u>\$ 80,304</u>	<u>\$ 80,304</u>	<u>\$ 1,335,059</u>	<u>\$ 1,276,247</u>

The accompanying note to schedule of revenues, expenditures, and changes in fund balance – budget to actual – general fund is an integral part of this schedule.

**FRANKLIN COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED SEPTEMBER 30, 2022**

**SCHEDULE OF CHANGES IN THE COUNTY'S TOTAL OTHER POST EMPLOYMENT BENEFITS
LIABILITY AND RELATED RATIOS (1)**

Last Ten Fiscal Years*
(Dollars in Thousands)

	<u>2021</u>	<u>2020</u>	<u>2018</u>
Total OPEB Liability			
Total pension liability			
Service Cost	\$ 378	\$ 833	\$ 882
Interest	351	605	525
Differences Between Actual and Expected Experience	—	—	—
Effect of economic gain or (losses)	—	(51)	—
Assumption Changes	1,281	(4,058)	(1,593)
Benefit Payments	<u>(288)</u>	<u>(288)</u>	<u>353</u>
Net Change in Total OPEB Liability	1,722	(2,959)	(539)
Total OPEB Liability – Beginning as Restated	<u>12,967</u>	<u>15,926</u>	<u>16,465</u>
Total OPEB Liability - Ending	<u>14,689</u>	<u>12,967</u>	<u>15,926</u>
Covered-Employee Payroll	\$ 7,155	\$ 7,177	\$ 6,629
Total OPEB Liability as a Percentage of Covered-Employee Payroll	205.28%	180.67%	240.26%

(1) The amounts presented for each fiscal year were determined as of September 30th.

* This is a 10-year schedule; however the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

FRANKLIN COUNTY, FLORIDA
PROPORTIONATE SHARE OF NET PENSION LIABILITY
Last Ten Years*
SEPTEMBER 30, 2022

Florida Retirement System

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Franklin County, Florida's proportion of the net pension liability	0.030386544%	0.029121590%	0.031298925%	0.033285343%
Franklin County, Florida's proportionate share of the net pension liability	\$ 11,306,255	\$ 2,199,805	\$ 13,565,415	\$ 11,463,009
Franklin County, Florida's covered-employee payroll	\$ 8,464,325	\$ 7,440,414	\$ 7,147,225	\$ 7,177,335
Franklin County, Florida's proportionate share of the net pension liability as a percentage of its covered-employee payroll	133.58%	29.57%	189.80%	159.71%
Plan fiduciary net position as a percentage of the total pension liability	82.89%	96.40%	84.30%	85.16%

Health Insurance Subsidy Programs

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Franklin County, Florida's proportion of the net pension liability	0.022397613%	0.020849016%	0.020373401%	0.02132850%
Franklin County, Florida's proportionate share of the net pension liability	\$ 2,372,265	\$ 2,557,445	\$ 2,487,559	\$ 2,386,447
Franklin County, Florida's covered-employee payroll	\$ 8,464,325	\$ 7,440,414	\$ 7,147,225	\$ 7,177,335
Franklin County, Florida's proportionate share of the net pension liability as a percentage of its covered-employee payroll	28.03%	34.37%	34.80%	33.25%
Plan fiduciary net position as a percentage of the total pension liability	4.81%	3.56%	2.15%	2.10%

(continued)

FRANKLIN COUNTY, FLORIDA
PROPORTIONATE SHARE OF NET PENSION LIABILITY (continued)
Last Ten Years*
SEPTEMBER 30, 2022

Florida Retirement System

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Franklin County, Florida's proportion of the net pension liability	0.33587905%	0.3488977%	0.03570204%	0.053894033%
Franklin County, Florida's proportionate share of the net pension liability	\$ 10,116,851	\$ 10,320,160	\$ 9,014,793	\$ 6,961,137
Franklin County, Florida's covered-employee payroll	\$ 6,547,976	\$ 6,628,676	\$ 6,504,034	\$ 6,373,330
Franklin County, Florida's proportionate share of the net pension liability as a percentage of its covered-employee payroll	154.50%	155.69%	138.60%	109.22%
Plan fiduciary net position as a percentage of the total pension liability	154.50%	83.89%	84.88%	92.00%

Health Insurance Subsidy Programs

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Franklin County, Florida's proportion of the net pension liability	0.020588662%	0.020661452%	0.0206337005%	0.021258895%
Franklin County, Florida's proportionate share of the net pension liability	\$ 2,179,127	\$ 2,209,218	\$ 2,404,772	\$ 4,117,722
Franklin County, Florida's covered-employee payroll	\$ 6,547,976	\$ 6,628,676	\$ 6,504,034	\$ 6,373,330
Franklin County, Florida's proportionate share of the net pension liability as a percentage of its covered-employee payroll	33.33%	36.97%	36.97%	64.61%
Plan fiduciary net position as a percentage of the total pension liability	1.64%	0.97%	0.97%	0.50%

Notes to schedules:

*The amounts presented for each fiscal year were determined as of the measurement date, which was June 30th of the current fiscal year

*GASB Statement No. 68 was implemented in 2015. Until a full 10-year trend is compiled, information for those years for which it is available will be presented.

**Covered employee payroll includes defined benefit plan actives, investment plan members, and members in DROP for the measurement period ending June 30, 2021.

FRANKLIN COUNTY, FLORIDA
SCHEDULE OF PENSION CONTRIBUTIONS
Last Ten Fiscal Years*
SEPTEMBER 30, 2022

Florida Retirement System

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contribution	\$ 1,652,574	\$ 1,219,778	\$ 1,106,353	\$ 1,090,412
Contributions in relation to the contractually required contribution	<u>(1,652,574)</u>	<u>(1,219,778)</u>	<u>(1,106,353)</u>	<u>(1,090,412)</u>
Contribution deficiency (excess)	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
Franklin County, Florida's covered-employee payroll	\$ 8,464,325	\$ 7,440,414	\$ 7,147,225	\$ 7,177,335
Contribution as a percentage of covered-employee payroll	19.52%	16.39%	15.48%	15.19%

Health Insurance Subsidy Programs

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contribution	\$ 169,892	\$ 134,743	\$ 128,164	\$ 126,317
Contributions in relation to the contractually required contribution	<u>(169,892)</u>	<u>(134,743)</u>	<u>(128,164)</u>	<u>(126,317)</u>
Contribution deficiency (excess)	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
Franklin County, Florida's covered-employee payroll	\$ 8,464,325	\$ 7,440,414	\$ 7,147,225	\$ 7,177,335
Contribution as a percentage of covered-employee payroll	2.01%	1.81%	1.79%	1.76%

(continued)

FRANKLIN COUNTY, FLORIDA
SCHEDULE OF PENSION CONTRIBUTIONS (continued)
Last Ten Fiscal Years*
SEPTEMBER 30, 2022

Florida Retirement System

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 1,204,537	\$ 1,144,081	\$ 1,099,477	\$ 267,413
Contributions in relation to the contractually required contribution	<u>(1,204,534)</u>	<u>(1,144,081)</u>	<u>(1,099,477)</u>	<u>(267,413)</u>
Contribution deficiency (excess)	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
Franklin County, Florida's covered-employee payroll	\$ 6,547,976	\$ 6,628,676	\$ 6,504,034	\$ 6,373,330
Contribution as a percentage of covered-employee payroll	18.4%	17.26%	16.90%	4.20%

Health Insurance Subsidy Programs

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 139,537	\$ 137,061	\$ 133,367	\$ 33,450
Contributions in relation to the contractually required contribution	<u>(139,537)</u>	<u>(137,061)</u>	<u>(133,367)</u>	<u>(33,450)</u>
Contribution deficiency (excess)	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
Franklin County, Florida's covered-employee payroll	\$ 6,547,976	\$ 6,628,676	\$ 6,504,034	\$ 6,373,330
Contribution as a percentage of covered-employee payroll	2.13%	2.07%	2.05%	0.52%

Notes to schedules:

*Covered employee payroll includes defined benefit plan actives, investment plan members, and members in DROP for the fiscal year ended September 30, 2022.

*The amounts presented for each fiscal year were determined as of 6/30 except for the covered payroll determined as of 9/30. The schedule is intended to show information for 10 years. Additional years will be displayed as the information becomes available.

**FRANKLIN COUNTY, FLORIDA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED SEPTEMBER 30, 2022**

NOTE 1 – OPEB INFORMATION

The county did not have plan assets accumulated in a trust. For the measurement date of September 30, 2022, the actuarial valuation used a discount rate of 3.58% as of October 1, 2019, and 2.14% as of September 30, 2022. The discount rate will be updated annually to reflect market conditions as of the measurement date.

NOTE 2 – PENSION INFORMATION

The discount rate used to measure the pension liability of the Pension Plan at June 30, 2020 was decreased from 6.9% to 6.8%. The FRS Actuarial Assumption Conference is responsible for setting the assumptions used in the valuations of the defined benefit pension plans pursuant to Section 216.136(10), Florida Statutes. The 6.8% rate of return assumption used in the June 30, 2020 calculations was determined by the Plan's consulting actuary to be reasonable and appropriate per Actuarial Standard of Practice No. 27 (ASOP 27) for accounting purposes which differs from the rate used for funding purposes which is used to establish the contribution rates of the Pension Plan.

NOTE 3 – BUDGETARY INFORMATION

An annual budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America for the general fund, the fine and forfeiture fund, and the records modernization trust fund. All annual appropriations lapse at fiscal year-end.

The Clerk follows these procedures in establishing the budgetary data reflected in the financial statements:

- a) The preparation, adoption and amendment of the budgets are governed by Florida Statutes. Public hearings are conducted to obtain taxpayer comments.
- b) Budget excess expenditures over revenues are funded through appropriations from the Board of County Commissioners.
- c) Formal budgetary integration is employed as a management control device during the year. The legal level of budgetary control is the fund level.
- d) The budgets for the funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America

COMBINING FINANCIAL STATEMENTS

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

	<u>Special Revenue</u>				
	<u>County Road and Bridge</u>	<u>911 Trust</u>	<u>Fire Protection</u>	<u>Airport</u>	<u>Tourist Development</u>
Assets					
Cash and cash equivalents	\$ 125,343	\$ 529,928	\$ 199,861	\$ 239,534	\$ 4,012,037
Equity in pooled cash	338,207	—	—	—	—
Due from other funds	24,998	—	11,754	—	—
Due from other government units	281,055	45,243	—	40,289	482,983
Prepaid expenses	—	29,626	—	—	—
Accounts receivable (net)	<u>1,909</u>	<u>—</u>	<u>—</u>	<u>2,164</u>	<u>—</u>
Total Assets	<u>\$ 771,512</u>	<u>\$ 604,797</u>	<u>\$ 211,615</u>	<u>\$ 281,987</u>	<u>\$ 4,495,020</u>
Liabilities Deferred Inflows and Fund Balances					
Liabilities					
Customer deposits	—	—	—	—	—
Vouchers payable	13,341	17,000	100,381	31,688	172,008
Due to other government	—	—	1,360	—	—
Due to other funds	<u>307,776</u>	<u>11,102</u>	<u>16,009</u>	<u>4,175</u>	<u>564</u>
Total liabilities	<u>321,117</u>	<u>28,102</u>	<u>117,750</u>	<u>35,863</u>	<u>172,572</u>
Deferred Inflows of Resources					
Unavailable revenues	<u>307,776</u>	<u>—</u>	<u>93,864</u>	<u>44,140</u>	<u>—</u>
Total Deferred Inflows	<u>—</u>	<u>—</u>	<u>93,864</u>	<u>44,140</u>	<u>—</u>
Fund balances					
Nonspendable	—	29,626	—	—	—
Restricted	450,395	547,069	1	201,984	4,322,448
Assigned	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total fund balances	<u>450,395</u>	<u>576,695</u>	<u>1</u>	<u>201,984</u>	<u>4,322,448</u>
Total liabilities Deferred Inflows and Fund balances	<u>\$ 771,512</u>	<u>\$ 604,797</u>	<u>\$ 211,615</u>	<u>\$ 281,987</u>	<u>\$ 4,495,020</u>

(Continued)

**FRANKLIN COUNTY, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (Continued)
SEPTEMBER 30, 2022**

	Special Revenue					
	Mosquito Control	Clerk's Fine and Forfeitures	Clerk Modernization Trust	Sheriff's Special Revenue	Enforcement Educational Trust	Law Enforcement Trust
Assets						
Cash and cash equivalents	\$ 26,561	\$ 157,051	\$ 227,380	\$ 39,904	\$ 73,264	\$ 3,187
Equity in pooled cash	—	—	—	—	—	—
Due from other funds	—	15,250	3,884	—	165	—
Due from other government	9,506	4,849	—	—	—	—
Prepaid expenses	—	—	—	—	—	—
Accounts receivable (net)	17	—	—	—	—	—
Total Assets	<u>\$ 36,067</u>	<u>\$ 177,150</u>	<u>\$ 231,264</u>	<u>\$ 39,904</u>	<u>\$ 73,429</u>	<u>\$ 3,187</u>
Liabilities Deferred Inflows and fund balances						
Liabilities						
Customer deposits	—	—	—	—	—	—
Vouchers payable	3,442	2,450	3,887	—	—	—
Due to other government	—	136,827	—	—	—	—
Due to other funds	3,344	37,873	—	—	—	—
Total liabilities	<u>6,786</u>	<u>177,150</u>	<u>3,887</u>	<u>—</u>	<u>—</u>	<u>—</u>
Deferred Inflows of Resources						
Unavailable revenues	—	—	—	—	—	—
Total Deferred Inflows	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Fund balances						
Nonspendable	—	—	—	—	—	—
Restricted	—	—	227,377	39,904	73,429	3,187
Assigned	29,281	—	—	—	—	—
Total fund balances	<u>29,281</u>	<u>—</u>	<u>227,377</u>	<u>39,904</u>	<u>73,429</u>	<u>3,187</u>
Total liabilities Deferred Inflows and Fund balances	<u>\$ 36,067</u>	<u>\$ 177,150</u>	<u>\$ 231,264</u>	<u>\$ 39,904</u>	<u>\$ 73,429</u>	<u>\$ 3,187</u>

(Continued)

**FRANKLIN COUNTY, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (Continued)
SEPTEMBER 30, 2022**

	<u>Special Revenue</u>					Total Nonmajor Governmental Funds
	HHRP Trust	Boating Improvement	American Recovery Plan	Economic Development CDBG	Housing Initiative Partnership	
Assets						
Cash and cash equivalents	\$ 89,948	\$ 33,383	\$ 1,060,327	\$ 12,886	\$ 612,017	\$ 7,442,611
Equity in pooled cash	—	—	—	291,653	36,436	666,296
Due from other funds	—	905	—	—	—	56,956
Due from other government	—	40,798	—	—	—	904,723
Prepaid expenses	—	—	—	—	—	29,626
Accounts receivable (net)	—	—	—	327,900	285,684	617,657
Total Assets	<u>\$ 89,948</u>	<u>\$ 75,086</u>	<u>\$ 1,060,327</u>	<u>\$ 632,439</u>	<u>\$ 934,137</u>	<u>\$ 9,717,869</u>
Liabilities Deferred Inflows and Fund Balances						
Liabilities						
Customer deposits	—	—	—	—	—	—
Vouchers payable	1,583	—	—	—	7,875	353,655
Due to other government	—	—	—	—	—	138,187
Due to other funds	—	—	—	—	—	380,843
Total liabilities	<u>1,583</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>7,875</u>	<u>872,685</u>
Deferred Inflows of Resources						
Unavailable revenues	<u>87,527</u>	<u>—</u>	<u>1,060,327</u>	<u>327,900</u>	<u>840,984</u>	<u>2,454,742</u>
Total Deferred Inflows	<u>87,527</u>	<u>—</u>	<u>1,060,327</u>	<u>327,900</u>	<u>840,984</u>	<u>2,454,742</u>
Fund balances						
Nonspendable	—	—	—	—	—	29,626
Restricted	838	75,086	—	304,539	85,279	6,331,536
Assigned	—	—	—	—	—	29,281
Total fund balances	<u>838</u>	<u>75,086</u>	<u>—</u>	<u>304,539</u>	<u>85,279</u>	<u>6,390,443</u>
Total liabilities Deferred Inflows and Fund balances	<u>\$ 89,948</u>	<u>\$ 75,086</u>	<u>\$ 1,060,327</u>	<u>\$ 632,439</u>	<u>\$ 934,138</u>	<u>\$ 9,717,870</u>

**FRANKLIN COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022**

	<u>Special Revenue</u>				
	<u>County Road and Bridge</u>	<u>911 Trust</u>	<u>Fire Protection</u>	<u>Airport</u>	<u>Tourist Development</u>
Revenues					
Taxes	\$ 14,608	\$ —	\$ —	\$ —	\$ 3,480,276
Licenses and permits	—	—	467,593	—	—
Intergovernmental	1,492,311	433,648	—	363,044	—
Fines and forfeitures	—	—	—	—	—
Charges for services	—	—	—	—	—
Investment earnings and other	<u>28,498</u>	<u>1,996</u>	<u>5,009</u>	<u>341,573</u>	<u>3,532</u>
Total Revenues	<u>\$ 1,535,417</u>	<u>\$ 435,644</u>	<u>\$ 472,902</u>	<u>\$ 704,617</u>	<u>\$ 3,483,808</u>
Expenditures					
Current					
General government	—	—	—	—	—
Public safety	—	324,004	472,901	—	—
Physical environment	—	—	—	—	—
Economic environment	—	—	—	—	1,051,128
Transportation	1,591,758	—	—	208,096	—
Court related	—	—	—	—	—
Human services	—	—	—	—	—
Capital outlay	25,659	19,934	—	367,349	494,584
Debt service	<u>35,000</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>235,781</u>
Total expenditures	<u>1,652,417</u>	<u>343,938</u>	<u>472,901</u>	<u>575,445</u>	<u>1,781,493</u>
Excess (deficit) of revenues over (under) expenditures	<u>(117,000)</u>	<u>91,706</u>	<u>1</u>	<u>129,172</u>	<u>1,702,315</u>
Other financing sources (uses)					
Transfers in	54,485	—	—	—	—
Transfers out	(216,481)	(54,386)	—	—	(75,000)
Proceeds from debt	—	—	—	—	—
Reversion to State	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total other financing sources (uses)	<u>(161,996)</u>	<u>(54,386)</u>	<u>—</u>	<u>—</u>	<u>(75,000)</u>
Net change in fund balances	(278,996)	37,320	1	129,172	1,627,315
Fund balances - beginning	<u>729,391</u>	<u>539,375</u>	<u>—</u>	<u>72,812</u>	<u>2,695,133</u>
Fund balances - ending	<u>\$ 450,395</u>	<u>\$ 576,695</u>	<u>\$ 1</u>	<u>\$ 201,984</u>	<u>\$ 4,322,448</u>

(Continued)

FRANKLIN COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (Continued)
SEPTEMBER 30, 2022

	<u>Special Revenue</u>					
	<u>Mosquito Control</u>	<u>Clerk's Fine and Forfeitures</u>	<u>Clerk Modernization Trust</u>	<u>Sheriff's Special Revenue</u>	<u>Enforcement Educational Trust</u>	<u>Law Enforcement Trust</u>
Revenues						
Taxes	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Licenses and permits	—	—	—	—	—	—
Intergovernmental	38,025	522,504	—	122,671	—	—
Fines and forfeitures	—	79,804	—	—	—	—
Charges for services	—	145,885	54,229	—	2,431	—
Investment earnings & other	419	73	153	—	50	3
Total Revenues	<u>\$ 38,444</u>	<u>\$ 748,266</u>	<u>\$ 54,382</u>	<u>\$ 122,671</u>	<u>\$ 2,481</u>	<u>\$ 3</u>
Expenditures						
Current						
General government	—	—	545	128,688	—	—
Public safety	—	—	—	12,905	10,097	—
Physical environment	—	—	—	—	—	—
Economic Environment	—	—	—	—	—	—
Transportation	—	—	—	—	—	—
Court related	—	678,743	30,868	—	—	—
Human services	222,027	—	—	—	—	—
Capital outlay	36,730	—	31,520	—	—	—
Debt service	—	—	—	—	—	—
Total expenditures	<u>258,757</u>	<u>678,743</u>	<u>62,933</u>	<u>141,593</u>	<u>10,097</u>	<u>—</u>
Excess (deficit) of revenues over (under) expenditures	<u>(220,313)</u>	<u>69,523</u>	<u>(8,551)</u>	<u>(18,922)</u>	<u>(7,616)</u>	<u>3</u>
Other financing sources (uses)						
Transfers in	216,648	—	—	—	—	—
Transfers out	(1,000)	(69,523)	—	—	—	—
Proceeds from debt	—	—	—	—	—	—
Reversion to State	—	—	—	—	—	—
Total other financing sources (uses)	<u>215,648</u>	<u>(69,523)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net change in fund balances	(4,665)	—	(8,551)	(18,922)	(7,616)	3
Fund balances - beginning	<u>33,946</u>	<u>—</u>	<u>235,927</u>	<u>58,826</u>	<u>81,045</u>	<u>3,184</u>
Fund balances - ending	<u>\$ 29,281</u>	<u>\$ —</u>	<u>\$ 227,376</u>	<u>\$ 39,904</u>	<u>\$ 73,429</u>	<u>\$ 3,187</u>

(Continued)

**FRANKLIN COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022**

	<u>Special Revenue</u>					<u>Nonmajor Governmental Funds</u>
	<u>HHRP Trust</u>	<u>Boating Improvement</u>	<u>American Recovery Plan</u>	<u>Economic Development CDBG</u>	<u>Housing Initiative Partnership</u>	
Revenues						
Taxes	\$ —	—	\$ —	\$ —	\$ —	\$ 3,494,884
Licenses and permits	—	—	—	—	—	467,893
Intergovernmental	310,279	28,645	116,590	—	294,931	3,722,648
Fines and forfeitures	—	—	—	—	—	79,804
Charges for services	—	—	—	—	—	202,545
Investment earnings and other	127	17	—	2,472	39,238	423,160
Total Revenues	<u>\$ 310,406</u>	<u>\$ 28,662</u>	<u>\$ 116,590</u>	<u>\$ 2,472</u>	<u>\$ 334,169</u>	<u>\$ 8,390,934</u>
Expenditures						
Current						
General government	—	—	—	—	—	129,233
Public safety	—	—	85,065	—	—	904,972
Physical environment	—	—	—	—	—	—
Economic environment	310,849	—	—	—	349,440	1,711,417
Transportation	—	—	—	—	—	1,799,854
Court related	—	—	—	—	—	709,611
Human services	—	—	—	—	—	222,027
Capital outlay	—	—	31,525	—	—	1,007,301
Debt service	—	—	—	—	—	270,781
Total expenditures	<u>310,849</u>	<u>—</u>	<u>116,590</u>	<u>—</u>	<u>349,440</u>	<u>6,755,196</u>
Excess (deficit) of revenues over (under) expenditures	<u>(443)</u>	<u>28,662</u>	<u>—</u>	<u>2,472</u>	<u>(15,271)</u>	<u>1,635,738</u>
Other financing sources (uses)						
Transfers in	—	—	—	—	—	271,133
Transfers out	—	—	—	—	—	(416,390)
Proceeds from debt	—	—	—	—	—	—
Reversion to state	—	—	—	—	—	—
Total other financing sources (uses)	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(145,257)</u>
Net change in fund balances	(443)	28,662	—	2,472	(15,271)	1,490,482
Fund balances - beginning	<u>1,281</u>	<u>46,424</u>	<u>—</u>	<u>302,067</u>	<u>100,550</u>	<u>4,899,961</u>
Fund balances - ending	<u>\$ 838</u>	<u>\$ 75,086</u>	<u>\$ —</u>	<u>\$ 304,539</u>	<u>\$ 85,279</u>	<u>\$ 6,390,443</u>

**FRANKLIN COUNTY, FLORIDA
CUSTODIAL SCHEDULE OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2022**

	<u>Clerk of Circuit Court</u>	<u>Sheriff</u>	<u>Tax Collector</u>	<u>Total Funds</u>
Assets				
Cash and cash equivalents	\$ 475,272	\$ 41,707	\$ 750,356	\$ 1,267,335
Accounts receivable (net)	—	—	—	—
Due from other funds	—	—	—	—
Total Assets	<u>\$ 475,272</u>	<u>\$ 41,707</u>	<u>\$ 750,356</u>	<u>\$ 1,267,335</u>
Liabilities				
Due to individuals	—	—	—	—
Due to other funds	27,817	—	564,224	592,041
Due to other governments	15,257	—	39,228	54,485
Due to BOCC	7,700	—	—	7,700
Total Liabilities	<u>\$ 50,774</u>	<u>\$ —</u>	<u>\$ 603,452</u>	<u>\$ 654,226</u>
Net Position				
Restricted for:				
Other individuals and organizations	\$ 424,498	\$ 41,707	\$ 146,904	\$ 613,109
Total Assets	<u>\$ 424,498</u>	<u>\$ 41,707</u>	<u>\$ 146,904</u>	<u>\$ 1,225,628</u>

**FRANKLIN COUNTY, FLORIDA
CUSTODIAL SCHEDULE OF CHANGES FIDUCIARY NET POSITION
SEPTEMBER 30, 2022**

	<u>Clerk of Circuit Court</u>	<u>Sheriff</u>	<u>Tax Collector</u>	<u>Total Funds</u>
Additions				
Tax related	\$ —	\$ —	\$ 30,593,817	\$ 30,593,817
Permits, fees and special assessments	—	—	2,288,878	2,288,878
Deposits/escrow/surplus	—	—	—	—
Service charges/general government	—	159,678	—	159,678
Court related	<u>6,395,776</u>	<u>58,190</u>	<u>—</u>	<u>6,395,776</u>
Total Additions	<u>6,395,776</u>	<u>217,868</u>	<u>32,882,695</u>	<u>39,438,149</u>
Deductions				
Payment to individuals	—	156,465	2,284,722	2,284,722
Court related payments	6,114,676	10,300	—	6,124,976
Service charges/DT others	—	54,119	—	54,119
Payment to other governments	—	—	17,622,771	17,622,771
Payment to BOCC	—	—	13,092,084	13,092,084
Payment to constitutional officers	<u>—</u>	<u>—</u>	<u>101,857</u>	<u>101,857</u>
Total Deductions	<u>6,114,676</u>	<u>220,884</u>	<u>33,101,434</u>	<u>39,280,529</u>
Net change in fiduciary net position	281,100	(3,016)	(218,739)	59,345
Net position, beginning	<u>143,398</u>	<u>44,723</u>	<u>365,643</u>	<u>553,764</u>
Net position, ending	<u>\$ 424,498</u>	<u>\$ 41,707</u>	<u>\$ 146,904</u>	<u>\$ 613,109</u>

COMPLIANCE SECTION

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

Honorable Members of the
Board of County Commissioners
Franklin County, Florida

We have examined Franklin County, Florida's (the County) compliance with Section 218.415, Florida Statutes, regarding the investment of public funds and Section 365.172(10) and 365.173(2)(d), Florida Statutes, regarding emergency communications number E911 system fund during the year ended September 30, 2022. 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 and, accordingly, included examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the County's compliance with specified requirements.

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

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

Vance CPA LLC

Jun3 28, 2023
Apalachicola, Florida

Vance CPA LLC

Vance CPA LLC

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INDEPENDENT AUDITORS' MANAGEMENT LETTER

Honorable Members of the
Board of County Commissioners
Franklin County, Florida

Report on the Financial Statements

We have audited the financial statements of each major fund and the aggregate remaining fund information of Franklin, County, Florida, Board of County Commissioners, (hereinafter referred to as the "Board"), as of and for the year ended September 30, 2022, and the related notes to the financial statements, and have issued our report thereon dated June 28, 2023.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control Over financial Reporting and Compliance and Other Matters Based on an Audit of 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 Responses and Independent Auditors' Report on Examination of Compliance Requirements in Accordance with Chapter 10.550, *Rules of Auditor General*. Disclosures in those reports, which are dated June 28, 2023, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial report to the extent considered necessary by the County, except as repeated under the heading current year findings and recommendations. See also Summary Schedule of Prior Year Audit Findings.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in

the management letter, unless disclosed in the notes to the financial statements. Franklin County, Florida was established by the Constitution of the State of Florida, Article VIII, Section 1(e). The name or official title and legal authority for the primary government and each component unit of the reporting entity are disclosed in note 1 of the notes to the financial statements.

Financial Condition and Management

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, requires a statement be included as to whether or not the local governmental entity has met one or more of the conditions described in Section 219.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the Franklin County, Florida did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.c., 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 assessments as 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 address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Annual Financial Report

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, requires that we determine whether the annual financial report for Franklin County, Florida for the fiscal year ended September 30, 2022, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2022. In connection with our audit, we determined that these two reports were in agreement.

Additional Matters

Section 10.554 (1)(i)3., Rules of the Auditor General, requires that we address 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, and the Franklin County Board of County Commissioners and is not intended to be and should not be used by anyone other than these specified parties.

Vance CPA LLC

June 28, 2023
Apalachicola, Florida

Vance CPA LLC

Vance CPA LLC

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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 Members of the
Board of County Commissioners
Franklin County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Franklin County, Florida, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Franklin County Florida's basic financial statements and have issued our report thereon dated June 28, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Franklin County Florida's internal control over financial reporting (internal control) to determine the 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 Franklin County Florida's internal control. Accordingly, we do not express an opinion on the effectiveness of Franklin County Florida's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider to be material weaknesses.

Compliance and Other Matters

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

Franklin County Florida's Response to Findings

Franklin County Florida's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. Franklin County Florida's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.

June 28, 2023
Apalachicola, Florida



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

Honorable Members of the
Board of County Commissioners
Franklin County, Florida

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited Franklin County, Florida’s, (the County), compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the requirements described in the Florida Department of Financial Services *State Project Compliance Supplement* that could have a direct and material effect on each of Franklin County, Florida’s major federal programs for the year ended September 30, 2022. Franklin County, Florida’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, Franklin County, Florida complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2022.

Basis for Opinion on Each Major Federal and State Program

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; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.580 of the Rules of the Auditor General. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor’s Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Franklin County, Florida’s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance 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 Franklin County, Florida's compliance with the requirements of each major federal program as a whole.

