

Dixie County, Florida

Audit Report

September 30, 2018

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Board of County Commissioners
Dixie County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Dixie County, Florida (the "County") as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the County as of September 30, 2018, and the respective changes in financial position, where applicable, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

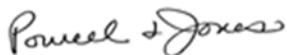
Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis and the schedules listed in the table of contents as “required supplementary information” be presented to supplement the basic financial statements. Such information, although 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 statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County’s basic financial statements. The information listed in the table of contents as supplementary information, including the Schedule of Expenditures of State Financial Assistance, which is required by Chapter 10.550, Rules of the Auditor General, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated, March 25, 2020 on our consideration of the County’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County’s internal control over financial reporting and compliance.



POWELL & JONES
Certified Public Accountants
March 25, 2020

Management's Discussion and Analysis

This Management's Discussion and Analysis provides an objective and easily readable analysis of the County's financial activities for fiscal year ended September 30, 2018. The analysis provides summary financial information for the County and should be read in conjunction with the County's financial statements.

FINANCIAL HIGHLIGHTS

- Dixie County's assets and deferred outflows exceeded liabilities and deferred inflows by \$35,650,524 (net position). Of this amount, \$(5,435,508) is unrestricted net position, while \$39,431,470 was net investment in capital assets. The remaining \$1,654,562 is restricted net position.
- The County's total net position increased by \$2,660,173 over the previous year.
- At September 30, 2018, the County's governmental funds reported a combined fund balance of \$8,319,180.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information that may be of interest to the reader.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the County's finances in a manner similar to a private-sector business. The two government-wide financial statements are the Statement of Net Position and a Statement of Activities.

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

The Statement of Activities presents information on all revenues and expenses of the County and the change in net position for the fiscal year. All changes in net position are reported as soon as the underlying event occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and accounts payable).

Both statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). Governmental activities of the County include general government services, public safety, physical environment, transportation, economic environment, human services, culture and recreation, and court related expenses. Dixie County had no business-type activities for the year ended September 30, 2018.

Management's Discussion and Analysis

Fund Financial Statements

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

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

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

The County maintains numerous individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Emergency Medical Services (EMS) Fund, and the County Transportation Trust Fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single aggregated presentation. Individual fund data for each of the nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reflected in the government-wide financial statements because resources of those funds are not available to support the County's own programs.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements, and accompanying notes, this report also presents certain required supplementary information containing budget to actual comparison for the General Fund and major special revenue funds, schedules of funding progress for the County's OPEB Plan, and the schedules of proportionate shares of net pension liability and pension employer contributions. Following the required supplementary information can be found combining balance sheets and combining statement of revenues, expenditures, and changes in fund balances for the nonmajor governmental funds and the schedule of expenditures of state financial assistance.

Management’s Discussion and Analysis

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position.

The following schedule summarizes the statement of net position as of September 30, 2018 and September 30, 2017.

	Governmental Activities	
	2018	2017
Current and other assets	\$ 10,397,569	\$ 8,895,582
Capital assets	40,335,642	38,645,739
Total assets	50,733,211	47,541,321
Deferred outflows	5,993,381	6,434,524
Other liabilities	1,339,216	3,084,434
Long-term liabilities	17,803,413	16,624,030
Total liabilities	19,142,629	19,708,464
Deferred inflows	1,933,439	1,277,030
Net position:		
Net investment in capital assets	39,431,470	38,351,816
Restricted	1,654,562	1,677,531
Unrestricted	(5,435,508)	(7,038,996)
Total net position	\$ 35,650,524	\$ 32,990,351

The largest portion of the County’s net position reflects its net investment in capital assets (e.g., land, parks, roads, buildings, and equipment), net of depreciation and any related outstanding debt used to acquire those assets. The County uses these capital assets to provide services to citizens; consequently these assets are *not* available for future spending. Although the County’s net investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Restricted net position represents resources that are subject to restrictions imposed externally (e.g. creditors, grantors or other governments) or those imposed by law through constitutional provisions or enabling legislation.

Dixie County, Florida

Management's Discussion and Analysis

STATEMENT OF ACTIVITIES

The following schedule summarizes revenues and expenses for the fiscal years ended September 30, 2018 and September 30, 2017:

	Governmental Activities	
	2018	2017
Program revenues:		
Charges for services	\$ 4,624,835	\$ 4,485,780
Operating grants and contributions	2,602,546	2,194,793
Capital grants and contributions	4,506,566	5,440,678
General revenues:		
Property taxes	6,401,367	6,247,161
Other taxes	1,565,782	1,413,288
Shared revenues - unrestricted	3,151,443	2,934,259
Other	547,378	570,276
Total revenues	23,399,917	23,286,235
Expenses:		
General government	3,716,392	3,408,709
Public safety	9,981,843	10,394,468
Physical environment	2,085,460	1,462,840
Transportation	2,420,946	1,162,208
Economic environment	508,598	382,910
Human services	653,481	541,890
Culture-recreation	708,709	689,764
Court-related	606,803	789,394
Interest on long-term debt	57,512	20,330
Total expenses	20,739,744	18,852,513
Change in net position	2,660,173	4,433,722
Net position – beginning of year, as restated	31,590,622	27,782,251
Net position – end of year	\$ 34,250,795	\$ 32,215,973

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Management's Discussion and Analysis

Highlights of 2018

The General Fund's fund balance increased \$2,686,228, of that amount, \$1.5 million was related to debt issuance. EMS fund balance decreased by \$452,042. The fund balance of the County Transportation Trust Fund increased approximately \$1.3 million, primarily due to capital projects grant reimbursements.

Governmental Funds

At year-end, the County's governmental funds reported a combined fund balance of \$8,319,180, an increase of approximately \$3.5 million. The overall increase is primarily due to the increase in the County Transportation Trust Fund due to receipt of grant reimbursements for project expenditures and debt issuance of \$1.5 million.

At the current time, the County has three major governmental funds. They are 1) the General Fund; 2) the Emergency Medical Services Fund; and 3) the County Transportation Trust Fund.

Various County Funds Discussion

- The General Fund is the chief operating fund of the County. At the end of fiscal year 2018, unassigned fund balance of the General Fund was \$1.8 million.
- The Emergency Medical Service Fund had a total fund balance of \$1.8 million at year end. This was an decrease of approximately \$450,000 from the prior year. Revenues are from fees charged for emergency medical services, grants and property taxes from a MSTU.
- The County Transportation Trust Fund accounts for the maintenance of roads, bridges, rights-of-way, and drainage systems, and is primarily funded by gas taxes and state grants. Transportation projects, including those that span multiple years, were budgeted in fiscal year 2018. The fund had a total fund balance deficit of \$(227,355) at year end. This was an increase of \$1.3 million from the prior year. In prior years, a transfer from the General Fund was made to prevent fund balance from going negative. In FY 2017 and 2018, this transfer was not made.

GENERAL FUND BUDGETARY HIGHLIGHTS

Actual total revenues were approximately \$1.85 million higher than anticipated in the final budget primarily due to an increase in intergovernmental revenues. Expenditures were under budget by approximately \$560,000. There were no significant changes between the original and final budgets.

Management’s Discussion and Analysis

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Asset Activity

A summary of changes in capital assets follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 2,782,373	\$ -	\$ -	\$ 2,782,373
Construction in progress	3,152,850	356,876	3,152,850	356,876
Total capital assets not being depreciated	5,935,223	356,876	3,152,850	3,139,249
Capital assets being depreciated:				
Buildings	13,793,972	-	-	13,793,972
Improvements	6,790,022	1,205,971	-	7,995,993
Infrastructure	32,498,249	4,358,821	-	36,857,070
Equipment	13,482,283	688,002	1,837,512	12,332,773
Total capital assets being depreciated	66,564,526	6,252,794	1,837,512	70,979,808
Less accumulated depreciation for:				
Buildings	7,424,903	383,604	-	7,808,507
Improvements	2,649,497	211,601	-	2,861,098
Infrastructure	12,696,065	755,191	-	13,451,256
Equipment	11,083,545	416,521	1,837,512	9,662,554
Total accumulated depreciation	33,854,010	1,766,917	1,837,512	33,783,415
Total capital assets being depreciated, net	32,710,516	4,485,877	-	37,196,393
Capital assets, net	\$ 38,645,739	\$ 4,842,753	\$ 3,152,850	\$ 40,335,642

Please refer to the Notes to Financial Statements for more detailed information about the County’s capital assets.

Long-Term Debt

On September 30, 2018, the County’s governmental outstanding debt was \$17.8 million. The primary changes in long term liabilities for fiscal year 2018 is related to the issuance of \$1.5 million in loans for economic development. These were repaid in full in fiscal year 2019. Please refer to the Notes to Financial Statements for more detailed information about the County’s long-term liabilities.

Management's Discussion and Analysis

NEXT YEAR'S BUDGET AND SIGNIFICANT FINANCIAL CONDITIONS

The County plans to continue to seek grant funding in all departments as available.

We are unaware of any conditions that are expected to have a significant impact on the County's financial position or results of operations. The County plans to continue to provide the best services possible to an ever-growing population base.

REQUESTS FOR INFORMATION

This report was prepared by Tim Alexander, County Manager. Questions concerning this report or request for additional information should be addressed to:

Board of County Commissioners
Dixie County
Tim Alexander, County Manager
P. O. Box 2600
Cross City, FL 32628-2600

FAX: 352-498-1471

Dixie County, Florida

Statement of Net Position
Year ended September 30, 2018

	Governmental Activities
Assets	
Cash and equivalents	\$ 5,598,060
Receivables	2,451,361
Due from other governments	1,950,778
Prepays	397,370
Capital assets:	
Non-depreciable	3,139,249
Depreciable, net	37,196,393
Total assets	50,733,211
Deferred outflows - related to pensions	5,993,381
Liabilities	
Accounts payable and accrued liabilities	1,339,216
Noncurrent liabilities:	
Due within one year	2,472,593
Due in more than one year	15,330,820
Total liabilities	19,142,629
Deferred inflows - related to pensions	1,933,439
Net position	
Net investment in capital assets	39,431,470
Restricted for:	
Public safety	399,366
Other purposes	1,255,196
Unrestricted	(5,435,508)
Total net position	\$ 35,650,524

See accompanying notes.

Dixie County, Florida

Statement of Activities
Year ended September 30, 2018

Functions/programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position Governmental Activities
Governmental activities:					
General government	\$ 3,716,392	\$ 327,648	\$ 85,398	\$ -	\$ (3,303,346)
Public safety	9,981,843	2,323,752	302,689	305,230	(7,050,172)
Physical environment	2,085,460	1,555,012	-	1,593,948	1,063,500
Transportation	2,420,946	21,720	1,265,654	2,607,388	1,473,816
Economic environment	508,598	36,121	5,000	-	(467,477)
Human services	653,481	-	534,783	-	(118,698)
Culture and recreation	708,709	43,884	194,031	-	(470,794)
Court related	606,803	316,698	214,991	-	(75,114)
Interest on long-term debt	57,512	-	-	-	(57,512)
Total	\$ 20,739,744	\$ 4,624,835	\$ 2,602,546	\$ 4,506,566	(9,005,797)

General revenues:

Property taxes	6,401,367
Sales taxes	994,481
Gas taxes	437,221
Tourist development tax	73,375
Telecommunications tax	60,705
Impact fees	47,688
Shared revenues - unrestricted	3,151,443
Investment earnings	24,683
Miscellaneous	475,007

Total general revenues 11,665,970

Change in net position 2,660,173

Net position – beginning of year 32,990,351

Net position – end of year \$ 35,650,524

See accompanying notes.

Dixie County, Florida

**Balance Sheet – Governmental Funds
September 30, 2018**

	General Fund	EMS	County Transportation Trust	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and equivalents	\$ 2,184,935	\$ 1,536,037	\$ (285,010)	\$ 2,162,098	\$ 5,598,060
Due from other funds	2,333,109	636,000	-	11,171	2,980,280
Due from other governments	873,790	40,281	686,736	349,971	1,950,778
Receivables	-	870,574	287	80,500	951,361
Long term receivable	1,500,000	-	-	-	1,500,000
Prepays	397,370	-	-	-	397,370
Total assets	\$ 7,289,204	\$ 3,082,892	\$ 402,013	\$ 2,603,740	\$ 13,377,849
Liabilities, deferred inflows and fund balances					
Liabilities:					
Accounts payable and accrued liabilities	\$ 909,621	\$ 72,791	\$ 146,196	\$ 210,608	\$ 1,339,216
Due to other funds	226,734	501,009	483,172	1,769,365	2,980,280
Total liabilities	1,136,355	573,800	629,368	1,979,973	4,319,496
Deferred inflows:					
Unavailable revenue	-	703,052	-	36,121	739,173
Fund balances:					
Nonspendable	2,397,370	-	-	-	2,397,370
Restricted	-	-	-	1,654,562	1,654,562
Assigned	1,958,050	1,806,040	-	121,709	3,885,799
Unassigned	1,797,429	-	(227,355)	(1,188,625)	381,449
Total fund balances	6,152,849	1,806,040	(227,355)	587,646	8,319,180
Total liabilities, deferred inflows and fund balances	\$ 7,289,204	\$ 3,082,892	\$ 402,013	\$ 2,603,740	\$ 13,377,849

See accompanying notes.

**Reconciliation of the Balance Sheet to the Statement of Net Position
Governmental Funds
September 30, 2018**

Fund balances – total governmental funds	\$	8,319,180
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>Capital assets used in governmental activities are not reported in the governmental funds.</p>		
Capital assets – net		40,335,642
<p>Long-term liabilities are not reported in the governmental funds.</p>		
Notes payable		(2,060,250)
Capital lease obligations		(343,922)
Landfills closure and long-term care costs		(327,653)
Other postemployment benefit obligations		(218,335)
Net pension liability		(14,016,906)
Compensated absences		(836,347)
<p>Deferred outflows and inflows related to pensions and OPEB are reported in governmental activities but not in governmental funds.</p>		
Deferred outflows - Pension		5,982,379
Deferred inflows - Pension		(1,933,438)
Deferred outflows - OPEB		11,000
<p>Deferred inflows for earned but unavailable revenue are reported in the governmental funds but not in the statement of net position.</p>		
		739,174
Net position of governmental activities		\$ 35,650,524

See accompanying notes.

Dixie County, Florida

Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 Year ended September 30, 2018

	General Fund	EMS	County Transportation Trust	Other Governmental Funds	Total Governmental Funds
Revenues					
Taxes	\$ 6,062,387	\$ 1,271,869	\$ 473,185	\$ 195,672	\$ 8,003,113
Permits, fees and special assessments	67,503	-	-	1,829,912	1,897,415
Intergovernmental	3,969,769	391,488	5,100,695	1,334,517	10,796,469
Charges for services	850,077	916,231	-	389,472	2,155,780
Fines and forfeitures	220	-	-	118,070	118,290
Miscellaneous	266,058	29,835	15,597	332,977	644,467
Total revenues	11,216,014	2,609,423	5,589,477	4,200,620	23,615,534
Expenditures					
Current:					
General government	3,477,954	-	-	2,000	3,479,954
Public safety	5,961,073	2,893,614	-	821,703	9,676,390
Physical environment	292,064	-	295,512	1,415,793	2,003,369
Transportation	4,351	-	4,000,261	159,580	4,164,192
Economic environment	31,493	-	-	476,092	507,585
Human services	462,592	113,418	-	68,643	644,653
Culture and recreation	-	-	-	464,891	464,891
Court related	99,123	-	-	462,072	561,195
Debt service:					
Principal retirement	190,578	12,433	-	224,405	427,416
Interest and fiscal charges	35,473	-	-	22,039	57,512
Total expenditures	10,554,701	3,019,465	4,295,773	4,117,218	21,987,157
Excess of revenues over (under) expenditures	661,313	(410,042)	1,293,704	83,402	1,628,377
Other financing sources (uses)					
Debt issued	1,500,000	-	-	-	1,500,000
Issuance of capital leases	334,445	-	-	-	334,445
Transfers in	606,863	-	-	416,393	1,023,256
Transfers out	(416,393)	(42,000)	-	(564,863)	(1,023,256)
Total other financing sources (uses)	2,024,915	(42,000)	-	(148,470)	1,834,445
Net change in fund balances	2,686,228	(452,042)	1,293,704	(65,068)	3,462,822
Fund balances – beginning of year	3,466,621	2,258,082	(1,521,059)	652,714	4,856,358
Fund balances – end of year	\$ 6,152,849	\$ 1,806,040	\$ (227,355)	\$ 587,646	\$ 8,319,180

See accompanying notes.

**Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances to the Statement of Activities – Governmental Funds
Year ended September 30, 2018**

Net change in fund balances – total governmental funds \$ 3,462,822

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is depreciated over their estimated useful lives.

Acquisitions of capital assets	3,456,820
Current year depreciation expense	(1,766,917)

Repayment of debt principal is an expenditure in the governmental funds, but the repayment does not effect net position of governmental activities.

Principal payments	427,416
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The issuance of long-term debt provides current financial resources for governmental funds, but does not affect net position of governmental activities.

Notes payable	(1,500,000)
Capital leases	(334,445)

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.

Compensated absences	148,153
Landfill closure and long-term care costs	(3,709)

The changes in the total OPEB liability and related deferred outflows and inflows are reported in the statement of activities but not in the governmental funds.

Total OPEB liability	(12,000)
Deferred outflows	11,000

The changes in the net pension liability and related deferred outflows and inflows are reported in the statement of activities but not in the governmental funds.

Net pension liability	95,202
Deferred outflows	(452,143)
Deferred inflows	(656,409)

Some revenues differ because of differences in measurement focus and basis of accounting.

(215,617)

Change in net position of governmental activities **\$ 2,660,173**

See accompanying notes.

Dixie County, Florida

Statement of Fiduciary Net Position
September 30, 2018

	Agency Funds
<hr/>	
Assets	
Cash	\$ 2,063,623
Receivables	30,596
<hr/>	
Total assets	2,094,219
Liabilities	
Assets held for others	2,094,219
<hr/>	
Net position	\$ -
<hr/> <hr/>	

See accompanying notes.

Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Dixie County (the “County”) conform to accounting principles generally accepted in the United States of America as applicable to governments. Following is a summary of the more significant policies.

Reporting Entity

The County is a non-charter, general purpose local government established under the legal authority of the Constitution of the State of Florida. It is composed of an elected Board of County Commissioners, the legislative and governing body of the County, and elected constitutional officers, Clerk of the Circuit Court, Sheriff, Tax Collector, Property Appraiser, and Supervisor of Elections that operate as separate County agencies. The accompanying financial statements present the County as the primary government.

The County uses the criteria established in GASB Statement No. 14, as amended, to define the reporting entity and identify component units. Component units are entities for which the County is considered to be financially accountable or entities that would be misleading to exclude. The County is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the County. The County may also be financially accountable for governmental organizations that are fiscally dependent on it.

There are no blended component units or discretely presented component units included in the County's financial reporting entity.

Joint Ventures

The governments of Taylor, Madison, Jefferson and Dixie Counties established the Aucilla Area Solid Waste Administration (the “Administration”) through an interlocal agreement. The Administration is an organization established for the purpose of providing a regional approach to solid waste management without regard to political or governmental boundaries. The Administration is governed by a governing board made up of a commissioner from each participating County.

The County does not have an ongoing financial interest in the Administration. However, the County does have an ongoing financial responsibility to the Administration in that the tipping fees paid to the Administration (\$381,104 in 2018) are applied by the Administration to the County's portion of the Administration's operating costs. Additionally, a portion of the Administration's debt service costs are paid by each participating County.

A copy of the Administration's separate financial statements may be obtained from its offices in Greenville, Florida.

The governments of Lafayette, Dixie, Taylor and Gilchrist Counties established the Three Rivers Regional Library System (the “Library”) through an interlocal agreement. The Library is an organization established for the purpose of providing a regional approach to library services without regard to political or governmental boundaries. The Library is governed by a governing board made up, in part, of a commissioner from each participating County.

Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The County does not have an ongoing financial interest in the Library. However, the County does have an ongoing financial responsibility to the Library in that the Library's continued existence depends on the County's continuing participation. A copy of the Library's separate financial statements may be obtained from its offices in Mayo, Florida.

Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the County. 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 charged to external parties. The County has no business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *Program revenues* include: charges for services that are directly related to a given function and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other revenues not properly included among program revenues are reported instead as *general revenues*.

Fund Financial Statements

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements, but all nonmajor funds are aggregated and displayed in a single column. The governmental fund financial statements include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for the governmental funds. The County reports the following major governmental funds:

General Fund – The General Fund is the primary operating fund. It is used to account for and report all financial resources not accounted for and reported in another fund. The General Fund consists of the board of county commissioners' countywide general fund as well as each constitutional officer's general fund.

EMS Fund – This fund (Emergency Medical Services Fund) is used to account for and report the operations of the Emergency Medical Services Department. Revenues are primarily from ambulance fees charged for emergency transport and medical services, and from ad valorem taxes.

County Transportation Trust Fund – This fund is used to account for and report the operations of the road and bridge department. Financing is provided primarily by gasoline taxes that are imposed locally and those that are levied by the State and shared with the County.

Additionally, the County reports the following fund type:

Agency funds account for resources held in a purely custodial capacity.

Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Basis of Accounting

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

Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental funds are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they become measurable and available as net current assets. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Taxes and certain intergovernmental revenues constitute the most significant sources of revenue considered susceptible to accrual. In governmental funds, expenditures are generally recognized when the related liability is incurred. However, debt service expenditures, and expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

Deposits

Deposits of the county consist of cash placed in banks that qualify as “qualified public depositories”, as required under the Florida Security for Public Deposits Act. Every qualified public depository is required by this law to deposit with the Chief Financial Officer eligible collateral equal to, or in excess of, an amount to be determined by the Chief Financial Officer. The Chief Financial Officer is required by this law to ensure that all funds are entirely insured or collateralized throughout the fiscal year pursuant to Chapter 280, Florida Statutes.

The County invests surplus funds pursuant to the guidelines established in Section 218.415, Florida Statutes, which authorizes investments in the following instruments: The Local Government Surplus Funds Trust Fund; Securities and Exchange Commission registered money market funds with the highest credit quality rating; savings accounts and certificates of deposit in qualified public depositories; and direct obligations of the U.S. Treasury.

The County has adopted GASB Statement No. 72, “*Fair Value Measurement and Application*”, and GASB Statement No. 79, “*Certain External Investment Pools and Pool Participants*”. These standards require categorization of fair value measurements within the fair value hierarchy, based on the valuation inputs used to measure the fair value of the asset. Investments in external pools, though measured at fair value, are not categorized within the fair value hierarchy. The County has no investments as of September 30, 2018.

Receivables

Accounts receivable are reported net of an allowance for uncollectible accounts of approximately \$607,000. The allowance represents approximately 41% of gross ambulance service accounts receivable at September 30, 2018.

Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Capital assets are valued at historical cost or estimated historical cost. Donated capital assets are recorded at estimated acquisition value on the date donated. The threshold for capitalizing property and equipment is generally \$5,000.

Depreciation is calculated using the straight-line method over the following estimated useful lives:

Buildings	30 – 50 yrs.
Improvements and infrastructure	10 – 50 yrs.
Equipment	5 – 15 yrs.

Compensated Absences

Personnel policies of the various county agencies allow a limited accumulation and vesting of unused employee vacation and sick leave. A liability is accrued when incurred in the government-wide financial statements. However, a liability is reported in governmental funds only when payment is due.

Restricted Net Position

In the accompanying Statement of Net Position, *restricted net position* is subject to restrictions beyond the County’s control. The restriction is either externally imposed (for instance, by creditors, grantors, contributors, or laws/regulations of other governments) or is imposed by law through constitutional provisions or enabling legislation. It is the practice of the County to utilize restricted assets before unrestricted assets.

Approximately \$475,000 is included in restricted net position from enabling legislation.

Fund Balance

The County follows the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* to classify fund balances for governmental funds into specifically defined classifications. The classifications comprise a hierarchy based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in the funds can be spent.

The fund balance classifications specified in GASB Statement No. 54 are as follows:

Nonspendable Fund Balance – Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted Fund Balance – Restricted fund balances are restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – Committed fund balances are amounts that can only be used for specific purposes as a result of constraints imposed by formal action of the County’s highest level of decision-making authority, which is an ordinance of the County. Committed amounts cannot be used for any other purpose unless the County removes those constraints by taking the same type of action.

Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assigned Fund Balance – Assigned fund balances are amounts that are constrained by the County’s intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by (a) the Board of County Commissioners or constitutional officer or (b) a body or official to which the Board of County Commissioners or constitutional officer has delegated the authority to assign amounts to be used for specific purposes.

Unassigned Fund Balance – Unassigned fund balance is the residual classification for the General Fund. The County’s policy is to expend resources in the following order: restricted, committed, assigned, and unassigned.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Florida Retirement System Pension Plan and Health Insurance Subsidy Program and additions to/deductions from the plans’ fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Outflows/Inflows of Resources

A *deferred outflow of resources* is a consumption of net assets that applies to a future reporting period. A *deferred inflow of resources* is an acquisition of net assets that applies to a future reporting period.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make various estimates. Actual results could differ from those estimates.

NOTE 2 – PROPERTY TAXES

In governmental funds, property tax revenues are recognized when levied, to the extent that they result in current receivables. Details of the property tax calendar are presented below:

Lien date	January 1
Levy date	October 1
Discount periods	November – February
No discount period	March
Delinquent date	April 1

Notes to Financial Statements

NOTE 3 – INTERFUND BALANCES AND TRANSFERS

At September 30, 2018, interfund balances consisted of:

Due From	Due To			
	General Fund	EMS	Nonmajor Governmental	Total
General fund	\$ -	\$ 220,000	\$ 6,734	\$ 226,734
EMS	500,509	-	500	501,009
County transportation trust	83,172	400,000	-	483,172
Nonmajor governmental	1,749,428	16,000	3,937	1,769,365
Totals	\$ 2,333,109	\$ 636,000	\$ 11,171	\$ 2,980,280

The interfund balances resulted from the normal course of operations and are expected to be paid within one year.

Interfund transfers are summarized below:

Transfers In	Transfers Out			
	General Fund	EMS	Nonmajor Governmental	Total
General fund	\$ -	\$ 42,000	\$ 564,863	\$ 606,863
EMS	-	-	-	-
Nonmajor governmental	416,393	-	-	416,393
Totals	\$ 416,393	\$ 42,000	\$ 564,863	\$ 1,023,256

The interfund transfers were made in the normal course of operations and are consistent with the activities of the fund making the transfer.

NOTE 4 – ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

At September 30, 2018, General Fund payables consisted of approximately 96% payable to vendors in the normal course of business. The balance was due to wages and benefits.

The payables of the other governmental funds consist primarily of amounts due for goods and services received in the normal course of business.

Notes to Financial Statements

NOTE 5 – FUND BALANCE CLASSIFICATIONS

Fund balance is restricted for the following purposes:

	Other Governmental Funds
General government	\$ 42,843
Public safety	399,366
Physical environment	288,744
Transportation	474,738
Economic environment	120,630
Culture and recreation	104,143
Court related	224,098
Total restricted fund balance	\$ 1,654,562

Fund balance is assigned for the following purposes:

	General Fund	EMS	Other Governmental Funds	Total
Public safety	\$ -	\$ 1,806,040	\$ 121,709	\$ 1,927,749
Subsequent year's expenditures	1,958,050	-	-	1,958,050
Total assigned fund balance	\$ 1,958,050	\$ 1,806,040	\$ 121,709	\$ 3,885,799

Notes to Financial Statements

NOTE 6 – CAPITAL ASSETS

A summary of changes in capital assets follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 2,782,373	\$ -	\$ -	\$ 2,782,373
Construction in progress	3,152,850	356,876	3,152,850	356,876
Total capital assets not being depreciated	5,935,223	356,876	3,152,850	3,139,249
Capital assets being depreciated:				
Buildings	13,793,972	-	-	13,793,972
Improvements	6,790,022	1,205,971	-	7,995,993
Infrastructure	32,498,249	4,358,821	-	36,857,070
Equipment	13,482,283	688,002	1,837,512	12,332,773
Total capital assets being depreciated	66,564,526	6,252,794	1,837,512	70,979,808
Less accumulated depreciation for:				
Buildings	7,424,903	383,604	-	7,808,507
Improvements	2,649,497	211,601	-	2,861,098
Infrastructure	12,696,065	755,191	-	13,451,256
Equipment	11,083,545	416,521	1,837,512	9,662,554
Total accumulated depreciation	33,854,010	1,766,917	1,837,512	33,783,415
Total capital assets being depreciated, net	32,710,516	4,485,877	-	37,196,393
Capital assets, net	\$ 38,645,739	\$ 4,842,753	\$ 3,152,850	\$ 40,335,642

Depreciation expense was charged to governmental activities as follows:

General government	\$ 83,605
Public safety	497,699
Physical environment	91,107
Transportation	833,421
Human services	721
Culture and recreation	252,250
Court related	8,114
Total	\$ 1,766,917

Notes to Financial Statements

NOTE 7 – LONG-TERM LIABILITIES

At September 30, 2018, the County's long-term liabilities consisted of:

Notes payable	\$ 2,060,250
Capital lease obligations	343,922
Landfills closure and long-term care costs	327,653
Net pension liability	14,016,906
Other postemployment benefits (OPEB) liability	218,335
Compensated absences	836,347
<hr/>	
Total long-term liabilities	<u>\$ 17,803,413</u>

Notes Payable

Notes payable at September 30, 2018 consist of the following:

An agreement with a financial institution entered into on January 17, 2013 for purchase of equipment; payable from the Solid Waste Fund. The note is payable in annual installments of \$56,726 and bears an interest rate of 2.93%.

An agreement with a financial institution entered into on August 19, 2016 for the purchase of a public safety telecommunication system with a maximum amount of \$750,000; payable from the General Fund (with a pledge of the County's discretionary sales tax revenue) monthly for 60 months at a tax-exempt rate fixed at 2.77%. The first nine months of payments are interest only and subsequent payments are set at \$13,414 per month until the full amount is repaid. As of September 30, 2018, the total amount drawn was \$750,000.

During fiscal year 2018, the County borrowed \$1.5 million from the Florida Department of Economic Opportunity (DEO) which was then loaned to Cross City Lumber, LLC as an economic incentive. Both loans were interest only for 1.5 years at 2%. The loan was repaid in full to the County by Cross City Lumber, LLC and, in turn, by the County to DEO during 2019.

Year ending September 30, 2018	Principal	Interest	Total
2019	1,647,122	\$ 13,847	\$ 1,660,969
2020	151,279	9,690	160,969
2021	155,614	5,358	160,972
2022	106,235	1,121	107,356
<hr/>			
Total	<u>\$ 2,060,250</u>	<u>\$ 30,016</u>	<u>\$ 2,090,266</u>

Notes to Financial Statements

NOTE 7 – LONG-TERM LIABILITIES (CONTINUED)

Capital Lease Obligations

The County leases vehicles and heavy equipment under agreements that are classified as capital leases. The agreements bear interest rates ranging from 3.1% to 3.5%, payable from the EMS Fund and Solid Waste Fund (a non-major governmental fund). In the General Fund, the Sheriff leases vehicles under agreements that are classified as capital leases. These agreements bear interest rates from 5.45% to 5.7%.

Capital assets under capital lease include equipment totaling \$546,794, less \$93,065 accumulated amortization/depreciation for a carrying amount of \$453,730. Amortization of leased equipment under capital assets is included with depreciation expense.

The future minimum lease payments required and the present value of the net minimum lease payments at September 30, 2018 are as follows:

Year ending September 30, 2018	Amount
2019	\$ 190,790
2020	133,231
2021	43,145
<hr/>	
Total minimum lease payments	367,166
Amount representing interest	23,244
<hr/>	
Present value of net minimum lease payments	\$ 343,922
<hr/>	

Landfills Closure and Long-Term Care Costs

The Florida Department of Environmental Protection (DEP) requires landfill operators to fund landfill closure costs before receiving a permit for landfill closure. Rules of DEP mandate that the closure costs be fully funded by the end of the design life of the landfill as specified in the approved closure plan. The County has accrued \$198,929 for the closure of its Construction and Demolition (C & D) Landfill based on the capacity used to date. This amount represents the complete closure costs for Phase I, which was effectively closed in June 2018, and Phase II closure costs pro-rated based on capacity used, which was approximately 3.5% as of September 30, 2018.