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

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

Report on Internal Control over Compliance

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 on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

Vance CPA LLC

June 28, 2023
Apalachicola, Florida

Vance CPA LLC

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

Federal Awards Program	CFDA #	Contract/Grant Number	Expenditures
U S Department of Agriculture			
Eastpoint Hwy 98 and Business Corridor Feasibility Study	10.351	09-019-596000612	<u>71,500</u>
Total CFDA 10.351			<u>71,500</u>
Total US Department of Agriculture			<u>71,500</u>
U S Department of Interior/ Fish and Wildlife			
Federal Payments in Lieu of Payments (PILT)	15.226	2022 PILT	<u>54,568</u>
Total CFDA 15.226			<u>54,568</u>
Federal Forestry Funds – through FL Dept Fin Svcs	15.234	Federal Forestry Funds	<u>16,272</u>
Total CFDA 15.234			<u>16,272</u>
Federal Refuge Sharing Funds	15.659	Refuge Revenue Sharing Acct Funds	<u>147,493</u>
Total US Department of Interior/Fish and Wildlife			<u>218,333</u>
U S Department of Transportation			
<i>Passed through Federal Aviation Administration</i>			
FAA Update Airport Master Plan	20.106	FAA 3-12-0001-009-2018	<u>35,265</u>
Total CFDA 20.106			<u>35,265</u>
Total US Department of Transportation			<u>35,265</u>
U S Department of Transportation			
<i>Passed through Florida Dept of Transportation</i>			
LAP CR370 Alligator Drive Multi-Use Path Phase 1 Const	20.205	42985425801 G1X75	501,674
LAP CR370 Alligator Drive Multi-Use Path Phase 1 CEI	20.205	42985426801 G1X75	<u>52,868</u>
Total CFDA 20.205			<u>554,542</u>
Total US Department of Transportation			<u>554,542</u>
U S Department of Homeland Security			
<i>Passed through Florida Dept of Management SVCS</i>			
E911 GIS Data Support	20.615	S16-20-09-02	<u>143,877</u>
Total CFDA 20.615			<u>143,877</u>
Total US Department of Homeland Security			<u>143,877</u>
U S Department of the Treasury			
Gulf RESTORE Funds – St. Georg Island Stormwater Improvement Project	21.015	RDC20211000313	33,650
Gulf RESTORE Funds – County Wide Dune Restoration Project	21.015	RDC2021000312	<u>89,290</u>
Total CFDA 21.015			<u>122,940</u>
US Treasury – American Rescue Plan Allocation	21.027	American Rescue Plan Allocation	<u>116,590</u>
Total CFDA 21.027			<u>116,590</u>
Total US Department of Treasury			<u>239,530</u>

**FRANKLIN COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (continued)
AND STATE FINANCIAL ASSISTANCE
YEAR ENDED SEPTEMBER 30, 2022**

Federal Awards Program	CFDA #	Contract/Grant Number	Expenditures
U S Department of Treasury – Gulf Oil Spill Funds			
Gulf Consortium – Apalachicola Bay Cooperative Dredging Program	87.052	Project 7-3 FAIN#GNSSP21FL0029	<u>6,000,000</u>
Total CFDA 87.052			<u>6,000,000</u>
Total US Department of Treasury			<u>6,000,000</u>
U S Health & Human Services			
<i>Passed through Florida Department of Health</i>			
HRS Service of Process 2021-2022	93.563	CST-19	462
Title IV-D CSE	93.563	Operational 001.331-650	<u>53,566</u>
Total CFDA 93.563			<u>54,028</u>
Total US Department of Health & Human Services			<u>54,028</u>
U S Department of Homeland Security			
<i>Passed through Florida Div. of Emergency Mgmt – Disaster Grants – Public Assistance</i>			
FEMA Hurricane Sally – Emergency Protective Measures	97.036	PA-04-FL-4564-PW-00068	3,694
FEMA Hurricane Michael - Island View Park Repairs	97.036	PA-04-FL-4399-PW-01268	864,794
FEMA Hurricane Michael – Alligator Drive Repairs	97.036	PA-04-FL-4399-PW-01152	2,544,854
FEMA Hurricane Michael – C30 East and West Washouts	97.036	PA-04-FL-4399-PW-01262	594,327
FEMA Hurricane Michael – C30 West Gulf Ave Washouts	97.036	PA-04-FL-4399-PW-01260	11,652
FEMA Hurricane Sally – North Bayshore Culvert Repairs Match Waiver	97.036	PA-00-02-29-042	3,760
FEMA Hurricane Hermine & Michael – ST George Island Boat & Pier Access Road Repairs	97.036	17-PA-W1-02-29-02 19-PA-AJ-02-29-02-010	78,316
FEMA Hurricane Michael – Eastpoint Fishing Pier Access Road Repairs	97.036	PA-04-FL-4399-PW-01252	<u>239,887</u>
Total CFDA 97.036			<u>4,341,284</u>
Emergency Management Performance Grant 21/22 EMPG	97.042	G0230	<u>53,504</u>
Total CFDA 97.042			<u>53,504</u>
Total US Department of Homeland Security			<u>4,394,788</u>
U S Department of Justice			
<i>Passed through Florida Department of Law Enforcement</i>			
VOCA	16.575	N/A	<u>36,185</u>
Total CFDA 16.575			<u>36,185</u>
2020/2021 CESF Program	16.034	N/A	<u>50,000</u>
Total CFDA 16.034			<u>50,000</u>
Edward Burn Memorial Justice Assistance Grant	16.738	N/A	<u>84,079</u>
Total CFDA 16.738			<u>84,079</u>
Total US Department of Justice			<u>170,264</u>
Total Expenditure of Federal Awards			<u>\$11,882,127</u>

**FRANKLIN COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (continued)
AND STATE FINANCIAL ASSISTANCE
YEAR ENDED SEPTEMBER 30, 2022**

State Financial Assistance Projects	CSFA #	Contract/Grant Number	Expenditures
Florida Executive Office of the Governor – Division of Emergency Management			
Emergency Mgmt Preparedness Grant EMPA 21/22	31.063	A0197	100,154
Emergency Mgmt Preparedness Grant EMPA 22/23	31.063	A0267	5,644
FEMA Hurricane Michael – Island View Park	31.063	PA-04-FL-4399-PW-01268	288,264
FEMA Hurricane Michael – Alligator Drive Repairs	31.063	PA-04-FL-4399-PW-01152	848,285
FEMA Hurricane Michael – C30 East & West Washouts	31.063	PA-04-FL-4399-PW-01262	198,109
FEMA Hurricane Michael – C30 Gulf Ave Washouts	31.063	PA-04-FL-4399-PW-01260	3,884
FEMA Hurricane Michael & Hermine – SGI Fishing Pier/Ramp & Seawall Parking Repairs	31.063	19-PA-AJ-02-29-02-010 17-PA-W1-02-29-02-106	17,165
FEMA Hurricane Michael – Eastpoint Fishing Pier Parking and ADA	31.063	PA-04-FL-4399-PW-01252	<u>79,962</u>
Total CSFA 31.063			<u>1,541,467</u>
DEM EOC Planning and Design Grant	31.064	F0032	<u>98,083</u>
Total CSFA 31.064			<u>98,083</u>
FEMA Residential Construction Hazard Mitigation	31.066	Proj/ DEM-HL00048 Agreement B0091	<u>3,355</u>
Total CSFA 31.066			<u>3,355</u>
Total Florida Executive Office of the Governor			<u>1,642,905</u>
Florida Department of Environmental Protection			
Consolidated Solid Waste Management Grant	37.012	SC207	<u>93,739</u>
Total CSFA 37.012			<u>93,739</u>
Total Department of Environmental Protection			<u>93,739</u>
Florida Housing Finance Agency			
State Housing Initiative Partnership (SHIP)	40.901	2019/2020	150,231
State Housing Initiative Partnership (SHIP)	40.901	2020/2021	<u>144,700</u>
Total CSFA 40.901			<u>294,931</u>
Hurricane Housing Recovery Program	40.902	2019/2020	<u>310,279</u>
Total CSFA 40.902			<u>310,279</u>
Total Florida Housing Finance Agency			<u>605,210</u>
Florida Department of Agriculture			
Mosquito Control State Aid	42.003	FDACS #028442	<u>38,025</u>
Total CSFA 42.003			<u>38,025</u>
Total Department of Agriculture			<u>38,025</u>
Florida Department of Financial Services			
Fort Coombs Armory Sprinkler System Design – Fire Marshall	43.009	FM446	<u>149,841</u>
Total CSFA 43.009			<u>149,841</u>
Total Department of Financial Services			<u>149,841</u>

**FRANKLIN COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (continued)
AND STATE FINANCIAL ASSISTANCE
YEAR ENDED SEPTEMBER 30, 2022**

State Financial Assistance Projects	CSFA #	Contract/Grant Number	Expenditures
Florida Department of State			
State Aid to Libraries	45.030	22-ST-94	<u>62,000</u>
Total CSFA 45.030			<u>62,000</u>
Total Department of State			<u>62,000</u>
Florida Department of Transportation			
Airport Design & Rehab Lighting Runway 6-24 And Taxiways B & D	55.004	41604759401 G1795	197,962
Airport Master Plan Update	55.004	41604739401 G1695	11,568
TRIP Airport Pavement Aprons Grant	55.004	43689819401 G1794	92,750
Airport Obstruction Removal Grant	55.004	44976119401 G2211	<u>25,500</u>
Total CSFA 55.004			<u>327,780</u>
SCOP –CR67 Widen & Resurface Project	55.009	44064415401 G1P03	1,198,471
SCOP –CR67 Womack Creek Bridge Design Project	55.009	44984013401 G2358	90,595
SCOP - Timber Island Road Resurfacing Project	55.009	44663615401 G1H72	811,813
SCOP – CR30A Resurfacing Construction Project	55.009	44062215401 G1Z86	<u>2,723,515</u>
Total CSFA 55.009			<u>4,824,394</u>
SCRAP-C67 Widening & Resurfacing Project Phase III	55.016	44064433401 G1Z88	121,595
SCRAP-C67 Widening & Resurfacing Project Phase II	55.016	44064425401 G1Z87	<u>150,780</u>
Total CSFA 55.016			<u>272,375</u>
Total Florida Department of Transportation			<u>5,424,549</u>
Florida Department of Law Enforcement			
20/21 FIBRS Implementation Assistance Grant	71.043	2020-FBSFA-F2-014	<u>20,000</u>
Total CSFA 71.043			<u>20,000</u>
Total Department of Law Enforcement			<u>20,000</u>
Florida Department of Management Services			
E911 System Maintenance Grant	72.001	21-04-06	26,492
E911 System Maintenance Grant	72.001	20-04-17	<u>4,903</u>
Total CSFA 72.001			<u>31,395</u>
E911 Region 1 GIS Data Support Year 1	72.002	S17-21-02-16	<u>100,000</u>
Total CSFA 72.002			<u>100,000</u>
Total Department of Management Services			<u>131,395</u>
Total Expenditure of State Financial Assistance			<u>\$ 8,167,664</u>

**FRANKLIN COUNTY, FLORIDA
NOTES TO SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
YEAR ENDED SEPTEMBER 30, 2022**

Note 1 – Basis of Accounting

The supplementary schedule of expenditures of federal awards and state financial assistance includes the federal and state grant activity of the County. Expenditures are presented on the modified accrual basis of accounting.

Note 2 – Reporting Entity

For the purpose of the supplementary schedule of expenditures of federal awards and state financial assistance the County includes all the funds of the primary government as defined by GASB Statement No. 14, *The Financial Reporting Entity*.

Note 3 – Pass-Through Awards

The Board received certain federal awards from pass-through awards of the State of Florida. The total amount of such pass-through awards is included on the supplementary schedule of expenditures of federal awards and state financial assistance.

Note 4 – Indirect Cost Rate

The County did not elect to utilize the 10% de minimis indirect cost rate.

**FRANKLIN COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED SEPTEMBER 30, 2022**

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? Yes No

Significant deficiency(ies) identified that are not considered to be a material weaknesses? Yes None reported

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs: Unmodified

Material weakness(es) identified? Yes No

Significant deficiency(ies) identified that are not considered to be a material weaknesses? Yes None reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance? Yes No

Identified major programs:

<u>CFDA/CSFA Number</u>	<u>Name of Federal Award/State Financial Assistance Project</u>
87.052	Gulf Consortium Apalachicola Bay Cooperative Dredging Program
55.009	SCOP
31.063	Emergency Management Preparedness Grant

**FRANKLIN COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND RESPONSES (continued)
YEAR ENDED SEPTEMBER 30, 2022**

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

\$750,000 Federal/\$750,000 State

Auditee qualified as low-risk auditee?

X yes ___ none

Section II – Financial Statement Findings

See Summary Schedule of Current Year Findings

Section III – Findings and Questioned Costs – Major Federal Award Programs

No findings or questioned costs in the current year.

Section IV – Findings and Questioned Costs – Major State Financial Assistance Projects

No findings or questioned costs in the current year.

Section V – Other Issues

No Corrective Action Plan is required.

**FRANKLIN COUNTY, FLORIDA
SUMMARY SCHEDULE OF CURRENT YEAR AUDIT FINDINGS
SEPTEMBER 30, 2022**

2018-001 Accrual Basis Accounting (Repeat)

Hospital

Criteria: Management is responsible for establishing and maintaining effective internal control over financial reporting and presenting financial statements in accordance with generally accepted accounting principles.

Condition: Multiple accounts and financial statement line items required adjustment or reclassification in order for the financial statements to be presented in accordance with generally accepted accounting principles. Such adjustments included proper presentation of cash, accounts receivable and related reserves, prepaid expenses, other assets, accounts payable, other liabilities, estimated third-party payer settlements, property, plan and equipment, and related party accounts, among others. Further, various accounts were not reconciled (or not reconciled timely) to the subsidiary ledgers at fiscal year-end, resulting in some of these adjustments.

Cause: Internal processes and controls were not sufficient (either nonexistent or ineffective) to detect material misstatements of the financial statements. The high level of management and accounting staff turnover during and just before fiscal 2019 was a contributing factor.

Effect: Material misstatement of the financial statements (before auditor adjustments).

Recommendation: Management should focus on strengthening internal controls surrounding financial reporting and the proper presentation of financial statements in accordance with GAAP.

Views of Responsible Officials and Planned Corrective Actions: The Chief Financial Officer (CFO) will reconcile balance sheet accounts monthly. This was due to a lack of training and experience with the current Electronic Medical Records Provider. Staff turnover was a factor.

2018-003 Accounting & Finance Staffing (Repeat)

Hospital

Criteria: Management is responsible for establishing and maintaining effective internal control over financial reporting and presenting financial statements in accordance with generally accepted accounting principles. Such responsibility includes hiring and retaining effective and experienced staff to conduct such activities.

Condition and Cause: Processes and controls in place in fiscal 2019 were not sufficient to maintain effective internal control over financial reporting which resulted in the other findings described within this schedule.

Effect: The effect of this finding is reflected in the effects of findings 2018-001, 2018-002 and 2019-001 through 2019-004.

Recommendation: The Hospital should invest in the hiring of accounting staff and focus on retention of existing staff to ensure that existing control activities can be properly conducted and new policies and controls, necessary to address the findings noted herein, can be established and followed.

Views of Responsible Officials and Planned Corrective Actions: Management will identify options to enhance separations of duties by finance staff.

**FRANKLIN COUNTY, FLORIDA
SUMMARY SCHEDULE OF CURRENT YEAR AUDIT FINDINGS
SEPTEMBER 30, 2022**

2019-001 Reconciliation of Cash and Posting of Receipts (Partial Repeat)

Hospital

Criteria: Internal controls should be in place to ensure that all cash transactions are properly and timely recorded by the Hospital.

Condition and Cause and Effect: We determined that not all bank accounts were fully reconciled in a timely manner, resulting in material, client-posted entries to adjust cash, receivables, and other accounts at fiscal year-end.

Recommendation: Bank reconciliations should be prepared and reviewed on a regular basis for all accounts, regardless of significance, and any identified variances or differences should be investigated and resolved in a timely manner. Cash receipts related to patient accounts should be matched and posted to the appropriate accounts receivable subledger upon receipt, or, if remittance information is not sufficient to enable account identification, investigated and resolved in as timely a manner as possible.

Views of Responsible Officials and Planned Corrective Actions: All bank reconciliations will be conducted monthly with all variances identified investigated and resolved timely. Additionally, all cash receipts related to patient accounts will be reconciled and posted daily with all variances investigated and resolved timely.

2019-006 Capital Assets and Depreciation

Hospital

Criteria: Generally accepted accounting principles require the Hospital to report the cost of capital assets and accumulated depreciation by asset class and annual depreciation by function.

Condition and Effect: We noted variances between the Hospital's capital asset registers and general ledger, and various capital assets that were not recorded, or incorrectly recorded. As a result, adjusting entries were required to record certain capital asset additions, remove assets no longer capitalized, and adjust yearly depreciation expense totals.

Recommendation: We recommend the Hospital implement appropriate measures to ensure that all capital assets are captured and appropriately classified, maintained, and depreciated on the capital asset register, and that the capital asset register is reconciled to the general ledger on a regular basis and any differences that are identified are followed up on and resolved.

Views of Responsible Officials and Planned Corrective: The CFO will set up a structure for Account Payables. The CFO and Franklin County Finance Department will communicate asset dispositions.

**FRANKLIN COUNTY, FLORIDA
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
SEPTEMBER 30, 2022**

2018-001 Accrual Basis Accounting

Repeated

2018-002 Inventory

Corrected

2018-003 Accounting and financing Staffing

Repeated

2019-001 Reconciliation of cash and payroll expense

Partial Repeat

2020-005 Accounts Receivable, Revenue and Reserves for Uncollectible Accounts

Corrected

2019-006 Capital Assets and Depreciation

Repeated

2019-007 Recording of Audit Adjustments/Reconciliation of Net Position

Corrected

**Franklin County, Florida
Clerk of the Circuit Court**

**Special-Purpose
Financial Statements
September 30, 2022**

Vance CPA, LLC

Certified Public Accountant

219-B Avenue E • Apalachicola, FL 32320
Tel. (706) 278-1221 • Fax (800) 532-1015

**FRANKLIN COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT
SEPTEMBER 30, 2022**

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INDEPENDENT AUDITORS' REPORT

To the Honorable Michele Maxwell
Franklin County Clerk of the Circuit Court
Franklin County, Florida

Opinions

We have audited the financial statements of the general fund of the Franklin County, Florida Clerk of the Circuit Court, (the Clerk of the Circuit Court), as of and for the fiscal year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Clerk of the Circuit Courts' 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 for the Clerk of the Circuit Court as of September 30, 2022, and the respective changes in financial position thereof and the respective budgetary comparison for the general fund for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Clerk of the Circuit Court 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, only for that portion of the general fund, of Franklin County that is attributable to the Clerk of the Circuit Court. They do not purport to, and do not, present fairly the financial position of Franklin County as of September 30, 2022, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

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 the 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 of events, considered in the aggregate, that raise substantial doubt about the Clerk of the Circuit Courts' ability to continue as a going concern for twelve months beyond the financial statement date, including any known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report June 28, 2023 on our consideration of the Clerk of the Circuit Courts' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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.

Vance CPA LLC

Apalachicola, Florida
June 28, 2023

Vance CPA LLC

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

**SPECIAL-PURPOSE BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022**

	<u>General Fund</u>	<u>Fines and Forfeitures Fund</u>	<u>Modernization Trust Fund</u>	<u>Total Governmental Funds</u>
Assets:				
Cash and cash equivalents	\$ 124,799	\$ 157,051	\$ 227,380	\$ 509,230
Accounts receivable	—	—	—	—
Due from other funds	40,903	15,250	3,884	60,037
Due from other governmental units	24,096	4,849	—	28,945
Prepays	—	—	—	—
Total Assets	<u>189,798</u>	<u>177,150</u>	<u>231,264</u>	<u>598,212</u>
Liabilities Deferred Inflows and Fund Balances:				
Deferred Inflows				
Jury funding	—	—	—	—
Total Deferred Inflows	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Liabilities				
Accounts payable	10,781	2,450	3,887	17,118
Due to other funds	94,490	37,873	—	132,363
Due to other governmental units	9,944	136,827	—	146,771
Due to Board of County Commissioners	1,625	—	—	1,625
Total Liabilities	<u>116,840</u>	<u>177,150</u>	<u>3,887</u>	<u>297,877</u>
Fund Balance:				
Restricted	<u>72,958</u>	<u>—</u>	<u>227,377</u>	<u>300,335</u>
Total Liabilities Deferred Inflows and Fund Balances	<u>\$ 189,798</u>	<u>\$ 177,150</u>	<u>\$ 231,264</u>	<u>\$ 598,212</u>

See accompanying notes to the basic financial statements

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

**STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN RESTRICTED FUND BALANCES
GOVERNMENTAL FUNDS**

YEAR ENDED SEPTEMBER 30, 2022

	<u>General Fund</u>	<u>Fines and Forfeitures Fund</u>	<u>Modernization Trust Fund</u>	<u>Total Governmental Funds</u>
Revenues:				
Charges for services	\$ 126,865	\$ 145,885	\$ 54,229	\$ 326,979
Intergovernmental revenue	53,566	522,504	—	576,070
Investment income	173	73	153	399
Fines and Forfeitures	—	79,804	—	79,804
Total revenues	<u>180,604</u>	<u>748,266</u>	<u>54,382</u>	<u>983,252</u>
Expenditures:				
General government				
Current				
Personal services	418,222	—	—	418,222
Operating expenditures	84,962	—	545	85,507
Capital outlay	24,215	—	—	24,215
Court-related				
Current				
Personal services	46,769	658,755	—	705,524
Operating expenditures	5,663	19,988	30,868	56,519
Capital outlay	—	—	31,520	31,520
Total expenditures	<u>579,831</u>	<u>678,743</u>	<u>62,933</u>	<u>1,321,507</u>
Excess (deficit) of revenues over (Under) Expenditures	(399,227)	69,523	(8,551)	(338,255)
Other financing sources (uses)				
Transfers from Board of County Commissioners	509,054	—	—	509,054
Transfers to Board of County Commissioners	(87,988)	—	—	(87,988)
Reversion to State of Florida	—	(69,523)	—	(69,523)
Total other financing Sources (uses)	<u>421,066</u>	<u>(69,523)</u>	<u>—</u>	<u>351,543</u>
Net change in fund balances	21,839	—	(8,551)	13,288
Fund balances - beginning	<u>51,119</u>	<u>—</u>	<u>235,928</u>	<u>287,047</u>
Fund balance - ending	<u>\$ 72,958</u>	<u>\$ —</u>	<u>\$ 227,377</u>	<u>\$ 300,335</u>

See accompanying notes to the basic financial statements

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

CUSTODIAL STATEMENT OF FIDUCIARY NET POSITION

SEPTEMBER 30, 2022

ASSETS

Cash and Cash Equivalents \$ 475,272

Total Assets \$ 475,272

LIABILITIES

Due to other funds 27,817

Due to Board of County Commissioners 7,700

Due to other governments 15,257

Total Liabilities \$ 50,774

NET POSITION

Restricted for:

Other individuals and organizations 424,568

Total Net Position \$ 424,568

See accompanying notes to the basic financial statements

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

CUSTODIAL STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

SEPTEMBER 30, 2022

Additions	
Court related	<u>\$6,395,776</u>
Total Additions	<u>6,395,776</u>
Deductions	
Court related payments	<u>6,114,676</u>
Total Deductions	<u>6,114,676</u>
Net change in fiduciary net position	281,100
Net position, beginning	<u>143,398</u>
Net Position, ending	<u>\$ 424,498</u>

See accompanying notes to the basic financial statements

**FRANKLIN COUNTY, FLORIDA - CLERK OF THE CIRCUIT COURT
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Clerk of the Circuit Court of Franklin County, Florida is an elected Constitutional Officer of Franklin County pursuant to Article VIII, Section (1) of the *Constitution of the State of Florida*. For financial statement and reporting purposes, the Clerk is a separate constitutional officer as provided for by Chapter 218, Florida Statutes. The Clerk is considered to be a part of the primary government of Franklin County, Florida and the financial information is included in Franklin County's county-wide financial statements.

These special-purpose financial statements include only the balance and activity of the Clerk's office. They have been prepared for the purpose of complying with Section 10.557, *Rules of the Auditor General for Local Government Entity audits*, and are not intended to be a complete presentation of the financial position of the County, or the changes in financial position or where applicable, cash flows, thereof, in conformity with accounting principles generally accepted in the United States of America.

The Clerk funds her operations as a fee officer and a budget officer pursuant to Florida Statutes, Chapters 28, 218 and 129. As a fee officer, the Clerk collects fees and commissions from the County and Circuit Court related matters. As a budget officer, the operations as Clerk to the Board are approved and funded by the Board of County Commissioners. The budgeted receipts from the Board are recorded as other financing sources on the Clerk's financial statements and as other financing uses on the Board's financial statements. Excesses of revenues and other financing sources received over expenditures are remitted to the Board at year-end.

The accounting policies of the Clerk conform to accounting principles generally accepted in the United States of America, as applicable to governments.

B. Basis of Presentation

Accounts are organized on the basis of fund types, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues and expenditures as appropriate. Government resources are allocated to and accounted for in individual funds based on the purpose for which they are to be spent and the means by which spending activities are controlled. The Clerk utilizes the following fund types:

**FRANKLIN COUNTY, FLORIDA - CLERK OF THE CIRCUIT COURT
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Governmental Fund Types

General Fund – The general fund is the general operating fund of the Clerk. It is used to account for all financial resources, except for those required to be accounted for in other funds.

Fine and Forfeitures Trust Fund – This fund accounts for funds collected and disbursed pursuant to statutes, administrative orders and ordinances.

Modernization Trust Fund – The modernization trust fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

Fiduciary Fund Type

Custodial Funds – The custodial funds are used to account for assets held by the Clerk as an agent for individuals, private organizations, and other governments. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of changes in financial position.

C. 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.

The accompanying financial statements have been prepared using the modified accrual basis of accounting for governmental funds and agency funds. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available to finance expenditures of the current period. Expenditures are recorded when the liability is incurred, if measurable, except for principal and interest on long-term obligations which is recorded when due.

The Clerk considers receivable collected within 60 days after year end to be available and susceptible to accrual as revenues of the current year. Charges for services and interest earned are susceptible to accrual.

**FRANKLIN COUNTY, FLORIDA - CLERK OF THE CIRCUIT COURT
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Measurement Focus

The accounting and financial reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. This means that generally, only current assets and current liabilities are included in the balance sheet. Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they present a summary of sources and uses of “available spendable resources” during a period.

E. Budgetary Requirements

Expenditures, other than those for certain agency funds, are controlled by appropriations in accordance with the budget requirements set forth in Florida Statutes. Budgets are adopted for governmental and special revenue funds. Budgetary control is exercised at the fund level. Budgetary changes within the fund are made at the discretion of the Clerk. Appropriations lapse at the end of the fiscal year to the extent they have not been expended. The budgeted revenues and expenditures in the accompanying budgetary comparison statement reflect all approved amendments.

Florida Statutes Chapter 218.35 governs the preparation, adoption, and administration of the Clerk’s annual budget. The Clerk establishes an annual budget for the office which clearly reflects the revenues available to the office and the functions for which the money is to be expended.

The Clerk’s budget is prepared in three parts:

1. The budget relating to the requirements of the Clerk as the Ex Officio Clerk to the Board, County Auditor, County Recorder, and Custodian or Treasurer of all County funds and other county related duties, and for chapter 29 obligations;
2. The budget relating to the Florida court system, which is filed with the Clerk of Courts Operations Corporation (CCOC) by June 1 preceding the fiscal year of the budget, in the format required by the CCOC. Section 28.36, Florida Statutes, defines the maximum annual budget permitted; and
3. The budget for all other operations of the Clerk.

**FRANKLIN COUNTY, FLORIDA - CLERK OF THE CIRCUIT COURT
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The annual budgetary data reported for the governmental fund types are adopted on a basis consistent with accounting principles generally accepted in the United States and represent the Clerk's adopted budget, the original appropriation ordinance, and budget amendments approved by the Clerk or as adopted by the Board.

Budget to actual comparisons are provided in the financial statements for the general fund, the fine and forfeitures trust fund, and modernization trust fund. All budget amounts presented in the accompanying financial statements have been adjusted for legally authorized amendments of the annual budget for the year. Budgets are prepared on the modified accrual basis of accounting.

F. Cash and Cash Equivalents

The Clerk considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

G. Investments

Investments are administered by the Florida State Board of Administration or consist of certificates of deposit when directed by court order. In accordance with the provisions of GASB Statement Number 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, investments of the Clerk are reported at amortized cost, which approximates fair value.

H. Capital Assets

Tangible personal property is recorded as expenditures in the governmental fund types at the time an asset is acquired. Title to these assets vests with the Franklin County Board of County Commissioners, and therefore, the Franklin County Board of County Commissioners records the capitalization of the asset, and any related depreciation. The Clerk maintains custodial responsibility for the capital assets used by her office.

**FRANKLIN COUNTY, FLORIDA - CLERK OF THE CIRCUIT COURT
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. Compensated Absences

The Clerk maintains a policy that permits employees to accumulate earned but unused leave time and compensatory time benefits that will be paid to employees upon separation from County service if certain criteria are met. These benefits, plus their related tax and retirement costs are classified as compensated absences. Employees may be paid for unused leave time and compensatory time hours accrued up to a maximum amount.

Both the current and long-term portion of compensated absences are accrued and reported in the government-wide financial statements of Franklin County. No expenditure is reported in the government fund level statements for these amounts until payment is made. Compensated absences liability is based on current rates of pay.

J. Net Assets and Fund Equity

GASB Statement 54 – *Fund Balance Reporting and Governmental Funds Type Definitions* was implemented as of October 1, 2009. This Statement requires the fund balance for governmental funds to be reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Categories for fund balance are as follows: nonspendable, restricted, committed, assigned, and unassigned. For more information, see the County-wide note on fund balance.

K. Restricted Assets

Certain assets of the various funds are required by resolutions or ordinances to be set aside and used for specific purposes; thus, they are not available to be used for general operations. When both restricted and unrestricted resources are available for use, it is the government's policy to use externally restricted resources first, then unrestricted resources – committed, assigned, and unassigned – in order as needed.

L. Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make use of estimates that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amount of revenues and expenditures during the reporting period. Actual results could differ from estimates.

**FRANKLIN COUNTY, FLORIDA - CLERK OF THE CIRCUIT COURT
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

M. Subsequent Events

The County evaluated subsequent events through June 28, 2023, the date which the financial statements were available to be issued. The County did not have any subsequent events requiring disclosure or recording in these financial statements.

N. Excess Court-related Funds

Based on the legal opinion provided by Clerks of Court Operations Corporation general counsel of the provisions of Section 28.37(3),F.S., which was adopted as policy by the CCOC Finance and Budget Committee, all excess court-related funds have been included in a fund liability, Due to Other Governments.

NOTE 2 - CASH AND INVESTMENTS

Cash Deposits

All Clerk depositories are banks designated by the State Treasurer as qualified public depositories. Chapter 280, Florida Statutes “Florida Security for Public Deposits Act” provides procedures for public depositories to insure monies in banks and savings and loans are collateralized with the Treasurer as an agent for the public entities. All Clerk cash consists of checking accounts and interest-bearing time deposits in a local bank.

Investments

The Clerk maintains investment accounts with the Local Government Surplus Trust Funds Trust Fund (LGSF) administered by the Florida State Board of Administration (SBA). The LGSF is an external investment pool that is not a registrant with the Securities and Exchange Commission (SEC); however, the SBA has adopted operating procedures consistent with the requirements for an SEC Rule 2a-7 fund. The LGSF is governed by Chapter 19-7 of the Florida Administrative Code, which identifies the Rules of the SBA. These rules provide guidance and establish the general operating procedures for the administration of the LGSF. Additionally, the Florida Office of the Auditor General performs the operational audit of the activities and investments of the SBA. Investments with the SBA are not evidenced by securities that exist in physical or book entry form. The LGSF is not rated by statistical rating organizations.

**FRANKLIN COUNTY, FLORIDA - CLERK OF THE CIRCUIT COURT
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

NOTE 2 - CASH AND INVESTMENTS (continued)

The Clerk held no investments at September 30, 2022.

Interest Rate Risk

At September 30, 2022, the Clerk did not hold any investments that were considered to be an interest rate risk.

Credit Risk

At September 30, 2022 the Clerk did not hold any investments that were considered to be a credit risk.

Custodial Risk

At September 30, 2022 the Clerk did not hold any deposits or investments that were considered to be a custodial risk.

Concentration of Credit Risk

At September 30, 2022 the Clerk did not hold any deposits or investments that were considered to be a credit risk.

NOTE 3 – EMPLOYEE BENEFITS

RETIREMENT PLAN

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

**FRANKLIN COUNTY, FLORIDA - CLERK OF THE CIRCUIT COURT
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

NOTE 3 – EMPLOYEE BENEFITS (continued)

Essentially all regular employees of the Clerk are eligible to enroll as members of the State-administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes, Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of the two costs-sharing, multiple-employer defined benefit plans and other nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statement, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' Web site (www.dms.myflorida.com)

Plan Description

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

- Regular Class – Members of the FRS who do not qualify for membership in the other classes.
- Elected County Officers Class – Members who hold specified elective offices in local government.
- Senior Management Service Class (SMSC) – Members in senior management level positions.
- Special Risk Class – Members who are special risk employees, such as law enforcement officers, meet the criteria to qualify for this class.

Employees enrolled in the FRS Plan prior to July 1, 2011, vest at 6 years of creditable service and employees enrolled in the FRS Plan on or after July 1, 2011, vest at 8 years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service, except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service. All members enrolled in the FRS Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service, except for members classified as special

**FRANKLIN COUNTY, FLORIDA - CLERK OF THE CIRCUIT COURT
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

NOTE 3 – EMPLOYEE BENEFITS (continued)

risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service. Employees enrolled in the FRS Plan may include up to 4 years of credit for military service toward creditable service. The FRS Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The FRS Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

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

Benefits Provided

Benefits under the FRS Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the 5 highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the 8 highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits.

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3 percent per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3 percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3 percent. FRS Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

**FRANKLIN COUNTY, FLORIDA - CLERK OF THE CIRCUIT COURT
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

NOTE 3 – EMPLOYEE BENEFITS (continued)

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

Plan Description

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

Benefits Provided

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

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

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

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. Clerk employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member’s accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature.

**FRANKLIN COUNTY, FLORIDA - CLERK OF THE CIRCUIT COURT
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

NOTE 3 – EMPLOYEE BENEFITS (continued)

The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officer, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.04 percent of payroll and by forfeited benefits of plan members.

For all membership classes, employees are immediately vested in their own contributions and are vested after 1 year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over their account. If the employee does not return within the 5-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2022, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the Clerk.

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

Participating employer contributions are based upon statewide rates established by the State of Florida. The Clerk's contributions made to the plans during the years ended September 30, 2022, 2021, and 2020 were \$174,298, \$137,392, and \$96,188, respectively, equal to the actuarially determined contribution requirements for each year. Additional information about pension plans can be found in the County's annual financial statements.

**FRANKLIN COUNTY, FLORIDA - CLERK OF THE CIRCUIT COURT
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

NOTE 4 – CHANGES IN LONG-TERM OBLIGATIONS

Long-term debt of the Clerk of the Circuit Court is reported as a component of the County’s government-wide financial statements as follows:

	Balance		Balance	
	<u>09/30/21</u>	<u>Additions</u>	<u>Reductions</u>	<u>09/30/22</u>
Accumulated compensated absences	\$ <u>57,502</u>	\$ <u>—</u>	\$ <u>(3,829)</u>	\$ <u>53,673</u>

Accrued compensated absences represent the vested portion of accrued leave time, and compensatory time. See note 1 for a summary of the Clerk of the Circuit Court’s policy regarding compensated absences.

NOTE 5 –RISK MANAGEMENT

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

The Board obtained commercial insurance against losses for the following types of risk:

- Real and personal property damage
- Public employee’s bond
- Workers’ compensation
- General and automobile liability

NOTE 6 – ENCUMBRANCES

Encumbrances represent commitments related to unperformed contracts for goods and services. They do not constitute expenditures or liabilities. The commitments will be honored in the subsequent year for those that expire at year end. The Clerk had no outstanding encumbrances at September 30, 2022.

REQUIRED SUPPLEMENTARY INFORMATION

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

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – GENERAL FUND**

YEAR ENDED SEPTEMBER 30, 2022

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final</u>
	<u>Original</u>	<u>Final</u>		<u>Budget Positive (Negative)</u>
Revenues:				
Charges for services	\$ 130,800	\$ 130,800	\$ 126,865	\$ (3,935)
Intergovernmental revenue	43,000	43,000	53,566	10,566
Interest income	135	135	173	38
Total revenues	<u>173,935</u>	<u>173,935</u>	<u>180,604</u>	<u>6,669</u>
Expenditures:				
General Government				
Current				
Personal services	460,901	460,901	418,222	42,679
Operating expenditures	115,095	115,095	84,962	30,133
Capital outlay	66,419	66,419	24,215	42,204
Court-related				
Current				
Personal services	67,710	67,710	46,769	20,941
Operating expenditures	32,776	32,776	5,662	27,114
Capital outlay	—	—	—	—
Total expenditures	<u>742,901</u>	<u>742,901</u>	<u>579,830</u>	<u>163,070</u>
Excess (deficit) of revenues over (under) expenditures	<u>(568,966)</u>	<u>(568,966)</u>	<u>(399,227)</u>	<u>169,739</u>
Other financing sources (uses)				
Transfers from Board of County Commissioners	517,847	517,847	509,054	(8,793)
Transfers to Board of County Commissioners	—	—	(87,988)	(87,988)
Total other financing Sources (uses)	<u>517,847</u>	<u>517,847</u>	<u>421,066</u>	<u>(96,781)</u>
Net change in fund balances	<u>(51,119)</u>	<u>(51,119)</u>	<u>21,839</u>	<u>72,958</u>
Fund balances - beginning	<u>51,119</u>	<u>51,119</u>	<u>51,119</u>	<u>—</u>
Fund balances - ending	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 72,958</u>	<u>\$ 72,958</u>

The accompanying note to schedule of revenues, expenditures, and changes in fund balance – budget to actual – general fund is an integral part of this schedule.