Additionally, state and federal laws require landfill owners to perform certain maintenance and monitoring functions at the landfill sites for a number of years after closure. The County was released by the DEP from these requirements on its closed Central Landfill in a prior year. The County has accrued \$128,724 for such estimated long-term care costs as of September 30, 2018 related to future long-term care of both phases of the C & D Landfill.

The County will recognize the remaining estimated cost of closure and long-term care of approximately \$349,500 associated with its C & D Landfill as the remaining estimated capacity is used (estimated to be approximately 27 years for Phase II, as Phase I is effectively closed). All amounts recognized are based on what it would cost to perform all post-closure care at year-end. Actual costs are subject to changes

Notes to Financial Statements

NOTE 7 – LONG-TERM LIABILITIES (CONTINUED)

such as the effects of inflation, revision of laws and other variables. The County anticipates funding the closure and long-term care costs from non-ad valorem assessments and user charges.

DEP also requires the County to deposit in an escrow account, by the end of each fiscal year, funds sufficient to cover closure costs. The County has set aside \$300,242 for that requirement.

Compensated Absences

The General Fund has historically been used to liquidate approximately 60% of compensated absences, while other funds have liquidated the remaining 40%.

NOTE 8 – CHANGES IN LONG-TERM LIABILITIES

A summary of changes in long-term liabilities follows:

	Balance October 1, 2017	Additions	Deductions	Balance September 30, 2018	Due Within One Year
Notes payable	\$ 758,309	\$ 1,500,000	\$ 198,059	\$ 2,060,250	\$ 1,647,122
Capital lease obligations	238,834	334,445	229,357	343,922	182,671
Landfills closure and long-term care costs	323,944	3,709	-	327,653	-
Other postemployment benefit liability	206,335	12,000	-	218,335	-
Net pension liability	14,112,108	-	95,202	14,016,906	57,300
Compensated absences	984,500	425,185	573,338	836,347	585,500
Total	\$ 16,624,030	\$ 2,275,339	\$ 1,095,956	\$ 17,803,413	\$ 2,472,593

NOTE 9 – STATE OF FLORIDA PENSION PLANS

Defined Benefit Plans

The County participates in two defined benefit pension plans that are administered by the State of Florida, Department of Management Services, Division of Retirement. The plans provide retirement, disability or death benefits to retirees or their designated beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The State of Florida issues a publicly available financial report that includes financial statements and required supplementary information for the plans. That report is available from the Florida Department of Management Services’ website (www.dms.myflorida.com).

Notes to Financial Statements

NOTE 9 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

The Florida Retirement System (FRS) Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan with a Deferred Retirement Option Program (DROP) available for eligible employees. The FRS was established and is administered in accordance with Chapter 121, Florida Statutes. Retirees receive a lifetime pension benefit with joint and survivor payment options. FRS membership is compulsory for employees filling regularly established positions in a state agency, county agency, state university, state college, or district school board, unless restricted from FRS membership under Sections 121.053 or 121.122, Florida Statutes, or allowed to participate in a defined contribution plan in lieu of FRS membership. Participation by cities, municipalities, special districts, charter schools and metropolitan planning organizations is optional. The Retiree Health Insurance Subsidy (HIS) Program is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with Section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. To be eligible to receive a HIS benefit, a retiree under a state administered retirement system must provide proof of eligible health insurance coverage, which can include Medicare.

Benefits Provided

Benefits under the FRS Pension 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 five highest fiscal years’ earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight 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 plan and/or class to which the member belonged when the service credit was earned.

Eligible retirees and beneficiaries receive a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month, pursuant to Section 112.363, Florida Statutes.

Contributions

The contribution requirements of plan members and the employer are established and may be amended by the Florida Legislature. Employees are required to contribute 3.00% of their salary to the FRS Pension Plan. The employer’s contribution rates as of September 30, 2018, were as follows:

	FRS	HIS
Regular class	6.60%	1.66%
Special risk class	22.84%	1.66%
Senior management service class	22.40%	1.66%
Elected officials	47.04%	1.66%
DROP from FRS	12.37%	1.66%

The employer’s contributions for the year ended September 30, 2018, were \$1,121,767 to the FRS and \$119,117 to the HIS.

Notes to Financial Statements

NOTE 9 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

Pension Liabilities and Pension Expense

In its financial statements for the year ended September 30, 2018, the County reported a liability for its proportionate share of the net pension liability of the FRS Pension Plan and its proportionate share of the net pension liability of the HIS Program. The net pension liabilities were measured as of June 30, 2018. The County’s proportions of the net pension liabilities were based on its share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

	FRS	HIS
Net pension liability	\$ 11,676,939	\$ 2,339,967
Proportion at:		
Current measurement date	0.0388%	0.0221%
Prior measurement date	0.0394%	0.0229%
Pension expense (benefit)	\$ 2,100,525	\$ 153,708

Deferred Outflows/Inflows of Resources Related to Pensions

At September 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	FRS		HIS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 989,212	\$ 35,904	\$ 35,824	\$ 3,976
Changes of assumptions	3,815,456	-	260,233	247,401
Net difference between projected and actual earnings on pension plan investments	-	902,186	1,412	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	476,276	547,881	57,948	196,090
Employer contributions subsequent to the measurement date	314,051	-	31,967	-
Total	\$ 5,594,995	\$ 1,485,971	\$ 387,384	\$ 447,467

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer’s fiscal year end will be recognized as a reduction of the net pension liability in the reporting period ending September 30, 2018. Other pension-related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Notes to Financial Statements

NOTE 9 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

Year ending September 30,	FRS	HIS
2019	\$ 1,601,888	\$ 11,861
2020	1,010,282	11,861
2021	83,378	(9,833)
2022	633,622	(29,828)
2023	434,594	(48,002)
Thereafter	31,209	(28,109)
Total	\$ 3,794,973	\$ (92,050)

Actuarial Assumptions

The total pension liability for each of the defined benefit plans was measured as of June 30, 2018. The total pension liability for the FRS Pension Plan was determined by an actuarial valuation dated July 1, 2018. For the HIS Program, the total pension liability was determined by an actuarial valuation dated July 1, 2018. The individual entry age normal actuarial cost method was used for each plan, along with the following significant actuarial assumptions:

	FRS	HIS
Inflation	2.60%	2.60%
Salary increases	3.25%	3.25%
Investment rate of return	7.00%	N/A
Discount rate	7.00%	3.87%

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

For both plans, the actuarial assumptions were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013.

The following changes in key actuarial assumptions occurred in 2018:

FRS: The long-term expected rate of return and the discount rate used to determine the total pension liability decreased from 7.10% to 7.00%.

HIS: The municipal bond index rate and the discount rate used to determine the total pension liability increased from 3.58% to 3.87%.

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 consulting actuary’s assumptions based on the long-term target asset allocation.

Notes to Financial Statements

NOTE 9 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return
Cash	1%	2.9%	2.9%
Fixed income	18%	4.4%	4.3%
Global equity	54%	7.6%	6.3%
Real estate	11%	6.6%	6.0%
Private equity	10%	10.7%	7.8%
Strategic investments	6%	6.0%	5.7%
	100%		

Discount Rate

The discount rate used to measure the total pension liability for the FRS Pension Plan was 7.00%. 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 3.87% 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 following tables demonstrate the sensitivity of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact to the employer's proportionate share of the net pension liability if the discount rate was 1.00% higher or 1.00% lower than the current discount rate.

	FRS			HIS		
	Current			Current		
	1% Decrease	Discount Rate	1% Increase	1% Decrease	Discount Rate	1% Increase
	(6.00%)	(7.00%)	(8.00%)	(2.87%)	(3.87%)	(4.87%)
Employer's proportionate share of the net pension liability	\$ 21,310,903	\$ 11,676,939	\$ 3,675,362	\$ 2,665,085	\$ 2,339,967	\$ 2,068,962

Pension Plans' Fiduciary Net Position

Detailed information about the pension plans' fiduciary net position is available in the State's separately issued financial reports.

Notes to Financial Statements

NOTE 9 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

Defined Contribution Plan

Pursuant to Chapter 121, Florida Statutes, the Florida Legislature created the Florida Retirement Investment Plan (“FRS Investment Plan”), a defined contribution pension plan qualified under Section 401(a) of the Internal Revenue Code. The FRS Investment Plan is an alternative available to members of the Florida Retirement System in lieu of the defined benefit plan. There is a uniform contribution rate covering both the defined benefit and defined contribution plans, depending on membership class. Required employer contributions made to the plan during the year ended September 30, 2018, totaled \$712,425.

NOTE 10 – RISK MANAGEMENT

Public Entity Risk Pool

The County is exposed to various risks of loss related to general liability, professional law enforcement liability, and worker’s compensation. The County participates in various public entity risk pools operating as common risk management and insurance programs for member governmental entities. The County pays annual premiums to the pools for its coverage. The premiums are designed to fund the liability risks assumed by the pools and are based on certain actual exposures of each member.

NOTE 11 – DEFICIT FUND BALANCES

At September 30, 2018, the following funds had negative fund balances. The County intends to resolve these deficits through grant funding.

Recreation and Libraries	\$(569,974)
County Transportation Trust	\$(227,355)
Airport Fund	\$(30,340)
Solid Waste Disposal	\$(138,246)
CDBG	\$(57,358)

NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS PLAN

Plan Description – The County administers a single employer defined benefit plan for postemployment benefits other than pension benefits (OPEB Plan). The OPEB Plan provides for medical and life insurance for retirees and eligible dependents of the Board of County Commissioners and all Constitutional Officers. The benefits are provided explicitly and in the form of an implicit rate subsidy where retirees receive health insurance coverage by paying a combined retiree/active rate or reduced subsidy rate. Benefit provisions are established and may be amended by the Dixie County Board of County Commissioners.

The County provides health care coverage through a PPO plan offered through Av-Med and life insurance through The Standard.

Notes to Financial Statements

NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS PLAN (CONTINUED)

Eligibility – Employees of the Board of County Commissioners, Sheriff, Clerk of Courts, Tax Collector, Property Appraiser and Supervisor of Elections are eligible at age 62 and 6 years of service, or 30 years of service, regardless of age, which is normal retirement.

Employees may retire early at age 43 and 6 years of service. Service-incurred disabled employees may retire immediately, while non-duty related disabled employees may retire upon completion of 8 years of service. Once a retiree waives coverage, he is not eligible to participate in the future. Surviving spouses of deceased retirees are eligible for COBRA insurance coverage for 36 months if they were covered prior to the retiree’s death.

As of the date of the latest actuarial valuation, plan participation consisted of 190 active employees and 2 retirees receiving benefits.

A separate stand-alone financial statement is not prepared for the OPEB Plan.

Funding Policy – The contribution requirements of the plan members and the County are established and may be amended by the Dixie County Board of County Commissioners. A trust has not been established for the plan. Contributions are being made based on pay-as-you-go financing requirements.

Currently, retirees contribute 100% of the active participant’s premium rates.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – The County has elected to implement GASB Statement No. 75 prospectively with implementation beginning in 2018.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions	-	-
Employer contributions subsequent to the measurement date	11,000	-
Total	\$ 11,000	\$ -

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer’s fiscal year end will be recognized as a reduction of the total OPEB liability in the reporting period ending September 30, 2019.

Notes to Financial Statements

NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS PLAN (CONTINUED)

Actuarial Assumptions and Other Inputs – Calculations of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The actuarial assumptions are:

Investment rate of return	3.0%
Payroll growth rate	0%
Discount rate	2.8%
Mortality	RP-2000 Generational mortality table
Healthcare cost trend rate	8.0% in fiscal year 2018; decreasing each year until reaching ultimate trend rate of 4.0% in 2073.

Changes in the Total OPEB Liability

Service cost	\$	16,500
Interest		6,500
Changes of benefit terms		-
Differences between expected and actual experience		-
Change of assumptions		-
Benefit payments		(11,000)
Net change in total OPEB liability		12,000
Total OPEB Liability, beginning		206,335
Total OPEB Liability, ending	\$	218,335

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

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

	1% Decrease (1.80%)	Current Discount Rate (2.80%)	1% Increase (3.80%)
Total OPEB Liability	\$ 265,019	\$ 218,335	\$ 182,461

Notes to Financial Statements

NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS PLAN (CONTINUED)

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the County’s total OPEB liability, as well as what the County’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percent lower or 1 percent higher than the current healthcare cost trend rate:

	1% Decrease (7% decreasing to 3%)	Current Healthcare Cost Trend Rate (8% decreasing to 4%)	1% Increase (9% decreasing to 5%)
Total OPEB Liability	\$ 191,458	\$ 218,335	\$ 271,750

NOTE 13 – COMMITMENTS/CONTINGENCIES

The County is involved in litigation matters arising from the normal operation of a local government. The outcome of these legal claims against the County cannot at this time be determined.

The County participates in State and Federal assisted grant programs which may be subject to future program compliance audits by the grantors.

NOTE 14 – SUBSEQUENT EVENTS

In March 2020, the World Health Organization made the assessment that the outbreak of a novel coronavirus (COVID-19) was characterized as a pandemic. As a result, uncertainties have arisen that may have a significant negative impact on the operating activities and results of the County. The occurrence and extent of such an impact will depend on future developments, including (i) the duration and spread of the virus, (ii) government quarantine measures, (iii) voluntary and precautionary restrictions on travel or meetings, (iv) the effects on the financial markets, and (v) the effects on the economy overall, all of which are uncertain.

NOTE 15 – FUTURE ACCOUNTING PRONOUNCEMENTS

The Governmental Accounting Standards Board has issued statements that will become effective in future years. The statements address:

- Asset retirement obligations (GASB Statement No. 83) – FY 2019
- Fiduciary activities (GASB Statement No. 84) – FY 2020
- Leases (GASB Statement No. 87) – FY 2021

The County is currently evaluating the effects that these statements will have on its future financial statements.

Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – General Fund
Year ended September 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 5,619,957	\$ 5,619,957	\$ 6,062,387	\$ 442,430
Permits, fees and special assessments	61,000	61,000	67,503	6,503
Intergovernmental	1,883,212	1,989,222	3,969,769	1,980,547
Charges for services	466,155	466,155	850,077	383,922
Fines and forfeitures	1,197,200	1,197,200	220	(1,196,980)
Miscellaneous	28,981	28,981	266,058	237,077
Total revenues	9,256,505	9,362,515	11,216,014	1,853,499
Expenditures				
Current:				
General government	3,629,155	3,629,155	3,477,954	151,201
Public safety	5,527,628	6,313,151	5,961,073	352,078
Physical environment	94,650	94,650	292,064	(197,414)
Transportation	8,000	8,000	4,351	3,649
Economic environment	153,665	153,665	31,493	122,172
Human services	612,584	607,584	462,592	144,992
Court related	107,051	107,051	99,123	7,928
Debt service:				
Principal retirement	-	190,578	190,578	-
Interest and fiscal charges	-	7,640	35,473	(27,833)
Total expenditures	10,132,733	11,111,474	10,554,701	556,773
Excess of revenues over (under)				
expenditures	(876,228)	(1,748,959)	661,313	2,410,272
Other financing sources (uses)				
Debt issued	-	-	1,500,000	1,500,000
Issuance of capital leases	-	334,445	334,445	-
Transfers in	115,164	572,748	606,863	34,115
Transfers out	(798,748)	(800,829)	(416,393)	384,436
Total other financing sources (uses)	(683,584)	106,364	2,024,915	1,918,551
Net change in fund balances	(1,559,812)	(1,642,595)	2,686,228	4,328,823
Fund balances – beginning of year	1,765,934	1,768,015	3,466,621	1,698,606
Fund balances – end of year	\$ 206,122	\$ 125,420	\$ 6,152,849	\$ 6,027,429

Note to Budgetary Comparison Schedule:

The preparation, adoption and amendment of the budgets are governed by Florida Statutes. The fund is the legal level of control. Budgets are prepared and adopted on a basis that does not differ materially from generally accepted accounting principles (GAAP). Appropriations lapse at year-end.