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

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – FINE AND FORFEITURES TRUST FUND**

YEAR ENDED SEPTEMBER 30, 2022

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final</u>
	<u>Original</u>	<u>Final</u>		<u>Budget Positive (Negative)</u>
Revenues:				
Intergovernmental revenue	\$ 505,972	\$ 505,972	\$ 522,504	\$ 16,532
Investment Income	80	80	73	(7)
Charges for services	115,991	115,991	145,885	29,888
Fines and forfeitures	<u>57,922</u>	<u>57,922</u>	<u>79,804</u>	<u>21,882</u>
Total revenues	<u>679,971</u>	<u>679,971</u>	<u>748,266</u>	<u>68,295</u>
Expenditures:				
Court-related				
Current				
Personal services	649,254	649,254	658,755	(9,501)
Operating expenditures	30,717	30,717	19,988	10,729
Capital outlay	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total expenditures	<u>679,971</u>	<u>679,971</u>	<u>678,743</u>	<u>1,228</u>
Excess (deficit) of revenues over (under) expenditures	<u>—</u>	<u>—</u>	<u>69,523</u>	<u>69,523</u>
Other financing sources (uses)				
Reversion to State of Florida	<u>—</u>	<u>—</u>	<u>(69,523)</u>	<u>(69,523)</u>
Net change in fund balances	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Fund balances - beginning	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Fund balances - ending	<u><u>\$ —</u></u>	<u><u>\$ —</u></u>	<u><u>\$ —</u></u>	<u><u>\$ —</u></u>

The accompanying note to schedule of revenues, expenditures, and changes in fund balance – budget to actual – general fund is an integral part of this schedule.

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

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – MODERNIZATION TRUST FUND**

YEAR ENDED SEPTEMBER 30, 2022

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final</u>
	<u>Original</u>	<u>Final</u>		<u>Budget Positive (Negative)</u>
Revenues:				
Charges for services	\$ 45,000	\$ 45,000	\$ 54,229	\$ 9,229
Investment income	150	150	153	3
Total revenues	<u>45,150</u>	<u>45,150</u>	<u>54,382</u>	<u>9,232</u>
Expenditures:				
General government				
Current				
Operating expenditures	35,150	35,150	545	34,605
Capital outlay	107,225	107,225	—	107,225
Court-related				
Current				
Operating expenditures	39,000	39,000	30,868	8,132
Capital outlay	69,775	69,775	31,520	38,255
Total expenditures	<u>251,150</u>	<u>251,150</u>	<u>62,933</u>	<u>188,217</u>
Excess (deficit) of revenues over (under) expenditures	<u>(206,000)</u>	<u>(206,000)</u>	<u>(8,551)</u>	<u>197,449</u>
Net change in fund balances	<u>(206,000)</u>	<u>(206,000)</u>	<u>(8,551)</u>	<u>197,449</u>
Fund balances - beginning	<u>235,928</u>	<u>235,928</u>	<u>235,928</u>	<u>—</u>
Fund balances - ending	<u>\$ 29,928</u>	<u>\$ 29,928</u>	<u>\$ 227,377</u>	<u>\$ 197,449</u>

The accompanying note to schedule of revenues, expenditures, and changes in fund balance – budget to actual – general fund is an integral part of this schedule.

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

**NOTE TO SCHEDULES OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL-
GOVERNMENTAL FUNDS**

YEAR ENDED SEPTEMBER 30, 2022

(1) Budgetary Information:

An annual budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America for the general fund, the fine and forfeiture fund, and the records modernization trust fund. All annual appropriations lapse at fiscal year-end.

The Clerk follows these procedures in establishing the budgetary data reflected in the financial statements:

- e) The preparation, adoption and amendment of the budgets are governed by Florida Statutes. Public hearings are conducted to obtain taxpayer comments.
- f) Budget excess expenditures over revenues are funded through appropriations from the Board of County Commissioners.
- g) Formal budgetary integration is employed as a management control device during the year. The legal level of budgetary control is the fund level.
- h) The budgets for the funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America

SUPPLEMENTARY INFORMATION

**FRANKLIN COUNTY, FLORIDA - CLERK OF THE CIRCUIT COURT
 COMBINING SCHEDULE OF FIDUCIARY NET POSITION
 CUSTODIAL FUNDS**

SEPTEMBER 30, 2022

	<u>Jury</u>	<u>General Trust</u>	<u>Child Support</u>	<u>Registry of Court</u>	<u>Total Agency Funds</u>
Assets:					
Cash and cash equivalents	\$ —	\$ 51,038	\$ 443	\$ 423,791	\$ 475,272
Total assets	<u>\$ —</u>	<u>\$ 51,038</u>	<u>\$ 443</u>	<u>\$ 423,791</u>	<u>\$ 475,272</u>
Liabilities:					
Due to other funds	\$ —	\$ 27,772	\$ 45	\$ —	\$ 27,817
Due to other governments	—	15,204	53	—	15,257
Due to BOCC	<u>—</u>	<u>7,700</u>	<u>—</u>	<u>—</u>	<u>7,700</u>
Total Liabilities	<u>\$ —</u>	<u>\$ 50,676</u>	<u>\$ 98</u>	<u>\$ —</u>	<u>\$ 50,774</u>
Net Position:					
Restricted for:					
Other individuals and organizations	\$ —	\$ 432	\$ 345	\$ 423,791	\$ 424,568
Total net position	<u>\$ —</u>	<u>\$ 432</u>	<u>\$ 345</u>	<u>\$ 423,791</u>	<u>\$ 424,568</u>

**FRANKLIN COUNTY, FLORIDA - CLERK OF THE CIRCUIT COURT
 COMBINING SCHEDULE OF CHANGES OF FIDUCIARY NET POSITION
 CUSTODIAL FUNDS**

SEPTEMBER 30, 2022

	<u>Jury</u>	<u>General Trust</u>	<u>Child Support</u>	<u>Registry of Court</u>	<u>Total Agency Funds</u>
Additions:					
Court related	\$ —	\$5,518,622	\$ 10,466	\$ 866,688	\$ 6,395,776
Total additions	<u>—</u>	<u>5,518,622</u>	<u>10,466</u>	<u>866,688</u>	<u>6,395,776</u>
Deductions:					
Court related payments	—	<u>5,524,721</u>	<u>10,755</u>	<u>579,130</u>	<u>6,114,676</u>
Total Deductions	<u>—</u>	<u>5,524,721</u>	<u>10,755</u>	<u>579,130</u>	<u>6,114,676</u>
Net change in fiduciary net position	—	(6,099)	(289)	287,558	281,100
Net position, beginning	<u>—</u>	<u>6,531</u>	<u>634</u>	<u>136,233</u>	<u>143,398</u>
Net position, ending	<u>\$ —</u>	<u>\$ 432</u>	<u>\$ 345</u>	<u>\$ 423,791</u>	<u>\$ 424,498</u>

ADDITIONAL ELEMENTS REQUIRED BY THE RULES OF THE AUDITOR GENERAL

Vance CPA, LLC

Certified Public Accountant

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

To the Honorable Michele Maxwell
Franklin County Clerk of the Circuit Court
Franklin 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 Franklin County Clerk of Courts and Comptroller (the Office) as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Franklin County Clerk of Courts and Comptroller's special-purpose financial statements, and have issued our report thereon dated June 28, 2023, which was modified to refer to a basis of accounting required for compliance with state filing requirements, and for other reasons.

Internal Control over Financial Reporting

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting 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 Franklin County Clerk of Courts and Comptroller's special-purpose financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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.

Vance CPA LLC

Apalachicola, Florida
June 28, 2023

Vance CPA LLC

Vance CPA, LLC

Certified Public Accountant

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INDEPENDENT AUDITOR'S MANAGEMENT LETTER REQUIRED BY CHAPTER 10.550, RULES OF THE STATE OF FLORIDA, OFFICE OF THE AUDITOR GENERAL

To the Honorable Michele Maxwell
Franklin County Clerk of the Circuit Court
Franklin County, Florida

We have audited the financial statements of the Franklin County Clerk of Courts and Comptroller (the Office), as of and for the fiscal year ended September 30, 2022, and have issued our report thereon dated June 28, 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 Compliance and Other Matters Based on an Audit of Special-Purpose Financial Statements Performed in Accordance with Government Auditing Standards, and Independent Accountant's Report on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated June 28, 2023, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The Franklin County Clerk of the Circuit Court is an elected constitutional officer, whose office is established by Article VIII of the Constitution of the State of Florida and is governed by various provisions of state law. Franklin County, including the Office of the Clerk, was established by Chapter 8516, Laws of Florida in 1921. There are no component units of the Franklin County Clerk of Courts and Comptroller to be disclosed as required by accounting principles generally accepted in the United States of America.

Financial Management

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

Additional Matters

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

Purpose of this Letter

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



Apalachicola, Florida
June 28, 2023

Vance CPA LLC

Vance CPA, LLC

Certified Public Accountant

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INDEPENDENT AUDITORS' EXAMINATION REPORT

To the Honorable Michele Maxwell
Franklin County Clerk of the Circuit Court
Franklin County, Florida

We have examined the Franklin County Clerk of Courts and Comptroller's (the Office) compliance with Section 218.415, Florida Statutes, Local Government Investment Policies, Section 28.35, Florida Statutes, Florida Clerks of Court Operations Corporation, Section 28.36, Florida Statutes, Budget Procedure, and Section 61.181, Florida Statutes, Depository for Alimony Transactions, Support, Maintenance, and Support Payments; Fees (collectively, "the Statutes"), for the year ended September 29, 2023. Management is responsible for the Office's compliance with those requirements. Our responsibility is to express an opinion on the Office'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 Office complied with the Statutes for the year ended September 30, 2022, in all material respects. An examination involves performing procedures to obtain evidence about the Office's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of risks of material noncompliance with those requirements, 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.

In our opinion, the Franklin County Clerk of Courts and Comptroller complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2022.

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

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

This report 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 of Court, its management, and the Board of County Commissioners of Franklin County, Florida, and is not intended to be, and should not be, used by anyone other than these specified parties.

Vance CPA LLC

Apalachicola, Florida
June 28, 2023

Vance CPA LLC

**FRANKLIN COUNTY, FLORIDA – CLERK OF THE CIRCUIT COURT
MANAGEMENT’S RESPONSE TO MANAGEMENT LETTER**

SEPTEMBER 30, 2022

There are no comments which require management’s written response.

**Franklin County, Florida
Sheriff**

**Special-Purpose
Financial Statements
September 30, 2022**

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**FRANKLIN COUNTY SHERIFF
SEPTEMBER 30, 2022**

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INDEPENDENT AUDITORS' REPORT

To the Honorable A. J. Smith
Franklin County Sheriff
Franklin County, Florida

Opinions

We have audited the financial statements of the general fund of the Franklin County, Florida Sheriff, (the Sheriff), as of and for the fiscal year ended September 30, 2022, 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 accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the general fund for the Sheriff as of September 30, 2022, and the respective changes in financial position thereof and the respective budgetary comparison for the general fund for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the 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 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, only for that portion of the general fund, of Franklin County that is attributable to the Sheriff. They do not purport to, and do not, present fairly the financial position of Franklin County as of September 30, 2022, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

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 the 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 of events, considered in the aggregate, that raise substantial doubt about the Sheriff s' ability to continue as a going concern for twelve months beyond the financial statement date, including any known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report June 28, 2023 on our consideration of the Sheriff s' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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.

Vance CPA LLC

Apalachicola, Florida
June 28, 2023

Vance CPA LLC

**FRANKLIN COUNTY, FLORIDA
SHERIFF**

**BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022**

	<u>General Fund</u>	<u>Prisoner Welfare Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:				
Cash and cash equivalents	\$ —	\$ 22,952	\$ 16,952	\$ 39,904
Total Assets	<u>—</u>	<u>22,952</u>	<u>16,952</u>	<u>39,904</u>
Liabilities and fund balances:				
Liabilities				
Due to other funds	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total Liabilities	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Fund Balance:				
Restricted	—	22,952	16,952	39,904
Assigned	—	—	—	—
Unassigned	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total fund balances	<u>—</u>	<u>22,952</u>	<u>16,952</u>	<u>39,904</u>
Total Liabilities and Fund Balances	<u>\$ —</u>	<u>\$ 22,952</u>	<u>\$ 16,952</u>	<u>\$ 39,904</u>

See accompanying notes to the basic financial statements

**FRANKLIN COUNTY, FLORIDA
SHERIFF**

**STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS**

YEAR ENDED SEPTEMBER 30, 2022

	<u>General Fund</u>	<u>Prisoner Welfare Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Intergovernmental	\$ 883,101	\$ —	\$ —	\$ 883,101
Miscellaneous	—	109,547	13,124	122,671
Total revenues	<u>883,101</u>	<u>109,547</u>	<u>13,124</u>	<u>1,005,772</u>
Expenditures:				
Public safety				
Law enforcement				
Current				
Personal services	3,522,084	—	—	3,522,084
Operating expenditures	1,362,998	—	12,905	1,375,903
Capital outlay	<u>631,305</u>	<u>—</u>	<u>—</u>	<u>631,305</u>
Total law enforcement	<u>5,516,387</u>	<u>—</u>	<u>12,905</u>	<u>5,529,292</u>
Corrections				
Current				
Personal services	1,445,228	—	—	1,445,228
Operating expenditures	578,182	128,688	—	706,870
Capital outlay	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total corrections	<u>2,023,410</u>	<u>128,688</u>	<u>—</u>	<u>2,152,098</u>
Total expenditures	<u>7,539,796</u>	<u>128,688</u>	<u>12,905</u>	<u>7,681,390</u>
Excess (deficit) of revenues over (Under) Expenditures	(6,656,695)	(19,141)	219	(6,675,618)
Other financing sources (uses)				
Loan proceeds	595,103	—	—	595,103
Transfers in	6,062,948	—	—	6,062,948
Transfers to Board of County Commissioners	<u>(1,356)</u>	<u>—</u>	<u>—</u>	<u>(1,356)</u>
Total other financing Sources (uses)	<u>6,656,695</u>	<u>—</u>	<u>—</u>	<u>6,656,695</u>
Net change in fund balances	—	(19,141)	219	(18,923)
Fund balances - beginning	—	42,093	16,733	58,826
Fund balance - ending	<u>\$ —</u>	<u>\$ 22,952</u>	<u>\$ 16,952</u>	<u>\$ 39,903</u>

See accompanying notes to the basic financial statements

**FRANKLIN COUNTY, FLORIDA
SHERIFF**

**STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL**

SEPTEMBER 30, 2022

	Custodial Funds
ASSETS	
Cash and Cash Equivalents	<u>\$ 41,707</u>
Total Assets	<u>\$ 41,707</u>
NET POSITION	
Restricted for:	
Other individuals and organizations	<u>41,707</u>
Total Net Position	<u>\$ 41,707</u>

See accompanying notes to the basic financial statements

**FRANLIN COUNTY, FLORIDA
SHERIFF**

CUSTODIAL STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

SEPTEMBER 30, 2022

	Custodial Funds
ADDITIONS	
Service charges/general government	\$ 159,678
Bond related	<u>58,190</u>
Total Additions	<u>217,868</u>
DEDUCTIONS	
Service charges/DT Others	54,119
Due to individuals	156,465
Court related	<u>10,300</u>
Total Deductions	<u>220,884</u>
Net change in fiduciary net position	(3,016)
Net position, beginning of year	<u>44,723</u>
Net position, end of year	<u>\$ 41,707</u>

See accompanying notes to the basic financial statements

**FRANKLIN COUNTY, FLORIDA - SHERIFF
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Sheriff of Franklin County, Florida is an elected Constitutional Officer of Franklin County pursuant to Article VIII, Section (1) of the *Constitution of the State of Florida*. For financial statement and reporting purposes, the Sheriff is a separate constitutional officer as provided for by Chapter 218, Florida Statutes. The Sheriff is considered to be a part of the primary government of Franklin County, Florida and the financial information is included in Franklin County's county wide financial statements.

These special-purpose financial statements include only the balances and activity of the Sheriff's office. They have been prepared for the purpose of complying with Section 10.557, *Rules of the Auditor General for Local Government Entity Audits*, and are not intended to be a complete presentation of the financial position of the County, or the changes in financial position or where applicable, cash flows, thereof, in conformity with accounting principles generally accepted in the United States of America.

The Franklin County Board of County Commissioners (Board) funds a portion or, in certain instances, all of the operating budgets of the County's Constitutional Officers except obligations specified under Florida Statutes Chapter 29. The payments by the Board to fund the operations of the Constitutional Officers are recorded as transfers out on the financial statements of the Board and as transfers from the Board on the financial statements of the Constitutional Officers. Repayments to the Board are recorded as transfers out on the financial statements of the Constitutional Officers and as transfers in on the financial statements of the Board.

The accounting policies of the Sheriff conform to accounting principles generally accepted in the United States of America, as applicable to governments.

B. Basis of Presentation

Accounts are organized on the basis of fund types, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues and expenditures as appropriate. Government resources are allocated to and accounted for in individual funds based on the purpose for which they are to be spent and the means by which spending activities are controlled. The Sheriff utilizes the following fund types:

**FRANKLIN COUNTY, FLORIDA - SHERIFF
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Governmental Fund Types

General Fund – The general fund is the general operating fund of the Sheriff. It is used to account for all financial resources, except those required to be accounted for in other funds.

Special Revenue Funds – Special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

Fiduciary Fund Types

Agency Funds – The agency funds are used to account for assets held by the Sheriff as an agent for individuals, private organizations, and other governments. Agency funds are custodial in nature and do not involve measurement of changes in financial position.

C. 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.

The accompanying financial statements have been prepared using the modified accrual basis of accounting for governmental funds and agency funds. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available to finance expenditures of the current period. Expenditures are recorded when the liability is incurred, if measurable, except for principal and interest on long-term obligations which is recorded when due.

The Sheriff considers receivables collected within 60 days after year end to be available and susceptible to accrual as revenues in the current year. Charges for services and interest are susceptible to accrual.

**FRANKLIN COUNTY, FLORIDA - SHERIFF
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Measurement Focus

The accounting and financial reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. This means that generally, only current assets and current liabilities are included in the balance sheet. Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they present a summary of sources and uses of “available spendable resources” during a period.

E. Budgets and Budgetary Accounting

Florida Statutes Chapter 30.49 governs the preparation, adoption, and administration of the Sheriff’s annual budget. Expenditures, other than those for certain agency funds, are controlled by appropriations in accordance with the budget requirements set forth in Florida Statutes. Budgets are adopted for governmental and special revenue funds. Budgetary control is exercised at the fund level. Budgetary changes within the fund are made at the discretion of the Sheriff. Appropriations lapse at the end of the fiscal year to the extent they have not been expended.

The annual budgetary data reported for governmental fund types are adopted on a basis consistent with accounting principles generally accepted in the United States of America and represent the Sheriff’s adopted budget, the original appropriation ordinance, and budget amendments approved by the Sheriff or as adopted by the Board. Budgets are not adopted for the Sheriff’s special revenue funds.

F. Net Position and Fund Equity

GASB Statement 54 – *Fund Balance Reporting and Governmental Funds Type Definitions* was implemented as of October 1, 2009. This Statement requires the fund balance for governmental funds to be reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Categories for fund balance are as follows: nonspendable, restricted, committed, assigned, and unassigned. For more information, see the County-wide note on fund balance.

**FRANKLIN COUNTY, FLORIDA - SHERIFF
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Restricted Assets

Certain assets of the various funds are required by resolutions or ordinances to be set aside and used for specific purposes; thus, they are not available to be used for general operations. When both restricted and unrestricted resources are available for use, it is the government's policy to use externally restricted resources first, then unrestricted resources – committed, assigned, and unassigned – in order as needed.

H. Compensated Absences

Permanent full-time employees of the Sheriff are entitled to accrue unlimited hours of sick leave and 240 hours of vacation time/compensatory time. Upon termination, employees can be paid up to 240 hours of vacation time/compensatory leave. The Sheriff's accumulated compensated absences are reported in the statement of net assets in the Board's financial statements.

I. Cash and Cash Equivalents

The Sheriff considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

J. Capital Assets

Capital assets include property, plant, and equipment with an individual cost of \$1,000 or more and an estimated useful life in excess of one year. Donated fixed assets are recorded at estimated fair market value on the date received.

K. Subsequent Events

The County evaluated subsequent events through June 28, 2023, the date which the financial statements were available to be issued. The County did not have any subsequent events requiring disclosure or recording in these financial statements.

**FRANKLIN COUNTY, FLORIDA - SHERIFF
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

NOTE 2 - CASH AND INVESTMENTS

All Sheriff depositories are banks designated by the State Treasurer as qualified public depositories. Chapter 280, Florida Statutes “Florida Security for Public Deposits Act” provides procedures for public depositories to insure monies in banks and savings and loans are collateralized with the Treasurer as an agent for the public entities. All Sheriff’s cash consists of checking accounts and interest-bearing time deposits in a local bank.

The Sheriff held no investments at September 30, 2022.

Interest Rate Risk

At September 30, 2022 the Sheriff did not hold any investments that were considered to be an interest rate risk.

Credit Risk

At September 30, 2022 the Sheriff did not hold any investments that were considered to be a credit risk.

Custodial Risk

At September 30, 2022 the Sheriff did not hold any deposits or investment that was considered to be a custodial risk.

Concentration of Credit Risk

At September 30, 2022, the Sheriff did not hold any investments that were considered to be a concentration of credit risk.

NOTE 3 – CAPITAL ASSETS

Changes in the capital assets accounted for and maintained by the Sheriff for the year ended September 30, 2022 are summarized as follows:

	<u>Balance</u> <u>9/30/2021</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>9/30/2022</u>
Machinery, furniture & equipment	\$4,387,258	\$ 635,646	\$ —	\$ 5,022,904
Accumulated depreciation	<u>(3,691,820)</u>	<u>(263,905)</u>	<u>—</u>	<u>(3,955,725)</u>
Capital assets - net	<u>\$ 695,438</u>	<u>\$ 371,741</u>	<u>\$ —</u>	<u>\$ 1,067,179</u>

**FRANKLIN COUNTY, FLORIDA - SHERIFF
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

NOTE 4 – EMPLOYEE BENEFITS

RETIREMENT PLAN

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

Essentially all regular employees of the Sheriff are eligible to enroll as members of the State-administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Park IV, Florida Statutes, Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of the two costs-sharing, multiple-employer defined benefit plans and other nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statement, required supplementary information, actuarial report, and other relevant information is available from the Florida Department of Management Services' Website (www.dms.myflorida.com)

Plan Description

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

- Regular Class – Members of the FRS who do not qualify for membership in the other classes.
- Elected County Officers Class – Members who hold specified elective offices in local government.
- Senior Management Service Class (SMSC) – Members in senior management level positions.
- Special Risk Class – Members who are special risk employees, such as law enforcement officers, meet the criteria to qualify for this class.

**FRANKLIN COUNTY, FLORIDA - SHERIFF
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

NOTE 4 – EMPLOYEE BENEFITS (continued)

Employees enrolled in the FRS Plan prior to July 1, 2011, vest at 6 years of creditable service and employees enrolled in the FRS Plan on or after July 1, 2011, vest at 8 years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service, except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service. All members enrolled in the FRS Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service, except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service. Employees enrolled in the FRS Plan may include up to 4 years of credit for military service toward creditable service. The FRS Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The FRS Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

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

Benefits Provided

Benefits under the FRS Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the 5 highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the 8 highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits.

**FRANKLIN COUNTY, FLORIDA - SHERIFF
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

NOTE 4 – EMPLOYEE BENEFITS (continued)

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3 percent per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3 percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3 percent. FRS Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

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

Plan Description

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

Benefits Provided

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

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

**FRANKLIN COUNTY, FLORIDA - SHERIFF
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

NOTE 4 – EMPLOYEE BENEFITS (continued)

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

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. Sheriff employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officer, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.04 percent of payroll and by forfeited benefits of plan members.

For all membership classes, employees are immediately vested in their own contributions and are vested after 1 year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over their account. If the employee does not return within the 5-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2022, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the Sheriff.

**FRANKLIN COUNTY, FLORIDA - SHERIFF
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

NOTE 4 – EMPLOYEE BENEFITS (continued)

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

Participating employer contributions are based upon statewide rates established by the State of Florida. The Sheriff’s contributions made to the plans during the years ended September 30, 2022, 2021, and 2020 were \$863,360, \$659,292, and \$640,473 respectively, equal to the actuarially determined contribution requirements for each year. Additional information about pension plans can be found in the County’s annual financial statements.

NOTE 5 – CHANGES IN LONG-TERM OBLIGATIONS

	<u>Balance</u> <u>09/30/21</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>09/30/22</u>
Accumulated compensated absences	\$ 323,031	\$ 218,242	\$ (166,800)	\$ 374,474

Accrued compensated absences represent the vested portion of accrued vacation, sick leave, and compensatory time. See note 1 for a summary of the Sheriff’s policy regarding compensated absences.

NOTE 6 – OTHER DISCLOSURES

Budget amounts are adopted only for the operating fund and not for special revenue funds. Since no budget is adopted, a budget to actual comparison has not been prepared for the major special revenue fund. The special revenue fund accounts for commissions from operation of an inmate commissary.

**FRANKLIN COUNTY, FLORIDA - SHERIFF
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

NOTE 7 – RISK MANAGEMENT

The Sheriff participates in the Florida Sheriff Self-Insurance Fund, which is considered a public entity risk pool which purchases insurance policies on behalf of its members. The pool's members are not obligated for risk associated with such coverage. Coverage under these programs include; general liability, public employees blanket bond, automobiles and money and securities coverage.

- General liability
- Public employees blanket bond
- Money and securities coverage

The Sheriff provides for workers' compensation coverage under a retrospectively rated commercial insurance policy through the Board. Premiums are accrued based on the ultimate cost to – date of the Sheriff's experience for this type of risk.

In addition, the Sheriff participates in the Florida Self-Insurance Fund for risks related to professional liability and public officials' coverage. The funding agreement provides that the liability fund will be self-sustaining through member premiums and that it will reinsure through commercial companies. Aggregate coverage provided by the liability fund is \$3,300,000 for professional liability and \$3,200,000 for public officials' coverage.

REQUIRED SUPPLEMENTARY INFORMATION

**FRANKLIN COUNTY, FLORIDA
SHERIFF**

**SPECIAL-PURPOSE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – GENERAL FUND**

YEAR ENDED SEPTEMBER 30, 2022

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ —	\$ —	\$ 883,101	\$ 883,101
Miscellaneous	—	—	—	—
Total revenues	<u>—</u>	<u>—</u>	<u>883,101</u>	<u>883,101</u>
Expenditures:				
Public Safety				
Law enforcement				
Current				
Personal services	3,541,945	3,186,315	3,522,084	(335,769)
Operating expenditures	500,517	951,662	1,362,997	(411,335)
Capital outlay	—	87,489	631,305	(543,816)
Total law enforcement	<u>4,042,462</u>	<u>4,225,466</u>	<u>5,516,386</u>	<u>(1,290,920)</u>
Corrections				
Current				
Personal services	1,201,947	1,603,793	1,445,228	158,565
Operating expenditures	1,052,772	1,061,669	578,182	483,487
Total corrections	<u>2,254,719</u>	<u>2,665,462</u>	<u>2,023,410</u>	<u>642,052</u>
Total expenditures	<u>6,297,181</u>	<u>6,890,928</u>	<u>7,539,796</u>	<u>(648,868)</u>
Excess (deficit) of revenues over (under) expenditures	<u>(6,297,181)</u>	<u>(6,890,928)</u>	<u>(6,656,695)</u>	<u>1,531,969</u>
Other financing sources (uses)				
Transfers in	6,297,181	6,297,181	6,062,948	(234,233)
Loan proceeds	—	595,103	595,103	—
Transfers to BOCC	—	(1,356)	(1,356)	—
Total other financing Sources (uses)	<u>6,297,181</u>	<u>6,890,928</u>	<u>6,656,695</u>	<u>(234,233)</u>
Net change in fund balances	—	—	—	1,297,736
Fund balances - beginning	—	—	—	—
Fund balances - ending	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$1,297,736</u>

The accompanying note to schedule of revenues, expenditures, and changes in fund balance - budget to actual - governmental funds is an integral part of this schedule.

**FRANKLIN COUNTY, FLORIDA
SHERIFF**

**NOTE TO SCHEDULES OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL-
GOVERNMENTAL FUNDS**

YEAR ENDED SEPTEMBER 30, 2022

(2) Budgetary Information:

An annual budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America for the general fund. All annual appropriations lapse at fiscal year-end. A formal budget is not adopted for the federal forfeiture, inmate welfare, or donations funds, and therefore budgetary comparison schedules are not presented for these funds.

The Sheriff follows these procedures in establishing the budgetary data reflected in the financial statements:

- i) The preparation, adoption and amendment of the budgets are governed by Florida Statutes. Public hearings are conducted to obtain taxpayer comments.
- j) Budget excess expenditures over revenues are funded through appropriations from the Board of County Commissioners.
- k) Formal budgetary integration is employed as a management control device during the year. The legal level of budgetary control is the fund level.
- l) The budgets for the funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America

SUPPLEMENTARY INFORMATION

**COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS –
SPECIAL REVENUE FUNDS**

SEPTEMBER 30, 2022

	<u>Families in Crisis</u>	<u>Forfeiture Fund</u>	<u>Employee Fund</u>	<u>Kids with Cops</u>	<u>Senior Citizen Fund</u>	<u>Total Other Governmental Fund</u>
Assets						
Cash and cash equivalents	\$ 3,583	\$ 3,055	\$ 5,158	\$ 1,788	\$ 3,368	\$ 16,952
Total Assets	<u>3,583</u>	<u>3,055</u>	<u>5,158</u>	<u>1,788</u>	<u>3,368</u>	<u>16,952</u>
Liabilities & Fund Balance						
Liabilities						
Accounts payable	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total Liabilities	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Fund Balance						
Restricted	<u>3,583</u>	<u>3,055</u>	<u>5,158</u>	<u>1,788</u>	<u>3,368</u>	<u>16,952</u>
Total Fund Balance	<u>3,583</u>	<u>3,055</u>	<u>5,158</u>	<u>1,788</u>	<u>3,368</u>	<u>16,952</u>
Total Liabilities and Fund Balance	<u>\$ 3,583</u>	<u>\$ 3,055</u>	<u>\$ 5,158</u>	<u>\$ 1,788</u>	<u>\$ 3,368</u>	<u>\$ 16,952</u>

**FRANKLIN COUNTY, FLORIDA - SHERIFF
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE FUNDS**

YEAR ENDED SEPTEMBER 30, 2022

	<u>Families in Crisis</u>	<u>Forfeiture Fund</u>	<u>Employee Fund</u>	<u>Kids with Cops</u>	<u>Senior Citizen Fund</u>	<u>Total Other Governmental Fund</u>
Revenues						
Miscellaneous	\$ 2	\$ 2	\$ 9,023	\$ 3,999	\$ 98	\$ 13,124
Total Revenues	<u>2</u>	<u>2</u>	<u>9,023</u>	<u>3,999</u>	<u>98</u>	<u>13,124</u>
Expenditures						
Public Safety Law Enforcement Current Operating Expenditures	<u>—</u>	<u>—</u>	<u>7,401</u>	<u>5,504</u>	<u>—</u>	<u>12,905</u>
Total Law Enforcement	<u>—</u>	<u>—</u>	<u>7,401</u>	<u>5,504</u>	<u>—</u>	<u>12,905</u>
Excess (deficit) of revenues over (under) expenditures	<u>2</u>	<u>2</u>	<u>1,622</u>	<u>(1,505)</u>	<u>98</u>	<u>219</u>
Fund balances – beginning of year	<u>3,581</u>	<u>3,053</u>	<u>3,536</u>	<u>3,293</u>	<u>3,270</u>	<u>16,733</u>
Fund balances – end of year	<u>\$ 3,583</u>	<u>\$ 3,055</u>	<u>\$ 5,158</u>	<u>\$ 1,788</u>	<u>\$ 3,368</u>	<u>\$ 16,952</u>

CUSTODIAL FUNDS

BONDS – Used to account for the receipt and disbursement of cash bonds.

INMATE TRUST– Used to account for funds received from inmates held in the Franklin County Correctional Facility. Funds may be used for purchases in the facility’s canteen or will be returned to the inmates upon their release.

**FRANKLIN COUNTY, FLORIDA - SHERIFF
 COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION
 CUSTODIAL FUNDS**

SEPTEMBER 30, 2022

	<u>Bonds</u>	<u>Inmate Trust</u>	<u>Total Agency Funds</u>
Assets:			
Cash and cash equivalents	\$ 28,000	\$ 13,707	\$ 41,707
Total Assets	<u>28,000</u>	<u>13,707</u>	<u>41,707</u>
Net Position			
Restricted for:			
Individuals and organizations	<u>28,000</u>	<u>13,707</u>	<u>41,707</u>
Total Net Position	<u>\$ 28,000</u>	<u>\$ 13,707</u>	<u>\$ 41,707</u>

**FRANKLIN COUNTY, FLORIDA - SHERIFF
 COMBINING SCHEDULE OF FIDUCIARY
 ASSETS AND LIABILITIES
 CUSTODIAL FUNDS**

SEPTEMBER 30, 2022

	<u>Bonds</u>	<u>Inmate Trust</u>	<u>Total Agency Funds</u>
Additions			
Charges for services	\$ —	\$ 159,678	\$ 159,678
Bond related	<u>58,190</u>	<u>—</u>	<u>58,190</u>
Total Additions	<u>58,190</u>	<u>159,678</u>	<u>217,868</u>
Deductions:			
Payment to individuals	39,100	117,365	156,465
Payment to other governments	10,300	—	10,300
Payments to BOCC	—	—	—
Payments to constitutional officers	<u>16,952</u>	<u>37,167</u>	<u>54,119</u>
Total Deductions	<u>66,352</u>	<u>154,532</u>	<u>220,884</u>
Net change in fiduciary net position	(8,162)	5,146	(3,016)
Net position, beginning	<u>36,162</u>	<u>8,561</u>	<u>44,723</u>
Net position, ending	<u>\$ 28,000</u>	<u>\$ 13,707</u>	<u>\$ 41,707</u>

ADDITIONAL ELEMENTS REQUIRED BY THE RULES OF THE AUDITOR GENERAL

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

To the Honorable A. J. Smith
Franklin County Sheriff
Franklin 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 Franklin County Sheriff (the Office) as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Office's special-purpose financial statements, and have issued our report thereon dated June 28, 2023, which was modified to refer to a basis of accounting required for compliance with state filing requirements

Internal Control Over Financial Reporting

In planning and performing our audit of the special-purpose financial statements, we considered the Office's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the special-purpose financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Office's internal control. Accordingly, we do not express an opinion on the effectiveness of the Office'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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting 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 Office's special-purpose financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

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.