Dixie County, Florida

Schedule of Revenues, Expenditures and Changes in Fund Balances
 Budget and Actual – EMS
 Year ended September 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 1,194,148	\$ 1,194,148	\$ 1,271,869	\$ 77,721
Intergovernmental	548,038	548,038	391,488	(156,550)
Charges for services	905,000	905,000	916,231	11,231
Miscellaneous	25,200	25,200	29,835	4,635
Total revenues	2,672,386	2,672,386	2,609,423	(62,963)
Expenditures				
Current:				
Public safety	3,072,619	3,072,619	2,893,614	179,005
Human services	-	-	113,418	(113,418)
Debt service:				
Principal retirement	10,000	10,000	12,433	(2,433)
Total expenditures	3,082,619	3,082,619	3,019,465	63,154
Excess of revenues over (under) expenditures	(400,233)	(400,233)	(410,042)	116,042
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	(42,000)	(42,000)	(42,000)	-
Total other financing sources (uses)	(42,000)	(42,000)	(42,000)	-
Net change in fund balances	(442,233)	(442,233)	(452,042)	(9,809)
Fund balances – beginning of year	442,233	442,233	2,258,082	1,815,849
Fund balances – end of year	\$ -	\$ -	\$ 1,806,040	\$ 1,806,040

Note to Budgetary Comparison Schedule:

The preparation, adoption and amendment of the budgets are governed by Florida Statutes. The fund is the legal level of control. Budgets are prepared and adopted on a basis that does not differ materially from generally accepted accounting principles (GAAP). Appropriations lapse at year-end.

Dixie County, Florida

Schedule of Revenues, Expenditures and Changes in Fund Balances
 Budget and Actual – County Transportation Trust
 Year ended September 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 507,000	\$ 507,000	\$ 473,185	\$ (33,815)
Intergovernmental	2,546,929	2,546,929	5,100,695	2,553,766
Miscellaneous	22,354	22,354	15,597	(6,757)
Total revenues	3,076,283	3,076,283	5,589,477	2,513,194
Expenditures				
Current:				
Physical environment	-	-	295,512	(295,512)
Transportation	3,681,573	3,681,573	4,000,261	(318,688)
Reserve for contingencies	50,000	50,000	-	50,000
Debt service:				
Principal retirement	37,000	37,000	-	37,000
Interest and fiscal charges	980	980	-	980
Total expenditures	3,769,553	3,769,553	4,295,773	(526,220)
Excess of revenues over (under) expenditures	(693,270)	(693,270)	1,293,704	1,986,974
Other financing sources				
Transfers in	178,270	178,270	-	(178,270)
Net change in fund balances	(515,000)	(515,000)	1,293,704	1,808,704
Fund balances – beginning of year	-	-	(1,521,059)	(1,521,059)
Fund balances – end of year	\$ (515,000)	\$ (515,000)	\$ (227,355)	\$ 287,645

Note to Budgetary Comparison Schedule:

The preparation, adoption and amendment of the budgets are governed by Florida Statutes. The fund is the legal level of control. Budgets are prepared and adopted on a basis that does not differ materially from generally accepted accounting principles (GAAP). Appropriations lapse at year-end.

Dixie County, Florida

Schedule of Changes in the County's Total OPEB Liability and Related Ratios
Last 10 Fiscal Years (1)

	Fiscal Year 2018
Service cost	\$ 16,500
Interest	6,500
Changes of benefit terms	-
Differences between expected and actual experience	-
Change of assumptions	-
Benefit payments	(11,000)
Net change in total OPEB liability	12,000
Total OPEB Liability, beginning	206,335
Total OPEB Liability, ending	\$ 218,335
Covered-employee payroll	\$ 7,190,278
Total OPEB liability as a percentage of covered employee payroll	3.04%

Notes to schedules:

(1) GASB Statement No. 75 was implemented in 2018 using a 2017 measurement date. Until a full 10-year trend is compiled, information for those years for which it is available will be presented.

Dixie County, Florida

Schedules of Proportionate Share of Net Pension Liability
Last 10 Fiscal Years (1)

Florida Retirement System	2018	2017	2016	2015
Employer's proportion of the net pension liability (asset)	0.0388%	0.0394%	0.0405%	0.0425%
Employer's proportionate share of the net pension liability (asset)	\$ 11,676,939	\$ 11,665,096	\$ 10,237,985	\$ 5,484,238
Employer's covered-employee payroll (2)	\$ 7,277,331	\$ 7,191,039	\$ 7,093,803	\$ 7,496,858
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	160.46%	162.22%	144.32%	73.15%
Plan fiduciary net position as a percentage of the total pension liability	84.26%	83.89%	84.88%	92.00%
Health Insurance Subsidy Program	2018	2017	2016	2015
Employer's proportion of the net pension liability (asset)	0.0221%	0.0229%	0.0230%	0.0247%
Employer's proportionate share of the net pension liability (asset)	\$ 2,339,967	\$ 2,447,012	\$ 2,677,411	\$ 2,519,874
Employer's covered-employee payroll (2)	\$ 7,277,331	\$ 7,191,039	\$ 7,093,803	\$ 7,496,858
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	32.15%	34.03%	37.74%	33.61%
Plan fiduciary net position as a percentage of the total pension liability	2.15%	1.64%	0.97%	0.50%

Notes to schedules:

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

(2) Covered-employee payroll includes defined benefit plan actives, investment plan members, and members in DROP.

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.

Dixie County, Florida

Schedules of Employer Contributions
Last 10 Fiscal Years

Florida Retirement System	2018	2017	2016	2015
Contractually required contribution	\$ 1,121,767	\$ 1,054,937	\$ 1,045,863	\$ 1,030,289
Contributions in relation to the contractually required contribution	1,121,767	1,054,937	1,045,863	1,030,289
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Employer's covered-employee payroll (1)	\$ 7,190,278	\$ 7,190,277	\$ 7,380,745	\$ 7,421,285
Contributions as a percentage of covered-employee payroll	15.60%	14.67%	14.17%	13.88%

Health Insurance Subsidy Program	2018	2017	2016	2015
Contractually required contribution	\$ 119,117	\$ 119,359	\$ 122,635	\$ 100,139
Contributions in relation to the contractually required contribution	119,117	119,359	122,635	100,139
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Employer's covered-employee payroll (1)	\$ 7,190,278	\$ 7,190,277	\$ 7,380,745	\$ 7,421,285
Contributions as a percentage of covered-employee payroll	1.66%	1.66%	1.66%	1.35%

Notes to schedules:

(1) Covered-employee payroll includes defined benefit plan actives, investment plan members, and members in DROP.

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.

Supplementary Information

Dixie County, Florida

Combining Balance Sheet – Nonmajor Governmental Funds
September 30, 2018

	Special Revenue Funds			
	Law Library	Fire District	Solid Waste Disposal	Court Facilities
Assets				
Cash and equivalents	\$ 35,093	\$ 219,100	\$ 438,972	\$ 145,254
Due from other funds	-	300	-	-
Due from other governments	8,575	-	-	14,507
Receivables	-	1,208	36,606	-
Total assets	\$ 43,668	\$ 220,608	\$ 475,578	\$ 159,761
Liabilities, deferred inflows and fund balances				
Liabilities:				
Accounts payable and accrued liabilities	\$ 748	\$ 21,092	\$ 51,632	\$ -
Due to other funds	77	71,709	562,192	-
Total liabilities	825	92,801	613,824	-
Deferred inflows:				
Unavailable revenue	-	-	-	-
Fund balances:				
Restricted	42,843	127,807	288,744	159,761
Assigned	-	-	-	-
Unassigned	-	-	(426,990)	-
Total fund balances	42,843	127,807	(138,246)	159,761
Total liabilities and fund balances	\$ 43,668	\$ 220,608	\$ 475,578	\$ 159,761

(Continued)

**Combining Balance Sheet – Nonmajor Governmental Funds
September 30, 2018**

	Special Revenue Funds			
	Law Enforce- ment Trust	State Housing Initiative Program	E-911	Fine and Forfeiture
Assets				
Cash and equivalents	\$ 210,248	\$ 166,308	\$ 97,894	\$ 7,619
Due from other funds	-	-	500	-
Due from other governments	24,474	-	18,199	12,467
Receivables	-	36,126	-	-
Total assets	\$ 234,722	\$ 202,434	\$ 116,593	\$ 20,086
Liabilities, deferred inflows and fund balances				
Liabilities:				
Accounts payable and accrued liabilities	\$ 2,466	\$ 45,683	\$ 6,097	\$ 2,509
Due to other funds	6,063	-	65,130	-
Total liabilities	8,529	45,683	71,227	2,509
Deferred inflows:				
Unavailable revenue	-	36,121	-	-
Fund balances:				
Restricted	226,193	120,630	45,366	-
Assigned	-	-	-	17,577
Unassigned	-	-	-	-
Total fund balances	226,193	120,630	45,366	17,577
Total liabilities and fund balances	\$ 234,722	\$ 202,434	\$ 116,593	\$ 20,086

(Continued)

Dixie County, Florida

Combining Balance Sheet – Nonmajor Governmental Funds
September 30, 2018

	Special Revenue Funds			
	Impact Fee	CDBG	Recreation and Libraries	Airport Fund
Assets				
Cash and equivalents	\$ 474,738	\$ -	\$ 140,950	\$ 63,797
Due from other funds	-	-	66	-
Due from other governments	-	-	853	-
Receivables	-	-	-	1,078
Total assets	\$ 474,738	\$ -	\$ 141,869	\$ 64,875
Liabilities, deferred inflows and fund balances				
Liabilities:				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 24,817	\$ 12,409
Due to other funds	-	57,358	686,846	82,806
Total liabilities	-	57,358	711,663	95,215
Deferred inflows:				
Unavailable revenue	-	-	-	-
Fund balances:				
Restricted	474,738	-	104,143	-
Assigned	-	-	-	-
Unassigned	-	(57,358)	(673,937)	(30,340)
Total fund balances	474,738	(57,358)	(569,794)	(30,340)
To fund balances	\$ 474,738	\$ -	\$ 141,869	\$ 64,875

(Continued)

**Combining Balance Sheet – Nonmajor Governmental Funds
September 30, 2018**

	Special Revenue Funds			Totals
	Court Operating Fund	Records Moderni- zation Trust	Inmate Welfare Fund	
Assets				
Cash and equivalents	\$ 4,344	\$ 59,131	\$ 98,650	\$ 2,162,098
Due from other funds	3,398	6,907	-	11,171
Due from other governments	248,556	22,340	-	349,971
Receivables	-	-	5,482	80,500
Total assets	\$ 256,298	\$ 88,378	\$ 104,132	\$ 2,603,740
Liabilities, deferred inflows and fund balances				
Liabilities:				
Accounts payable and accrued liabilities	\$ 26,813	\$ 16,342	\$ -	\$ 210,608
Due to other funds	229,485	7,699	-	1,769,365
Total liabilities	256,298	24,041	-	1,979,973
Deferred inflows:				
Unavailable revenue	-	-	-	36,121
Fund balances:				
Restricted	-	64,337	-	1,654,562
Assigned	-	-	104,132	121,709
Unassigned	-	-	-	(1,188,625)
Total fund balances	-	64,337	104,132	587,646
Total liabilities and fund balances	\$ 256,298	\$ 88,378	\$ 104,132	\$ 2,603,740

(Concluded)

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year ended September 30, 2018**

	Special Revenue Funds			
	Law Library	Fire District	Solid Waste Disposal	Court Facilities
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Permits, fees and special assessments	-	464,325	1,317,899	-
Intergovernmental	-	16,634	123,377	-
Charges for services	11,048	7,261	130,672	-
Fines and forfeitures	-	-	-	18,725
Miscellaneous	20	48,864	79,617	183
Total revenues	11,068	537,084	1,651,565	18,908
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	402,004	-	-
Physical environment	-	-	1,415,793	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Human services	-	-	67,324	-
Culture and recreation	-	-	-	-
Court related	14,114	-	-	-
Debt service:				
Principal retirement	-	-	81,353	-
Interest and fiscal charges	-	-	4,121	-
Total expenditures	14,114	402,004	1,568,591	-
Excess of revenues over (under) expenditures	(3,046)	135,080	82,974	18,908
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	(38,000)	(180,000)	-
Total other financing sources (uses)	-	(38,000)	(180,000)	-
Net change in fund balances	(3,046)	97,080	(97,026)	18,908
Fund balances – beginning of year	45,889	30,727	(41,220)	140,853
Fund balances – end of year	\$ 42,843	\$ 127,807	\$ (138,246)	\$ 159,761

(Continued)

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year ended September 30, 2018**

	Special Revenue Funds			
	Law Enforce- ment Trust	State Housing Initiative Program	E-911	Fine and Forfeiture
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Permits, fees and special assessments	-	-	-	-
Intergovernmental	71,820	350,000	135,350	-
Charges for services	7,902	-	29,684	-
Fines and forfeitures	2,496	-	-	10,000
Miscellaneous	135	15,788	40	4,311
Total revenues	82,353	365,788	165,074	14,311
Expenditures				
Current:				
General government	-	-	-	-
Public safety	58,356	-	210,064	77,766
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	303,496	-	-
Human services	-	-	-	-
Culture and recreation	-	-	-	-
Court related	-	-	-	-
Debt service:				
Principal retirement	-	-	-	143,052
Interest and fiscal charges	-	-	-	17,918
Total expenditures	58,356	303,496	210,064	238,736
Excess of revenues over (under) expenditures	23,997	62,292	(44,990)	(224,425)
Other financing sources (uses)				
Transfers in	-	-	235,393	161,000
Transfers out	(5,006)	-	(313,857)	-
Total other financing sources (uses)	(5,006)	-	(78,464)	161,000
Net change in fund balances	18,991	62,292	(123,454)	(63,425)
Fund balances – beginning of year	207,202	58,338	168,820	81,002
Fund balances – end of year	\$ 226,193	\$ 120,630	\$ 45,366	\$ 17,577

(Continued)

Dixie County, Florida

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year ended September 30, 2018**

	Special Revenue Funds			
	Impact Fee	CDBG	Recreation and Libraries	Airport Fund
Revenues				
Taxes	\$ -	\$ -	\$ 195,672	\$ -
Permits, fees and special assessments	47,688	-	-	-
Intergovernmental	-	152,315	191,976	78,054
Charges for services	-	-	54,319	550
Fines and forfeitures	-	-	-	-
Miscellaneous	12,218	-	2,420	78,832
Total revenues	59,906	152,315	444,387	157,436
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Physical environment	-	-	-	-
Transportation	-	-	-	159,580
Economic environment	-	172,596	-	-
Human services	1,319	-	-	-
Culture and recreation	-	-	464,891	-
Court related	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	1,319	172,596	464,891	159,580
Excess of revenues over (under) expenditures	58,587	(20,281)	(20,504)	(2,144)
Other financing sources (uses)				
Transfers in	-	-	20,000	-
Transfers out	-	-	(28,000)	-
Total other financing sources (uses)	-	-	(8,000)	-
Net change in fund balances	58,587	(20,281)	(28,504)	(2,144)
Fund balances – beginning of year	416,151	(37,077)	(541,290)	(28,196)
Fund balances – end of year	\$ 474,738	\$ (57,358)	\$ (569,794)	\$ (30,340)

(Continued)

Dixie County, Florida

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year ended September 30, 2018**

	Special Revenue Funds			Totals
	Court Operating Fund	Records Moderni- zation Trust	Inmate Welfare Fund	
Revenues				
Permits, fees and special assessments	\$ -	\$ -	\$ -	\$ 1,829,912
Intergovernmental	214,991	-	-	1,334,517
Charges for services	126,870	21,166	-	389,472
Fines and forfeitures	84,465	2,384	-	118,070
Miscellaneous	1,518	34	88,997	332,977
Total revenues	427,844	23,584	88,997	4,200,620
Expenditures				
Current:				
General government	-	2,000	-	2,000
Public safety	-	-	73,513	821,703
Physical environment	-	-	-	1,415,793
Economic environment	-	-	-	476,092
Human services	-	-	-	68,643
Court related	430,816	17,142	-	462,072
Debt service:				
Principal retirement	-	-	-	224,405
Interest and fiscal charges	-	-	-	22,039
Total expenditures	430,816	19,142	73,513	4,117,218
Excess of revenues over (under) expenditures	(2,972)	4,442	15,484	83,402
Other financing sources (uses)				
Transfers in	-	-	-	416,393
Transfers out	-	-	-	(564,863)
Total other financing sources (uses)	-	-	-	(148,470)
Net change in fund balances	(2,972)	4,442	15,484	(65,068)
Fund balances – beginning of year	2,972	59,895	88,648	652,714
Fund balances – end of year	\$ -	\$ 64,337	\$ 104,132	\$ 587,646

(Concluded)

Dixie County, Florida

Combining Statement of Fiduciary Net Position
September 30, 2018

	Agency Funds			Totals
	Clerk of the Circuit Court	Sheriff	Tax Collector	
Assets				
Cash	\$ 1,754,823	\$ 25,071	\$ 283,729	\$ 2,063,623
Receivables	3,418	-	27,178	30,596
Total assets	1,758,241	25,071	310,907	2,094,219
Liabilities				
Assets held for others	1,758,241	25,071	310,907	2,094,219
Net position	\$ -	\$ -	\$ -	\$ -

Dixie County, Florida
Schedule of Expenditures of
State Financial Assistance
Year ended September 30, 2018

State Financial Assistance	CSFA Number	Contract Number	Expenditures	Passed Through to Subrecipients
Executive Office of the Governor				
EMPA Base Grant	31.063	18-BG-W9-03-47-01-136	\$ 87,803	\$ -
Florida Department of Environmental Protection				
Small County Consolidated Grants	37.012	SC806	90,909	-
Statewide Surface Water Restoration and Wastewater Projects	37.039	LP15040	639,519	-
Florida Department of Economic Opportunity				
Rural Community Development Revolving Loan Program	40.042		1,500,000	-
Florida Department of Agriculture and Consumer Services				
Mosquito Control/Waste Tire Abatement	42.003	24779	32,468	-
Florida Department of Financial Services				
Firefighter Assistance Grant	43.006	FM-414	13,779	-
Florida Department of State				
State Aid to Libraries	45.030	18-ST-84	173,597	-
Florida Housing Finance Program				
State Housing Initiatives Partnership Program	40.901	n/a	469,803	469,803
Florida Department of Transportation				
Small County Outreach Program:				
Old Town Upholostery Road	55.009	436453-1-54-01/GOR95	91,200	-
NE 596th Ave From cr 351 to SR 349	55.009	434575-1-54-01/GO565	57,120	-
Turn Lane at New School	55.009	442721-1-54-01/AS836	330,715	-
Horseshoe Culvert Replacement	55.009	438830-1-54-01/GO834	323,816	-
NE 755TH Ave	55.009	434567-1-54-01/GOJ98	289,951	-
Small County Road Assistance Program:				
CR 349 Weeks Landing to Lancaster Landing	55.016	434582-1-54-01/GOJ60	1,157,601	-
Turn Lane US 19/SR 55	55.016	437275-1-54-01/ARZ56	291,110	-
CR 49 (Lancaster Landing to US 19)	55.016	432795-1-54-01/G0578	96,981	-
Florida Department of Management Services				
E911 Maintenance	72.001	18-04-07	10,493	-
E911 Maintenance- Non wireless Allocation	72.001		15,897	-
e911 Maintenance- Wireless Allocation			22,950	-
E911 Maintenance- Supplemental Funds	72.002		62,250	-
Total expenditures of state financial assistance			\$ 5,757,962	\$ 469,803

The accompanying notes are an integral part of this schedule.

**Notes to Schedule of Expenditures of State
Financial Assistance**

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of State Financial Assistance includes the state financial assistance activity of the County under programs of the state government for the year ended September 30, 2018. The information in the Schedule is presented in accordance with the requirements of Chapter 10.550, Rules of the Auditor General. Because this schedule presents only a selected portion of the operation of the County, it is not intended to and does not present the financial position or changes in net position of the County.

NOTE 2 – USE OF ESTIMATES

The preparation of this schedule requires management to make various estimates. Actual results could differ from those estimates.

NOTE 3 – SUBRECIPIENTS

The County did not provide federal awards to subrecipients.

The County passed \$469,803 of State Housing Initiatives Partnership Program funds through to a subrecipient, Suwanee River Economic Council (SREC).

NOTE 4 – INDIRECT COST RATE

The County did not elect to charge the 10% de minimis indirect cost rate allowed under the federal Uniform Guidance or any other indirect cost rate to any federal or state programs.

NOTE 5 – LOAN AND LOAN GUARANTEE PROGRAMS

The County does not participate in any Federal loan or loan guarantee programs.

NOTE 6 – NONCASH ASSISTANCE

The County did not receive or provide any noncash assistance related to State projects.

**Additional Elements Required by
the Rules of the Auditor General**

MANAGEMENT LETTER

The Honorable County Commissioners
Dixie County, Florida

We have audited the financial statements of Dixie County, Florida (the "County"), as of and for the fiscal year ended September 30, 2018, and have issued our report thereon dated March 25, 2020.

Auditors' Responsibility

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. Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida and require that certain items be addressed in this letter.

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditors' Report on Compliance for Each Major State Project and Report on Internal Control Over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountants' Reports on examinations conducted in accordance with *AICPA Professional Standards*, AT-C Section 315 regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedules, which are dated March 25, 2020, should be considered in conjunction with this management letter.

Prior Audit Findings

The Rules of the Auditor General require that we comment as to whether or not corrective actions have been taken to address findings and recommendations made in the preceding audit. If the audit findings in the preceding audit report are uncorrected, we are required to identify those findings that were also included in the second preceding audit report. See summary below for update on prior year findings.

Status of Prior Year Findings

Finding Number FY 2017	Finding Number FY 2016	Status FY 2018
2017-001	2016-001	Repeated as 2017-001
2017-002	2016-002	Repeated as 2017-002
2017-003	2016-003	Repeated as 2017-003
2017-004	n/a (new in FY17)	Repeated as 2017-004
2017-005	2016-005	Repeated as 2017-005
2017-006	2016-008	Repeated as 2017-006
2017-007	2016-006	Repeated as 2017-007

Financial Condition and Management

As required by the Rules of the Auditor General, the scope of our audit included a review of the provisions of Section 218.503, Florida Statutes, "Determination of Financial Emergency." In connection with our audit, we determined that the County has not met one or more of the conditions described in Section 218.503(1), Florida Statutes.

Also, as required by the Rules of the Auditor General, we applied financial condition assessment procedures, as of the end of the fiscal year, pursuant to Rule 10.556(8). It is management's responsibility to monitor financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by management. The application of such procedures did not reveal evidence of "deteriorating financial condition" as that term is defined in Rule 10.554.

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. We had no such recommendations required to be included herein.

Additional Matters

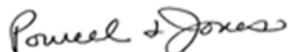
Section 10.554(2)(i)(3), Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we identified item 2017-010 as described in the Schedule of Findings and Questioned Costs.

As required by the Rules of the Auditor General, we performed separate audits of each of the County's constitutional officers. The comments included in those separately-issued reports should be considered in conjunction with this management letter.

Purpose of this Letter

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

We wish to take this opportunity to thank you and your staff for the cooperation and courtesies extended to us during the course of the audit. Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.



POWELL & JONES
Certified Public Accountants
March 25, 2020

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES

The Honorable County Commissioners
Dixie County, Florida

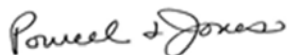
We have examined Dixie County, Florida's (the "County") compliance with the specified requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during year ended September 30, 2018. Management of the County is responsible for the County's compliance with the specified requirements. Our responsibility is to express an opinion on the County's compliance with the specified requirements based on our examination.

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

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, 2018.

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.



POWELL & JONES
Certified Public Accountants
March 25, 2020

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH SECTIONS 365.172(10) AND 365.173(2)(d), FLORIDA STATUTES

The Honorable County Commissioners
Dixie County, Florida

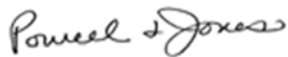
We have examined Dixie County, Florida's (the County) compliance with the specified requirements of Section 365.172(10), Florida Statutes, *Authorized Expenditures of E911 Fee*, and Section 365.173(2)(d), Florida Statutes, *Distribution and Use of (E911) Funds*, during year ended September 30, 2018. Management of County is responsible for the County's compliance with the specified requirements. Our responsibility is to express an opinion on the County's compliance with the specified requirements based on our examination.

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

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, 2018.

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.



POWELL & JONES
Certified Public Accountants
March 25, 2020

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

The Honorable County Commissioners
Dixie 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, each major fund, and the aggregate remaining fund information of Dixie County, Florida (the "County"), as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated March 25, 2020.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or 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 were not identified. We did identify deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2017-001, 2017-002, 2017-003, 2017-004, 2017-006, 2017-007, and 2017-008 that we consider to be material weaknesses.

Compliance and Other Matters

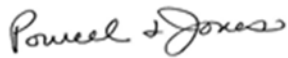
As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 auditing procedures disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. We did identify certain other matters which are described in the accompanying schedule of findings and questioned costs as items 2017-005 and 2017-010.

County's Response to Findings

The County's response to the findings identified in our audit is described in its accompanying letter of response. The County's response was not subjected to 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 County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



POWELL & JONES

Certified Public Accountants

March 25, 2020

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD
HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR STATE PROJECT AND ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH CHAPTER 10.550, RULES OF
THE AUDITOR GENERAL, OFFICE OF THE AUDITOR GENERAL**

**To the Board of County Commissioners
and Constitutional Officers
Dixie County, Florida**

Report on Compliance for Each Major State Project

We have audited the compliance of Dixie County, Florida with the types of compliance requirements described in the State of Florida, Department of Financial Services State Projects Compliance and Supplement, that could have a direct and material effect on its major State project for the year ended September 30, 2018. Dixie County, Florida's major State projects are identified in the summary of auditors' results section of the accompanying Schedule of Findings.

Management's Responsibility

Dixie County, Florida's management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its major State projects.

Auditor's Responsibility

Our responsibility is to express an opinion on Dixie County, Florida's compliance for each major State Project based on our audit of the types of compliance requirements referred to above. 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 Chapter 10.550, Rules of the State of Florida, Office of the Auditor General. Those standards and Chapter 10.550, Rules of the State of Florida, Office of the Auditor General, require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major State project occurred. An audit includes examining, on a test basis, evidence about Dixie County, Florida's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major State Project. However, our audit does not provide a legal determination of Dixie County, Florida's compliance.

Opinion on Each Major State Project

In our opinion, Dixie 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 its major State projects for the fiscal year ended September 30, 2018.

Internal Control Over Compliance

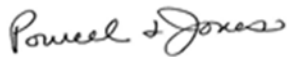
Management of Dixie County, Florida is responsible for establishing and maintaining effective internal control over the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Dixie County, Florida's internal control over compliance with the types of requirements that could have a direct and material effect on a major State project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major State Project and to test and report on internal control over compliance in accordance with Chapter 10.550, Rules of the State of Florida, Office of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Dixie County, Florida's 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 State project on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a State project will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a State Project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified a deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2017-010 that we consider to be a significant deficiency.

The County's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Pursuant to Chapter 119, *Florida Statutes*, this report is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this report is intended solely for the information and use of Dixie County, Florida's management, State awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



POWELL & JONES
Certified Public Accountants
March 25, 2020

Schedule of Findings and Questioned Costs

PART I – SUMMARY OF AUDITORS’ RESULTS

- (i) The independent auditors’ report on the financial statements expressed unmodified opinions.
- (ii) The audit disclosed deficiencies in internal control over financial reporting that were considered to be material weaknesses.
- (iii) The audit did not disclose any instances of noncompliance considered material to the financial statements.
- (iv) The audit disclosed no significant deficiencies or material weaknesses in internal control over major federal programs. The audit disclosed one significant deficiency and did not disclose any material weaknesses in internal control over major state projects.
- (v) The report on compliance with requirements applicable to each major state project expressed an unmodified opinion.

The audit did disclose a finding required to be disclosed in accordance with Chapter 10.557, Rules of the Auditor General. The audit did not disclose any material noncompliance findings.

- (vi) The County’s major State Financial Assistance projects were:

Rural Community Development Revolving Loan Fund Program	40.042
State Aid to Libraries Grant	45.030
Small County Road Assistance Program (SCRAP)	55.016

- (vii) A threshold of \$300,000 was used to distinguish between Type A and Type B programs for state projects.

Schedule of Findings and Questioned Costs

PART II – FINANCIAL STATEMENT FINDINGS

2017-001 (Similar to previously reported items 2016-001 and 2015-001)

Criteria: Section 218.33, *Florida Statutes*, requires that local government entities follow uniform accounting practices and procedures including the use of proper accounting and fiscal management, which includes establishing and maintaining effective internal control to help ensure that appropriate goals and objectives are met and ensuring that management and financial information is reliable and properly reported.

Condition: As part of the audit, we proposed material adjustments to the County’s financial statements and it was necessary for us to assist in the preparation of the financial statements.

Cause: The staff do not possess sufficient skills to record all required journal entries and prepare the financial statements in conformity with generally accepted accounting principles.

Effect: Management are not able to prepare the financial statements in conformity with generally accepted accounting principles; however we determined that management does have the skills, knowledge, and experience to review and approve the journal entries and financial statements.

Current Year Status: During the current year, the County retained an independent certified public accounting firm to adjust the financial records and prepare the countywide financial report.

2017-002 (Similar to previously reported items 2016-002 and 2015-002)

Criteria: Section 218.33, *Florida Statutes*, requires that local government entities follow uniform accounting practices and procedures including the use of proper accounting and fiscal management, which includes establishing and maintaining effective internal control to help ensure that appropriate goals and objectives are met and ensuring that management and financial information is reliable and properly reported.

Condition: Currently, there is not adequate segregation of duties so that no one employee has access to the accounting records and all phases of recording a transaction.

Cause: The staffing levels at the County are not sufficient for adequate segregation of duties in all areas.

Effect: The risk of payroll misstatement or fraud is enhanced.

Current Year Status: During the current year the County retained an independent certified public accounting firm to implement systems and processes to increase internal controls relating to fiscal management.

Schedule of Findings and Questioned Costs

- 2017-003 (Similar to previously reported items 2016-003 and 2015-003)
- Criteria:** Per rule 69I-73.006, Florida Administrative Code, management is required to perform a physical inventory count of all tangible property.
- Condition:** The County did not perform a physical inventory count of tangible assets in the current year.
- Cause:** The staffing levels are not sufficient to perform the physical inventory count.
- Effect:** The risk of inaccuracies in the tangible property records is enhanced.
- Recommendation:** The County should perform a physical inventory of tangible property annually.
- 2017-004 (Similar to previously reported item 2016-004)
- Criteria:** Section 218.33, *Florida Statutes*, requires that local government entities follow uniform accounting practices and procedures including the use of proper accounting and fiscal management, which includes establishing and maintaining effective internal control to help ensure that appropriate goals and objectives are met and ensuring that management and financial information is reliable and properly reported. The internal control environment should include adequate segregation of duties within the financial reporting IT systems.
- Condition:** Members of the Accounting department have excessive access to the financial reporting IT systems.
- Cause:** The staffing levels are not sufficient for adequate segregation of duties in the IT systems.
- Effect:** The risk of misstatements is enhanced.
- Recommendation:** Where possible, the Office should restrict access to IT systems or functions or should provide compensating controls.
- 2017-005 (Similar to previously reported items 2016-005 and 2015-005)
- Criteria:** Section 218.33, *Florida Statutes*, requires that local government entities follow uniform accounting practices and procedures including the use of proper accounting and fiscal management, which includes ensuring that management and financial information is reliable and properly reported.
- Condition:** The County's Recreation and Library Fund has a deficit fund balance and an interfund balance with the General Fund. No repayments were made to reduce the balance during FY 2018.
- Cause:** The County anticipates grant funding to be received to enable the repayment of the interfund balance but it was not sufficient during FY 2018.
- Effect:** The nonpayment of the loan could have a negative impact on the fund balance of the County's General Fund in the future.
- Recommendation:** The County's management should evaluate the likelihood of repaying the funds owed to the General Fund and take appropriate action to either forgive the loan or restructure it where payments are made over time to reduce the balance.
- 2017-006 (Similar to previously reported items 2017-006 and 2016-008)

Schedule of Findings and Questioned Costs

Criteria: The County is responsible for the preparation of a complete and accurate Schedule of Expenditures of State Financial Assistance (Rule 69I-5.003, F.A.C.).