Vance CPA LLC

Apalachicola, Florida
June 28, 2023

Vance CPA LLC

Vance CPA LLC

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INDEPENDENT AUDITORS' MANAGEMENT LETTER REQUIRED BY CHAPTER 10.550, RULES OF THE STATE OF FLORIDA, OFFICE OF THE AUDITOR GENERAL

To the Honorable A. J. Smith
Franklin County Sheriff
Franklin County, Florida

We have audited the financial statements of the Franklin County Sheriff (the Office), as of and for the fiscal year ended September 30, 2022, and have issued our report thereon dated June 28, 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 Compliance and Other Matters Based on an Audit of Special-Purpose Financial Statements Performed in Accordance with Government Auditing Standards, and Independent Accountant's Report on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated June 28, 2023, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The Office is an elected constitutional officer, whose office is established by Article VIII of the Constitution of the State of Florida and is governed by various provisions of state law. Franklin County, including the Office of the Sheriff, was established by Chapter 8516, Laws of Florida in 1921. There are no component units of the Office to be disclosed as required by accounting principles generally accepted in the United States of America.

Financial Management

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

Additional Matters

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

Purpose of this Letter

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

Vance CPA LLC

Apalachicola, Florida
June 28, 2023

Vance CPA LLC

Vance CPA, LLC

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INDEPENDENT AUDITORS' EXAMINATION REPORT

To the Honorable A. J. Smith
Franklin County Sheriff
Franklin County, Florida

We have examined the Franklin County Sheriff's (the Office) compliance with Section 218.415, Florida Statutes, Local Government Investment Policies, for the year ended September 30, 2022. Management is responsible for the Office's compliance with those requirements. Our responsibility is to express an opinion on the Office'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 Office complied with Section 218.415, Florida Statutes, Local Government Investment Policies, for the year ended September 30, 2022, in all material respects. An examination involves performing procedures to obtain evidence about the Office's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of risks of material noncompliance with those requirements, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

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

This report 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, its management, and the Board of County Commissioners of Franklin County, Florida, and is not intended to be, and should not be, used by anyone other than these specified parties.

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

Vance CPA LLC

Apalachicola, Florida
June 28, 2023

Vance CPA LLC

**FRANKLIN COUNTY, FLORIDA – SHERIFF
MANAGEMENT’S RESPONSE TO MANAGEMENT LETTER**

SEPTEMBER 30, 2022

There are no comments which require management’s written response.

**Franklin County, Florida
Tax Collector**

**Special-Purpose
Financial Statements
September 30, 2022**

Vance CPA, LLC

Certified Public Accountant

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**FRANKLIN COUNTY, FLORIDA
TAX COLLECTOR
SEPTEMBER 30, 2022**

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INDEPENDENT AUDITORS' REPORT

To the Honorable Rick Watson
Franklin County Tax Collector
Franklin County, Florida

Opinions

We have audited the financial statements of the general fund of the Franklin County, Florida Tax Collector, (the Tax Collector), as of and for the fiscal year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Tax Collectors' 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 for the Tax Collector as of September 30, 2022, and the respective changes in financial position thereof and the respective budgetary comparison for the general fund for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 1 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, only for that portion of the general fund, of Franklin County that is attributable to the Tax Collector. They do not purport to, and do not, present fairly the financial position of Franklin County as of September 30, 2022, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

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 the 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 of events, considered in the aggregate, that raise substantial doubt about the Tax Collectors' ability to continue as a going concern for twelve months beyond the financial statement date, including any known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, 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 these risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Tax Collectors' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Tax Collectors' ability to continue as a going concern for a reasonable period of time.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report June 28, 2023 on our consideration of the Tax Collectors' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Collectors' internal control over financial reporting and compliance.

Vance CPA LLC

Apalachicola, Florida
June 28, 2023

Vance CPA LLC

**FRANKLIN COUNTY, FLORIDA
TAX COLLECTOR**

**SPECIAL-PURPOSE BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022**

	<u>General Fund</u>
ASSETS	
Cash and Cash Equivalents	\$ 17,436
Accounts receivable	<u>—</u>
Total Assets	<u>17,436</u>
LIABILITIES AND FUND BALANCES	
Liabilities	
Accounts payable	<u>17,436</u>
Total Liabilities	<u>17,436</u>
Fund Balance	<u>—</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 17,436</u>

See accompanying notes to the basic financial statements

**FRANKLIN COUNTY, FLORIDA
TAX COLLECTOR**

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

YEAR ENDED SEPTEMBER 30, 2022

	<u>General Fund</u>
REVENUES	
Miscellaneous	\$ 959
Total Revenues	<u>959</u>
 EXPENDITURES	
Current	
Personal services	577,719
Operating expenditures	<u>73,746</u>
Total Expenditures	<u>651,465</u>
 Excess (deficit) of revenues over (under) expenditures	<u>(650,506)</u>
Other financing sources (uses)	
Transfers from Board of County Commissioners	650,506
Transfers to Board of County Commissioners	<u>—</u>
Total Other Financing Sources (Uses)	<u>650,506</u>
 Net change in fund balances	<u>—</u>
Fund balances - beginning	<u>—</u>
Fund balances - ending	<u>\$ —</u>

See accompanying notes to the basic financial statements

**FRANKLIN COUNTY, FLORIDA
TAX COLLECTOR**

STATEMENT OF FIDUCIARY NET POSITION – CUSTODIAL FUNDS

SEPTEMBER 30, 2022

	<u>Custodial Funds</u>
Assets	
Cash and cash equivalents	\$ <u>750,356</u>
Total assets	\$ <u>750,356</u>
Liabilities	
Due to other governments	\$ 302,581
Due to other county agencies	<u>300,871</u>
Total Liabilities	\$ <u>603,452</u>
Net Position	
Restricted for:	
Other individual and organizations	\$ <u>146,904</u>
Total Net Position	\$ <u>146,904</u>

See accompanying notes to the basic financial statements

FRANKLIN COUNTY, FLORIDA - TAX COLLECTOR

CUSTODIAL STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

SEPTEMBER 30, 2022

	<u>Custodial Funds</u>
Additions	
Taxes	\$30,593,817
Permits, fees, and special assessments	<u>2,288,878</u>
Total additions	<u>32,882,695</u>
Deductions	
Payments to individuals	2,284,722
Payments to other governments	17,622,771
Payments to BOCC	13,092,084
Payments to constitutional officers	<u>101,857</u>
Total deductions	<u>33,101,434</u>
Net change in fiduciary net position	<u>(218,739)</u>
Net Position, beginning of year	<u>365,643</u>
Net Position, end of year	<u><u>\$ 146,904</u></u>

See accompanying notes to the basic financial statements

**FRANKLIN COUNTY, FLORIDA - TAX COLLECTOR
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Tax Collector of Franklin County, Florida is an elected Constitutional Officer of Franklin County pursuant to Article VIII, Section (1) of the *Constitution of the State of Florida*. For financial statement and reporting purposes, the Tax Collector is a separate constitutional officer as provided for by Chapter 218, Florida Statutes. The Tax Collector is considered to be a part of the primary government of Franklin County, Florida and the financial information is included in Franklin County's county-wide financial statements.

These special-purpose financial statements include only the balance and activity of the Tax Collector's office. They have been prepared for the purpose of complying with Section 10.557, *Rules of the Auditor General for Local Government Entity audits*, and are not intended to be a complete presentation of the financial position of the County, or the changes in financial position or where applicable, cash flows, thereof, in conformity with accounting principles generally accepted in the United States of America.

The operations of the Tax Collector are funded by the Franklin County Board of County Commissioners (Board). The receipts from the Board are recorded as other financing sources on the Tax Collector's financial statements and as other financing uses on the Board's financial statements. Any excess of revenue and other financial sources received over expenditures are remitted to the Board at year end. These excess fees are reported as a liability and as transfers out to the Board or deducted from fees earned for amounts distributed to other governments.

The accounting policies of the Tax Collector conform to accounting principles generally accepted in the United States of America, as applicable to governments.

B. Basis of Presentation – Fund Accounting

Accounts are organized on the basis of fund types, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues and expenditures as appropriate. Government resources are allocated to and accounted for in individual funds based on the purpose for which they are to be spent and the means by which spending activities are controlled. The Tax Collector utilizes the following fund types:

**FRANKLIN COUNTY, FLORIDA - TAX COLLECTOR
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Governmental Fund Types

General Fund – The general fund is the general operating fund of the Tax Collector. It is used to account for all financial resources, except for those required to be accounted for in other funds.

Fiduciary Fund Type

Agency Funds – The agency funds are used to account for assets held by the Tax Collector as an agent for individuals, private organizations, and other governments. Agency funds are custodial in nature and do not involve measurement of changes in financial position.

C. 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.

The accompanying financial statements have been prepared using the modified accrual basis of accounting for governmental funds and agency funds. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available to finance expenditures of the current period. Expenditures are recorded when the liability is incurred, if measurable, except for principal and interest on long-term obligations which is recorded when due.

The Tax Collector considers receivable collected within 60 days after year end to be available and susceptible to accrual as revenues of the current year. Charges for services and interest earned are susceptible to accrual.

D. Measurement Focus

The accounting and financial reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. This means that generally, only current assets and current liabilities are included in the balance sheet. Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they present a summary of sources and uses of “available spendable resources” during a period.

**FRANKLIN COUNTY, FLORIDA - TAX COLLECTOR
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Budgetary Requirements

Florida Statutes, Chapter 195.087 govern the preparation, adoption and administration of the annual budget of the Tax Collector. The budget and subsequent budget amendments of the Tax Collector are submitted to the Florida Department of Revenue (FDOR) for approval. A copy of the budget is also provided to the Board.

Line item expenditures in excess of budget are authorized to the extent that total expenditures do not exceed the total budgeted expenditures. Budget transfers between appropriation categories (personal services, operating expenditures, capital outlay, and debt service) must be approved by FDOR. Transfers between expenditure items within the same appropriation category do not need approval by FDOR. The budget is prepared on the modified accrual basis of accounting. General fund appropriations lapse at the end of the fiscal year to the extent they have not been expended.

F. Capital Assets

Tangible personal property is recorded as expenditures in the general fund at the time an asset is acquired. Title to these assets vests with the Franklin County Board of County Commissioners, and therefore, the Franklin County Board of County Commissioners records the capitalization of the asset, and any related depreciation. The Tax Collector maintains custodial responsibility for the capital assets used by his office.

G. Compensated Absences

Permanent full-time employees of the Tax Collector accrue sick leave hours based on length of employment, which must be utilized in the year earned. Any sick and annual leave accumulated and unused at September 30, is forfeited.

H. Net Assets and Fund Equity

GASB Statement 54 – *Fund Balance Reporting and Governmental Funds Type Definitions* was implemented as of October 1, 2009. This Statement requires the fund balance for governmental funds to be reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Categories for fund balance are as follows: nonspendable, restricted, committed, assigned, and unassigned. For more information, see the County-wide note on fund balance.

**FRANKLIN COUNTY, FLORIDA - TAX COLLECTOR
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. Restricted Assets

Certain assets of the various funds are required by resolutions or ordinances to be set aside and used for specific purposes; thus, they are not available to be used for general operations. When both restricted and unrestricted resources are available for use, it is the government's policy to use externally restricted first, then unrestricted resources – committed, assigned, and unassigned – in order as needed.

J. Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make use of estimates that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amount of revenues and expenditures during the reporting period. Actual results could differ from estimates.

Property Tax Collections

Chapter 197, Florida Statutes, governs property tax collections.

■ **Current Taxes**

All property taxes become due and payable on November 1, and are delinquent on April 1 of the following year. Discounts of 4%, 3%, 2% and 1% are allowed for early payment in November through February, respectively.

■ **Unpaid Taxes – Sale of Tax Certificates**

The Tax Collector advertises, as required by Florida Statutes, then sells tax certificates on all real property for unpaid taxes. Certificates not purchased are issued to the County. Any person owning real property upon which a tax certificate has been sold may reacquire the real property by paying the Tax Collector the face amount of the tax certificate plus interest and other costs.

**FRANKLIN COUNTY, FLORIDA - TAX COLLECTOR
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

■ **Tax Deeds**

The owner of a tax certificate may, after two years when the taxes have been delinquent (after April 1), file an application for tax deed sale. The County, as certificate owner, may exercise similar procedures two years after taxes have been delinquent (after April 1). Tax deeds are issued to the highest bidder for the property, which is sold at public auction. The Tax Collector of the Court administers these sales.

K. Subsequent Events

The County evaluated subsequent events through June 28, 2023, the date which the financial statements were available to be issued. The County did not have any subsequent events requiring disclosure or recording in these financial statements.

NOTE 2 - CASH AND INVESTMENTS

All Tax Collector depositories are banks designated by the State Treasurer as qualified public depositories. Chapter 280, Florida Statutes “Florida Security for Public Deposits Act” provides procedures for public depositories to insure monies in banks and savings and loans are collateralized with the Treasurer as an agent for the public entities. All Tax Collector cash consists of checking accounts and interest-bearing time deposits in a local bank.

Investments

The Tax Collector held no investments at September 30, 2022.

Interest Rate Risk

At September 30, 2022, the Tax Collector did not hold any investments that were considered to be an interest rate risk.

Credit Risk

At September 30, 2022 the Tax Collector did not hold any investments that were considered to be a credit risk.

**FRANKLIN COUNTY, FLORIDA - TAX COLLECTOR
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

NOTE 2 - CASH AND INVESTMENTS (continued)

Custodial Risk

At September 30, 2022 the Tax Collector did not hold any deposits or investments that were considered to be a custodial risk.

Concentration of Credit Risk

At September 30, 2022 the Tax Collector did not hold any deposits or investments that were considered to be a credit risk.

NOTE 3 – EMPLOYEE BENEFITS

RETIREMENT PLAN

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

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

**FRANKLIN COUNTY, FLORIDA - TAX COLLECTOR
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

NOTE 3 – EMPLOYEE BENEFITS (continued)

A comprehensive annual financial report of the FRS, which includes its financial statement, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' Web site (www.dms.myflorida.com)

Plan Description

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

- Regular Class – Members of the FRS who do not qualify for membership in the other classes.
- Elected County Officers Class – Members who hold specified elective offices in local government.
- Senior Management Service Class (SMSC) – Members in senior management level positions.
- Special Risk Class – Members who are special risk employees, such as law enforcement officers, meet the criteria to qualify for this class.

Employees enrolled in the FRS Plan prior to July 1, 2011, vest at 6 years of creditable service and employees enrolled in the FRS Plan on or after July 1, 2011, vest at 8 years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service, except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service. All members enrolled in the FRS Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service, except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service. Employees enrolled in the FRS Plan may include up to 4 years of credit for military service toward creditable service. The FRS Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The FRS Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

**FRANKLIN COUNTY, FLORIDA - TAX COLLECTOR
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

NOTE 3 – EMPLOYEE BENEFITS (continued)

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

Benefits Provided

Benefits under the FRS Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the 5 highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the 8 highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits.

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3 percent per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3 percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3 percent. FRS Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

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

**FRANKLIN COUNTY, FLORIDA - TAX COLLECTOR
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

NOTE 3 – EMPLOYEE BENEFITS (continued)

Plan Description

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

Benefits Provided

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

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

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

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. Tax Collector employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officer, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices.

**FRANKLIN COUNTY, FLORIDA - TAX COLLECTOR
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

NOTE 3 – EMPLOYEE BENEFITS (continued)

Costs of administering plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.04 percent of payroll and by forfeited benefits of plan members.

For all membership classes, employees are immediately vested in their own contributions and are vested after 1 year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over their account. If the employee does not return within the 5-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2020, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the Tax Collector.

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

Participating employer contributions are based upon statewide rates established by the State of Florida. The Tax Collector's contributions made to the plans during the years ended September 30, 2022, 2021, and 2020 were \$92,799, \$82,007, and \$73,749 respectively, equal to the actuarially determined contribution requirements for each year. Additional information about pension plans can be found in the County's annual financial statements.

**FRANKLIN COUNTY, FLORIDA - TAX COLLECTOR
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

NOTE 4 – RISK MANAGEMENT

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

The Board obtained commercial insurance against losses for the following types of risk:

- Real and personal property damage
- Public employee's bond
- Workers' compensation
- General and automobile liability

REQUIRED SUPPLEMENTARY INFORMATION

**FRANKLIN COUNTY, FLORIDA
TAX COLLECTOR**

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – GENERAL FUND**

YEAR ENDED SEPTEMBER 30, 2022

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues	\$ —	\$ —	\$ 959	\$ 959
Expenditures:				
General Government				
Current				
Personal services	532,852	532,353	577,719	(45,366)
Operating expenditures	109,150	118,153	73,746	44,407
Capital outlay	—	—	—	—
Total expenditures	<u>642,002</u>	<u>650,506</u>	<u>651,465</u>	<u>(959)</u>
Excess (deficit) of revenues over (under) expenditures	<u>(642,002)</u>	<u>(650,506)</u>	<u>(650,506)</u>	<u>—</u>
Other financing sources (uses)				
Transfers in	642,002	650,506	650,506	—
Transfers to BOCC	—	—	—	—
Total other financing Sources (uses)	<u>642,002</u>	<u>650,506</u>	<u>650,506</u>	<u>—</u>
Net change in fund balances	—	—	—	—
Fund balances - beginning	—	—	—	—
Fund balances - ending	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

The accompanying note to schedule of revenues, expenditures, and changes in fund balance - budget to actual - general fund is an integral part of this schedule.

**FRANKLIN COUNTY, FLORIDA
TAX COLLECTOR**

**NOTE TO SCHEDULES OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL-
GOVERNMENTAL FUNDS**

YEAR ENDED SEPTEMBER 30, 2022

(3) Budgetary Information:

An annual budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America for the general fund. All annual appropriations lapse at fiscal year-end.

The Tax Collector follows these procedures in establishing the budgetary data reflected in the financial statements:

- m) The preparation, adoption and amendment of the budgets are governed by Florida Statutes. Public hearings are conducted to obtain taxpayer comments.
- n) Budget excess expenditures over revenues are funded through appropriations from the Board of County Commissioners.
- o) Formal budgetary integration is employed as a management control device during the year. The legal level of budgetary control is the fund level.
- p) The budgets for the funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America

SUPPLEMENTARY INFORMATION

**FRANKLIN COUNTY, FLORIDA - TAX COLLECTOR
 COMBINING SCHEDULE OF FIDUCIARY NET POSITION
 CUSTODIAL FUNDS**

SEPTEMBER 30, 2022

	<u>Taxes</u>	<u>Tag (Escrow)</u>	<u>Tag</u>	<u>Total Custodial Funds</u>
Assets				
Cash and cash equivalents	<u>\$ 735,783</u>	<u>\$ 353</u>	<u>\$ 14,220</u>	<u>\$ 750,356</u>
Liabilities				
Due to other governments	290,758	353	11,470	302,581
Due to other county agencies	<u>298,121</u>	<u>—</u>	<u>2,750</u>	<u>300,871</u>
Total Liabilities	<u>\$ 588,879</u>	<u>\$ 353</u>	<u>\$ 14,220</u>	<u>\$ 603,452</u>
Net Position				
Restricted for:				
Other individuals and organizations	<u>146,904</u>	<u>—</u>	<u>—</u>	<u>146,904</u>
Total Net Position	<u>\$ 146,904</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 146,904</u>

**FRANKLIN COUNTY, FLORIDA - TAX COLLECTOR
COMBINING SCHEDULE OF CHANGES FIDUCIARY NET POSITION
CUSTODIAL FUNDS**

SEPTEMBER 30, 2022

	<u>Taxes</u>	<u>Tag (Escrow)</u>	<u>Tag</u>	<u>Total Custodial Funds</u>
Additions:				
Taxes	\$ 30,593,817	\$ —	\$ —	\$30,593,817
Permits, fees, and other	<u>—</u>	<u>9,567</u>	<u>2,279,311</u>	<u>2,288,878</u>
Total Additions	30,593,817	9,567	2,279,311	32,882,695
Deductions:				
Payment to individuals	2,256,657	—	28,065	2,284,722
Payment to other governments	15,629,963	—	1,992,808	17,622,771
Payment to BOCC	12,901,437	—	190,647	13,092,084
Payment to constitutional officers	<u>24,499</u>	<u>9,567</u>	<u>67,791</u>	<u>101,857</u>
Total Deductions	30,812,556	9,567	2,279,311	33,101,434
Net change in fiduciary net position	<u>(218,739)</u>	<u>—</u>	<u>—</u>	<u>(218,739)</u>
Net position, beginning	<u>365,643</u>	<u>—</u>	<u>—</u>	<u>365,643</u>
Net position, ending	<u>\$ 146,904</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 146,904</u>

ADDITIONAL ELEMENTS REQUIRED BY THE RULES OF THE AUDITOR GENERAL

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

To the Honorable Rick Watson
Franklin County Tax Collector
Franklin 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 Franklin County Tax Collector (the Office) as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Office's special-purpose financial statements, and have issued our report thereon dated June 28, 2023, which was modified to refer to a basis of accounting required for compliance with state filing requirements, and for other reasons.

Internal Control Over Financial Reporting

In planning and performing our audit of the special-purpose financial statements, we considered the Office's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the special-purpose financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Office's internal control. Accordingly, we do not express an opinion on the effectiveness of the Office'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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting 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 Office's special-purpose financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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.

Vance CPA LLC

Apalachicola, Florida
June 28, 2023

Vance CPA LLC

Vance CPA, LLC

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INDEPENDENT AUDITORS' EXAMINATION REPORT

To the Honorable Rick Watson
Franklin County Tax Collector
Franklin County, Florida

We have examined the Franklin County Tax Collector's (the Office) compliance with Section 218.415, Florida Statutes, Local Government Investment Policies, for the year ended September 30, 2022. Management is responsible for the Office's compliance with those requirements. Our responsibility is to express an opinion on the Office'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 Office complied with Section 218.415, Florida Statutes, Local Government Investment Policies, for the year ended September 30, 2022, in all material respects. An examination involves performing procedures to obtain evidence about the Office's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of risks of material noncompliance with those requirements, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

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

This report 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 Collectors, its management, and the Board of County Commissioners of Franklin County, Florida, and is not intended to be, and should not be, used by anyone other than these specified parties.

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

Vance CPA LLC

Apalachicola, Florida
June 28, 2023

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INDEPENDENT AUDITORS' MANAGEMENT LETTER REQUIRED BY CHAPTER 10.550, RULES OF THE STATE OF FLORIDA, OFFICE OF THE AUDITOR GENERAL

To the Honorable Rick Watson
Franklin County Tax Collector
Franklin County, Florida

We have audited the financial statements of the Franklin County Tax Collector (the Office), as of and for the fiscal year ended September 30, 2022, and have issued our report thereon dated June 28, 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 Compliance and Other Matters Based on an Audit of Special-Purpose Financial Statements Performed in Accordance with *Government Auditing Standards*, and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated June 28, 2023, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The Franklin County Tax Collector is an elected constitutional officer, whose office is established by Article VIII of the Constitution of the State of Florida and is governed by various provisions of state law. Franklin County, including the Office of the Tax Collector, was established by Chapter 8516, Laws of Florida in 1921. There are no component units of the Franklin County Tax Collector to be disclosed as required by accounting principles generally accepted in the United States of America.

Financial Management

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

Additional Matters

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

Purpose of this Letter

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

Vance CPA LLC

Apalachicola, Florida
June 28, 2023

Vance CPA LLC

**FRANKLIN COUNTY, FLORIDA – TAX COLLECTOR
MANAGEMENT’S RESPONSE TO MANAGEMENT LETTER**

SEPTEMBER 30, 2022

There are no comments which require management’s written response.

**Franklin County, Florida
Property Appraiser**

**Special-Purpose
Financial Statements
September 30, 2022**

Vance CPA, LLC

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**FRANKLIN COUNTY, FLORIDA
PROPERTY APPRAISER
SEPTEMBER 30, 2022**

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INDEPENDENT AUDITORS' REPORT

To the Honorable Rhonda Skipper
Franklin County Property Appraiser
Franklin County, Florida

Opinions

We have audited the financial statements of the general fund of the Franklin County, Florida Property Appraiser, (the Property Appraiser), as of and for the fiscal year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Property Appraisers' 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 for the Property Appraiser as of September 30, 2022, and the respective changes in financial position thereof and the respective budgetary comparison for the general fund for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the 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, only for that portion of the general fund, of Franklin County that is attributable to the Property Appraiser. They do not purport to, and do not, present fairly the financial position of Franklin County as of September 30, 2022, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

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 the 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 of events, considered in the aggregate, that raise substantial doubt about the Property Appraiser s' ability to continue as a going concern for twelve months beyond the financial statement date, including any known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report June 28, 2023 on our consideration of the Property Appraisers' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Appraisers' internal control over financial reporting and compliance.

Vance CPA LLC

Apalachicola, Florida
June 28, 2023

Vance CPA LLC

**FRANKLIN COUNTY, FLORIDA
PROPERTY APPRAISER**

**BALANCE SHEET
GENERAL FUND**

SEPTEMBER 30, 2022

	<u>General Fund</u>
ASSETS	
Cash	<u>\$ 25,173</u>
Total Assets	<u>25,173</u>
LIABILITIES AND FUND BALANCES	
Due to Board of County Commissioners	<u>25,173</u>
Total Liabilities	<u>25,173</u>
Fund Balances	<u>—</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 25,173</u></u>

See accompanying notes to the basic financial statements

**FRANKLIN COUNTY, FLORIDA
PROPERTY APPRAISER**

**STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GENERAL FUND**

YEAR ENDED SEPTEMBER 30, 2022

	<u>General Fund</u>
REVENUES	
Other Income	\$ 7,451
Total Revenues	<u>7,451</u>
EXPENDITURES	
General government	
Current	
Personal services	565,442
Operating expenditures	<u>131,510</u>
Total Expenditures	<u>696,952</u>
Excess (deficit) of revenues over (under) expenditures	<u>(689,501)</u>
Other financing sources (uses)	
Transfers from Board of County Commissioners	714,674
Transfers to Board of County Commissioners	<u>(25,173)</u>
Total Other Financing Sources (Uses)	<u>689,501</u>
Net change in fund balances	<u>—</u>
Fund balances - beginning	<u>—</u>
Fund balances - ending	<u>\$ —</u>

See accompanying notes to the basic financial statements

**FRANKLIN COUNTY, FLORIDA - PROPERTY APPRAISER
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Property Appraiser of Franklin County, Florida is an elected Constitutional Officer of Franklin County pursuant to Article VIII, Section (1) of the *Constitution of the State of Florida*. For financial statement and reporting purposes, the Property Appraiser is a separate constitutional officer as provided for by Chapter 218, Florida Statutes. The Property Appraiser is considered to be a part of the primary government of Franklin County, Florida and the financial information is included in Franklin County's county-wide financial statements.

These special-purpose financial statements include only the balances and activity of the Property Appraiser's office. They have been prepared for the purpose of complying with Section 10.557, *Rules of the Auditor General for Local Government Entity audits*, and are not intended to be a complete presentation of the financial position of the County, or the changes in financial position or where applicable, cash flows, thereof, in conformity with accounting principles generally accepted in the United States of America.

The operations of the Property Appraiser are funded by the Franklin County Board of County Commissioners (Board). The receipts from the Board are recorded as other financing sources on the Property Appraiser's financial statements and as other financing uses on the Board's financial statements. Any excess of revenues and other financial sources received over expenditures are remitted to the Board at year end.

The accounting policies of the Property Appraiser conform to accounting principles generally accepted in the United States of America, as applicable to governments.

B. Basis of Presentation – Fund Accounting

Accounts are organized on the basis of fund types, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues and expenditures as appropriate. Government resources are allocated to and accounted for in individual funds based on the purpose for which they are to be spent and the means by which spending activities are controlled. The Property Appraiser utilizes the following fund types:

**FRANKLIN COUNTY, FLORIDA - PROPERTY APPRAISER
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Governmental Fund Types

General Fund – The general fund is the general operating fund of the Property Appraiser. It is used to account for all financial resources, except for those required to be accounted for in other funds.

C. 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.

The Modified accrual basis of accounting is followed by the general fund. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available to finance expenditures of the current period. Expenditures are recorded when the liability is incurred, except for accumulated sick and vacation pay, which are not recorded until paid. charges for services and investment revenue are recorded as earned.

The Property Appraiser considers receivable collected within 60 days after year end to be available and susceptible to accrual as revenues of the current year. Charges for services and interest earned are susceptible to accrual.

D. Measurement Focus

The accounting and financial reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. This means that generally, only current assets and current liabilities are included in the balance sheet. General fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net fund balance. Accordingly, they present a summary of sources and uses of “available spendable resources” during a period.

E. Budgetary Requirements

Florida Statutes, Chapter 195.087 govern the preparation, adoption and administration of the annual budget of the Property Appraiser. The budget and subsequent budget amendments of the Property Appraiser are submitted to the Florida Department of Revenue (FDOR) for approval. A copy of the budget is also provided to the Board.

**FRANKLIN COUNTY, FLORIDA - PROPERTY APPRAISER
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Line item expenditures in excess of budget are authorized to the extent that total expenditures do not exceed the total budgeted expenditures. Budget transfers between appropriation categories (personal services, operating expenditures, capital outlay, and debt service) must be approved by FDOR. Transfers between expenditure items within the same appropriation category do not need approval by FDOR. The budget is prepared on the modified accrual basis of accounting. General fund appropriations lapse at the end of the fiscal year to the extent they have not been expended.

F. Capital Assets

Tangible personal property is recorded as expenditures in the general fund at the time an asset is acquired. Assets acquired by the Property Appraiser are capitalized at cost in the capital asset accounts of the County. The Property Appraiser maintains custodial responsibility for the capital assets used by her office.

G. Compensated Absences

Permanent full-time employees of the Property Appraiser accrue annual leave at the rate of 15 days per year and the leave must be used in the year it's accrued. Annual leave is not permitted to accrue year to year. Upon termination or retirement, employees are entitled to any unused annual leave remaining in a calendar year. Employees are entitled to accrue up to 30 days of sick leave and upon termination or retirement, no compensation is made for sick leave accrual.

H. Net Assets and Fund Equity

GASB Statement 54 – *Fund Balance Reporting and Governmental Funds Type Definitions* was implemented as of October 1, 2009. This Statement requires the fund balance for governmental funds to be reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Categories for fund balance are as follows: nonspendable, restricted, committed, assigned, and unassigned. For more information, see the County-wide note on fund balance.

I. Restricted Assets

Certain assets of the various funds are required by resolutions or ordinances to be set aside and used for specific purposes; thus, they are not available to be used for general operations. When both restricted and unrestricted resources are available for use, it is the government's policy to use externally restricted resources first, then unrestricted resources, - committed, assigned, and unassigned – in order as needed.

**FRANKLIN COUNTY, FLORIDA - PROPERTY APPRAISER
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make use of estimates that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amount of revenues and expenditures during the reporting period. Actual results could differ from estimates.

K. Subsequent Events

The County evaluated subsequent events through June 28, 2023, the date which the financial statements were available to be issued. The County did not have any subsequent events requiring disclosure or recording in these financial statements.

NOTE 2 - CASH AND INVESTMENTS

All Property Appraiser depositories are banks designated by the State Treasurer as qualified public depositories. Chapter 280, Florida Statutes “Florida Security for Public Deposits Act” provides procedures for public depositories to insure monies in banks and savings and loans are collateralized with the Treasurer as an agent for the public entities. All Property Appraiser cash consists of checking accounts and interest-bearing time deposits in a local bank.

Investments

The Property Appraiser held no investments at September 30, 2022.

Interest Rate Risk

At September 30, 2022, the Property Appraiser did not hold any investments that were considered to be an interest rate risk.

Credit Risk

At September 30, 2022 the Property Appraiser did not hold any investments that were considered to be a credit risk.

Custodial Risk

At September 30, 2022 the Property Appraiser did not hold any deposits or investments that were considered to be a custodial risk.

**FRANKLIN COUNTY, FLORIDA - PROPERTY APPRAISER
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

NOTE 2 - CASH AND INVESTMENTS (continued)

Concentration of Credit Risk

At September 30, 2022 the Property Appraiser did not hold any deposits or investments that were considered to be a credit risk.

NOTE 3 – EMPLOYEE BENEFITS

RETIREMENT PLAN

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

Essentially all regular employees of the Property Appraiser are eligible to enroll as members of the State-administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes, Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of the two costs-sharing, multiple-employer defined benefit plans and other nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statement, required supplementary information, actuarial report, and other relevant information is available from the Florida Department of Management Services' Website (www.dms.myflorida.com)

Plan Description

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

**FRANKLIN COUNTY, FLORIDA - PROPERTY APPRAISER
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

NOTE 3 – EMPLOYEE BENEFITS (continued)

- Regular Class – Members of the FRS who do not qualify for membership in the other classes.
- Elected County Officers Class – Members who hold specified elective offices in local government.
- Senior Management Service Class (SMSC) – Members in senior management level positions.
- Special Risk Class – Members who are special risk employees, such as law enforcement officers, meet the criteria to qualify for this class.

Employees enrolled in the FRS Plan prior to July 1, 2011, vest at 6 years of creditable service and employees enrolled in the FRS Plan on or after July 1, 2011, vest at 8 years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service, except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service. All members enrolled in the FRS Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service, except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service. Employees enrolled in the FRS Plan may include up to 4 years of credit for military service toward creditable service. The FRS Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The FRS Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

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

**FRANKLIN COUNTY, FLORIDA - PROPERTY APPRAISER
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

NOTE 3 – EMPLOYEE BENEFITS (continued)

Benefits Provided

Benefits under the FRS Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the 5 highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the 8 highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits.