Condition: The County's procedures are not adequate to ensure the proper identification of financial assistance programs and preparation of an accurate Schedule of Expenditures of State Financial Assistance as required by the Florida Single Audit Act. Several grants were omitted from the original schedule.

Cause: Limited number of finance staff to review the Schedule of Expenditures of State Financial Assistance to ensure completeness and accuracy.

Effect: Failure to properly prepare the schedule could affect the selection of major projects, which could cause noncompliance with the Florida Administrative Code.

Recommendation: The County should develop policies, procedures and the expertise to gather all relevant data necessary for a complete and accurate presentation of the Schedule of Expenditures of State Financial Assistance and should implement a review and reconciliation process to ensure completeness and accuracy.

2017-007 (Similar to previously reported items 2017-007 and 2016-006)

Criteria: The County is responsible for the preparation of a complete and accurate Schedule of Expenditures of Federal Awards (2 CFR 200.510).

Condition: The County's procedures are not adequate to ensure the proper identification of financial assistance programs and preparations of an accurate Schedule of Expenditures of Federal Awards. Certain grants were omitted from the schedule and the amount of expenditures for small projects related to the FEMA Public Assistance grant was not able to be determined.

Cause – Limited number of finance staff to review the Schedule of Expenditures of Federal Awards to ensure completeness and accuracy.

Effect – Failure to properly prepare the schedule could affect the selection of major programs, which could cause noncompliance with 2 CFR 200 single audit requirements.

Recommendation – The County should develop policies, procedures and the expertise to prepare and review a complete and accurate presentation of the Schedule of Expenditures of Federal Awards.

2017-008 **Criteria:** Section 218.33, *Florida Statutes*, requires that local government entities follow uniform accounting practices and procedures including the use of proper accounting and fiscal management, which includes establishing and maintaining effective internal control to help ensure that appropriate goals and objectives are met and ensuring that management and financial information is reliable and properly reported.

Condition: Certain controls over payroll could not be documented due to missing or misplaced documentation, including approved timesheets and personnel action forms documenting pay or status changes for employees.

Cause: Due to limited resources, the County relies on paper records which are more likely to be misplaced.

Effect: Internal controls could not be tested for payroll processes. Risk of misstatement is elevated.

Recommendation: Management should evaluate the resources required to maintain critical documents electronically or in a more secure and organized physical location.

Schedule of Findings and Questioned Costs

2017-009

Criteria: Section 218.33, *Florida Statutes*, requires that local government entities follow uniform accounting practices and procedures including the use of proper accounting and fiscal management, which includes establishing and maintaining effective internal control to help ensure that appropriate goals and objectives are met and ensuring that management and financial information is reliable and properly reported.

Condition: The County relied on a single key finance individual for controls and knowledge for a significant number of processes. Turnover and lack of resources for cross-training and process documentation amplified this over-reliance. When the key finance individual was unexpectedly absent for an extended period, controls over a number of functions were reduced and delays in necessary processes were experienced. Reconciliations were not made to general ledger balances in a timely fashion (including cash) and we noted internal control weaknesses over bank reconciliations, fund balance classifications, accruals and closing entries, and the overall control environment.

Cause – Limited resources for cross-training and documentation of processes and internal controls.

Effect – The risk of misstatement is elevated, including delays in detecting misstatements due to lack of timely reconciliations.

Recommendation — Management should consider acquiring additional resources with the skills, knowledge, and experience to assist with cross-training, process documentation, and implementation and monitoring of internal controls.

Schedule of Findings and Questioned Costs

PART III – FINDINGS AND QUESTIONED COSTS – FEDERAL PROGRAMS

There were no findings relative to the major federal programs.

PART IV – FINDINGS AND QUESTIONED COSTS – STATE PROJECTS

2017-010 **CSFA 40.901, State Housing Initiatives Partnership Program (SHIP), Florida Housing Finance Program**

Questioned Costs: None

Criteria: Per Section 420.907-.9079, *Florida Statutes*, and Rule Chapter 67-37, *Florida Administrative Code*, the County must perform sufficient monitoring to ensure the compliance of subrecipients with grant requirements. In addition, an annual report is required to be completed and submitted to Florida Housing by September 15 of each year pursuant to Section 420.9071(4), *Florida Statutes*.

Condition: There were insufficient internal controls over the compliance with the Subrecipient Monitoring, including a reconciliation of the annual report which is prepared and submitted by the subrecipient on behalf of the County.

Cause: The County has a limited number of personnel monitoring grant compliance and did not consider SREC to be a subrecipient.

Effect: The County was not in compliance with the subrecipient monitoring requirement that requires local governments receiving SHIP funding to monitor the subrecipient's compliance. The subrecipient did not include the SHIP funding received in its fiscal year 2018 Schedule of Expenditures of State Financial Assistance.

Recommendation: We recommend that appropriate policies, procedures, training, and tools be implemented to ensure compliance, including monitoring of the subrecipient and reconciliations of the annual reports submitted by the subrecipient on the County's behalf.

Views of Responsible Officials: See County's Response to Findings.

Clerk of the Circuit and County Court

Dana D. Johnson
DIXIE COUNTY
P. O. Box 1206
Cross City, FL 32628-1206

March 5, 2020

Honorable Sherrill F. Norman
Auditor General, State of Florida
G74 Claude Pepper Building
111 West Madison Street
Tallahassee, FL 32399-1450

IN RE: RESPONSE TO AUDIT OF THE DIXIE COUNTY BOARD OF COUNTY COMMISSIONERS FOR THE FISCAL PERIOD ENDING SEPTEMBER 30, 2018

Dear Ms. Norman:

As Clerk of the Circuit Court of Dixie County, Florida, I hereby submit to you my response to the above referenced audit as prepared by the firm of Powell and Jones, 1359 SW Main Blvd, Lake City, Florida 32025.

PART II – FINANCIAL STATEMENT FINDINGS

2017-001 (Reported in previous audit reports as items 2016-001 and 2015-001.)

Criteria – Management should record all necessary journal entries and prepare the financial statements in conformity with generally accepted accounting principles.

Condition – As part of the audit we proposed material adjustments to the County's financial statements and it was necessary for us to assist in the preparation of the financial statements.

Cause – The staff do not possess sufficient skills to record all required journal entries and prepare the financial statements in conformity with generally accepted accounting principles.

Effect – Management are not able to prepare the financial statements in conformity with generally accepted accounting principles; however, we determined that management does

have the skills, knowledge, and experience to review and approve the journal entries and financial statements.

Recommendation — We recommend that the County consider and evaluate the costs and benefits of improving internal controls relative to the financial reporting process.

RESPONSE TO 2017-001: We have contracted with an independent consulting firm to assist in the recording of required journal entries, preparation of the financial statements.

2017-002 (Similar to previously reported items 2016-002 and 2015-002.)

Criteria: The internal control environment should include adequate segregation of duties within significant processes.

Condition: Currently, there is not adequate segregation of duties so that no one employee has access to the accounting records and all phases of recording a transaction.

Cause: The staffing levels at the County are not sufficient for adequate segregation of duties in all areas.

Effect: The risk of payroll misstatement or fraud is enhanced.

Recommendation: In order to enhance controls over recording transactions they should be reviewed and approved by someone other than the person creating the transaction.

RESPONSE TO 2017-002: This finding has been substantially corrected with the contract of an independent consulting firm. Additionally, changes have been made within the Clerk's staff in order to segregate the duties in the accounting process and recording of transactions.

2017-003 (Reported in previous audit reports as items 2016-003 and 2015-003.)

Criteria – Per rule 69I-73.006, Florida Administrative Code, management are required to perform a physical inventory count of all tangible property.

Condition - The County did not perform a physical inventory count of tangible assets in the current year.

Cause – The staffing levels are not sufficient to perform the physical inventory count.

Effect – The risk of inaccuracies in the tangible property records is enhanced.

Recommendation — The County should perform a physical inventory of tangible property annually.

RESPONSE TO 2017-003: We have assigned an employee to complete the physical inventory which has been begun and adjustments will be made accordingly. The BOCC has increased our threshold limit to \$5,000.00 which will help correct this finding.

2017-004 (Reported in previous audit reports as items 2016-004.)

Criteria – The internal control environment should include adequate segregation of duties within the financial reporting IT systems.

Condition — Members of the Accounting department have excessive access to the financial reporting IT systems.

Cause – The staffing levels are not sufficient for adequate segregation of duties in the IT systems.

Effect – The risk of management fraud is enhanced.

Recommendation — Where possible, the Office should restrict access to IT systems or functions or should provide compensating controls.

RESPONSE TO 2017-004: Controls have been put into place; however, a written policy has not been drafted as of now.

2017-005 (Reported in previous audit reports as items 2016-005 and 2015-006)

Criteria – The Recreation and Library Fund should make repayments on the long-term loan due to the General Fund.

Condition ---- The Recreation and Library Fund has a deficit fund balance and a long-term payable to the General Fund. No repayments were made to reduce the balance during FY 2017.

Cause – The County anticipates grant funding to be received to enable the Recreation and Library Fund to repay the loan but it was not sufficient during 2017.

Effect – The nonpayment of the loan and increasing deficit fund balance could potentially have a negative effect on the County’s General Fund in the future.

Recommendation — Management should evaluate the likelihood of repaying the funds owed to the General Fund and take appropriate action to either forgive this loan or restructure it where the payments are made consistently to reduce the balance.

RESPONSE TO 2017-005: Centralized grant management with control of expenditures and reimbursements will substantially correct this finding, by assuring prompt reimbursement requests. Further, management will be evaluating the feasibility of forgiveness of the amounts owed to General Fund from the Recreation and Library Fund.

2017-006 (Reported in previous audit reports as item 2016-008 and 2015-008)

CSFA 40.901, CSFA 55.004, CSFA 55.009, and CSFA 55.016

Criteria – The County should have the ability to prepare a complete and accurate Schedule of Expenditures of State Financial Assistance.

Condition – The County’s procedures are not adequate to ensure the proper identification of financial assistance programs and preparation of an accurate Schedule of Expenditures of State Financial Assistance as required by the Florida Single Audit Act.

Cause – The staff do not possess sufficient skills to prepare the Schedule of Expenditures of State Financial Assistance.

Effect – Management are not able to prepare the Schedule of Expenditures of State Financial Assistance as required by the Florida Single Audit Act.

Recommendation – The County should develop policies, procedures and the expertise to gather all relevant data necessary for a complete and accurate presentation of the Schedule of Expenditures of State Financial Assistance.

RESPONSE TO 2017-006: This finding has been substantially corrected. The centralized grant coordinator has implemented a grant tracking spreadsheet that will accurately track all the Federal and State Awards.

PART IV – COMMENTS ON PRIOR YEAR FEDERAL SINGLE AUDIT FINDINGS

2017-007 (Reported in previous audit reports as items 2016-006 and 2015-007)

Criteria – The County should have the ability to prepare a complete and accurate Schedule of Expenditures of Federal Awards.

Condition – The County’s procedures are not adequate to ensure the proper identification of financial assistance programs and preparations of an accurate Schedule of Expenditures of Federal Awards.

Cause – The staff do not possess sufficient skills to prepare the Schedule of Expenditures of Federal Awards.

Effect – Management are not able to prepare the Schedule of Expenditures of Federal Awards.

Recommendation – The County should develop policies, procedures and the expertise to gather all relevant data necessary for a complete and accurate presentation of the Schedule of Expenditures of Federal Awards.

RESPONSE TO 2017-007: This finding has been substantially corrected. The centralized grant coordinator has implemented a grant tracking spreadsheet that will accurately track all the Federal and State Awards.

2017-008 **Criteria** – The internal control environment should be maintained with appropriate goals and objectives met and ensuring that management and financial information is reliable and property reported.

Condition — Certain controls over payroll could not be documented due to missing or misplaced documentation, including approved timesheets and personnel action forms documenting pay or status changes for employees.

Cause – Due to limited resources, the County relies on paper records which are more likely to be misplaced.

Effect – Internal controls could not be tested for the payroll processes. Risk of misstatement is elevated.

Recommendation — Management should evaluate the resources required to maintain critical documents electronically or in a more secure and organized physical location.

RESPONSE TO 2017-008: This finding has been substantially corrected.

2017-009 **Criteria** – The internal control environment should be maintained with appropriate goals and objectives met and ensuring that management and financial information is reliable and property reported.

Condition — The County relied on a single key finance individual for controls and knowledge for a significant number of processes. Turnover and lack of resources for cross-training and process documentation amplified this over-reliance. When the key finance individual was unexpectedly absent for an extended period, controls over a number of functions were reduced and delays in necessary processes were experienced. Reconciliations were not made to general ledger balances in a timely fashion (including cash) and we noted internal control weaknesses over bank reconciliations, fund balance classifications, accruals and closing entries and the overall control environment.

Cause – Limited resources for cross-training and documentation of processes and internal controls.

Effect – The risk of misstatement is elevated, including delays in detecting misstatements due to lack of timely reconciliations.

Recommendation — Management should consider acquiring additional resources with the skills, knowledge, and experience to assist with cross-training, process documentation, and implementation and monitoring of internal controls.

RESPONSE TO 2017-009: We have hired CPA consultants to serve as the finance director who has documented processes and implemented monitoring of internal controls. We are looking for a permanent, experienced finance director and assistant finance director currently.

2017-0010 **Criteria** – Per Section 420.907-.9079, Florida Statutes, and Rule Chapter 67-37, Florida Administrative Code, the County must perform sufficient monitoring to ensure the compliance of sub recipients with grant requirements. In addition, an annual report is required to be completed and submitted to Florida Housing by September 15 of each year pursuant to Section 420.9071(4), Florida Statutes.

Condition — There were insufficient internal controls over the compliance with the sub recipient monitoring, including a reconciliation of the annual report which is prepared and submitted by the sub recipient on behalf of the County.

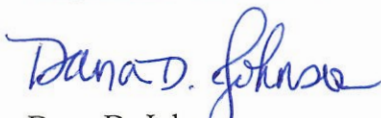
Cause – The County has a limited number of personnel monitoring grant compliance and did not consider SREC to be a subrecipient.

Effect – The County was not in compliance with the subrecipient monitoring requirement that requires local governments receiving SHIP funding to monitor the subrecipient's compliance. The subrecipient did not include the SHIP funding received in its fiscal year 2017 Schedule of Expenditures of State Financial Assistance.

Recommendation — We recommend that appropriate policies, procedures, training and tools be implemented to ensure compliance, including monitoring of subrecipient and reconciliations of the annual reports submitted by the subrecipient on the County's behalf.

RESPONSE TO 2017-010: The County will reach out to the Suwannee River Economic Council (SREC) to insure State Housing Initiative Program (SHIP) funds received by Dixie County are included in their future Audits.

Respectfully submitted,



Dana D. Johnson
Clerk-Auditor

**Dixie County
Clerk of the Circuit Court**

Audit Report

September 30, 2018

Dixie County Clerk of the Circuit Court

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Powell & Jones
Certified Public Accountants

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INDEPENDENT AUDITORS' REPORT

The Honorable Dana Johnson
Clerk of the Circuit Court
Dixie County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the office of the Dixie County Clerk of the Circuit Court (the "Office") as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Office's financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the Office as of September 30, 2018, and the respective changes in financial position, where applicable, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

We draw attention to Note 1 to the financial statements, which describes that the accompanying financial statements were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are financial statements that do not constitute a complete presentation, but otherwise constitute financial statements prepared in accordance with generally accepted accounting principles. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

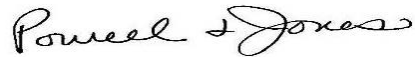
Accounting principles generally accepted in the United States of America require that the budgetary comparison information be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board,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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Office's financial statements. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2020 on our consideration of the Office'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 solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Office's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Office's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Powell & Jones".

POWELL AND JONES
Certified Public Accountants
March 25, 2020

Dixie County Clerk of the Circuit Court

Balance Sheet – Governmental Funds
September 30, 2018

	General Fund	Court Operating Fund	Records Modernization Trust Fund	Total Govern- mental Funds
Assets				
Cash and equivalents	\$ -	\$ 4,344	\$ 59,131	\$ 63,475
Due from other funds	283,518	241,128	29,247	553,893
Due from other governments	-	10,826	-	10,826
Total assets	\$ 283,518	\$ 256,298	\$ 88,378	\$ 628,194
Liabilities				
Accounts payable and accrued liabilities	\$ 22,962	\$ 4,534	\$ 16,342	\$ 43,838
Due to other funds	8,879	229,514	7,699	246,092
Due to other governments	-	22,250	-	22,250
Due to other county agencies	251,677	-	-	251,677
Total liabilities	283,518	256,298	24,041	563,857
Fund balances				
Restricted	-	-	64,337	64,337
Total liabilities and fund balances	\$ 283,518	\$ 256,298	\$ 88,378	\$ 628,194

See accompanying notes.

Dixie County Clerk of the Circuit Court

**Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year ended September 30, 2018**

	General Fund	Court Operating Fund	Records Modernization Trust Fund	Total Govern- mental Funds
Revenues				
Intergovernmental revenues	\$ -	\$ 214,991	\$ -	\$ 214,991
Charges for services	52,040	126,870	21,166	200,076
Fines and forfeitures	-	84,465	2,384	86,849
Miscellaneous revenue	-	1,518	34	1,552
Total revenues	52,040	427,844	23,584	503,468
Expenditures				
Current:				
General government	373,834	-	2,000	375,834
Court related	-	430,816	17,142	447,958
Total expenditures	373,834	430,816	19,142	823,792
Excess of revenues over (under) expenditures	(321,794)	(2,972)	4,442	(320,324)
Other financing sources (uses)				
Appropriations from board of county commissioners	325,754	-	-	325,754
Reversion to board of county commissioners	(3,960)	-	-	(3,960)
Total other financing sources (uses)	321,794	-	-	321,794
Net change in fund balances	-	(2,972)	4,442	1,470
Fund balances - October 1, 2017	-	2,972	59,895	62,867
Fund balances - September 30, 2018	\$ -	\$ -	\$ 64,337	\$ 64,337

See accompanying notes.

Dixie County Clerk of the Circuit Court

Statement of Fiduciary Net Position
September 30, 2018

	Agency Funds
<hr/>	
Assets	
Cash and equivalents	\$ 1,754,823
Due from other funds	3,418
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Total assets	1,758,241
<hr/>	
Liabilities	
Assets held for others	1,388,671
Due to other funds	311,219
Due to other county agencies	58,351
<hr/>	
Total liabilities	1,758,241
<hr/>	
Net position	\$ -
<hr/> <hr/>	

See accompanying notes.

Dixie County Clerk of the Circuit Court

Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the office of the Dixie County Clerk of the Circuit Court (the “Office”) conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies.

Reporting Entity

The 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.

The Office is an integral part of Dixie County, which is the primary government for financial reporting purposes.

Basis of Presentation

The Office’s financial statements are financial statements that have been prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida (the “Rules”). These financial statements are the fund financial statements required by generally accepted accounting principles. However, these fund financial statements do not constitute a complete presentation because, in conformity with the Rules, the Office has not presented reconciliations to the government-wide financial statements, the government-wide financial statements, or management’s discussion and analysis. Also, certain notes to the financial statements may supplement rather than duplicate the notes included in the County’s countywide financial statements.

Fund Accounting

Accounts are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Government resources are allocated to, and accounted for in, individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The focus of fund financial statements is on major funds, each displayed in a separate column. All nonmajor funds are aggregated and displayed in a single column.

The Office reports the following major governmental funds:

General Fund – The General Fund is the primary operating fund. It is used to account for and report all financial resources not accounted for and reported in another fund.

Court Operating Fund – The Court Operating Fund is used to account for court related activities funded by state appropriations and court-related fees and service charges.

Records Modernization Trust Fund – The Records Modernization Trust Fund is used to account for fees and fines collected and expenditures related to the upgrade and modernization of the official records of the County, and to fund court technology and other court-related expenditures.

Additionally, the Office reports the following fiduciary funds:

Agency Funds – Agency Funds are used to account for assets held in a custodial capacity.

Dixie County Clerk of the Circuit Court

Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus/Basis of Accounting

All governmental funds are accounted for on a current financial resources measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of “available spendable resources.” Their operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets and, accordingly, are said to present a summary of sources and uses of “available spendable resources” during a period.

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. However, principal and interest on long-term liabilities are recognized when due.

Agency fund assets and liabilities are accounted for on the accrual basis of accounting.

Capital Assets and Long-Term Liabilities

Because of the current financial resources measurement focus, the accompanying fund financial statements do not report capital assets or long-term liabilities. Such amounts are instead reported in the government-wide financial statements of the County.

Cash and Equivalents

All cash and equivalents are placed in a bank that qualifies as a public depository pursuant to the provisions of the Florida Security For Public Deposits Act. Every qualified public depository is required by this law to deposit with the Chief Financial Officer eligible collateral equal to, or in excess of, an amount to be determined by the Chief Financial Officer. The Chief Financial Officer is required to ensure that all funds are entirely insured or collateralized throughout the fiscal year. All the deposits of the Office are entirely collateralized pursuant to Chapter 280, Florida Statutes.

Fund Balance

The Office follows the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* to classify fund balances for governmental funds into specifically defined classifications. The classifications comprise a hierarchy based primarily on the extent to which the Office is bound to honor constraints on the specific purposes for which amounts in the funds can be spent.

Dixie County Clerk of the Circuit Court

Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The fund balance classifications specified in GASB Statement No. 54 are as follows:

Nonspendable Fund Balance – Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted Fund Balance – Restricted fund balances are restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – Committed fund balances are amounts that can only be used for specific purposes as a result of constraints imposed by formal action of the Office’s highest level of decision-making authority, which is a policy of the Office. Committed amounts cannot be used for any other purpose unless the Office removes those constraints by taking the same type of action.

Assigned Fund Balance – Assigned fund balances are amounts that are constrained by the Office’s intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by (a) the constitutional officer or (b) a body or official to which the constitutional officer has delegated the authority to assign amounts to be used for specific purposes.

Unassigned Fund Balance – Unassigned fund balance is the residual classification for the General Fund.

The Office’s policy is to expend resources in the following order: restricted, committed, assigned and unassigned.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make various estimates. Actual results could differ from those estimates.

NOTE 2 – FUND BALANCE CLASSIFICATIONS

Balances of reported fund balance at September 30, 2018 are as follows:

	Records Modernization Fund
Restricted for:	
Court technology	\$ 11,581
Records modernization	52,756
Totals	\$ 64,337

Dixie County Clerk of the Circuit Court

Notes to Financial Statements

NOTE 3 – INTERFUND BALANCES

At September 30, 2018, interfund balances consisted of:

	Due To				
Due From	General Fund	Court Operating Fund	Records Modernization	Agency Funds	Total
General fund	\$ -	\$ -	\$ 6,368	\$ 2,511	\$ 8,879
Court operating fund	225,548	3,398	539	29	229,514
Records modernization trust fund	7,699	-	-	-	7,699
Agency funds	50,271	237,730	22,340	878	311,219
Totals	\$ 283,518	\$ 241,128	\$ 29,247	\$ 3,418	\$ 557,311

The interfund balances above arose during the normal course of operations of the Office. All interfund balances are expected to be liquidated fully within the subsequent fiscal year.

Required Supplementary Information

Dixie County Clerk of the Circuit Court

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – General Fund
Year ended September 30, 2018

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Charges for services	\$ 50,000	\$ 50,000	\$ 52,040	\$ 2,040
Expenditures				
Current:				
General government	375,754	375,754	373,834	1,920
Excess of revenues over (under) expenditures				
	(325,754)	(325,754)	(321,794)	3,960
Other financing sources (uses)				
Appropriation from board of county commissioners	325,754	325,754	325,754	-
Reversion to board of county commissioners	-	-	(3,960)	(3,960)
Total other financing sources (uses)	325,754	325,754	321,794	(3,960)
Net change in fund balances	-	-	-	-
Fund balances - October 1, 2017	-	-	-	-
Fund balances - September 30, 2018	\$ -	\$ -	\$ -	\$ -

Notes to Schedule:

The budget is prepared on a basis that does not differ materially from generally accepted accounting principles. Its preparation, adoption, and amendment is governed by Florida Statutes. The fund is the legal level of control.

Dixie County Clerk of the Circuit Court

**Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Court Operating Fund
Year ended September 30, 2018**

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Intergovernmental revenue	\$ 269,368	\$ 269,368	\$ 214,991	\$ (54,377)
Charges for services	107,100	107,100	126,870	19,770
Fines and forfeitures	89,000	89,000	84,465	(4,535)
Miscellaneous revenue	150	150	1,518	1,368
<hr/>				
Total revenues	465,618	465,618	427,844	(37,774)
Expenditures				
Current:				
Court related	465,618	465,618	430,816	34,802
<hr/>				
Excess of revenues over (under) expenditures	-	-	(2,972)	(2,972)
Fund balances - October 1, 2017	-	-	2,972	2,972
<hr/>				
Fund balances - September 30, 2018	\$ -	\$ -	\$ -	\$ -

Notes to Schedule:

The budget is prepared on a basis that does not differ materially from generally accepted accounting principles. Its preparation, adoption, and amendment is governed by Florida Statutes. Pursuant to Section 28.36, Florida Statutes, the budget is subject to the General Appropriations Act of the Florida Legislature. The State of Florida releases this appropriation on a monthly basis. The fund is the legal level of control.

Dixie County Clerk of the Circuit Court

**Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Records Modernization Trust Fund
Year ended September 30, 2018**

	Budgeted Amounts		Actual	Variance
	Original	Final		With Final Budget
Revenues				
Charges for services	\$ 20,500	\$ 20,500	\$ 21,166	\$ 666
Fines and forfeitures	9,000	9,000	2,384	(6,616)
Miscellaneous revenue	24	24	34	10
<hr/>				
Total revenues	29,524	29,524	23,584	(5,940)
<hr/>				
Expenditures				
Current:				
General government	63,920	63,920	2,000	61,920
Court related	31,704	31,704	17,142	14,562
<hr/>				
Total expenditures	95,624	95,624	19,142	76,482
<hr/>				
Excess of revenues over (under) expenditures	(66,100)	(66,100)	4,442	70,542
<hr/>				
Fund balances - October 1, 2017	66,100	66,100	59,895	(6,205)
<hr/>				
Fund balances - September 30, 2018	\$ -	\$ -	\$ 64,337	\$ 64,337

Notes to Schedule:

The budget is prepared on a basis that does not differ materially from generally accepted accounting principles. Its preparation, adoption, and amendment is governed by Florida Statutes. The fund is the legal level of control.

Dixie County Clerk of the Circuit Court

Combining Statement of Fiduciary Net Position
 Agency Funds
 September 30, 2018

	General Agency Trust Fund	Domestic Relations Fund	Traffic Fund	Court Fund	Registry of Court Fund
Assets					
Cash and equivalents	\$ 978,656	\$ 4,221	\$ 277,485	\$ 2,514	\$ 64,992
Due from other funds	2,279	-	1,139	-	-
Total assets	980,935	4,221	278,624	2,514	64,992
Liabilities					
Assets held for others	778,109	4,221	111,880	2,514	64,992
Due to other funds	185,642	-	125,577	-	-
Due to other county agencies	17,184	-	41,167	-	-
Total liabilities	980,935	4,221	278,624	2,514	64,992
Net position	\$ -	\$ -	\$ -	\$ -	\$ -

Supplementary Information

Dixie County Clerk of the Circuit Court

Combining Statement of Fiduciary Net Position
 Agency Funds
 September 30, 2018

	Witness Payroll Fund	Bond Fund	Tax Deed Fund	Total Agency Funds
Assets				
Cash and equivalents	\$ 418	\$ 38,433	\$ 388,104	\$ 1,754,823
Due from other funds	-	-	-	3,418
Total assets	418	38,433	388,104	1,758,241
Liabilities				
Assets held for others	418	38,433	388,104	1,388,671
Due to other funds	-	-	-	311,219
Due to other county agencies	-	-	-	58,351
Total liabilities	418	38,433	388,104	1,758,241
Net position	\$ -	\$ -	\$ -	\$ -

**Additional Elements Required by the
Rules of the Auditor General**

MANAGEMENT LETTER

The Honorable Dana Johnson
Clerk of the Circuit Court
Dixie County, Florida

We have audited the financial statements of the office of the Dixie County Clerk of the Circuit Court (the "Office"), as of and for the year ended September 30, 2018, and have issued our report thereon dated March 25, 2020. That report should be considered in conjunction with this management letter.

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards; and Independent Accountant's Report on examinations conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 25, 2020, 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. Prior audit findings 2017-001 through 2017-010 are repeated in the accompanying schedule of findings.

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 do not have any recommendations.

Additional Matters

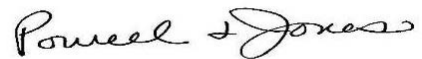
Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attentions 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 Dixie County Clerk of the Circuit Court, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

We wish to take this opportunity to thank you and your staff for the cooperation and courtesies extended to us during the course of the audit. Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.

A handwritten signature in cursive script that reads "Powell & Jones".

POWELL AND JONES
Certified Public Accountants
March 25, 2020

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

The Honorable Dana Johnson
Clerk of the Circuit Court
Dixie 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 each major fund and the aggregate remaining fund information of the office of the Dixie County Clerk of the Circuit Court (the "Office"), as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Office's financial statements, and have issued our report thereon dated March 25, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Office'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 the Office's internal control. Accordingly, we do not express an opinion on the effectiveness of the Office's internal control.

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings as items 2017-001 through 2017-004 and 2017-006 through 2017-009 to be material weaknesses.

A *significant deficiency* is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings as item 2018-005 to be a significant deficiency.

Compliance and Other Matters

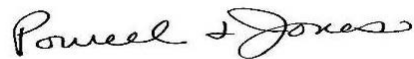
As part of obtaining reasonable assurance about whether the Office's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings as items 2017-004, 2017-008 and 2017-009.

The Office's Response to Findings

The Office's response to the findings identified in our audit is described in its accompanying letter of response. The Office'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.

A handwritten signature in cursive script, appearing to read "Powell & Jones".

POWELL AND JONES
Certified Public Accountants
March 25, 2020

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES

The Honorable Dana Johnson
Clerk of the Circuit Court
Dixie County, Florida

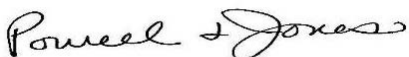
We have examined the office of the Dixie County Clerk of the Circuit Court's (the "Office") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2018. Management is responsible for the Office's compliance with the specified requirements. Our responsibility is to express an opinion on the Office's compliance with the specified requirements based on our examination.

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

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

In our opinion, the Office complied, in all material respects, with the aforementioned requirements during year ended September 30, 2018.

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.



POWELL AND JONES
Certified Public Accountants
March 25, 2020

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH SECTIONS 28.35 AND 28.36, FLORIDA STATUTES

The Honorable Dana Johnson
Clerk of the Circuit Court
Dixie County, Florida

We have examined the office of the Dixie County Clerk of the Circuit Court's (the "Office") compliance with the requirements of Section 28.35, Florida Statutes, *Florida Clerks of Court Operations Corporation*, and Section 28.36, Florida Statutes, *Budget Procedure*, for the year ended September 30, 2018. Management is responsible for the Office's compliance with those requirements. Our responsibility is to express an opinion on the Office's compliance with the specified requirements based on our examination.