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3 percent per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3 percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3 percent. FRS Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

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

Plan Description

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

**FRANKLIN COUNTY, FLORIDA - PROPERTY APPRAISER
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

NOTE 3 – EMPLOYEE BENEFITS (continued)

Benefits Provided

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

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

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

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. Property Appraiser employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officer, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.04 percent of payroll and by forfeited benefits of plan members.

For all membership classes, employees are immediately vested in their own contributions and are vested after 1 year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS

**FRANKLIN COUNTY, FLORIDA - PROPERTY APPRAISER
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

NOTE 3 – EMPLOYEE BENEFITS (continued)

Pension Plan is transferred to the Investment Plan, the member must have the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over their account. If the employee does not return within the 5-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2020, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the Property Appraiser.

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

Participating employer contributions are based upon statewide rates established by the State of Florida. The Property Appraiser's contributions made to the plans during the years ended September 30, 2022, 2021, and 2020 were \$ 68,685, \$62,844, and \$67,818, respectively, equal to the actuarially determined contribution requirements for each year. Additional information about pension plans can be found in the County's annual financial statements.

NOTE 4 – RISK MANAGEMENT

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

**FRANKLIN COUNTY, FLORIDA - PROPERTY APPRAISER
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

NOTE 4 –RISK MANAGEMENT (continued)

The Board obtained commercial insurance against losses for the following types of risk:

- Real and personal property damage
- Public employee's bond
- Workers' compensation
- General and automobile liability

REQUIRED SUPPLEMENTARY INFORMATION

**FRANKLIN COUNTY, FLORIDA
PROPERTY APPRAISER**

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – GENERAL FUND**

YEAR ENDED SEPTEMBER 30, 2022

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final</u>
	<u>Original</u>	<u>Final</u>		<u>Budget Positive (Negative)</u>
REVENUES:				
Other Income	—	—	7,451	7,451
Total revenues	—	—	7,451	7,451
Expenditures:				
General Government				
Current				
Personal services	544,744	557,719	565,442	(7,723)
Operating expenditures	158,337	158,337	131,510	26,827
Capital outlay	—	—	—	—
Total expenditures	703,081	716,056	696,952	19,104
Excess (deficit) of revenues over (under) expenditures	(703,081)	716,056	(689,501)	26,555
Other financing sources (uses)				
Transfers from Board of County Commissioners	703,081	716,056	714,674	(1,382)
Transfers to Board of County Commissioners	—	—	(25,173)	(25,173)
Total other financing Sources (uses)	703,081	716,056	689,501	(26,555)
Net change in fund balances	—	—	—	—
Fund balances - beginning	—	—	—	—
Fund balances - ending	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

The accompanying note to schedule of revenues, expenditures, and changes in fund balance – budget to actual – general fund is an integral part of this schedule.

**FRANKLIN COUNTY, FLORIDA
PROPERTY APPRAISER**

**NOTE TO SCHEDULES OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL-
GOVERNMENTAL FUND**

YEAR ENDED SEPTEMBER 30, 2022

(4) Budgetary Information:

An annual budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America for the general fund. All annual appropriations lapse at fiscal year-end.

The Property Appraiser follows these procedures in establishing the budgetary data reflected in the financial statements

- q) The preparation, adoption and amendment of the budgets are governed by Florida Statutes. Public hearings are conducted to obtain taxpayer comments.
- r) Budget excess expenditures over revenues are funded through appropriations from the Board of County Commissioners.
- s) Formal budgetary integration is employed as a management control device during the year. The legal level of budgetary control is the fund level.
- t) The budgets for the funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America

ADDITIONAL ELEMENTS REQUIRED BY THE RULES OF THE AUDITOR GENERAL

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

To the Honorable Rhonda Skipper
Franklin County Property Appraiser
Franklin 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 Franklin County Property Appraiser (the Office) as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Office's special-purpose financial statements, and have issued our report thereon dated June 28, 2023, which was modified to refer to a basis of accounting required for compliance with state filing requirements, and for other reasons.

Internal Control Over Financial Reporting

In planning and performing our audit of the special-purpose financial statements, we considered the Office's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the special-purpose financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Office's internal control. Accordingly, we do not express an opinion on the effectiveness of the Office'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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting 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 Office's special-purpose financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

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.

Vance CPA LLC

Apalachicola, Florida
June 28, 2023

Vance CPA LLC

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INDEPENDENT AUDITORS' MANAGEMENT LETTER REQUIRED BY CHAPTER 10.550, RULES OF THE STATE OF FLORIDA, OFFICE OF THE AUDITOR GENERAL

To the Honorable Rhonda Skipper
Franklin County Property Appraiser
Franklin County, Florida

Report on the Financial Statements

We have audited the financial statements of the Franklin County Property Appraiser (the Office), as of and for the fiscal year ended September 30, 2022, and have issued our report thereon dated June 28, 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 Compliance and Other Matters Based on an Audit of Special-Purpose Financial Statements Performed in Accordance with *Government Auditing Standards*, and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated June 28, 2023, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The Franklin County Property Appraiser is an elected constitutional officer, whose office is established by Article VIII of the Constitution of the State of Florida and is governed by various provisions of state law. There are no component units of the Franklin County Property Appraiser to be disclosed as required by accounting principles generally accepted in the United States of America.

Financial Management

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

Additional Matters

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

Purpose of this Letter

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



Apalachicola, Florida
June 28, 2023

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INDEPENDENT AUDITORS' EXAMINATION REPORT

To the Honorable Rhonda Skipper
Franklin County Property Appraiser
Franklin County, Florida

We have examined the Franklin County Property Appraiser's (the Office) compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2022.

Management is responsible for the Office's compliance with those requirements. Our responsibility is to express an opinion on the Office'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 Office complied with Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2022, in all material respects. An examination involves performing procedures to obtain evidence about the Office's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of risks of material noncompliance with those requirements, 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.

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

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

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

This report 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, its management, and the Board of County Commissioners of Franklin County, Florida, and is not intended to be, and should not be, used by anyone other than these specified parties.

Vance CPA LLC

Apalachicola, Florida
June 28, 2023

Vance CPA LLC

**FRANKLIN COUNTY, FLORIDA - PROPERTY APPRAISER
MANAGEMENT'S RESPONSE TO MANAGEMENT LETTER**

SEPTEMBER 30, 2022

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

**Franklin County, Florida
Supervisor of Elections**

**Special-Purpose
Financial Statements
September 30, 2022**

Vance CPA, LLC

Certified Public Accountant

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**FRANKLIN COUNTY SUPERVISOR OF ELECTIONS
SEPTEMBER 30, 2022**

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INDEPENDENT AUDITORS' REPORT

To the Honorable Heather Riley
Franklin County Supervisor of Elections
Franklin County, Florida

Opinions

We have audited the financial statements of the general fund of the Franklin County, Florida Supervisor of Elections, (the Supervisor of Elections), as of and for the fiscal year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Clerk of the Circuit Courts' 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 for the Supervisor of Elections as of September 30, 2022, and the respective changes in financial position thereof and the respective budgetary comparison for the general fund for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the 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 (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, only for that portion of the general fund, of Franklin County that is attributable to the Supervisor of Elections. They do not purport to, and do not, present fairly the financial position of Franklin County as of September 30, 2022, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

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 the 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 of events, considered in the aggregate, that raise substantial doubt about the Supervisor of Elections' ability to continue as a going concern for twelve months beyond the financial statement date, including any known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, 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 these risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Supervisor of Elections' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Supervisor of Elections' ability to continue as a going concern for a reasonable period of time.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report June 28, 2023 on our consideration of the Supervisor of Elections' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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.

Vance CPA LLC

Apalachicola, Florida
June 28, 2023

Vance CPA LLC

**FRANKLIN COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS**

**BALANCE SHEET
GENERAL FUND
SEPTEMBER 30, 2022**

	<u>General Fund</u>
ASSETS	
Cash	\$ <u>56</u>
Total Assets	<u><u>56</u></u>
LIABILITIES AND FUND BALANCES	
Liabilities	
Due to Board of County Commissioners	<u>56</u>
Total Liabilities	<u><u>56</u></u>
Fund Balances	<u>—</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ —</u></u>

See accompanying notes to the basic financial statements

**FRANKLIN COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS**

**STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GENERAL FUND**

YEAR ENDED SEPTEMBER 30, 2022

	<u>General Fund</u>
REVENUES	
Intergovernmental	\$ 61,820
Miscellaneous	<u>5,426</u>
Total Revenues	<u>67,246</u>
EXPENDITURES	
General government	
Personal services	219,845
Operating expenditures	<u>275,095</u>
Total Expenditures	<u>494,940</u>
Excess (deficit) of revenues over (under) expenditures	<u>(427,694)</u>
Other financing sources (uses)	
Transfers to Board of County Commissioners	(135)
Transfers from Board of County Commissioners	<u>427,829</u>
Total Other Financing Sources (Uses)	<u>427,694</u>
Net change in fund balances	<u>—</u>
Fund balances - beginning	<u>—</u>
Fund balances - ending	<u>\$ —</u>

See accompanying notes to the basic financial statements

**FRANKLIN COUNTY, FLORIDA - SUPERVISOR OF ELECTIONS
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Supervisor of Elections of Franklin County, Florida is an elected Constitutional Officer of Franklin County pursuant to Article VIII, Section (1) of the *Constitution of the State of Florida*. For financial statement and reporting purposes, the Supervisor of Elections is a separate constitutional officer as provided for by Chapter 218, Florida Statutes. The Supervisor of Elections is considered to be a part of the primary government of Franklin County, Florida and her financial information is included in Franklin County's county-wide financial statements.

These special-purpose financial statements include only the balances and operations of the Supervisor of Elections office. They have been prepared for the purpose of complying with Section 10.557, *Rules of the Auditor General for Local Government Entity Audits*, and are not intended to be a complete presentation of the financial position of the County, or the changes in financial position or where applicable, cash flows, thereof, in conformity with accounting principles generally accepted in the United States of America.

The operations of the Supervisor of Elections are funded by the Board. The receipts from the Board are recorded as other financing sources on the Supervisor of Elections' financial statements and as other financing uses on the Board's financial statements. Any excess of revenues and other financing sources received over expenditures are remitted to the Board at year end.

The accounting policies of the Supervisor of Elections conform to accounting principles generally accepted in the United States of America as applicable to governments.

B. Basis of Presentation

Accounts are organized on the basis of fund types, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues and expenditures as appropriate. Government resources are allocated to and accounted for in individual funds based on the purpose for which they are to be spent and the means by which spending activities are controlled. The Supervisor of Elections utilizes the following fund type:

**FRANKLIN COUNTY, FLORIDA - SUPERVISOR OF ELECTIONS
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Governmental Fund Type

General Fund – The general fund is the general operating fund of the Supervisor of Elections. It is used to account for all financial resources, except those required to be accounted for in other funds.

C. 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.

The accompanying financial statements have been prepared using the modified accrual basis of accounting for governmental funds and agency funds. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available to finance expenditures of the current period. Expenditures are recorded when the liability is incurred, if measurable, except for principal and interest on long-term obligations which is recorded when due.

The Supervisor of Elections considers receivables collected within 60 days after year end to be available and susceptible to accrual as revenues of the current year. Charges for services and interest earned are susceptible to accrual.

D. Measurement Focus

The accounting and financial reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. The general fund is accounted for on a spending or “financial flow” measurement focus. This means that generally, only current assets and current liabilities are included in the balance sheet. General fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly they present a summary of sources and uses of “available spendable resources” during a period.

**FRANKLIN COUNTY, FLORIDA - SUPERVISOR OF ELECTIONS
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Budgetary Requirements

General governmental revenue and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with the Florida Statutes. An annual budget is prepared by the Supervisor of Elections and adopted by the Board for the general fund. Florida Statutes Chapter 129.201 governs the preparation, adoption, and administration of the Supervisor of election's annual budget.

The Supervisor of Elections' annual budget is monitored at varying levels of classification detail. However, for purposes of budgetary control, expenditures cannot legally exceed the total annual budget appropriations at the individual fund level. All appropriations lapse at year-end.

Budget to actual comparisons are provided in the financial statements for the general fund. All budget amounts presented in the accompanying financial statements have been adjusted for legally authorized amendments of the annual budget for the year. Budgets are prepared on the modified accrual basis of accounting.

F. Cash and Cash Equivalents

The Supervisor of Elections considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

G. Capital Assets

Tangible personal property is recorded as expenditures in the general fund at the time an asset is acquired. Title to these assets vests with the Board of County Commissioners, and the capitalization of the asset and any related depreciation are recorded on the Board's financial statements. The Supervisor of Elections maintains custodial responsibility for the capital assets used by her office.

H. Compensated Absences

Permanent full-time employees of the Supervisor of Elections accrue sick leave and upon termination or retirement are entitled to receive 100% of accrued sick leave pay up to a maximum of 60 days. Employees are entitled to four weeks vacation each year or three weeks vacation

**FRANKLIN COUNTY, FLORIDA - SUPERVISOR OF ELECTIONS
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

with one week extra pay in lieu of the fourth week. Upon termination or retirement, an employee is paid 100% of their annual leave up to a maximum of 100 days.

The Supervisor of Elections' accumulated compensated absences are reported in the statement of net position in the County's financial statements.

I. Net Position and Fund Equity

GASB Statement 54 – *Fund Balance Reporting and Governmental Funds Type Definitions* was implemented as of October 1, 2009. This Statement requires the fund balance for governmental funds to be reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Categories for fund balance are as follows: nonspendable, restricted, committed, assigned, and unassigned. For more information, see the County-wide note on fund balance.

J. Restricted Assets

Certain assets of the various funds are required by resolutions or ordinances to be set aside and used for specific purposes; thus, they are not available to be used for general operations. When both restricted and unrestricted resources are available for use, it is the government's policy to use externally restricted resources first, then unrestricted resources – committed, assigned, and unassigned – in order as needed.

K. Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make use of estimates that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amount of revenues and expenditures during the reporting period. Actual results could differ from estimates.

L. Subsequent Events

The County evaluated subsequent events through June 28, 2023, the date which the financial statements were available to be issued. The County did not have any subsequent events requiring disclosure or recording in these financial statements.

**FRANKLIN COUNTY, FLORIDA – SUPERVISOR OF ELECTIONS
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

NOTE 2 – CASH AND INVESTMENTS

All Supervisor of Elections depositories are banks designated by the State Treasurer as qualified public depositories. Chapter 280, Florida Statutes “Florida Security for Public Deposits Act” provides procedures for public depositories to insure monies in banks and savings and loans are collateralized with the Treasurer as an agent for the public entities. All Supervisor of Elections cash consists of checking accounts and interest-bearing time deposits in a local bank.

The Supervisor of Elections held no investments at September 30, 2022.

Interest Rate Risk

At September 30, 2022, the Supervisor of Elections did not hold any investments that were considered to be an interest rate risk.

Credit Risk

At September 30, 2022, the Supervisor of Elections did not hold any investments that were considered to be a credit risk.

Custodial Risk

At September 30, 2022, the Supervisor of Elections did not hold any deposits or investments that were considered to be a custodial risk.

Concentration of Credit Risk

At September 30, 2022, the Supervisor of Elections did not hold any investments that were considered to be a concentration of credit risk.

NOTE 3 – EMPLOYEE BENEFITS

RETIREMENT PLAN

The Florida Retirement System (FRS) was created by Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, Florida Statutes, established

**FRANKLIN COUNTY, FLORIDA - SUPERVISOR OF ELECTIONS
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

NOTE 3 - EMPLOYEE BENEFITS (continued)

the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing multiple- employer defined benefit pension plan, to assist retired members of any State-administered retirement system in paying the costs of health insurance.

Essentially all regular employees of the Supervisor of Elections are eligible to enroll as members of the State-administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes, Chapter 238, Florida statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of the two cost-sharing, multiple-employer defined benefit plans and other nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statement, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' Web site (www.dms.myflorida.com)

Plan Description

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

- Regular Class – Members of the FRS who do not qualify for membership in the other classes.
- Elected County Officers Class – Members who hold specified elective offices in local government.
- Senior Management Service Class (SMSC) – Members in senior management level positions.
- Special Risk Class – Members who are special risk employees, such as law enforcement officers, meet the criteria to qualify for this class.

Employees enrolled in the FRS Plan prior to July 1, 2011, vest at 6 years of creditable service and employees enrolled in the FRS Plan on or after July 1, 2011, vest at 8 years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service, except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service.

**FRANKLIN COUNTY, FLORIDA - SUPERVISOR OF ELECTIONS
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

NOTE 3 - EMPLOYEE BENEFITS (continued)

All members enrolled in the FRS Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service, except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service. Employees enrolled in the FRS Plan may include up to 4 years of credit for military service toward creditable service. The FRS Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The FRS Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

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

Benefits Provided

Benefits under the FRS Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the 5 highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the 8 highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits.

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3 percent per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually

**FRANKLIN COUNTY, FLORIDA - SUPERVISOR OF ELECTIONS
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

NOTE 3 - EMPLOYEE BENEFITS (continued)

calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3 percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3 percent. FRS Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

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

Plan Description

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

Benefits Provided

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

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

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

**FRANKLIN COUNTY, FLORIDA - SUPERVISOR OF ELECTIONS
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

NOTE 3 - EMPLOYEE BENEFITS (continued)

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. Supervisor of Elections employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officer, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.04 percent of payroll and by forfeited benefits of plan members.

For all membership classes, employees are immediately vested in their own contributions and are vested after 1 year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over their account. If the employee does not return within the 5-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2019, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the Supervisor of Elections.

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

**FRANKLIN COUNTY, FLORIDA - SUPERVISOR OF ELECTIONS
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

NOTE 3 - EMPLOYEE BENEFITS (continued)

Participating employer contributions are based upon statewide rates established by the State of Florida. The Supervisor of Election’s contributions made to the plans during the years ended September 30, 2022, 2021 and 2020, were \$73,808, \$68,256, and 63,626 respectively, equal to the actuarially determined contribution requirements for each year. Additional information about pension plans can be found in the County’s annual financial statements.

NOTE 4 – CHANGES IN LONG-TERM OBLIGATIONS

The Supervisor of Elections is reported as a component of the County’s government-wide financial statements as follows:

	<u>Balance</u> <u>09/30/21</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>09/30/22</u>
Accumulated compensated absences	\$ 11,081	\$ 7,571	\$ (5,397)	\$ 13,255

Accrued compensated absences represent the vested portion of accrued vacation, sick leave, and compensatory time. See note 1 for a summary of the Supervisor of Elections’ policy regarding compensated absences.

NOTE 5 – RISK MANAGEMENT

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

The Board obtained commercial insurance against losses for the following types of risk:

- Real and personal property
- Public employees’ bond
- Workers’ compensation
- Automobile liability

REQUIRED SUPPLEMENTARY INFORMATION

**FRANKLIN COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS**

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – GENERAL FUND**

YEAR ENDED SEPTEMBER 30, 2022

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final</u>
	<u>Original</u>	<u>Final</u>		<u>Budget Positive (Negative)</u>
Revenues:				
Intergovernmental	\$ —	\$ —	\$ 61,820	\$ 61,820
Miscellaneous	—	—	5,426	5,426
Total revenues	<u>—</u>	<u>—</u>	<u>67,246</u>	<u>67,246</u>
Expenditures:				
General government				
Current				
Personal services	285,329	285,329	219,845	65,484
Operating expenditures	<u>142,500</u>	<u>142,500</u>	<u>275,095</u>	<u>(132,595)</u>
Total expenditures	<u>427,829</u>	<u>427,829</u>	<u>494,940</u>	<u>(67,111)</u>
Excess (deficit) of revenues over (under) expenditures	<u>(427,829)</u>	<u>(427,829)</u>	<u>(427,694)</u>	<u>135</u>
Other financing sources (uses)				
Transfers in	427,829	427,829	427,829	—
Loan proceeds	—	—	—	—
Transfers to BOCC	<u>—</u>	<u>—</u>	<u>(135)</u>	<u>(135)</u>
Total other financing Sources (uses)	<u>427,829</u>	<u>427,829</u>	<u>427,694</u>	<u>(135)</u>
Net change in fund balances	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Fund balances - beginning	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Fund balances - ending	<u><u>\$ —</u></u>	<u><u>\$ —</u></u>	<u><u>\$ —</u></u>	<u><u>\$ —</u></u>

The accompanying note to schedule of revenues, expenditures, and changes in fund balance – budget to actual – general fund is an integral part of this schedule.

**FRANKLIN COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS**

**NOTES TO SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL –
GENERAL FUND**

YEAR ENDED SEPTEMBER 30, 2022

(5) Budgetary Information:

An annual budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America for the general fund. All annual appropriations lapse at fiscal year-end.

The Supervisor of Elections follows these procedures in establishing the budgetary data reflected in the financial statements:

- u) The preparation, adoption and amendment of the budgets are governed by Florida Statutes. Public hearings are conducted to obtain taxpayer comments.
- v) Budget excess expenditures over revenues are funded through appropriations from the Board of County Commissioners.
- w) Formal budgetary integration is employed as a management control device during the year. The legal level of budgetary control is the fund level.
- x) The budgets for the funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America

ADDITIONAL ELEMENTS REQUIRED BY THE RULES OF THE AUDITOR GENERAL

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

To the Honorable Heather Riley
Franklin County Supervisor of Elections
Franklin 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 Franklin County Supervisor of Elections (the Office) as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Office' special-purpose financial statements, and have issued our report thereon dated June 28, 2023, which was modified to refer to a basis of accounting required for compliance with state filing requirements, and for other reasons.

Internal Control Over Financial Reporting

In planning and performing our audit of the special-purpose financial statements, we considered the Office's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the special-purpose financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Office's internal control. Accordingly, we do not express an opinion on the effectiveness of the Offices' 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting 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 Offices' special-purpose financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Vance CPA LLC

Apalachicola, Florida
June 28, 2023

Vance CPA LLC

Vance CPA, LLC

Certified Public Accountant

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INDEPENDENT AUDITORS' MANAGEMENT LETTER REQUIRED BY CHAPTER 10.550, RULES OF THE STATE OF FLORIDA, OFFICE OF THE AUDITOR GENERAL

To the Honorable Heather Riley
Franklin County Supervisor of Elections
Franklin County, Florida

Report on the Financial Statements

We have audited the financial statements of the Franklin County Supervisor of Elections (the Office), as of and for the fiscal year ended September 30, 2022, and have issued our report thereon dated June 28, 2023.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of Special-Purpose Financial Statements Performed in Accordance with *Government Auditing Standards*, and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated June 15, 2022, should be considered in conjunction with this management letter.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The Office is an elected constitutional officer, whose office is established by Article VIII of the Constitution of the State of Florida and is governed by various provisions of state law. There are no component units of the Office to be disclosed as required by accounting principles generally accepted in the United States of America.

Financial Management

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

Additional Matters

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

Purpose of this Letter

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

Vance CPA LLC

Apalachicola, Florida
June 28, 2023

Vance CPA LLC

Vance CPA, LLC

Certified Public Accountant

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INDEPENDENT AUDITORS' EXAMINATION REPORT

To the Honorable Heather Riley
Franklin County Supervisor of Elections
Franklin County, Florida

We have examined the Franklin County Supervisor of Elections' (the Office) compliance with Section 218.415, Florida Statutes, Local Government Investment Policies, for the year ended September 30, 2022.

Management is responsible for the Office's compliance with those requirements. Our responsibility is to express an opinion on the Office'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 Office complied with Section 218.415, Florida Statutes, Local Government Investment Policies, for the year ended September 30, 2022, in all material respects. An examination involves performing procedures to obtain evidence about the Office's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of risks of material noncompliance with those requirements, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

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

This report 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, its management, and the Board of County Commissioners of Franklin County, Florida, and is not intended to be, and should not be, used by anyone other than these specified parties.

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

Vance CPA LLC

Apalachicola, Florida
June 28, 2023

Vance CPA LLC

**FRANKLIN COUNTY, FLORIDA - SUPERVISOR OF ELECTIONS
MANAGEMENT'S RESPONSE TO MANAGEMENT LETTER**

SEPTEMBER 30, 2022

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

Attachment 3

Local Mitigation Strategy Plan Project List

Project #64 listed:

First Responder Communication System

Priority	Description of Mitigation Project	Hazards Mitigated	Mitigation Goals Achieved	Funding Source	Jurisdiction (Location)	Agency Responsible for Implementation	Estimated Costs	Status	Timeframe to Complete
1	Improve efforts in debris removal of dead, dying or diseased trees and branches next to road and highways.	All Hazards	No	FDOT Funding/Duke Energy/ BOCC	All jurisdictions in Franklin County.	Franklin County Emergency Management/ Duke Energy/ State of FL Contractor/ Road Department	Varies by project 5,000 to 500,000	Duke Energy maintains the power lines. State DOT Contractor maintains the Franklin County State Highways	Ongoing
2	Potable Water Valve Replacements	Public Health	No	Unknown	Apalachicola	City of Apalachicola	\$5,000,000	Seeking funding	Within a five year timeframe
3	Potable Water Testing Site Installation	Public Health	No	Unknown	Apalachicola	City of Apalachicola	\$100,000	Install water quality testing sites to monitor problems - seeking funding.	Within a five year timeframe
4	Culvert Pipe Repair Gray Ave to HWY 98	Flooding	No	Unknown	Carrabelle	Road Department	Unknown	In planning stage	Unknown
5	Apalachicola, Water Street Drainage	Flooding	No	HMGP	City of Apalachicola	City of Apalachicola Water & Sewer Dept.	\$1,626,570	There have been many storm flooding events that have caused considerable damage and especially to Water Street in the City of Apalachicola's drainage. The goal is to have this mitigation project completed within the next two years. Partially addressed. Funded.	Within a two year timeframe
6	Build a new wastewater treatment plant in Eastpoint.	All Hazards	No	City Funding	Eastpoint	Water and Sewer District	\$3,500,000	A new wastewater treatment plant in Eastpoint is currently being built.	Within a two year timeframe
7	Outfall Tidal Gate and Protection Systems for Streets to Bay	Storm Surge, Flood	No	TBD	City of Apalachicola	City of Apalachicola Water & Sewer Department	\$301,000	Avenues are funded, streets still remain a need.	Within a five year timeframe
8	Analysis of Drainage Basins that border Apalachicola Rover and Bay, camera work of stormwater lines phase 1, public education for public	Flooding	No	DEO RIF	Apalachicola	City of Apalachicola	\$300,000	Funded for drainage basin analysis and phase 1 of stormwater lines camera work. + 5k for public education	Within a three year timeframe
9	Stormwater Pipe Relining (4 locations)	Flooding	No	Legislative	Apalachicola	City of Apalachicola	\$100,000	Funded - 25% complete	Within a two year timeframe
10	Stormwater Inflow & Infiltration Study	Flooding	No	Unknown	Apalachicola	City of Apalachicola	\$500,000	To identify issues. Phase 1. Seeking funding	Within a five year timeframe
11	Stormwater Design	Flooding	No	Unknown	Apalachicola	City of Apalachicola	\$1,000,000	To correct issues identified in I&I study and for necessary improvements. Phase 2. Seeking funding	Within a five year timeframe

12	Stormwater Construction	Flooding	No	Unknown	Apalachicola	City of Apalachicola	Unknown	Critical areas: Ave I between 5th & 6th Street, 16th Street; Fred Myers, Ave B, Ave G; etc. + other areas to be identified in the study. There is an existing CDBG-DR project to address some of these issues. However, more funding will be needed once I&I and design work is complete. Seeking funding	Within a five year timeframe
13	Wastewater Treatment & Collection Systems Inflow & Infiltration Study	Wastewater	No	Unknown	Apalachicola	City of Apalachicola	\$500,000	To determined the condition of pipes and identify problems. Partially funded through I&I - Seeking funding.	Within a five year timeframe
14	Lift Station Rehabilitation (Sylvester Williams & Ellis Van Fleet)	Flooding	No	Unknown	Apalachicola	City of Apalachicola	\$150,000	Ellis Van Fleet Completed - Sylvester Williams not	Within a five year timeframe
15	Vacuum Station Electronic Upgrades	Flooding	No	Unknown	Apalachicola	City of Apalachicola	\$200,000	Seeking funding for 108 Avenue F	Within a five year timeframe
16	Raise areas of CR 67 to prevent road flooding.	Flooding	No	HMGP/ Private / BOCC	Franklin County	Franklin County Road Department	\$3,000,000	Need to coordinate with Liberty County EM on this project.	Within a five year timeframe
17	Acquire, relocate or elevate repetitive damaged structures throughout the county.	Flooding, Storm Surge	No	HGMP	All jurisdictions in Franklin County	Franklin County Emergency Management	Varies as it depends on the structure		Ongoing
18	Reduce Coastal erosion by planting vegetation and participating in beach renourishment programs to the enhance the formation of sand dunes and to protect roads from washouts.	Coastal Erosion	No	Various	All jurisdictions in Franklin County	Franklin County Emergency Management/ ANEER	Varies by project \$10,000-\$150,000	Classes. Currently Sea oats are planted to create a living shoreline at 7th St in Eastpoint and across St. George Island and Little St. George.	Ongoing
19	Baywood Drive/Carrabelle	Storm Surge, Flood	No	TBD	Carrabelle	Carrabelle Public Works	UNK	Culvert Replacement and Reroute	Within a five year timeframe
20	Replace Culverts in Eastpoint along Las Brisas off Bayshore	Flooding	No	Unknown	Eastpoint	Road Department	Unknown	Determining estimated cost.	Unknown
21	Replace culverts along Bloody Bluff	Flooding	No	Unknown	Eastpoint	Road Department	\$30,000	Looking for funding source.	Unknown
22	Acquire land and Construct new landfill	All Hazards, Environmental	No	BOCC /Grants/ HMGP	All jurisdictions in Franklin County	BOCC/ Franklin County Landfill	\$1,500,000	Franklin County Landfill is very limited. Franklin County Board of County Commissioners are looking for a new location for the landfill expansion. They are currently looking for grant opportunities	Within a five year timeframe
23	Carrabelle Fire Hydrant System extended to West Side of County located between the light house and yents bayou.	Wildfires	No	Grants/ Public/ Private	Carrabelle / Franklin County East	Carrabelle Fire Department/ City of Carrabelle	\$2,500,000	Carrabelle Fire Department needs to install fire hydrants on the West side of Carrabelle to improve fire response to the county. The project is awaiting funding	Within a five year timeframe

24	Update and enhance all communications equipment throughout the county	All Hazards	No	Grants/ BOCC/ Various Programs/Triumph	All jurisdictions in Franklin County	Franklin County Sheriff /Volunteer Fire Department/Franklin County Emergency Management/ Road Dept/ Solid Waste/DOH	Varies by project 5,000 to 500,000	All Agencies are evaluating/ discussing options for interoperable communications through out the county.- Fire net is operational and this is an ongoing project for the County. Talk to Erin for updates.	Within a five year timeframe
25	Apalachicola, Market Street Vacuum Station, utility Mitigation	All Hazards	No	HMGP	City of Apalachicola	City of Apalachicola Water & Sewer Dept.	\$2,333,000	Construction of a new vacuum sewage station near the intersection of Market Street and Avenue G. The project will upgrade the existing wastewater infrastructure and mitigate future occurrences of sanitary sewer overflows. Funded and building engineer one year out.	Within a one year timeframe
26	Work with the Florida Forest Service on evaluating the defensible space on all the critical facilities throughout the county.	Wildfires	No	HMGP/ Forest Service Funding	All jurisdictions in Franklin County	Franklin County Emergency Management/ Florida Forest Service	There is no cost for this mitigation project	The Florida Forest Service will provide the information on the defensible space on critical facilities.	Ongoing
27	Apalachicola, 2 Critical Facilities Generators	All Hazards	No	HMGP	City of Apalachicola	City of Apalachicola	\$303,219	Installation of the two generators for the City of Apalachicola's critical facilities will be within the next year. Funded waiting on generator.	Within a one year timeframe
28	Critical Facilities Generators for the EOC, Airport, Weems Hospital, Courthouse	All Hazards	No	HMGP	All jurisdictions in Franklin County	FCEM	\$842,793	Installation of the six generators for the County's critical facilities will be within the next year. In the bidding process.	Within a one year timeframe
29	Install tornado shelters throughout the county.	Tornadoes and Strong Winds	No	TBD	All jurisdictions in Franklin County	Franklin County Emergency Management	\$500,000		Within a five year timeframe
30	Generator for Wastewater Pumping Station	All Hazards	No	HMGP	Apalachicola	Apalachicola Water & Sewer Dept.	170,000	Installation of a generator for the City's critical facility (108 Avenue F) within the next year. Funded one year out for generator.	Within a one year timeframe
31	Jaws of Life for City of Apalachicola Fire Department	Public Safety	No	Firehouse Subs Grant	City of Apalachicola	City of Apalachicola	\$ 37,880.00	Applying for grant	Within a five year timeframe
32	Update all County Mapping to include 911 overlay, flood prone areas, damage assessment, and property appraiser properties.	Flooding, Storm Surge	No	HMGP/ FCEM/ Various Funding	All jurisdictions in Franklin County	Planning and Zoning/ Franklin County Appraiser's Office/ Sheriff's Department		FCEM/Flood Plain Manager are looking into software that maps and identifies all repetitive flood prone areas. Sheriff's Department is looking into funding for updated 911 mapping. Property Appraiser has completed the rest.	Ongoing

33	Water Management (Acquisition Flood Prone Lots to Turn into Green Space, Retention Ponds, Etc.)	Flooding/Storm Surge	No	Grant/HMGP CPTA (fy23)	City of Apalachicola	City of Apalachicola	\$ 300,000.00	The City will provide flood and storm surge mitigation measures to the City by purchasing various lots around the City to be converted into permanent greenspace with retention ponds	3 years
34	Organize the needs of vulnerable populations including establishing and promoting accessible heating or cooling centers in the community.	Extreme Temperatures (heat waves and freezes)	No	HMGP	All jurisdictions in Franklin County	Franklin County Emergency Management		The Emergency Management Department will devise an outreach program to reach the vulnerable populations throughout the County and promote safety and heating and cooling centers in the community. There would be no cost for this mitigation project.	Ongoing
35	Build a new EOC in a central location Franklin County possible location off of Hwy 65	All Hazards	No	Restore/ BP /FCBOCC	All jurisdictions in Franklin County.	FCEM/FCBOCC	3,000,000	Franklin County is looking at possible BP funds for building a new Multi-Agency Building.	Within a five year timeframe
36	Perform mitigation on efforts on residence homes against severe hurricanes, high winds , tropical storms, tornadoes and storm surge on low/moderate income owner occupied homes	Hurricanes, Tropical Storms, Tornadoes, Strong Winds, and Storm Surge	No	Currently Not Funded	All jurisdictions in Franklin County	Franklin County Emergency Management	Unknown	Pending on funding.	Unknown
37	Windows at the Franklin County Jail	All Hazards	No	TBD	Franklin County	Franklin County Sherriff's Department	UNK		Within a five year timeframe
38	Installation of N95 Fit Test Station	Public Health	No	BBHCC?	TBD	TBD	\$10,000		Unknown
39	Acquisition of Alligator point Fire Department	All Hazards	No	HMGP	Alligator Point	Alligator Point VFD/FCEM	\$402,585	The acquisition of the alligator point St. Teresa fire department in currently in progress	Within a one year timeframe
40	Generator for County Pharmacies	All Hazards	No	Unknown	Franklin County	Unknown	Unknown	Seeking more info.	Unknown
41	Install Generators for all critical facilities, lift stations, government fueling depots located in Franklin County .	All Hazards	No	HMGP/ Grant / Private	All jurisdictions in Franklin County	FBOCC/ City of Apalachicola Admin./ City of Carrabelle Admin.	\$100,000-\$500,000	Partial funded for City of Apalachicola	Within a five year timeframe
42	Wind Retrofit all Critical Facilities (including government and school facilities).	Hurricanes, Tropical Storms, Tornadoes, and High Winds	No	HMGP	All jurisdictions in Franklin County.	FCEM/ FBOCC/Franklin School Board	Varies by location and structure; could be over \$750,000	Includes Storm shutters for Road Department. Storm Shutters: Holy Family, Old Library, Community Center, etc. for City of Apalachicola.	Within a five year timeframe

43	Upgrade or replace City and County Wastewater treatment facilities	Flooding	No	DEP	City of Apalachicola	City of Apalachicola Water & Sewer Dept.	\$18,000,000	Apalachicola City Utilities needs improvements and upgrades on the current wastewater treatment center. \$18 M+ FUNDED! Seeking out additional funding as needed.	Within a three year timeframe
44	Evaluate and mitigate all flooding prone areas throughout the County.	Flooding	No	TBD	All jurisdictions in Franklin County.	BOCC/ City of Carrabelle Admin/ City of Apalachicola Planning and Community Development Dept	Depending on the area size the mitigation cost could range from \$15,000 to over \$1,000,000		Within a five year timeframe
45	Repair, replace and harden electrical systems for the docks	Hurricanes, Tropical Storms, Tornadoes, Waterspouts, Strong Winds	No	HMGP	City of Apalachicola	City of Apalachicola Public Works	\$233,000	Repair, replace and harden electrical systems for the docks at Scipio Creek Mill Pond Marina.	Within a five year timeframe
46	Upgrade Drainage Culvert under Leslie Street & Resurfacing	Hurricanes, Tropical Storms, Tornadoes, Strong Winds, Floods	No	TBD	City of Apalachicola	City of Apalachicola Water & Sewer Department	\$600,000	FUNDED - receiving agreement by June 2023 and hope to complete by mid 2024.	Within a five year timeframe
47	Kentucky Avenue/Lanark Village	Storm Surge, Flood	No	TBD	Franklin County	Franklin County Road Department	UNK		Within a five year timeframe
48	New Roof at the Health Department in Carrabelle	All Hazards	No	TBD	Franklin County	Franklin County Health Department	UNK	Speak with Steve regarding an inspection	Within a five year timeframe
49	Stormwater Avenues Drainage repair	Flooding/Drainage	No	DEO CDBG-DR	Apalachicola	City of Apalachicola	\$3,862,869	Funded - Nearly Complete	Within a five year timeframe
50	Update of Vulnerability Assessment	Flooding	No	DEP Resilient FL	Apalachicola	City of Apalachicola	\$72,500	Funded - in progress	Within a two year timeframe
51	Replace Weems Hospital's phone system	All Hazards	No	Unknown	Franklin County	Weems's Hospital	Unknown	Determining estimated cost.	Unknown
52	Florida Forest Service assess wildfire risk areas across the county establishing mitigation projects to reside the fuel loads and thus effectively reduce wildfire risk in these areas	Wildfires	No	FFS	All jurisdictions in Franklin County and Alligator Point	Franklin County Emergency Management/ Florida Forest Service	Varies according to the risk area	Currently has 35 million in funding.	Ongoing
53	Mitigate storm water drainage projects throughout Franklin county.	Flood, Storm Surge	No	Varies	All jurisdictions in Franklin County	BOCC/ City of Apalachicola/ City of Carrabelle	Varies by project \$10,000-\$750,000		Ongoing

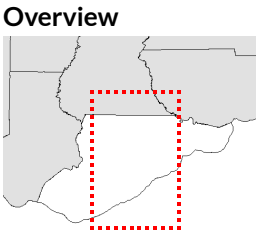
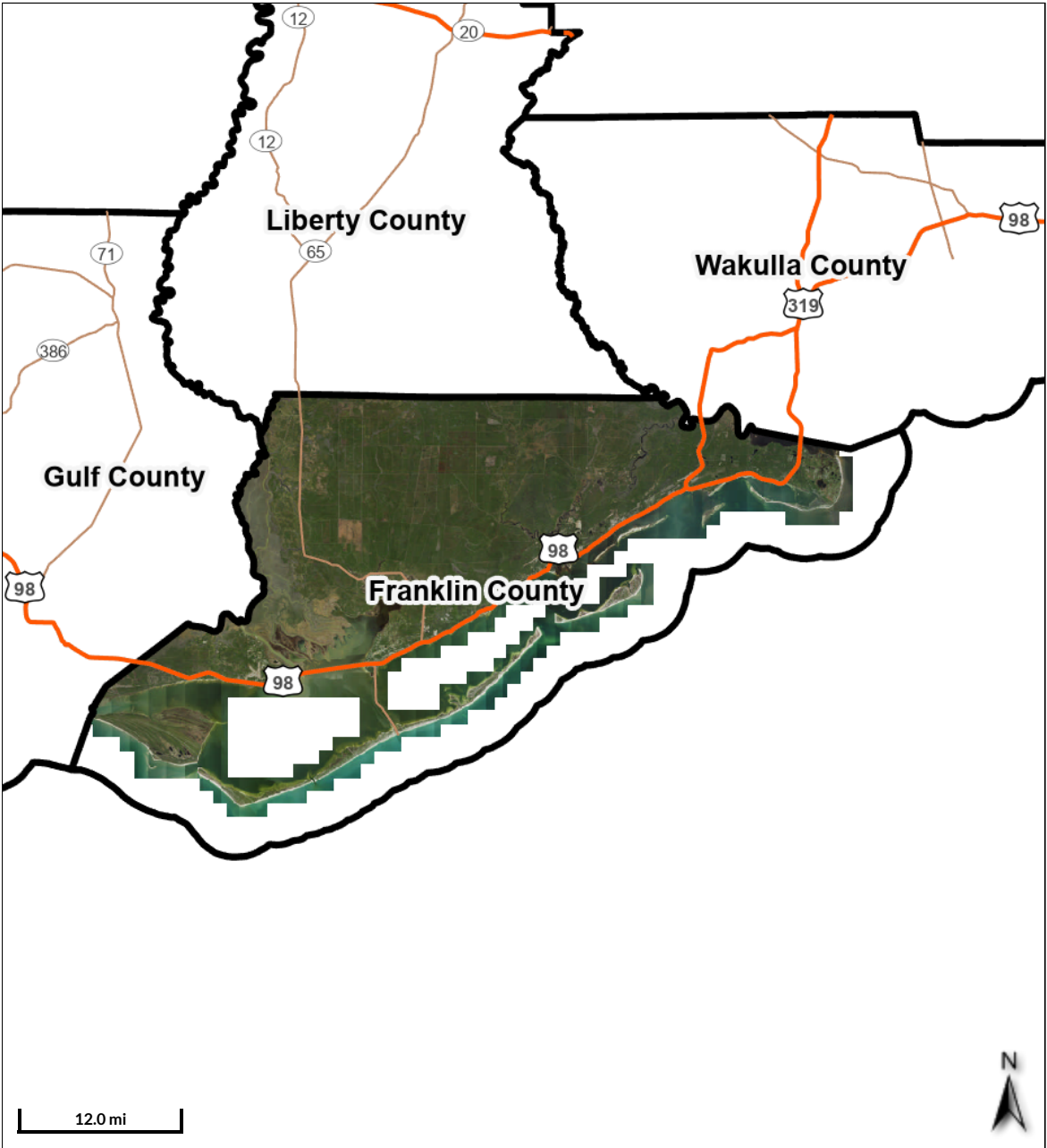
54	Drainage Basin Analysis-Carrabelle/ Apalachicola and Unincorporated Franklin County	Flooding	No	TBD	All jurisdictions in Franklin County	BOCC/ City of Carrabelle Water & Sewer Dept./ City of Apalachicola Water & Sewer Dept.	\$25,000	City of Apalachicola Funded	Ongoing
55	Evaluate and mitigate all flood prone areas due to sand dune shift and other environmental factors.	Flooding	No	TBD	All jurisdictions in Franklin County.	BOCC/ City of Carrabelle Admin/ City of Apalachicola Planning and Community Development Dept	Depending on the area size the mitigation cost could be over \$400,000+	The scope of work will be reviewed and determined.	Ongoing
56	Steward of the River Guidance for Residents - Outreach Campaign	Education	No	Unknown	Apalachicola	City of Apalachicola	\$350,000	This campaign will help residents who are new to the area learn best practices for being good stewards of the environment related to stormwater and wastewater. This can include online, print, radio, social media and other forms of outreach. SEEKING FUNDING.	Within a five year timeframe
57	Conduct Community Emergency Response Team (CERT) training for the Franklin County residents.	All Hazards	Yes	Grants and Fund Raising	All jurisdictions in Franklin County	Franklin County Emergency Management	\$15,000	Franklin County has a CERT group and continues to provide CERT training. This is an on-going program for the county.	Ongoing
58	Educate the county residents on water saving techniques.	Drought	No	HMGP	All jurisdictions in Franklin County	Franklin County Emergency Management/ ANNER		The Emergency Management office will develop materials on water saving techniques that will benefit the county and citizens during a drought period. The estimated cost would to produce materials would be \$500.	Ongoing
59	Work with the Florida Forest Service to update the Community Wildfire Protection Plan (CWPP) to reduce wildfire risks within the Wildland-Urban Interface. And inform the public of the Firewise building and landscape design principles and the Ready, Set, Go program.	Wildfires	No	Florida Forest Service	All jurisdictions in Franklin County	Franklin County Emergency Management/ Florida Forest Service	There is no cost for this mitigation project	Forestry is working on the CWPP update. The plan will be updated to reflect any current changes. The Florida Forest Service will continue inform the public of the Firewise building and landscape design principles and the Ready, Set, Go program.	Ongoing

60	Protect and improve functioning of wetlands and waterways by eliminating and educating residents on living shorelines	Coastal and Riverine Erosion	No	Various	All jurisdictions in Franklin County	Franklin County Emergency Management/ ANEER/FFS	There is no cost for this mitigation project	ANEER / FFS work together year round to locate/eliminate and improve the living shoreline through education and environmental projects.	Ongoing
61	Develop and deliver disaster resistant programs for the business and residential communities on "how to prepare" for future disasters.	All Hazards	Yes	EMPA/ BOCC	All jurisdictions in Franklin County.	Franklin County Emergency Management	15000	Franklin County Emergency Management delivers ongoing programs and distributes materials on how to prepare for future disasters to the residential and business community. This is an ongoing project and FCEM will continue to educate all Franklin County Residents in being disaster ready.	Ongoing
62	Implement Community Rating System flood resilience activities.	Flooding	No	N/A	All jurisdictions in Franklin County	BOCC/ City of Carrabelle Admin/ City of Apalachicola Planning and Community Development Dept	Depending on the activity cost could range up to \$30,000	City of Apalachicola completed.	Ongoing
63	Work with the Florida Forest Service in offering forest protection education in the county's schools.	Wildfires	No	Florida Forest Service	All jurisdictions in Franklin County	Florida Forest Service	200000	Florida Forest Service (FFS) has secured a scholarship for \$20,000 a year for a student who graduated from the Franklin County School to further education in Forestry. Agriculture class and FFS continually provides Forest Protection education to all Franklin County Students.	Ongoing
64	First Responder Communication System	All Hazards	No	Triumph	Franklin County	Franklin County BOCC	\$10,720,000.00	Perform an assessment of the communication system upgrade, obtain options and purchase/install new system	36 Months
NA	Construct a new Fire Station in Alligator Point.	All Hazards	Yes	HMGP/HLMP/ FCBOCC	All Jurisdictions	Alligator Point Fire Department/ FCEM		Location for the new station has been identified and they will use the funds from the HMGP Acquisition	Complete
NA	Enforce local laws, which allow local governments to enact burn bans during periods of drought.	Wildfire, Drought	Yes	BOCC	All jurisdictions in Franklin County	BOCC	There is no cost for this mitigation project		Complete
NA	Replace 210 Fire Hydrants	Fires	Yes	TBD	City of Apalachicola	City of Apalachicola Fire Department	\$86,100	Replace aging fire hydrants in the City of Apalachicola and in the area of unincorporated Franklin County west of the City. Project underway to replace pending closeout.	Complete

NA	Repair, replace and harden drinking water storage tanks	Public Health	Yes	TBD	City of Apalachicola	City of Apalachicola Water & Sewer Department	\$450,000	Repair, replace and harden drinking water storage tanks for improved resiliency of 500,000 gallon on ground water storage tank and drinking water storage plant and water tower on 5th street . Ground watch complete, 5th street water tower being prepared now. - COMPLETED	Completed
NA	Construct a new Access Road at Franklin County School for Emergency Use	All Hazards	Yes	Grant/ HMGP/ Private funding	All jurisdictions in Franklin County	Franklin County Emergency Management	\$300,000	Franklin County School and Forestry are constructing an access road through the forest for Emergency Access only to the facility. The Florida Forest Service has given consent for permitting/ Easement which was completed. At this time, this project is waiting for the School Board to construct Road.	Completed
NA	Install sirens at various points throughout the county.	Hurricanes, Tropical Storms, Tornadoes, Waterspouts, Strong Winds	No	BOCC	All jurisdictions in Franklin County	Franklin County Emergency Management	\$5,000	Sirens are located a DW Wilson Park, Carrabelle RV Park and the Franklin County Schools. A maintenance plan will need to be developed and put in place.	NA
NA	Utility Mitigation and Retrofit of Ramps at Scipio/Millpond	Flooding and Storm Surge	No	Grant/HMGP CPTA (fy23)	City of Apalachicola	City of Apalachicola	\$ 276,800.00	The City will provide flood and storm surge mitigation measures to all meter boxes and retrofit concrete ramps to Scipio/Millpond	3 years
NA	Protect County Road 370 (Alligator Point Road) from hurricane storm surge.	Hurricanes, Tropical Storms, Storm Surge	Yes	FEMA funding	Unincorporated Franklin County - Alligator Point	Franklin County Road Department	\$5,200,000	Construction complete. Project pending FEMA close out	Complete

Attachment 4

Land Mass / Use Maps

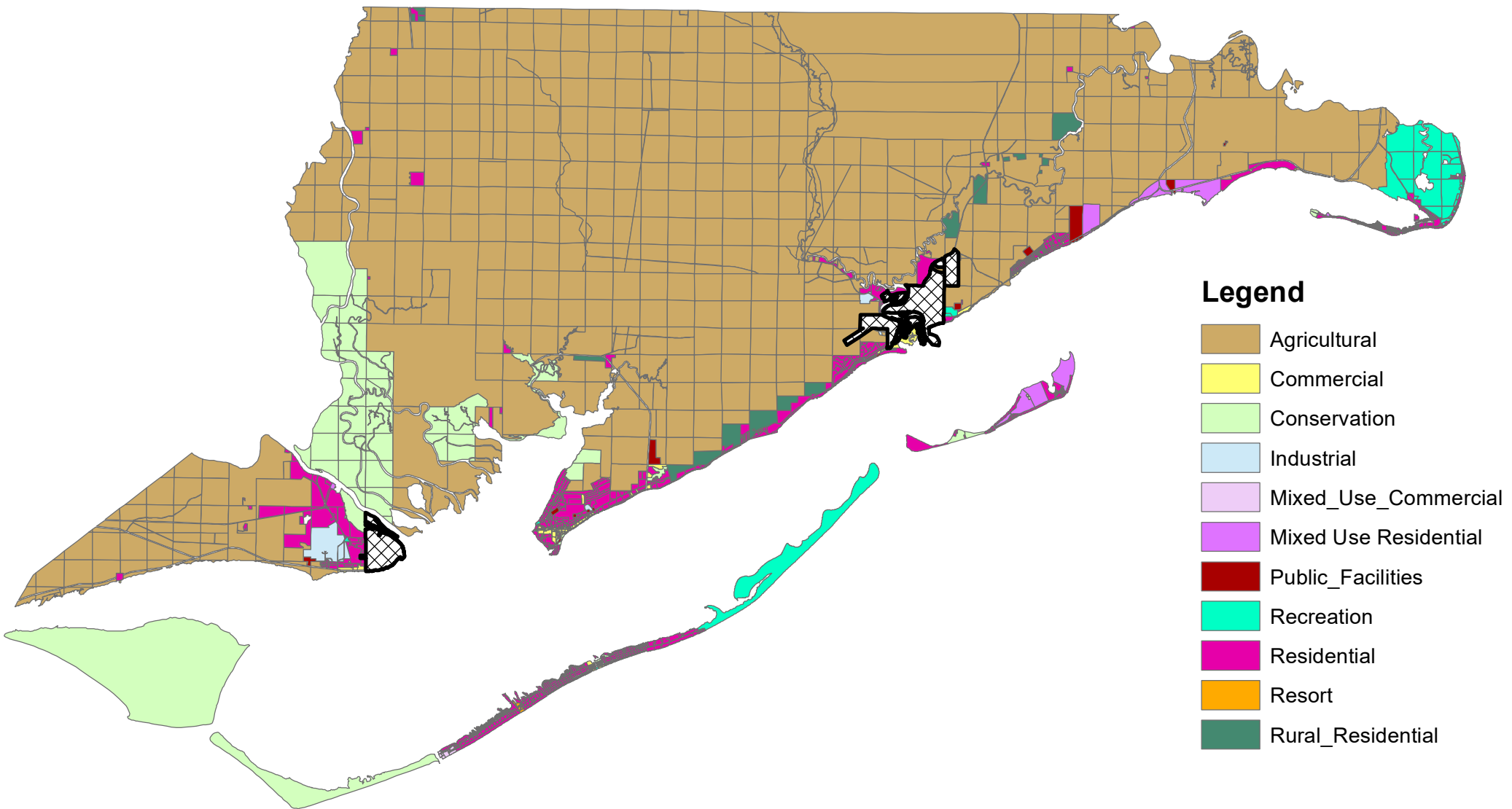


- Legend**
- USA Major Highways**
- Limited Access (Blue line)
 - Highway (Orange line)
 - Major Road (Light brown line)
 - Local Road (Medium brown line)
 - Minor Road (Dark brown line)
 - Other Road (Light grey line)
 - Ramp (Light blue line)
 - Ferry (Teal line)
 - Pedestrian Way (Light grey line)
- City Labels**

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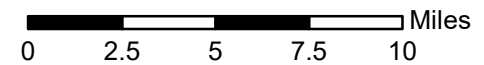


Franklin County, Florida Future Land Use Map



Legend

-  Agricultural
-  Commercial
-  Conservation
-  Industrial
-  Mixed_Use_Commercial
-  Mixed Use Residential
-  Public_Facilities
-  Recreation
-  Residential
-  Resort
-  Rural_Residential



Attachment 5

Data on Importance of a Properly
Functioning Communication System

The **Marjory Stoneman Douglas Public Safety Commission** has been actively addressing safety issues related to schools, including the **troubled 911 communication system** in Broward County. During their meetings, they've discussed various aspects of safety, from threat management to the embattled 911 system.

One critical issue highlighted is the **911 communications system** between **Parkland, Coral Springs,** and the **Broward Sheriff's Office (BSO)**. Communication problems were evident during the tragic shooting at Marjory Stoneman Douglas High School. For instance, during the shooting, Coral Springs and BSO couldn't communicate effectively because they were not on the same radio channels. This lack of coordination hindered their ability to respond efficiently.

The ongoing debate revolves around who should operate Broward's 911 system. Currently, it's jointly managed by BSO and the county government. However, BSO advocates for full control, emphasizing that law enforcement needs a streamlined process without unnecessary bureaucracy. The goal is to enhance communication and response capabilities to prevent future incidents.

Additionally, the commission emphasizes the importance of a statewide system to track problematic students, aiming to prevent school shootings. By addressing these issues, they strive to create a safer environment for students and communities across Florida.



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LOCAL NEWS

Broward's troubled 911 system among issues discussed at MSD Public Safety Commission meeting

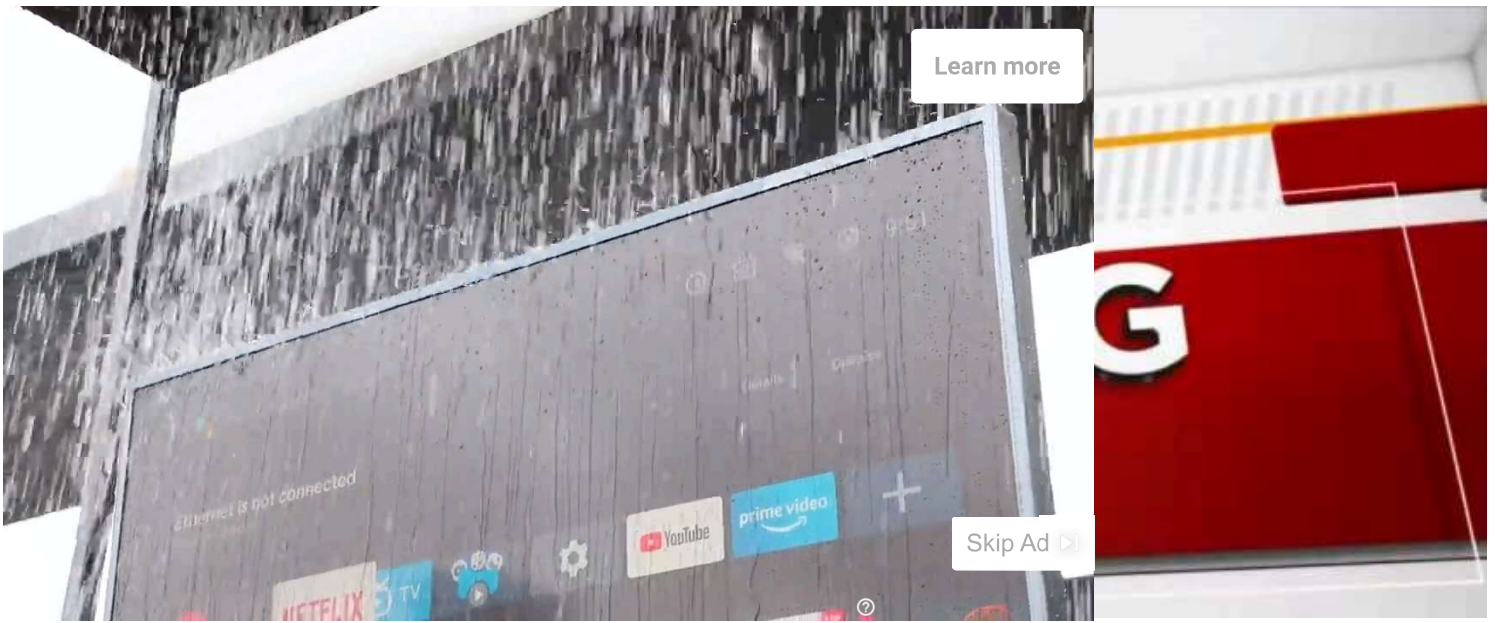
Sanela Sabovic, Reporter

Ryan Mackey, Digital Journalist

Published: **November 17, 2022 at 12:55 AM**

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Tags: **Sunrise, Broward County, MSD, Safety**



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One of the major topics was the 911 communications system between Parkland, Coral Springs and the Broward Sherriff's Office.

Max Schachter, who also lost his son in the MSD shooting, insisted that communication problems have been highlighted as a major flaw in the wake of the deadly shooting.

"One of the issues during the shooting was that Coral Springs and BSO did not have each other on the radio channels, so they couldn't even get on the channels to talk to each other," said Schachter.

There's been an ongoing back-and-forth debate as to who should run Broward's 911 system.

Currently, the system is jointly operated by BSO and the county government, and BSO wants to run the system entirely.

"The law enforcement, the ones consuming and using 911, don't have jurisdiction and have to go to the county to get approval for everything and have to go through committee after committee -- it's just nonsense," Schachter said.

Pinellas County Sheriff and Chair of the MSD Public Safety Commission Bob Gualtieri also discussed threat management and how more work needs to be done.

"It's the single greatest opportunity at doing what we all want, and that is to prevent the next school shooting," said Gualtieri.

Gualtieri also expressed how imperative it is to have a statewide system keeping track of problematic students.

The attorney representing John Herbst says the affidavits regarding residency qualification that his election rivals submitted to the city one day before he was to be sworn-in as Commissioner "contain false and inaccurate information rendring the challenge fraudulent."

The Letter demands they "immediately withdraw their challenge the election.

Local 10 News has reached out to Coleman Prewitt, the attorney representing Kenneth Keechl and Christopher Williams. Election results show both men lost the District 1 election by a landslide.

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Sanela Sabovic

Sanela Sabovic joined Local 10 News in September 2012 as an assignment editor and associate producer. In August 2015, she became a full-time reporter and fill-in traffic reporter. Sanela holds a Bachelor of Arts degree in communications with a concentration in radio, television and film from DePaul University.

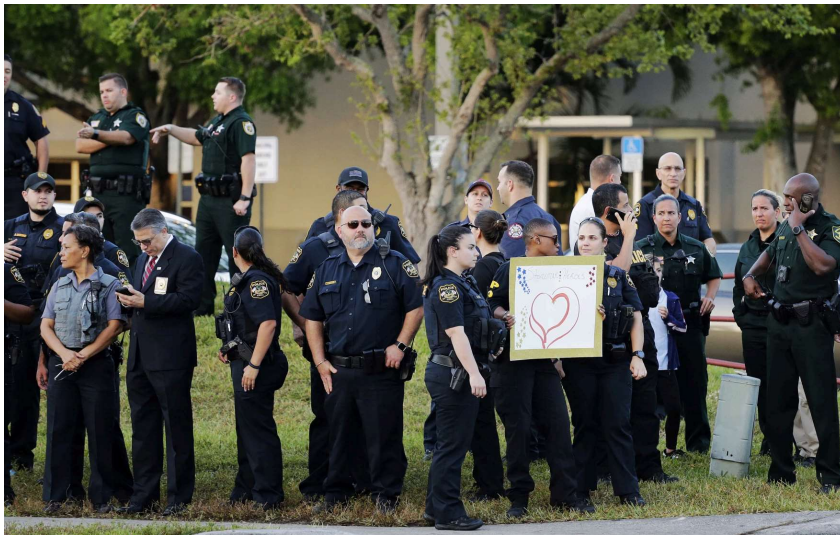
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After Stoneman Douglas Shooting, Renewed Attention On Broward's 'Vulnerable' 911 System

WLRN 91.3 FM | By [Caitlin Switalski](#)

Published May 16, 2018 at 5:23 PM EDT



Associated Press

Police look on as students return to class for the first time since the shooting at Marjory Stoneman Douglas High School on Wednesday, Feb. 28, 2018.

Broward County's 911 system was widely criticized after communication failures during the 2017 airport shooting in Fort Lauderdale. Now it's under scrutiny again for similar failures during the Parkland shooting.

Files show that critical upgrades have been recommended on the system since at least 2016; most were never made.

During the Feb. 14 school shooting in Parkland, police could not communicate with each other on radio and 911 calls went to too many different places. Broward's system

county pays for the system and contracts the Broward Sheriff's Office, BSO, to operate it at three call centers across the county.

When the state's Marjory Stoneman Douglas public safety commission met for the first time in April, BSO Colonel Jack Dale described the process as it should be:

"In a typical 911 routing, a call comes in by either a landline or a cellular phone," Dale said. "It goes to 911, met by a call taker. The call taker interviews the caller, passes the information along to a dispatcher, who either puts it out to the law enforcement side of the house or the fire side of the house... or both if it calls for both."

But in Parkland, he said, "it's a little different."

The city's fire department is combined with Coral Springs' dispatch center, which is not part of the county-wide system. (Coral Springs, in northwest Broward, felt it could better serve its population with its own emergency system.) But Parkland still uses BSO for police services.

And Parkland uses two different communications centers for 911 calls, depending on whether a caller is using a landline or cell phone. If someone in Parkland has an emergency and calls 911 on a landline, the call is routed to one of the three BSO call centers. But dialing 911 on a cell phone in Parkland routes the call to the Coral Springs center.

That means on Feb. 14, 911 calls about the Stoneman Douglas shooting could have gone to four different call centers.

There have been issues since then, too. On the afternoon of April 27, people couldn't get through to 911, county-wide, for an hour, except those in Coral Springs and Plantation, which also opts out of the county system.

At a commission meeting on May 8, Broward's County Administrator, Bertha Henry, said that was due to a "failure of the phone system."

"It was not the radio system," she said. "We're here today to say we saw no evidence of our radio system failing."

Henry also denied any radio system failures during the Douglas shooting, as outlined in [a new report](#) about the radio system's staffing and efficiency.

Henry however, did not address criticisms about the radio system during Jan. 2017's airport shooting in Fort Lauderdale. After that shooting, BSO was highly criticized for communication problems that circulated rumors about a second shooter. That caused a second wave of panic, and stampeding.

The Florida MSD Public Safety Commission is investigating what role the 911 system played in the police response to the Stoneman Douglas mass shooting. They're looking into the phone, radio and computer components of the system, and say they are not convinced there were no system failures on Feb. 14.

Read More: [Victims' Parents Struggle With Details Revealed By State Commission Probing Parkland Shooting](#)

So far, BSO presentations have suggested separate call centers were each inundated with Parkland calls that day.

As for radio issues, the Coral Springs Police Officers were never patched onto the same radio channel as BSO, so they couldn't talk to each other.

"For whatever reason, it...it never happened," Dale said.

Max Schachter is on the state's public safety commission, and a Broward League of Cities task force investigating the 911 system. His son, Alex Schachter, was killed in the shooting.

"When I hear that there were no failures ... it's extremely frustrating," he told Broward County Commissioners at the May 8 meeting.

"You know, when I reached out to many of you, your response to me was, 'we bought a new system.' I'm like, 'that's fantastic, but you knew that it needed to be fixed in 2016,'" Schachter said.

[A report](#) done by a consultant group in 2016 does show problems in the entire system's operations, technology, performance and efficiency. *(View the full report below.)*

“Many of the recommendations will require significant organizational and cultural change,” it stated.

It also details police radios that throttle when too many people are on a channel at once, much like a traffic jam that creates a bottleneck.

In a post-Parkland climate, county officials want to know why little has changed since the 2016 report. The county did order a new police radio system in May of 2017. The \$60 million purchase came over four months after five died in the Fort Lauderdale airport shooting.

But the new radios are still in boxes because the county needs to follow a strict implementation schedule.

Frank Babinec, the president of the fire chiefs association in Broward, and the fire chief of the Coral Springs and Parkland Fire Department, said he thinks the installation has taken too long.

“We do have concerns about the length of time the installation has taken,” Babinec said. “We understand the equipment’s been ordered, we understand that it’s here, but we do know the system is vulnerable at this point.”

The new radios are expected to be fully operational by this time next year. But parents like Schachter said that's not good enough.

“The problem is, you’ve not found a temporary fix,” Schachter said. “I am here to ask and to plead with you to all get in the same room, every stakeholder involved ... find a solution.”

Read the full 2016 report:



The grief and mourning continue for the 17 students and staff killed on the afternoon of Feb. 14 during a mass shooting at Marjory Stoneman Douglas High School in Parkland. But something else is happening among the anguish of the interrupted lives of the victims and survivors. Out of the agony, activism has emerged and students from across South Florida are speaking out together asking for stricter gun controls. Here's a list of grief counseling resources available for the community.

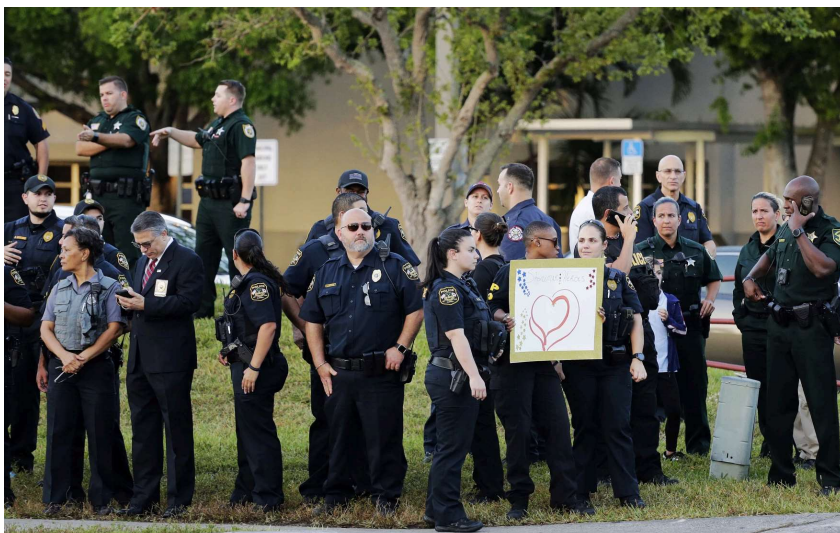
After Stoneman Douglas Shooting, Renewed Attention On Broward's 'Vulnerable' 911 System

WLRN 91.3 FM | By **Caitie Muñoz**

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Police look on as students return to class for the first time since the shooting at Marjory Stoneman Douglas High School on Wednesday, Feb. 28, 2018.

Broward County's 911 system was widely criticized after communication failures during the 2017 airport shooting in Fort Lauderdale. Now it's under scrutiny again for similar failures during the Parkland shooting.

Files show that critical upgrades have been recommended on the system since at least 2016; most were never made.

During the Feb. 14 school shooting in Parkland, police could not communicate with each other on radio and 911 calls went to too many different places.

Broward's system was created in 2014, when the county consolidated eight smaller systems into one. The county pays for the system and contracts the Broward Sheriff's Office, BSO, to operate it at three call centers across the county.

When the state's Marjory Stoneman Douglas public safety commission met for the first time in April, BSO Colonel Jack Dale described the process as it should be:

"In a typical 911 routing, a call comes in by either a landline or a cellular phone," Dale said. "It goes to 911, met by a call taker. The call taker interviews the caller, passes the information along to a dispatcher, who either puts it out to the law enforcement side of the house or the fire side of the house... or both if it calls for both."

But in Parkland, he said, "it's a little different."

The city's fire department is combined with Coral Springs' dispatch center, which is not part of the county-wide system. (Coral Springs, in northwest Broward, felt it could better serve its population with its own emergency system.) But Parkland still uses BSO for police services.

And Parkland uses two different communications centers for 911 calls, depending on whether a caller is using a landline or cell phone. If someone in Parkland has an emergency and calls 911 on a landline, the call is routed to one of the three BSO call centers. But dialing 911 on a cell phone in Parkland routes the call to the Coral Springs center.

That means on Feb. 14, 911 calls about the Stoneman Douglas shooting could have gone to four different call centers.

There have been issues since then, too. On the afternoon of April 27, people couldn't get through to 911, county-wide, for an hour, except those in Coral Springs and Plantation, which also opts out of the county system.

At a commission meeting on May 8, Broward's County Administrator, Bertha Henry, said that was due to a "failure of the phone system."

"It was not the radio system," she said. "We're here today to say we saw no evidence of our radio system failing.

Henry also denied any radio system failures during the Douglas shooting, as outlined in [a new report](#) about the radio system's staffing and efficiency.

Henry however, did not address criticisms about the radio system during Jan. 2017's airport shooting in Fort Lauderdale. After that shooting, BSO was highly criticized for communication problems that circulated rumors about a second shooter. That caused a second wave of panic, and stampeding.

"Recently, we did have a failure," County Administrator Bertha Henry said.

The Florida MSD Public Safety Commission is investigating what role the 911 system played in the police response to the Stoneman Douglas mass shooting. They're looking into the phone, radio and computer components of the system, and say they are not convinced there were no system failures on Feb. 14.

[Read More: Victims' Parents Struggle With Details Revealed By State Commission Probing Parkland Shooting](#)

So far. BSO presentations have suggested separate call centers were each undated

As for radio issues, the Coral Springs Police Officers were never patched onto the same radio channel as BSO, so they couldn't talk to each other.

"For whatever reason, it...it never happened," Dale said.

Max Schachter is on the state's public safety commission, and a Broward League of Cities task force investigating the 911 system. His son, Alex Schachter, was killed in the shooting.

"When I hear that there were no failures ... it's extremely frustrating," he told Broward County Commissioners at the May 8 meeting.

"You know, when I reached out to many of you, your response to me was, 'we bought a new system.' I'm like, 'that's fantastic, but you knew that it needed to be fixed in 2016,'" Schachter said.

[A report](#) done by a consultant group in 2016 does show problems in the entire system's operations, technology, performance and efficiency. (*View the full report below.*)

"Many of the recommendations will require significant organizational and cultural change," it stated.

It also details police radios that throttle when too many people are on a channel at once, much like a traffic jam that creates a bottleneck.

"I don't know who, or how they coordinate all of those calls coming in at once, and then relaying that information only to the people that need this," County Commissioner Steve Geller said.

In a post-Parkland climate, county officials want to know why little has changed since the 2016 report.

The county did order a new police radio system in May of 2017. The \$60 million purchase came over four months after five died in the Fort Lauderdale airport shooting.

But the new radios are still in boxes because the county needs to follow a strict implementation schedule.

Frank Babinec, the president of the fire chiefs association in Broward, and the fire chief of the Coral Springs and Parkland Fire Department, said he thinks the installation has taken too long.

“We do have concerns about the length of time the installation has taken,” Babinec said. “We understand the equipment’s been ordered, we understand that it’s here, but we do know the system is vulnerable at this point.”

The new radios are expected to be fully operational by this time next year. But parents like Schachter said that's not good enough.

“The problem is, you’ve not found a temporary fix,” Schachter said. “I am here to ask and to plead with you to all get in the same room, every stakeholder involved ... find a solution.”

Read the full 2016 report:

Attachment 6

Franklin County Board of County Commissioners

October 17, 2023, Board Meeting Minutes

**FRANKLIN COUNTY BOARD OF COUNTY COMMISSIONERS
REGULAR MEETING
COURTHOUSE ANNEX, COMMISSION MEETING ROOM
OCTOBER 17, 2023
9:00 AM
MINUTES**

Commissioners Present: Ricky Jones-Chairman, Jessica Ward-Vice-Chairman, Cheryl Sanders, Otlice Amison

Commissioner Absent: Noah Lockley

Others Present: Michael Shuler-County Attorney, Michael Moron-County Coordinator, Erin Griffith-Fiscal Manager/Grants Coordinator, and Jessica Gay-Clerk to the Board

Call to Order

Chairman Jones called the meeting to order.

Invocation and Pledge of Allegiance Approval of the Agenda

Commissioner Ward led the Board in prayer followed by the Pledge of Allegiance.

On a motion by Commissioner Sanders, seconded by Commissioner Ward, and by a unanimous vote of the Board present, the Board approved the agenda. Motion carried 4-0.

Approval of Minutes and Payment of County Bills

- 1. County Bill List for Payment**
- 2. Approval of Minutes**

On a motion by Commissioner Ward, seconded by Commissioner Sanders, and by a unanimous vote of the Board present, the Board authorized the Payment of County Bills and approved the minutes from the FCBC Regular Meeting October 3, 2023. Motion carried 4-0.

Public Comments

Cindy Slater spoke to the Board Chip Morrison Drive Alligator Point ongoing concern for our neighborhood which is public access to the beach, parking dangerous. We would like to see the parking removed from Chip Morrison Drive. There is no signage for pedestrians, for cars to close. The speed limit is 15 mph but there is no signage. Families unload cars with traffic coming from both directions. Someone is going to get hurt because it is so dangerous. Area not clearly marked for parking, there is no walkway. The parking needs to be removed. We have talked with a couple of people from the sheriff's office, and they agree it is a dangerous area. Feels the county would be liable for any accident that may occur there for creating the parking. Thanked the sheriff's department for their support. Commissioner Sanders noted that she will address this in commissioner comments.

Mel Kelley spoke to the Board via Zoom as follows:

RE: SGI Tree Ordinance Countywide

I respectfully request that you seriously consider extending the proposed tree clearing ordinance currently proposed for St. George Island into the entirety of the county. Too many countywide lots are being clearcut of late and some along Highway 98 are truly tragic examples of that damaging handiwork. There is one west of the St. James Golf Course Complex, which is a horrible example, recently clearcut into the wetlands at the water's edge. I believe Commissioner Sanders can speak emphatically about that property. Others have been clearcut also along Highway 98 between Carrabelle and Eastpoint addresses. I suspect inland lots have

also been clearcut, but I do not drive those roads regularly. I do, however, have a good friend who is suffering flooding of theirs and their neighbor's single-story home because of clearcutting that was done just north of their properties in Gulf Terrace. Such destruction must stop countywide and only you can have that saving ordinance drawn up as soon as legally possible. I have witnessed waterside and 98 northside lots butchered of their soil saving trees. Please consider making the drive yourself from Apalachicola to Summer Camp and see for yourself before there are no trees left on lots being clear cut and emptied for development. Trees can and will help hold the land when nature sends storms, but please do not let the storms of development denude our soils in Franklin County. We, on the outskirts of SGI are equally important to the futures for all of us. In Carrabelle, we just lost several oaks of 100 plus years to a callous commercial development. Please extend the proposed tree cutting ordinance to all our county before it is too late. I hope it is not too late already. Thank you.

Constitutional Officers

3. Sheriff's Office - Captain David Varnes - Security System & Outdoor Light Replacement

Request

Ms. Ginger Coulter gave an update on the camera project. The goal was to complete phase 1 by September 30th. When the installers came to complete the project, the equipment order was not correct. Mr. Varnes said when they originally asked RedWire to put the projects together the system they came to put in was not compatible with our system. The new quote for the Phase 1 project came in at \$16,014.94 which was \$11,830 less than the original quote of \$27,845. The Phase 2 quote remains the same at \$21,800. Today's request is to approve the revised quote for Phase 1 and the perimeter lighting quote. Cates Electric submitted a quote in the amount of \$5,965.75. Mr. Varnes said he wants to say there is between 10 and 20 lights. Chairman Jones asked if it was sufficient. Mr. Varnes noted that will be upgrading them all to LEDs. The issue is you cannot get mercury bulbs anymore. We must pay to upgrade them.

On a motion by Commissioner Sanders, seconded by Commissioner Ward, to approve the revised Phase 1 quote in the amount of \$16,014.94 and the outdoor lighting replacement quote from Cates Electric for \$5,965.75. Chairman Jones noted the purpose of the Board saying they wanted to look at capital expenditures during the budget, just to reemphasize, is that we want to include that in the process. Mr. Moron said they can include that in the letter sent out to ask for capital expenditures to be included in their budgets. Chairman Jones noted that when they can get the strategic plan together the public will be able to see what projects we are planning to fund for each department. **Motion carried 4-0.**

Department Directors

4. Jennifer Daniels - Emergency Management Director - Contract Approval

1. Request the Board approval and Retro-Acting of the Chairmans signature on the 30 - day extension of the emergency contract with The Summit Group. Date of Signature is 10/03/2023.

On a motion by Commissioner Ward, seconded by Commissioner Sanders, and by a unanimous vote of the Board present, the Board approved the 30 - day extension of the emergency contract with The Summit Group and approved retroactively the Chairman's signature on 10/3/2023. Motion carried 4-0.

2. Request the Boards approval of awarding the contract for RFP# - RFP-EM2023-001 Emergency Planning, Disaster Recovery, and Mitigation Grant Program Services to the following:

1. The Summit Group (260)
2. Metric Consulting (224)
3. Elite Business Strategies (220)

We plan to present the contract to the board at the November 7th Board Meeting.

Mrs. Daniels explained the process of the scoring of the bid packages, considering the complaint received via email.

On a motion by Commissioner Amison, seconded by Commissioner Ward, and by a unanimous vote of the Board present, the Board approved awarding the contract for RFP# - RFP-EM2023-001 Emergency Planning, Disaster Recovery, and Mitigation Grant Program Services to the following: 1. The Summit Group (260), 2. Metric Consulting (224), and 3. Elite Business Strategies (220). Motion carried 4-0.

Mrs. Griffith presented the following items from her report at this time.

1. BOARD ACTION: DEM EMERGENCY OPERATIONS CENTER GRANT

The county was very successful in this past legislative session thanks to the assistance of Senator Corey Simon and Representative Jason Shoaf, Capital City Consulting, and county consultant Traci Buzbee. The county has now received the attached grant agreement from the Florida Division of Emergency Management in the amount of \$2,650,577 to go towards the construction of the new Emergency Operations Center. These funds, coupled with the \$1,000,000 congressional appropriation awarded in the prior year with assistance from Congressman Neal Dunn, and \$1,000,000 from RESTORE's Gulf Consortium will allow for the county to begin construction on the new EOC. As construction is now funded, the county cannot afford to wait any longer for the FAA approval of the site at the airport. This month, the county is closing on three acres of land (which is not in a flood zone) on Highway 65 near the county jail, landfill, and road department. The possible Highway 65 location will eliminate the FAA from the process and will allow for the EOC to be constructed on the ground instead of having to be situated on pilings.

Board action to approve and authorize the chairman to sign the attached DEM Emergency Operations Center Grant.

On a motion by Commissioner Ward, seconded by Commissioner Sanders, and by a unanimous vote of the Board present, the Board approved and authorized the Chairman to sign the attached DEM Emergency Operations Center Grant. Motion carried 4-0.

Board action to approve site relocation to the 3-acre site in Eastpoint and to proceed with construction and design activities.

On a motion by Commissioner Ward to approve site relocation to the 3-acre site in Eastpoint and to proceed with construction and design activities. Commissioner Ward noted there are pros and cons. If we do this there are going to be some additional items, such as storage, etc. If we proceed with this, we are going to have to make sure she has what she needs. She noted that personally she would like to see a helicopter pad added, if we look at this and I know that Jennifer is going to have some things added to facilitate, I am okay with this going there if Jennier and her staff are. We are just going to need additional square footage for storage. **Seconded by Commissioner Amison.** Chairman Jones noted that he has had extensive discussion with Mrs. Daniels about the site and the needs. There needs to be an appropriate building, with not only room for our needs now, but room for growth. Chairman Jones noted that he would also like to see a helicopter pad added. **Motion carried 4-0.**

2. BOARD ACTION: AMENDMENT TO CDBG-DR GENERATORS MATCH GRANT

In July of last year, the county approved the CDBG-DR emergency generators match grant. The original agreement was between the county and the state's Office of Economic Opportunity. This summer, the state changed the name of the department to Department of Commerce. The attached grant amendment agreement reflects this change.

Board action to approve and authorize the chairman to sign the attached amendment with the Florida Department of Commerce for the CDBG-DR Grant.

On a motion by Commissioner Amison, seconded by Commissioner Sanders, and by a unanimous

vote of the Board present, the Board approved and authorized the Chairman to sign the attached amendment with the Florida Department of Commerce for the CDBG-DR Grant. Motion carried 4-0.

Presentations/Updates/Requests

5. Clint Davis – Forestry – Use of McIntyre Road

Jerry Cook and Clint Davis addressed the Board with the request to use McIntyre Road for logging operations. Mr. Cook noted that this was being done as a preventative measure by thinning timber to alleviate future infestations. He noted that this area is past due four years for thinning. Commissioner Sanders noted that she had spoken with Mr. Davis about a month ago asking him if it were an infestation of pine beetles which would allow for a special permit under the ordinance.

Attorney Shuler noted he had read and reviewed the ordinance which was passed in the late 80s and then an amendment which allowed for treatment and prevention of pine beetles. He said he had informed the commissioners and forestry under the current ordinance they did not qualify for a special permit. He noted with the information he had been given he could not recommend Mr. Moron to present the special permit request.

At this time, Mr. Cook noted that thinning is a preventative measure for preventing southern pine beetles. Attorney Shuler noted that he is hearing this for the first time this morning. Attorney Shuler noted that if it qualifies under the prevention of southern pine beetles, then it qualifies under the amended ordinance. Chairman Jones said if that is the case, the ordinance remains in effect. Attorney Shuler noted there is a road maintenance clause in the ordinance. Attorney Shuler said he will get with Mr. Moron, Mr. Cook and Mr. Davis after the meeting to get the special permit drafted.

6. Jon Creamer – FWC – Apalachicola Bay Update & Bear Population Update

Mr. Jon Creamer spoke to the Board and introduced Mr. Resko. He will provide an update on the bear population later in the meeting. Chairman Jones noted that Seminole County had received a grant to purchase bear proof cans, which they then sold to municipalities. He said he has reached out to Lee Constantine for the ordinance and once he sent it over, he would distribute to the other commissioners.

Mr. Devin Resko, Fishery Disaster Relief Program Coordinator for the Division of Marine Fisheries Management presented the following presentation to the Board regarding the FWC Apalachicola Bay Oyster Restoration.

NFWF Gulf Environmental Benefit Fund - \$20,057,000

- National Fish and Wildlife Foundation
- Apalachicola Bay and Suwanee Sound
- **Oyster reef restoration**
- Develop oyster management plans
- Multiple partnerships
- Important to stress collaboration with management agencies, universities, and local, public stakeholders

Current Oyster Reef Conditions in Apalachicola Bay

- Recent mapping shows approximately 2,000 acres of potential oyster habitat
- Most of this area is degraded and does not support oyster spat settlement
- The east and central east sides of the Bay are the main areas supporting oysters and likely represents the core of the oyster population in the Bay
- Mapping shows areas where restoration would be most beneficial
- Additional \$10 million allocated from Governor DeSantis' Framework for Freedom Budget
 - Exclusively for Apalachicola Bay oyster reef restoration

Apalachicola Bay Oyster Restoration – Pilot Study

- NFWF has requested FC conduct a restoration pilot study prior to extensive restoration
 - Past restoration operation in the Bay did not perform as well as expected
- Large number of unknowns still present
- Perform a large-scale pilot study
 - FSU will conduct complementary studies
- FWRI will conduct sampling and monitor oversight
- Utilizing these studies, FWC will have more data to construct and perform larger restoration activity

Reef Characteristics

1. Hardbottom
2. Good waterflow
3. Nearby oysters
4. Not a navigational hazard
5. Navigable for contractor



Apalachicola Bay Oyster Restoration – Pilot Study

- Pilot study will test multiple reef heights: 1 ft (low) and 2 ft (high)
- Material will be *Kentucky Blue* limestone
 - Not using large rock, unable to be tonged
- Each restored reef will be 1 acre in size
- Site observer will be hired to oversee restoration efforts
- FWC will exhaust the \$10 million state allocation
- NFWF has approved these revisions to the pilot study
- FSU ABSI's complimentary study
 - Increases scientific scope of work done in Apalachicola Bay
 - Provides more data to assist in future, larger restoration activities

Adaptive Management and Restoration Plan

- Pilot Studies
- No oysters
- Regroup with NFWF
- Large-scale Restoration

- Pros and cons for future restoration activities
- Informs FWC on management options for local fishery

Apalachicola Bay Oyster Fishery Management

- FWC continues to gather public feedback to inform oyster fishery management
- Continue to monitor and analyze biological data
 - Most recent monitoring efforts have shown improvements where restoration has occurred.
- Decisions on future restoration and reopening of the Bay will be data informed as well as include input.
- Actively researching additional funding opportunities
 - Example: NOAA Transformational Habitat Restoration and Coastal Resilience Grant
 - Recurring state funding

Conclusion

- \$20 million for preliminary data gathering and analyses, restoration efforts, stakeholder-informed, regionally specific oyster management plans
 - Additional \$10 million allocated from the State for reef restoration
- Restoration pilot study underway
 - Material in the Bay early Spring 2024
 - Inform FWC for large-scale restoration
- Continually looking for additional funding sources
- Ride-a-long opportunities
- Successful Apalachicola Bay oyster restoration through the culmination of work from management entities, university researchers, and local stakeholders

Commissioner Ward asked Mr. Resko to add her to the list for a ride along to see the project and what they are doing. Commissioner Sanders said she is glad to see they are going to have the Kentucky Blue; glad you are looking at additional funding because once the bay is opened you are going to have to continue the shelling etc. It is very important that we get this bay opened back up but in way that it will last for generations. Commissioner Amison asked if the timeline for 2025 would be correct, Mr. Resko noted that so far there have been no talks of extending the timeline. Commissioner Sanders asked Mr. Resko if he thought the bay was seeing improvement. Mr. Resko noted that he is a pessimist, but he is seeing results that will tie into this restoration. Chairman Jones said with the sizes of those rocks, it is not that it cannot be done just makes it more difficult. Chairman Jones talking about the Kentucky Blue, you noted that is *some* of what we will use, Mr. Resko noted that was a misspeak on his part. The contractor we have picked is going to use the Kentucky Blue. If anything changes, we will update the board. Chairman Jones noted the longer the bay is closed, the more difficult it is going to be to sustain the brand that was built in this area. A brand is important. How are we going to address how our shells need to stay here? That is one of the things that happened over time, the shells did not go back into the bay. We need to make sure going forward we correct that. Commissioner Sanders noted she agrees the oyster shells need to stay in the bay they came from. Chairman Jones said we have been there before but one of the consistent things we had was oysters had to be worked and moved. The more you work it the more it extends. It must be worked to grow. Mr. Resko noted they are talking with every different facet of the management. This material that we are deploying builds the bar back up. Commissioner Ward asked if they were involving the local fisherman and are they incorporating their ideas also. Mr. Resko said that will be speeding up soon. A lot of the stakeholders are being pulled in through FWC. Commissioner Amison asked the latest studies on the materials. He noted that we do not shuck a lot of Apalachicola oysters here anymore so that is going to be an issue. Nothing being done with our pilot study is set in stone for large scale restoration. Commissioner Amison your pilot study is going to be a much larger study. Would like to have as much discussion with this, we have seen management plans in the past that have worked, we need to have this opened dialogue. Commissioner Amison noted that we need to be part of the limited entry discussion. Mr. Resko said his leadership always

encourages public comment. Commissioner Amison inquired about the time frame for full scale restoration. Mr. Resko noted their researchers have said they would like to get about 12 months of data. He noted that everything is going to be on the table, we are coming up quickly to 2026. The worst-case scenario would be to extend the closure, we want to make sure it is opened and sustainable. We are moving forward as best as we can. Commissioner Amison noted there should not have been a time certain closure because there are variables that cannot be controlled. Mr. Resko certainly going to be pushing our researchers to get in the water to get that data. We could potentially speed up the process provided the data supports it. See what the data says and if we can speed up the process we will. Restoration is always going to be a topic of the bay going forward, but what is sustainable for the future. Mr. Jon Creamer noted the key thing is to increase sharing of information on what we are doing in coordination. They are all throughout the state. Conservation success. The key thing we need from community, I know there is frustration with on property, but we need that information. We want them living in the woods and not in town. We want to work with the community to get the conflict bears out, but they will always be in the community. It is an ongoing issue. Commissioner Ward said she had asked the director before him but are the urban and metropolitan areas, are they relocating their bears here? We do not do that; it has not been employed in years. We do not move bears from one area to another. Commissioner Ward inquired if there was a database to see what bear tag came from where. These bears are getting from down south to our area. Personally, I do not want to have to freeze scraps. If the biologist received the call instead of FWC and sheriff's office was called. Do not think mandatory garbage pickup is the solution, would help. We are taking concerns back from sheriff. We can only use tools we have that are allowed. We want local stakeholder's input. There are options and we do want to work with the county. Dave Telesco noted that we still see bears with mandatory trash pickup but drastically reduced. The bear proof cans are not on back order. The idea behind the cost share is you get a grant, and you sell the can to resident. The money goes back into the fund. We are doing the best we can and coordinating together to get better data. If there is a safety risk, we kill the bear. Key is garbage control. If there is an issue that comes up, we respond. 4% in state result in trapping, 9% in Franklin County result in trapping. We are responding to what is going on. Commissioner Ward asked do we have something in place where people can call to get the latching system. Yes, people can call, and they will deliver the latching system. Mr. Moron asked if they were saying that the other county was not successful in getting the funding, they have gotten money from FWC? You have Traci coming up later in the meeting maybe have her add to the list. We can ask for it and see what happens. It may would help if we received a letter of support from FWC. Chairman Jones are those consistent with a bear being a nuisance bear. FWC has a policy on nuisance bears. I think we have put down to 1/2 to 1/3 of the bears we catch. We do not move bears from Orange County to here. We try not to mix different populations; we normally move them to mud swamp but that is close, and they come back. Commissioner Sanders said bears migrate and this time of the year you are going to see it more. They migrate when the mullet migrates. They move to where the food is. Easier to get food from us. Chairman Jones none of us can move backwards but moving forward do our best to work in conjunction. Commissioner Amison asked how nuisance bears are defined. Mr. Telesco noted Tier 1 to Tier 6. Tier 1 if it touches someone to Tier 6 is I seen it in the woods. Commissioner Amison noted he has seen videos from home security cameras where they are going into garages. Personally, he would like to see some of these bears taken care of. Noting if you take the food out now, the bears are still going to come. We need some bears shot and some cans locked. Mr. Telesco noted that Seminole county had a 90% reduction when they secured their cans. Mr. Moron gave a link on the county's website for the public. Chairman Jones inquired about the estimated population statewide and for our area. Mr. Resko noted the estimate population statewide in 2015 was 4,000, in the eleven-county area 4,000, and countywide 1,000. Estimated to be around 12,000 statewide in 2030. Commissioner Amison inquired as to what the state considers to be a healthy population. Mr. Resko noted that it depends upon the area. Noting we have more sustainable area for the bear population than some counties.

The Board moved to the Public Hearings at this time.

7. Evan Blythe – ARPC – Franklin-98 Project Update

Item to be addressed at a later date.

8. Sandra Brookes PhD – ABSI – Project Update

Item to be addressed at a later date.

9. Traci Buzbee – The Management Experts, LLC. – Legislative Appropriations Presentation

Item to be addressed later in the meeting.

Public Hearings 11:00 a.m. (ET)

10. Golf Carts in part of Lanark Village - 11:00 a.m.

Attorney Shuler presented the proposed ordinance to the Board. Any streets that are above 30 mph that would need to reduce? If so, we would need to adopt a resolution to reduce the speed on these roads. Chairman Jones asked by having the definition of golf carts, it should be excluding side by side and UTVs. What does it do to address with the legislature passing the rule of low-speed vehicles? Attorney Shuler said last time he looked it up slow speed vehicle is licensed, tagged, and insured. If they are on a section of road that is posted higher than 35 than it is legal. Think according to law county governments can designate if they have a low-speed vehicle, they can still not be on high-speed highways. Commissioner Sanders said for a point of clarification the Ho-Hum trailer park is on the south side, between Alabama and Arkansas. Attorney Shuler noted most people coming into Lanark Village have a sense of where Ho-Hum trailer park is.

Mrs. Barbara Sanders noted that she thinks the low-speed verbiage needs to be added. There were no further public comments.

Attorney Shuler explained clarity of the verbiage with Ho Hum and Lanark. Commissioner Sanders noted that she does not think it is going to be a problem.

Motion by Commissioner Sanders to approve the proposed ordinance. Commissioner Ward asked if the low-speed verbiage needs to be added. Attorney Shuler advised against it being that it was not advertised in that way. Chairman Jones said he is okay if the Board knows this is going to be a discussion for a future workshop. **Commissioner Ward seconded. Motion carried 4-0.** Attorney Shuler requested the Board authorize reducing the speed limit to 30 mph on Oak Drive. **Commissioner Amison made a motion to reduce the speed limit to 30 mph on Oak Drive, seconded by Commissioner Sanders. Motion carried 4-0.**

11. Regulating and Requiring Stormwater on SGI - 11:05 a.m.

12. Regulating Fill and Stormwater in Unincorporated Franklin County - 11:10 a.m.

Chairman Jones said he has pushed for this item. The big concern he has is that he wants to make sure that when we do it, we do it right. This is something we have never done before, cover the needs, not make lots unbuildable, future home builders that we are making an adverse process. We are still at the point in the county that we are trying to get code enforcement. The other concern I have is most of the people that work in the industry that build the homes, used to work in the seafood. At the end of the day, we must take care of our environment, some of the discussion I have had with people in the industry, most of the guys did not even know we were talking about this. If I have sought to do anything in my seven years on the board, it has been to be transparent. I am 100% for it. Supportive of this and want to see it pass, but I want to make sure we do it right. We need more input and not less. Commissioner Ward said she tends to agree. Most of our public just received the draft with the verbiage. They should have been able to go over this before our hearing today. In this ordinance, it says nothing about existing driveways. Are they going to have to pay money to get a pre survey? I do not think everything is addressed in this ordinance. I do not want to reinvent the wheel. We can have a workshop and get everyone's input. A lot more go into play with this, I do not feel like we have all our dots teed and I's closed. We need everyone's input so that it is a benefit to everyone and not a

detriment. Chairman Jones said he did not want staff to feel that we are ungrateful because they have done a good job putting this together. Think we go to workshop and then to a public hearing. Commissioner Amison noted we had an emergency meeting last week. Think we need to have the environment for the back and forth. It is something we need to get done. Chairman Jones noted that he does not think you have the same issues in the other parts of the county that you do on SGI. Echo what the Charman said all for it, but do not want to jump forward and not be able to go back and fix it. I think we need to have a little more discussion. We need to have a workshop on this, and we appreciate the work staff is doing. Commissioner Sanders said the other day it was apparent that no one knew what we were trying to do. One of our number one thing to do is regulate uplands, whatever we do on the upland is going to go to the bay. SGI has seen tremendous growth. We must do what is charged to us to do is to take care of the problem. Every lot in Franklin County is not buildable. What lots are needed to minimize the fill. I do not want anyone pushing water on me because they put too much dirt in there. Commissioner Sanders agreed with the Chairman, noting that we need to hear more from the public before we put something in to writing. Commissioner Ward said some of the ones who would like to speak are not able to be here because of having to work, and that is why we have workshops during the evening. Mr. Moron said if everyone's schedule allows, we can have a workshop on October 26th. Then hold a public hearing at the second meeting in November which is the 21st. We could hold both hearings on the 21st to save for the advertisement. At the workshop, enough of us need to be educated on flood plain management. Recommend a 5 pm workshop on 10/26. Commissioner Ward asked to clarify the workshop is for both SGI and unincorporated to include fill, stormwater, and land clearing. Chairman Jones noted that the proposed final ordinance should be provided to the public at least one week ahead of time. Attorney Shuler noted Mr. Moron has suggested to table to a date/time certain. Permission to advertise at least 10 days. Proposed ordinance must be drafted on file and 10 days in the clerk's office. Recommend tabling public hearing to November 21st. **Commissioner Ward made a motion to table both SGI and Unincorporated Franklin County stormwater hearings until November 21, 2023, at 11:00 a.m. and to schedule a workshop for both stormwater SGI and Unincorporated Franklin County for October 26, 2023, at 11:00 a.m. and 11:05 a.m., Commissioner Amison seconded. Motion carried 4-0.**

Chairman Jones announced the Board would recess for lunch and reconvene at 2:00 p.m.

The Board reconvened at 2:00 p.m. At this time, Ms. Traci Buzbee gave an update on the Legislative Appropriations.

12. Traci Buzbee – The Management Experts, LLC. – Legislative Appropriations Presentation

Ms. Buzbee gave an update on the Legislative Appropriations list which is due to the House on November 8th and the Senate on November 14th. Ms. Buzbee noted that on her list was the EMS substation in Lanark, the Alligator Point boat ramp, the St. George Island path stage two. Today added the bear situation. In speaking with Senator Simon's office on Friday, I do not think we are going to have to do the Alligator Point boat ramp, they will champion this request on their end. Are these the projects y'all want to go for or if there is any additional? Commissioners had no additional items to add.

Chairman Jones noted he is not sure what the remedy is for the bears, and he is not sure if we are going to have to move to mandatory trash pickup. We may could ask for their help to secure bear proof cans. Ms. Buzbee asked if they would be asking for the funds to purchase the cans for the residents. Chairman Jones said yes. Noting Seminole County was able to get money to buy bear resistant trash cans, then they sold those cans to municipalities for the same rate they would have paid for a regular can. Not sure if they worked out something with their residents. All the money they made selling them, they put back in a fund to replenish supply. Ms. Buzbee asked Chairman Jones to send her the information from Seminole County.

Ms. Buzbee noted that she was taking notes, and somebody asked for legislative, and senate house, but did not get funded. Chairman Jones not sure, that is what someone from FWC said this morning. That is a project

that we want to add. Chairman Jones we need to nail down what the need is and what would cover everything. Chairman Jones noted that Waste One provides service to most of the residents. Ms. Buzbee noted that in Tallahassee the trash is included in their bill. Chairman Jones noted he thought that would be answered when and if we move forward with trash pickup. Mr. Moron currently how is it done? Two cities are mandatory, unincorporated is elective. Ms. Buzbee said she could see that if everyone does not do it you are still going to have an issue. Chairman Jones said let us do mandatory trash pickup for a year, then see where we are. Commissioner Ward asked Ms. Buzbee if she is still trying to get some land from the state to build a shooting range. Ms. Buzbee noted that we did not talk about adding that. Commissioner Ward said it does not hurt to ask. Commissioner Ward said she will get with Ms. Buzbee after the meeting. Short story is the current owned gun range is behind the humane society and has caused some safety issues.

Wilson Simpson stated that he wants to be giving back some lands to rural, fiscally restrained counties. She would like to see if they would be willing to give some of this land back. Ms. Buzbee said your request would be the FWC to give land and not funds? Commissioner Ward its owned by the State Forest, Ms. Buzbee said so the Department of Ag then. We might need to talk to the Senator's representative. Might be one that I am not sure if that is a true legislative request or if that is that trying to work behind the scenes and not through appropriation. Chairman Jones think the proper step would be to work with the Department of Agriculture first, but for them to be able to give us land we are going to have to go through legislative delegation.

Commissioner Ward FWC gave us the quote of 400K, if you want a number to put on it. They can always say no. Chairman Jones they can always say yes. Commissioner Ward said it never hurts to ask. Ms. Buzbee asked where would that fall in your request? Commissioner Ward let us make this one last on the list. Chairman Jones said the EMS substation should be number one. Ms. Buzbee said she would like to have these done before Nov 7th. Michael how does that work for review purposes? Mr. Moron said I can send them to the commissioners and for their review. Ms. Buzbee will shoot for getting them done no later than the 3rd or 4th. You can call me to make changes before the 7th. Ms. Buzbee noted the other thing we are doing for the EOC is the environmental review on the property we are purchasing so we can get all the pieces moving at the same time.

Planning and Zoning Adjustment Board Report

13. Lot Reconfiguration Applications

These items were tabled at the October 3, 2023, meeting.

Lot Reconfiguration requests will be discussed and acted on an individual basis.

a. 2140 Hwy 98 West

A consideration of a request to reconfigure three (3) existing lots for a more proportionate split of road and water frontage that will be similar in width in order to give each lot more buildable space at property located at 2140 Hwy 98 West, Carrabelle, Franklin County, Florida.

Request submitted by Martin Wohl, applicant.

These three lots are grandfathered lots. Attorney Shuler had a chance to review the record, the only instance was one other time when the board did this. One that I do remember and found in the record, over at great wall, near yellow hill, we had an applicant that wanted to do a reconfiguration. Subdivisions you can approve, but what happened at the great wall property the app had 5-6 lots of record some buildable some not. They went through the subdivision process the ones that were buildable became lots and the other lots became common space. Do not think the board can just change the boundary line on a deed of record. I cannot find any authority where the Board can reconfigure lot lines. They can go through the process of subdivision. Chairman Jones that was his whole point it is one thing to be dealing with subdivision and lot of record. Can we change a line on a lot of record if it is not going to be an acre? Attorney Shuler noted one of the issues in recent litigation,

he needed to ask the judge to reform a deed. They are very specific factual basis to get reformation. I do not think the board has the authority to do this.

On a motion by Commissioner Sanders, seconded by Commissioner Amison, to deny the request because these are deeds of record and not subdivisions, direct them to work with county staff through subdivision process. Commissioner Amison asked if that is a structure on the survey. Yes, it is. Commissioner Sanders said the one thing that she has been told for twenty years is that we cannot change lot lines. Commissioner Amison asked if they were grandfathered in are they buildable now. Attorney Shuler they still must meet the other requirements. **Motion carried 4-0.**

b. 1808 Hwy 98 West

A consideration of a request to reconfigure on parcel back into two (2) lots with both lots being proposed as approximately 80 feet in width each at the property located at 1808 Highway 98 West, Carrabelle, Franklin County, Florida. Request submitted by David Quackenbush, applicant.

Ms. Jackie Etheridge spoke via Zoom with Mr. Quackenbush. The lots were originally platted in 1948. It was always one parcel, but they were pre-platted. They want to do equal distribution of lots. They are 75, 55 and 15. Attorney Shuler reviewed the legal description, clearly a mete and bounds legal, but it does reference a subdivision. Ms. Etheridge noted that this is what was recommended by Mark Curenton, a lot reconfiguration. These were previous lots. Ms. Bankston noted she did not realize these were subdivision. Chairman Jones asked does it matter that this was split before. Attorney Shuler said he believes they lost their grandfathered status when they changed it. Attorney Shuler said if it is a subdivision, they can go through the subdivision process to modify the lot lines. Chairman Jones asked if the Board voted no today, does that make them have to wait a year. Attorney Shuler noted they can reapply immediately. Attorney Shuler said he could not find any factual basis to reconfiguring lot lines unless they are in a subdivision. Mr. Moron asked should not accept any applications for reconfigurations of lot lines unless they are in a subdivision. Mr. Moron said we can set this as a policy and move forward. The Board and Ms. Bankston discussed the sketch plat process. Commissioner Amison said one of the similar situations was from the last year. Commissioner Ward said she was not aware that we were not able to reconfigure lot lines. Commissioner Amison said he just hates it took us this long to come to this. Chairman Jones noted this was the question he had before. **On a motion by Commissioner Ward, seconded by Commissioner Sanders, to deny the request to reconfigure on parcel back into two (2) lots with both lots being proposed as approximately 80 feet in width each at the property located at 1808 Highway 98 West, Carrabelle, Franklin County, Florida.**
Motion carried 4-0.

14. Critical Shoreline Applications

The Board will consider action on all Critical Shoreline applications with one motion. A Commissioner may request to have an application considered with a separate motion.

a. 2154 Hwy 98 East

A consideration of a request to construct a 1,088 sq foot single-family dock that consists of a 4'x184' boardwalk, a 16'10' terminal platform, and a 12'x16' covered boat slip with a lift located at 2154 Hwy 98 East, Lanark Village, Franklin County, Florida. Request submitted by Florida Environmental & Land Services, Inc, agents for Jeff Fender, applicant.

Commissioner Sanders asked if they had an existing dock? Mrs. Cortni noted not that she is aware of. The one in the photo does not belong to him. **On a motion by Commissioner Sanders to approve a request to construct a 1,088 sq foot single-family dock that consists of a 4'x184' boardwalk, a 16'10' terminal platform, and a 12'x16' covered boat slip with a lift located at 2154 Hwy 98 East, Lanark Village, Franklin County, Florida, seconded by Commissioner Amison.** Commissioner Amison asked if this property had a house on it, Mrs. Bankston confirmed that it does. **Motion carried 4-0.**

b. 1567 Alligator Drive

A consideration of a request to construct a 3,000 square foot single-family dock that consists of a 4'x350' access dock, a 10'x16' terminal platform, a 20'x40' covered boat slip, and a 16'x40' uncovered boat slip with a lift at the property located at 1567 Alligator Drive, Alligator Point, Franklin County, Florida. Request submitted by Florida Environmental & Land Services, agents for Shad Dean, applicant.

Commissioner Sanders made a motion to deny due to aquatic preserve, seconded by Commissioner Ward. Commissioner Sanders said she does not mind them reapplying with something in line with the other ones. Attorney Shuler said they cannot submit the same application, but they could apply with a substantial modification immediately. **Motion carried 4-0.**

c. 2118 Highway 98 E

A consideration of a request to construct a Commercial dock that consists of a 4'x150' access pier, a 6'x40' terminal platform, and (4) uncovered boat slips at the property located at 2118 Highway 98 East, Carrabelle, Franklin County, Florida. Request submitted by Florida Environmental & Land Services, agents for Eddie Golson, applicant.

Commissioner Ward noted that she looked up the zoning code and with the zone C4 it is in, he could do a larger marina if desired. **On a motion by Commissioner Ward, seconded by Commissioner Amison, to approve the request to construct a Commercial dock that consists of a 4'x150' access pier, a 6'x40' terminal platform, and (4) uncovered boat slips at the property located at 2118 Highway 98 East, Carrabelle, Franklin County, Florida. Motion carried 3-1, Commissioner Sanders opposed.**

15. Plat Review Applications

a. Sand Oaks Beach Final Plat

A consideration of a request for final Plat Review of 13 lots located within Summer Camp West, St. Theresa, Franklin County, Florida. Request submitted by Russell Large/Inovia Consulting Group, agent for Summer Camp Beach, LLC, applicant.

Commissioner Ward noted with PUD every phase they complete; they have to come back to the board when they are ready to begin next phase. Have one year to begin each phase from approval. Chairman Jones asked if this was consistent with original approved. Ms. Bankston confirmed that it was. Mr. Andy Walter spoke to the Board noting he was there to answer any questions.

On a motion by Commissioner Sanders, seconded by Commissioner Amison, and by a unanimous vote of the Board present, the Board approved the request for final Plat Review of 13 lots located within Summer Camp West, St. Theresa, Franklin County, Florida. Motion carried 4-0.

16. Zoning Administrator's Report

Action Items:

1. Approval of agreement with ARPC for Geospatial Planning Support and Services.

On a motion by Commissioner Ward, seconded by Commissioner Sanders, and by a unanimous vote of the Board present, the Board approved the agreement with ARPC for Geospatial Planning Support and Services. Motion carried 4-0.

2. PZA Board Vacancies

Two Vacant Seats for District 2 and 3

Commissioner Sanders said she will get some names for the board. Commissioner Ward noted that it is going to become more and more difficult to get volunteers. We need to come up with a solution that does

not involve an advisory board. Also, as moving forward with docks. I know that we do not allow secondary structures without a primary structure first. Instead of improving these docks, we may need to do an ordinance only have a primary structure or a building permit. Commissioner Sanders said at that time unless there was a house on property, they could not have a dock. Mr. Moron noted he remembered when we used to make sure that there was a structure or a permit for structure. Commissioner Amison said these do not benefit us at all. We are still absorbing it. Does not help our tax base if we allow someone from Georgia for a weekend retreat. Mrs. Bankston noted it is also the campers. Mrs. Bankston will bring it up to the P&Z board about not approving without a primary structure. Chairman Jones asked her to also talk to them about lot line reconfigurations.

Informational Items: 1. Code Enforcement/Zoning Violation Letters

Mrs. Bankston spoke about not having authority to serve letters. She knows they are there. A code enforcement officer will be able to serve. Attorney Shuler said use Debbie Faircloth to serve letters. Commissioner Ward asked where we are at for code enforcement officer. Mr. Moron asked if we are going to let a company do it or go out for bids. Commissioner Amison said he was under the same impression as Michael that we were looking at another company to do it.

Lanark Village Fence Update

Mrs. Bankston asked the Board how many days they would like to give property owners to come into compliance suggesting 30 or 90 days. She noted there is about four fences out of compliance at this time. Commissioner Sanders said it did not matter to her. Commissioner Amison noted this is in the special zoning. Mrs. Bankston noted that she wants to allow for sufficient repair or replacement of the fences. Commissioner Sanders recommended giving 60 or 90 days.

County Staff & Attorney Reports

17. Erin Griffith – Fiscal Manager/Grants Coordinator

1. BOARD ACTION: DEM EMERGENCY OPERATIONS CENTER GRANT

The county was very successful in this past legislative session thanks to the assistance of Senator Corey Simon and Representative Jason Shoaf, Capital City Consulting, and county consultant Traci Buzbee. The county has now received the attached grant agreement from the Florida Division of Emergency Management in the amount of \$2,650,577 to go towards the construction of the new Emergency Operations Center. These funds, coupled with the \$1,000,000 congressional appropriation awarded in the prior year with assistance from Congressman Neal Dunn, and \$1,000,000 from RESTORE's Gulf Consortium will allow for the county to begin construction on the new EOC. As construction is now funded, the county cannot afford to wait any longer for the FAA approval of the site at the airport. This month, the county is closing on three acres of land (which is not in a flood zone) on Highway 65 near the county jail, landfill, and road department. The possible Highway 65 location will eliminate the FAA from the process and will allow for the EOC to be constructed on the ground instead of having to be situated on pilings.

Board action to approve and authorize the chairman to sign the attached DEM Emergency Operations Center Grant.

Item addressed earlier in the meeting.

Board action to approve site relocation to the 3-acre site in Eastpoint and to proceed with construction and design activities.

Item addressed earlier in the meeting.

2. BOARD ACTION: AMENDMENT TO CDBG-DR GENERATORS MATCH GRANT

In July of last year, the county approved the CDBG-DR emergency generators match grant. The original agreement was between the county and the state's Office of Economic Opportunity. This summer, the state changed the name of the department to Department of Commerce. The attached grant amendment agreement reflects this change.

Board action to approve and authorize the chairman to sign the attached amendment with the Florida Department of Commerce for the CDBG-DR Grant.

Item addressed earlier in the meeting.

3. BOARD ACTION: TRIUMPH FIRST RESPONDER COMMUNICATION SYSTEM PRE-APPLICATION

Last month, the county met with Triumph representatives here in Apalachicola and in addition to discussing ideas for economic development at the county airport, there was also discussion about conversion to a new communication system for first responders. There are changes on the horizon with the state emergency response SLERS system and at some point, the county will be mandated to transition to a banded 800 MHz radio system. The sheriff's department is set to receive a \$1,500,000 grant from the Florida Legislature to outfit their department with radios that are compatible with the existing system and the state's new 800 MHz system. Although the Triumph program is funded by settlement funds due to impacted counties from the Deepwater Horizon Oil Spill, the program has strict requirements for eligibility and local match. The \$1,500,000 equipment grant for the Sheriff's Department can be listed as part of the county's match for the Triumph Pre-application along with an additional \$25,000 local effort towards the project analysis and planning phase. A fully operational and effective radio communication system will be extremely expensive but is of paramount importance for life saving response services.

In Wakulla County, a roughly twelve-million-dollar project included the property acquisition and construction of (7) radio communications towers, programming, base stations, and the purchase of radios for all first response entities. Walton County is also in progress with their new system through Triumph now. One side benefit to the construction of new radio communication towers is the ability for telecommunications providers to 'rent' tower space to be able to provide better internet broadband and cellular service within the county. This system upgrade will not only provide reliable communications and equipment for first responders (law enforcement, cities, county departments, ambulance service, school district, and volunteer fire departments) but will also enhance the county's broadband and cellular access for all residents.

Board action to submit a pre-application to RESTORE's Triumph Gulf Coast for approximately \$10,000,000 for the analysis, planning, design, construction, and implementation of an 800MHz county-wide First Responder Communication System.

On a motion by Commissioner Amison, seconded by Commissioner Sanders, to approve submitting a pre-application to RESTORE's Triumph Gulf Coast for approximately \$10,000,000 for the analysis, planning, design, construction, and implementation of an 800MHz county-wide First Responder Communication System. Commissioner Ward noted that she will still be fighting for something up Highway 65. Mrs. Griffith noted that this should be a net across the entire county. **Motion carried 4-0.**

4. BOARD ACTION: NOTICE OF AWARD & CONST CONTRACT - 8TH, 9TH, 10TH STREET DUNE WALKOVERS

At the October 3rd, meeting, the county opened bids for the construction of the 8th, 9th, and 10th Street

West Dune Walkovers on St. George Island. Six bids were received and released to coastal engineers MRD and Associates for review and recommendation. MRD and Associates has reviewed the bids which were submitted, and they are recommending award to the lowest bidder MKM Quality Construction, Inc. (who was the same vendor who constructed the dune walkover at 3rd Street West earlier this year) for the base bid of \$184,744.69 and the alternate bid items of \$4,355 as all paperwork and documentation was in order. These dune walkovers are being replaced as part of the county's beach erosion control efforts (dune walkovers to protect dunes and vegetation from foot traffic, post and rope fencing and parking stops to prevent forward encroachment onto the dunes, and planting of sea oats at accesses) funded by Tourist Development Sales Tax Proceeds.

Board action to authorize the chairman to sign the attached notice of award to MKM Quality Construction, Inc. and the construction contract documents once available.

On a motion by Commissioner Amison, seconded by Commissioner Ward, and by a unanimous vote of the Board present, the Board authorized the Chairman to sign the attached notice of award to MKM Quality Construction, Inc. and the construction contract documents once available. Motion carried 4-0.

5. BOARD ACTION: Budget Resolutions – Fiscal Year 2022/2023

Attached are resolutions for the adoption of unanticipated revenues as part of the end-of-the-fiscal year bookkeeping. These funds were not included in your original adopted 2022/2023 budget because at the time of budget adoption they were unanticipated. Florida Statute 129 allows a county 60 days after the end of a fiscal year to incorporate unanticipated revenues into the prior year's budget. As grant invoices are processed for work completed through September 30th, resolutions and amendments will be a part of my report through the end of November.

The 1st resolution is for \$124,500 in state grant funds received through the Florida Department of Transportation for the Airport Obstruction Removal Project Phase I. The 2nd resolution is for \$636,371 in state and federal grant funds received from the Florida Department of Transportation and the Federal Aviation Administration for the rehabilitation of the apron pavements at the Airport. The 3rd resolution is for \$623,830 in state and federal FEMA funds received for the reconstruction of Alligator Drive.

Board action to adopt the attached budget resolutions.

**RESOLUTION
FRANKLIN COUNTY
BOARD OF COUNTY COMMISSIONERS**

WHEREAS, Franklin County is a political subdivision of the State of Florida and subject to Florida Statutes Chapter 129 regarding preparation of budgets, and

WHEREAS, FS 129.06 provides for budget amendments for unanticipated revenues, and

WHEREAS, Franklin County will receive unanticipated federal grant revenues in the amount of \$124,500.00 from the Florida Department of Transportation for the payment of expenses relative to the Airport Obstruction Removal Project Phase I and

WHEREAS, said revenue is needed to pay certain expenditures incurred in Fiscal Year 2022-2023
and

WHEREAS, FS 129.06(2)(d) provides for budget amendments in relation to receipts and expenditures of the nature that is received, and

WHEREAS, this section requires the Board of County Commission to spread on its minutes the expenditures for the purpose of:

170.74.540.3403	Contract Svcs – Apt Obstruction Removal	\$124,500.00
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NOW THEREFORE, BE IT RESOLVED, Franklin County Board of County Commissioners appropriates these unanticipated revenues in the amount of \$124,500.00 in the AIRPORT FUND to comply with FS129(2)(d).

THIS RESOLUTION ADOPTED by the Franklin County Board of County Commissioners this 17th day of OCTOBER 2023.

**RESOLUTION
FRANKLIN COUNTY
BOARD OF COUNTY COMMISSIONERS**

WHEREAS, Franklin County is a political subdivision of the State of Florida and subject to Florida Statutes Chapter 129 regarding preparation of budgets, and

WHEREAS, FS 129.06 provides for budget amendments for unanticipated revenues, and

WHEREAS, Franklin County will receive unanticipated state grant revenues in the amount of \$463,127.00 from the Florida Department of Transportation and \$173,244.00 from the Federal Aviation Administration for the payment of expenses relative to the Rehabilitation of the Airport Apron Pavements and

WHEREAS, said revenue is needed to pay certain expenditures incurred in Fiscal Year 2022-2023 and

WHEREAS, FS 129.06(2)(d) provides for budget amendments in relation to receipts and expenditures of the nature that is received, and

WHEREAS, this section requires the Board of County Commission to spread on its minutes the expenditures for the purpose of:

170.74.540.6302	Infrastructure – Apt FAA Pvmt Aprons	\$173,244.00
170.74.540.6303	Infrastructure – FDOT Pvmt Aprons	\$463,127.00

NOW THEREFORE, BE IT RESOLVED, Franklin County Board of County Commissioners appropriates these unanticipated revenues in the amount of \$636,371.00 in the AIRPORT FUND to comply with FS129(2)(d).

THIS RESOLUTION ADOPTED by the Franklin County Board of County Commissioners this 17th day of OCTOBER 2023.

**RESOLUTION
FRANKLIN COUNTY
BOARD OF COUNTY COMMISSIONERS**

WHEREAS, Franklin County is a political subdivision of the State of Florida and subject to Florida Statutes Chapter 129 regarding preparation of budgets, and

WHEREAS, FS 129.06 provides for budget amendments for unanticipated revenues, and

WHEREAS, Franklin County will receive unanticipated federal and state FEMA grant revenues in the amount of \$623,830.00 from the Florida Division of Emergency Management for the payment of expenses relative to the repair of Alligator Drive and

WHEREAS, said revenue is needed to pay certain expenditures incurred in Fiscal Year 2022-2023 and

WHEREAS, FS 129.06(2)(d) provides for budget amendments in relation to receipts and expenditures of the nature that is received, and

WHEREAS, this section requires the Board of County Commission to spread on its minutes the expenditures for the purpose of:

139.69.541.6302	Infrastructure – Alligator Drive	\$623,830.00
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NOW THEREFORE, BE IT RESOLVED, Franklin County Board of County Commissioners appropriates these unanticipated revenues in the amount of \$623,830.00 in the BALD POINT TRUST FUND to comply with FS129(2)(d).

THIS RESOLUTION ADOPTED by the Franklin County Board of County Commissioners this 17th day of OCTOBER 2023.

On a motion by Commissioner Ward, seconded by Commissioner Sanders, and by a unanimous vote of the Board present, the Board adopted the budget resolutions as stated above. Motion carried 4-0.

6. BOARD ACTION: PERMISSION TO SCHEDULE AND ADVERTISE PUBLIC HEARING FOR CAPITAL IMPROVEMENT PLAN UPDATE

Each year the county formally updates the Capital Improvements Schedule of the Comprehensive Plan to reflect upcoming goals and projects within the county. This list assists with the planning process and grant funding applications. A copy of the current Capital Improvements Schedule is attached to this report.

Board action to approve the scheduling and advertisement of a public hearing to update the Capital Improvement Plan.

On a motion by Commissioner Sanders, seconded by Commissioner Ward, and by a unanimous vote of the Board present, the Board approved the scheduling and advertisement of a public hearing to update the Capital Improvement Plan. Motion carried 4-0.

7. BOARD ACTION: REPLACEMENT OF DAMAGED SIGN AT KENDRICK PARK

Strong winds toppled and damaged the high density 4' x 8' entrance sign at Kendrick Park several weeks ago. Sign Design has submitted the attached estimate to replace and install the new sign. With the park's size, parking facilities and variety of sports fields, replacement of the damaged sign does align with the county's desire to designate the park as a sports arena in hopes of promoting sports tourism for the county and hosting state-wide tournaments in the future.

Board action to approve of the estimate and design for the sign at Kendrick Park.

Commissioner Sanders said if we are going to put arena on all of them then she is okay with it.

On a motion by Commissioner Sanders, seconded by Commissioner Amison, and by a unanimous vote of the Board present, the Board approved the estimate and design for the sign at Kendrick Park. Motion carried 4-0.

8. BOARD INFORMATION: MISCELLANEOUS PROJECT UPDATES

Lanark EMS Station – draft architectural renderings and preliminary site layout is attached to this report. The design and permitting work are approximately 50% complete. Lights at Vrooman Park are operational. Thursday meeting on site at SGI fishing pier access road it was washed out during Hurricane Idalia, only damage sustained.

18. Michael Morón – County Coordinator

1. Action Item: Sea Oates Garden Club Landscape Estimate

In our efforts to reopen the Sea Oates Garden Club in Carrabelle for the senior citizens, staff has received a \$3000 quote from L & S Lawn Service (Carrabelle) for the overall cleanup of that property. As detailed in the attached proposal, there is a lot of landscape work to be done at that location which is the reason for what could be considered a high quote. Board action to approve the \$3000 quote for landscape services at the Sea Oates Garden Club located in Carrabelle. Since the County now owns this building, the cost will be paid from Courthouse maintenance.

On a motion by Commissioner Ward, seconded by Commissioner Sanders, and by a unanimous vote of the Board present, the Board approved the \$3000 quote for landscape services at the Sea Oates Garden Club located in Carrabelle. Since the County now owns this building, the cost will be paid from Courthouse maintenance. Motion carried 4-0.

2. Action Item: Airport West Hangar Development FDOT Grant

Mr. John Collins (AVCON) submitted the attached FDOT's Public Transportation Grant Agreement for the Airport West Hangar Development project. This is an \$800,000 FDOT grant that will be used for design and construction of hangars at the Airport.

Board action to approve and authorize the Chairman's signature on this \$800,000 PTGA for Airport West Hangar Development project.

On a motion by Commissioner Ward, seconded by Commissioner Amison, and by a unanimous vote of the Board present, the Board approved and authorized the Chairman's signature on this \$800,000 PTGA for Airport West Hangar Development project. Motion carried 4-0.

3. Action Item: Airport PAPI Lights Repair

Mr. John Collins (AVCON) reported that FAA performed a flight check a few weeks ago on all runways and determined that one of the PAPI lights were malfunctioning on Runway 14. After conferring with Mr. Ted Mosteller (Airport Manager) and his explanation of the importance of repairing these lights, I asked Mr. Collins to have the lights repaired with the anticipation that the Board would authorize the repairs today. TCA Electrical Contractors have maintained the PAPIs for years. Mr. Collins contacted TCA about repairing the lights, and since they did not know exactly what the problem was without an onsite inspection, their estimated cost to repair the lights was \$1,250 plus the cost of any parts. The lights have been repaired and we are waiting for the invoice.

Board action to approve the repair of Runway 14 PAPI lights.

On a motion by Commissioner Sanders, seconded by Commissioner Ward, and by a unanimous vote of the Board present, the Board approved the repair of Runway 14 PAPI lights. Motion carried 4-0.

4. Action Item: 2023 Eastpoint Christmas Parade and Celebration

The 2023 Eastpoint Christmas Parade and Celebration is scheduled to take place on December 8th. Parade line up is at 4:00 p.m. at the corner of Franklin Street and Highway 98. There will be a break in the line for Taylor's customer traffic. The parade will start on Highway 98 going east, ending on School Road. Santa Clause will continue to the Eastpoint Firehouse.

Board action to approve the Eastpoint Christmas Parade route scheduled for December 8th.

On a motion by Commissioner Ward, seconded by Commissioner Sanders, and by a unanimous vote of the Board present, the Board approved the Eastpoint Christmas Parade route scheduled for December 8th. Motion carried 4-0.

5. Action Item: Sheriff's EEOP and Audit Certification Form

Staff received a request from Mrs. Ginger Coulter (Sheriff's Chief Financial Officer) for the Chairman's signature on FDLE's Equal Employment Opportunity Plan certification form and Single Audit Certification form. Both were due prior to today's meeting. Mrs. Griffith reviewed the forms before the Chairman was asked to sign.

Board action to ratify the Chairman's signature on FDLE's Equal Employment Opportunity Plan certification form and the Single Audit Certification form.

On a motion by Commissioner Ward, seconded by Commissioner Amison, and by a unanimous vote of the Board present, the Board ratified the Chairman's signature on FDLE's Equal Employment Opportunity Plan certification form and the Single Audit Certification form. Motion carried 4-0.

6. Discussion/Possible Action Item: Candidates for Vacant Advisory Board Seats

The County has advertised to fill four vacant seats on its advisory boards: Local Technology Planning Team, Regional Rural Transportation Plan Technical Advisory Committee, Byway Management Authority, and the Airport Operations Economic Development Board. There has not been any letter or emails of interest for the Local Technology Planning Team District 1 seat. Commissioner Jones is in discussions with a few of his constituents to serve on this Board. Mr. John Berry is the only resident that submitted a letter of interest for the Regional Rural Transportation Plan Technical Advisory Committee. Mrs. Mel Kelly and Mrs. Rebecca Dolan submitted emails of interest for the Byway Management Authority. Mr. Steve Norton was the only submission for the Airport Operations Economic Development Board; however, Mr. Steve Kirschenbaum (Chairman of the AOED) would like permission to include applicants that were not selected earlier this year when the AOED was formed, along with Mr. Norton's information, as part of their review before making a recommendation for your approval and appointment.

Board discussion and possible action on appointments to fill vacant advisory board seats.

Chairman Jones asked why some of the applicants who were interested before did not reapply. Mr. Moron said it could have been with the expectation that the Board would look at prior applications also. Chairman Jones said we do not do that with any other position that we have. Mr. Moron I just did that knowing that board was new. Since there were not many applicants. Not pushing you either way. Commissioner Amison we were going to advertise again and include the previous applications. If that is the case, that could be my fault also. Commissioner Sanders said whatever way we do this one, or however we have done in the past. All that have applied and new applications. Chairman Jones does the board want to accept and appoint Berry, Kelly, and Dolan today in the interest of time?

Commissioner Sanders made a motion to appoint Mr. John Berry to the Regional Rural Transportation Plan Technical Advisory Committee, and Mrs. Mel Kelly and Mrs. Rebecca Dolan to the Byway Management Authority. Seconded by Commissioner Ward. Motion carried 4-0.

Mr. Moron

Commissioner Amison noted this is for one of the at large board members. Commissioner Amison if we may have caused some confusion, maybe we need to readvertise, so the people who applied could re-apply.

7. Informational Item: AOED Chairman's Report

Mr. Steve Kirschenbaum said he would like to discuss a few items (see attached report) with the Board.

First item discussed was the contract with Centric regarding the rental car operation. Chairman Jones said he would be more in favor of them getting on their feet to see if they can rent these cars. Commissioner Amison said they have a very lucrative contract with us. It is our obligation that we get the best bang for our buck. Given the generosity that we have given them in the past, I do not see why 10% would be a problem. Attorney Shuler would like to review the lease with Centric and make sure we are not doing anything in violation of the lease. Mr. Kirschenbaum brought up that they were still in need of the keys to the hangars. Noting the airport manager must have keys. Chairman Jones transferred the gavel to the Vice Chairman and excused himself due to a prior engagement Eastpoint Water and Sewer Board. Commissioner Amison asked Mr. Mosteller what keys he has. He said none. Mr. Moron asked if he wanted him to reach out to them or was, he? Mr. Moron said he will reach out to him. Mr. Mosteller noted that he does have keys to the power vault and eed building. Mr. Moron said he will talk to Andrew and get back with him. Mr. Kirschenbaum noted that they need to audit stuff. Mr. Kirschenbaum noted that the metes and bounds were agreed on. The county property appraiser's website does not reflect. Mr. Moron noted if someone wants to know the true metes and bounds, they wouldn't go to the property appraiser's website. Mr. Moron noted that he will contact Mrs. Skipper's office to discuss. Mr. Kirshenbaum noted that there is an immediate issue of grass growing up on runway lights somehow, we must get someone out there or expedite the hiring of someone. Mr. Moron said he believed the closing date is this Friday and from there we decide on applicants. If anyone wants to transfer within the county it is an automatic, if there is two, we must conduct interviews. Commissioner Ward noted that it appears to be like there is more money, but this person is going to have to be on their own, it is a lot more than just mowing. Commissioner Amison verbal agreement that Centric was going to cut the grass. If we can get this FBO agreement to move forward it is going to open some revenue to hire someone. They have not upheld the verbal agreement because they are lacking personnel. Mr. Moron said the deadline is the 27th not this Friday. I am not looking at a calendar, but I believe we are right in the timeline that he gave me. Mr. Kirschenbaum thanked the board for the appointment of Mark Noble. Mr. Kirschenbaum noted that the meeting with Tyndall went well and noted possibilities for Haney School of Aviation. Mr. Mosteller said it will be more than mowing the grass, maintenance on equipment, building maintenance, do it yourself type of person. Also self-motivated. Mosteller noted that he mowed Saturday, almost everything is waist high out there. Need permission to let volunteers use equipment. Mr. Moron said he must talk to Erin as far as insurance. Commissioner Amison asked if there was anything that is hampering aviation. Mr. Mosteller said yes and that is what he mowed on Saturday. Mr. Mosteller noted they have some volunteers. The Board asked for clarification on using volunteers with county equipment. Commissioner Ward if we check and see if it is more of liability maybe we can get Mr. Nabors to go out and knock it down. Commissioner Amison noted that we triage and do the navigational hazard. If we can get the road department, do the hazards first so that if they get caught away at least we have that much done.

8. Informational Item: Buddy Ward Reef Documents

Staff was asked to sign the attached documents relating to the Buddy Ward Reef project. Attorney Shuler reviewed the documents prior to signing.

9. Informational Item: 2023 FAC Legislative Conference

The 2023 FAC Legislative Conference is scheduled for November 15th – 17th in Hillsborough County. Guest Speakers will include Mr. Kevin Guthrie, Florida Division of Emergency Management's Executive Director, and Mr. Carlos Nathan, a Federal Program Officer with NTIA. Mr. Nathan will speak on the

Federal Broadband Equity and Deployment (BEAD) program. If you are planning on attending, let Mrs. Cortni Bankston know as soon as possible.

10. Informational Item: Aquaculture Grant

Last week I forwarded an email from Mrs. Susan Skelton (TRIUMPH) regarding a grant program to assist aquaculture shellfish hatcheries and nurseries. I will add this information to the County's website for public information.

11. Informational Item: EMS & Clinic Financial Report

Mrs. Erin Griffith and I met with Bryan Hall of Carr, Riggs, and Ingram to finalize the financial breakdown report for the County's EMS service and both clinics. Mr. Hall sent a draft report for our review. Mrs. Griffith and I plan to meet with Mr. Hall to tweak the draft, so a final version is ready for your review at your November 7th meeting.

12. Informational Item: Next Meeting

Your next meeting date is Tuesday, November 7th at 9:00 a.m. (ET)

Commissioner Ward we need to proceed with the benches in Eastpoint they are all on grass, cannot tell if they are bolted or concreted down. Look at removing those and relocating to Carrabelle. Mr. Moron said he will talk to Mr. Nabors and get back. Commissioner Sanders said we had lady talk about Chip Morrison beach access. Asked Mr. Moron to get with citizen and bring something back to the Board to look at. Not sure if it can be removed. Commissioner Sanders noted that there are not enough signs to go down on Bald Point, Lanark, Alligator Point. Asked staff to please go ahead and do that.

Commissioner Sanders asked Attorney Shuler to talk to us about what happened with the division of forestry. Attorney Shuler noted that the first thing he asked Mr. Davis were there pine beetles. He noted he was told they did not want to deal with DEP. Attorney Shuler noted that they special use permit was for the purpose of removing and treating pine beetles. He noted that he had a discussion with Mr. Davis and Mr. Cook, and there was no infestation. Attorney Shuler noted that he knows the Board wants to be helpful to everyone and asked if thinning could be treatment. They responded on August 24th that it was not infested, and thinning is precautionary and not considered treatment.

19. Michael Shuler – County Attorney

1. Possible Exchange of Land with Duke Energy

On October 3, 2023, the Board discussed Duke Energy's request to purchase a single lot of land next to its existing tower located in the old Bowery section of Apalachicola, described as Block H2, Lot 5 (O/R 107/551) by the Property Appraiser's website with a market value of \$30,000.00. Location maps are attached, together with information from the Appraiser's website. The map for the City of Apalachicola indicates that Lot 5, Block H2 is 30' wide by 80' deep. Discussions with Duke Energy representative Danny Collins indicate that the two parties should discuss a land swap instead of a sell of the county land. Duke Energy owns a parcel of land immediately West of the old Apalachicola Bay Charter School site on Fred Meyer Road. According to the Property Appraiser's website the parcel of land owned by Duke Energy is 4.95 acres, more or less, and has a market value of \$173,250.00. Location maps are attached, together with information from the Appraiser's website. Per Duke Energy, their transmission lines run along Fred Meyer Road, which road is located along the southernmost part of their land shown as a small triangle on the location map. Does the Board want to engage in a discussion with Duke Energy regarding a possible land swap instead of a purchase and sale of land of the lot owned by the county? Florida Statute section 125.37 authorizes a land swap. It requires that the Board find that county land is not needed for county purposes and that the property may be to the best interests of the county exchanged for other real property which the county may desire to acquire for county purposes. The terms of the exchange must first be advertised for two weeks in the local newspaper before adoption of a resolution authorizing the exchange of lands.

Board Action Requested: I recommend that the Board authorize me to negotiate a possible land swap.

On a motion by Commissioner Sanders seconded by Commissioner Amison, and by a unanimous vote of the Board present, the Board authorized Attorney Shuler to negotiate a possible land swap with Duke Energy. Commissioner Ward noted that she is familiar with this property and the power lines are well south of dad's property, this property has no power lines on it. Motion carried 3-0.

Commissioners' Comments

There were no further commissioner comments.

Adjournment

There being no further business before the Board, the meeting was adjourned.

Ricky Jones – Chairman

Attest:

Michele Maxwell – Clerk of Courts

The audio is available upon request. Please e-mail jgay@franklinclerk.com, call 850-653-8861 to speak with the Administrative Assistant, or submit a request in writing to obtain audio of this meeting.