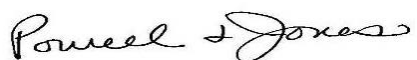
Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Office complied, in all material respects, with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

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

Our examination disclosed material noncompliance with the aforementioned requirements, described in the accompanying schedule of findings as items 2017-009 and 2017-010, applicable to the Office during the year ended September 30, 2018. These conditions were considered in determining the nature, timing, and extent of audit tests applied in our audit of the 2018 financial statements, and this report does not affect our report dated March 25, 2020 on those financial statements.

In our opinion, because of the effect of the noncompliance described in the preceding paragraph, the Office has not complied with the aforementioned requirements during the year ended September 30, 2018.

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.



POWELL AND JONES
Certified Public Accountants
March 25, 2020

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH SECTION 61.181, FLORIDA STATUTES

The Honorable Dana Johnson
Clerk of the Circuit Court
Dixie County, Florida

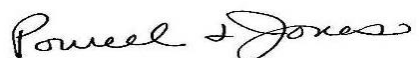
We have examined the office of the Dixie County Clerk of the Circuit Court's compliance with the requirements of Section 61.181, Florida Statutes, *Depository for Alimony Transactions, Support, Maintenance, and Support, Payments; Fees*, for the year ended September 30, 2018. Management is responsible 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, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Office complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

In our opinion, the Office complied, in all material respects, with the aforementioned requirements during the year ended September 30, 2018.

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.



POWELL AND JONES
Certified Public Accountants
March 25, 2020

Dixie County Clerk of the Circuit Court

Schedule of Findings

- 2017-001 (Reported in the preceding audit reports as items 2017-001 and 2016-001.)
- Criteria** – The internal control environment should include adequate segregation of duties within significant processes.
- Condition** — The Office does not have adequate segregation of duties so that no one employee has access to both physical assets and the related accounting records, or to all phases of a transaction.
- Cause** – The staffing levels are not sufficient for adequate segregation of duties in all areas.
- Effect** – The risk of misstatement or fraud is enhanced.
- Recommendation** — Where possible, the Office should provide compensating controls. For example, someone independent of the receipts and disbursement functions should perform bank reconciliations.
- 2017-002 (Reported in the preceding audit report as item 2017-002.)
- Criteria** – The internal control environment should include adequate segregation of duties within the financial reporting IT systems.
- Condition** — Within the accounting IT system, employees in the finance department have access to: 1) both initiate and approve journal entries; and 2) both change employee pay rates and process payroll.
- Cause** – In a small office, the staffing levels are not sufficient for adequate segregation of duties in the IT systems.
- Effect** – The risk of fraud and management override of controls are enhanced.
- Recommendation** — Where possible, the Office should restrict access to IT systems or functions or should provide compensating controls.
- 2017-003 (Reported in the preceding audit reports as items 2017-003 and 2016-003.)
- Criteria** – Cash on deposit should be reconciled to the bank balance.
- Condition** — The Office’s subsidiary ledgers for its Registry Fund, Cash Bonds Fund and the Tax Deed Fund were improved during the year but still do not reconcile to the amount of cash on deposit in the bank.
- Cause** – The responsible personnel did not perform accurate or timely reconciliations, resulting in large unreconciled differences.
- Effect** – This condition can lead to improper distribution of funds held in agency.

Dixie County Clerk of the Circuit Court

Schedule of Findings

Recommendation — The Office should continue its efforts to identify funds held in custodial capacity and consult with legal counsel as to the disposition of any unidentified funds.

2017-004 **Criteria** – Court collections should be remitted timely to the FDOR and court revenues should be recognized in the proper accounting period.

Condition — The Office did not remit court collections to the FDOR timely nor were the related court revenues recognized in the proper accounting period.

Cause – The finance officer was on medical leave for several weeks and the remaining finance staff had not been sufficiently cross-trained to perform the court collection remittance and revenue posting.

Effect – This condition can lead to material noncompliance with the Florida Statutes and improper revenue recognition.

Recommendation — The Office should cross-train finance employees to ensure that collections are remitted timely to the FDOR and to ensure that appropriate revenue recognition policies are followed, even when the disbursements from the Traffic Trust and General Trust are delayed. Cross-training should also be implemented in the event of the absence/departure of a key employee.

2017-005 **Criteria** – Employee pay rates and payroll runs should be documented as approved by a member of management.

Condition — We noted instances where the pay rates in effect had no documented approval and we also noted that there was not consistent evidence of a signoff or review of the payroll runs.

Cause – Inadequate management oversight.

Effect – The risk of fraud and material misstatement of payroll expenditures is increased.

Recommendation — The Office should ensure that all pay rates and payroll runs are approved by the Clerk with a documented signature and date.

2017-006 **Criteria** – Bank reconciliations should be performed timely and be reviewed, and should be documented as such with dates and signatures.

Condition — Bank reconciliations are not performed in such a way that 1) timeliness of the reconciliation is evident and 2) there is evidence of who performed and who reviewed the bank reconciliation and when.

Cause – Finance staff are not cross-trained to perform bank reconciliations, and bank reconciliations are currently not dated as to when they were performed or reviewed.

Effect – As a result of this condition, bank reconciliations are being performed late and error or fraud will not be corrected or detected in a timely manner by a reviewer.

Dixie County Clerk of the Circuit Court

Schedule of Findings

Recommendation — The Office should cross-train finance staff to perform bank reconciliations and should date when the reconciliation was performed. The finance director or Clerk should review the bank reconciliations and document with a signature and date that they were reviewed.

2017-007 **Criteria** – Under the modified accrual basis of accounting, expenditures are to be recorded when incurred.

Condition — The Office failed to accrue for payroll and health insurance paid after year-end but incurred in FY18. The Office also failed to recognize jury payroll expenditures in the proper accounting period (expenditures were recorded when cash was transferred to the Court Account rather than when the expenditures were actually incurred).

Cause – The Office is small and finance personnel and management do not have knowledge of the applicable Generally Accepted Accounting Principles.

Effect – This condition can lead to material misstatement of expenditures and ending fund balance as well as unrecorded liabilities.

Recommendation — The Office should be mindful of the dates that juror expenditures were incurred and should implement accruals for payroll and related liabilities.

2017-008 **Criteria** – The reversion to the Dixie County BOCC at fiscal year-end should be in accordance with Section 218.36 Florida Statutes.

Condition — The Office did not keep an accurate accounting of all fees and expenditures in the General Fund and as such did not calculate the correct reversion to the Board of County Commissioners.

Cause – As per the cause in findings 2017-004 and 2017-007, revenues and expenditures were not complete for the period and resulted in an incorrect calculation.

Effect – This condition can lead to material noncompliance as well as material misstatement in ending fund balance, accounts payable, and other financing uses.

Recommendation — In addition to the recommendations indicated at findings 2018-004 and 2018-007, the Office should implement monitoring activities to ensure that revenues and expenditures are complete.

2017-009 **Criteria** – The Expenditure and Collection Report (the “EC Report”) reported monthly to the CCOC should be prepared so that it agrees to the underlying accounting records.

Condition — The Office did not complete the FY17 EC Report correctly. Jury expenditures were “double counted” in certain months and other expenditures that should have been accrued and recorded on the EC Report (refer to finding 2017-007) were not. Expenditures of 10% monies also did not agree to the underlying accounting records.

Cause – The finance director (who prepares the monthly EC Report) was on medical leave for several weeks and other finance personnel are not cross-trained to complete this

Dixie County Clerk of the Circuit Court

Schedule of Findings

report. Additionally, a documented review is not taking place in which the report is reconciled to the accounting records prior to submission.

Effect – This condition can lead to noncompliance in reporting accurate and complete information to the CCOC, incorrect settle-up calculations, and can also result in future budget request shortages if all expenditures are not reported.

Recommendation — The Office should cross-train employees to complete the EC Report in the event of a key employee’s absence or departure, and should also implement a review (with signature and date) to document that the reviewer was able to reconcile the report to the accounting records each month.

2017-010

Criteria – The budget for the Office’s court fund, along with monthly court collections, weekly documentary and intangible stamp collections, and quarterly reports are required to be submitted to the State by deadlines specified by Statute.

Condition — The Office did not remit the required items by the specified deadlines a significant majority of the time.

Cause – The personnel responsible for preparing the required submissions did not have effective oversight of the weekly, monthly, quarterly, and annual processes.

Effect – This condition results in noncompliance with the specified Statutes. A potential effect is that repeated delays in the required submissions could result in delinquent status with the State of Florida. Another potential effect is improper or inaccurate reporting to the State of Florida due to a significant lapse of time since the reportable activity.

Recommendation — Management of the Office should implement policies and practices to ensure that all reports, budgets, and collections are submitted by the deadlines specified by the Florida Statutes.

Clerk of the Circuit and County Court

Dana D. Johnson
DIXIE COUNTY
P. O. Box 1206
Cross City, FL 32628-1206

March 16, 2020

Honorable Sherrill F. Norman
Auditor General, State of Florida
G74 Claude Pepper Building
111 West Madison Street
Tallahassee, FL 32399-1450

INRE: RESPONSE TO AUDIT OF THE DIXIE COUNTY CLERK OF COURT FOR THE FISCAL PERIOD ENDING SEPTEMBER 30, 2018.

Dear Ms. Norman:

As Clerk of the Circuit Court of Dixie County, Florida, I hereby submit my response to the above referenced audit as prepared by the firm of Powell and Jones, 1359 SW Main Blvd, Lake City, Florida 32025.

SCHEDULE OF FINDINGS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018
DIXIE COUNTY CLERK OF THE CIRCUIT COURT

2018-001 (Reported in the preceding audit reports as items 2017-001 and 2016-001.)

Criteria – The internal control environment should include adequate segregation of duties within significant processes.

Condition — The Office does not have adequate segregation of duties so that no one employee has access to both physical assets and the related accounting records, or to all phases of a transaction.

Cause – The staffing levels are not sufficient for adequate segregation of duties in all areas.

Effect – The risk of misstatement or fraud is enhanced.

Recommendation — Where possible, the Office should provide compensating controls. For example, someone independent of the receipts and disbursement functions should perform bank reconciliations.

RESPONSE: This finding has been substantially corrected as the Office has hired an independent consulting firm who is taking care of the bank reconciliations.

2018-002 (Reported in the preceding audit report as item 2017-002.)

Criteria – The internal control environment should include adequate segregation of duties within the financial reporting IT systems.

Condition — Within the accounting IT system, employees in the finance department have access to: 1) both initiate and approve journal entries; and 2) both change employee pay rates and process payroll.

Cause – In a small office, the staffing levels are not sufficient for adequate segregation of duties in the IT systems.

Effect – The risk of fraud and management override of controls are enhanced.

Recommendation — Where possible, the Office should restrict access to IT systems or functions or should provide compensating controls.

RESPONSE: Controls have been put into place; however, a written policy has not been drafted as of now.

2018-003 (Reported in the preceding audit reports as items 2017-003 and 2016-003.)

Criteria – Cash on deposit should be reconciled to the bank balance.

Condition — The Office’s subsidiary ledgers for its Registry Fund, Cash Bonds Fund and the Tax Deed Fund were improved during the year but still do not reconcile to the amount of cash on deposit in the bank.

Cause – The responsible personnel did not perform accurate or timely reconciliations, resulting in large unreconciled differences.

Effect – This condition can lead to improper distribution of funds held in agency.

Recommendation — The Office should continue its efforts to identify funds held in custodial capacity and consult with legal counsel as to the disposition of any unidentified funds.

RESPONSE: This finding has been substantially corrected with the review and approval process.

2018-004 **Criteria** – Court collections should be remitted timely to the FDOR and court revenues should be recognized in the proper accounting period.

Condition — The Office did not remit court collections to the FDOR timely nor were the related court revenues recognized in the proper accounting period.

Cause – The finance officer was on medical leave for several weeks and the remaining finance staff had not been sufficiently cross-trained to perform the court collection remittance and revenue posting.

Effect – This condition can lead to material noncompliance with the Florida Statutes and improper revenue recognition.

Recommendation — The Office should cross-train finance employees to ensure that collections are remitted timely to the FDOR and to ensure that appropriate revenue recognition policies are followed, even when the disbursements from the Traffic Trust and General Trust are delayed. Cross-training should also be implemented in the event of the absence/departure of a key employee.

RESPONSE: The Office has hired an independent consultant to help with reconciliations and the disbursement of funds timely.

2018-005 **Criteria** – Employee pay rates and payroll runs should be documented as approved by a member of management.

Condition — We noted instances where the pay rates in effect had no documented approval and we also noted that there was not consistent evidence of a signoff or review of the payroll runs.

Cause – Inadequate management oversight.

Effect – The risk of fraud and material misstatement of payroll expenditures is increased.

Recommendation — The Office should ensure that all pay rates and payroll runs are approved by the Clerk with a documented signature and date.

RESPONSE: The payroll runs are reviewed and the Clerk now approves and signs all payroll runs.

2018-006 **Criteria** – Bank reconciliations should be performed timely and be reviewed, and should be documented as such with dates and signatures.

Condition — Bank reconciliations are not performed in such a way that 1) timeliness of the reconciliation is evident and 2) there is evidence of who performed and who reviewed the bank reconciliation and when.

Cause – Finance staff are not cross-trained to perform bank reconciliations, and bank reconciliations are currently not dated as to when they were performed or reviewed.

Effect – As a result of this condition, bank reconciliations are being performed late and error or fraud will not be corrected or detected in a timely manner by a reviewer.

Recommendation — The Office should cross-train finance staff to perform bank reconciliations and should date when the reconciliation was performed. The finance director or Clerk should review the bank reconciliations and document with a signature and date that they were reviewed.

RESPONSE: This finding has been substantially corrected with the independent consultants who have trained and cross-trained staff.

2018-007 **Criteria** – Under the modified accrual basis of accounting, expenditures are to be

recorded when incurred.

Condition — The Office failed to accrue for payroll and health insurance paid after year- end but incurred in FY17. The Office also failed to recognize jury payroll expenditures in the proper accounting period (expenditures were recorded when cash was transferred to the Court Account rather than when the expenditures were actually incurred).

Cause – The Office is small and finance personnel and management do not have knowledge of the applicable Generally Accepted Accounting Principles.

Effect – This condition can lead to material misstatement of expenditures and ending fund balance as well as unrecorded liabilities.

Recommendation — The Office should be mindful of the dates that juror expenditures were incurred and should implement accruals for payroll and related liabilities.

RESPONSE: This finding has been substantially corrected as the Office is making timely payroll accruals as well as timely jury payments.

2018-008 **Criteria** – The reversion to the Dixie County BOCC at fiscal year-end should be in accordance with Section 218.36 Florida Statutes.

Condition — The Office did not keep an accurate accounting of all fees and expenditures in the General Fund and as such did not calculate the correct reversion to the Board of County Commissioners.

Cause – As per the cause in findings 2017-004 and 2017-007, revenues and expenditures were not complete for the period and resulted in an incorrect calculation.

Effect – This condition can lead to material noncompliance as well as material misstatement in ending fund balance, accounts payable, and other financing uses.

Recommendation — In addition to the recommendations indicated at findings 2017-004 and 2017-007, the Office should implement monitoring activities to ensure that revenues and expenditures are complete.

RESPONSE: This finding has been substantially corrected with the hiring of an independent consultant to balance bank statements and close out the year end on time.

2018-009 **Criteria** – The Expenditure and Collection Report (the “EC Report”) reported monthly to the CCOC should be prepared so that it agrees to the underlying accounting records.

Condition — The Office did not complete the FY17 EC Report correctly. Jury expenditures were “double counted” in certain months and other expenditures that should have been accrued and recorded on the EC Report (refer to finding 2017-007) were not. Expenditures of 10% monies also did not agree to the underlying accounting records.

Cause – The finance director (who prepares the monthly EC Report) was on medical leave for

several weeks and other finance personnel are not cross-trained to complete this report. Additionally, a documented review is not taking place in which the report is reconciled to the accounting records prior to submission.

Effect – This condition can lead to noncompliance in reporting accurate and complete information to the CCOC, incorrect settle-up calculations, and can also result in future budget request shortages if all expenditures are not reported.

Recommendation — The Office should cross-train employees to complete the EC Report in the event of a key employee’s absence or departure, and should also implement a review (with signature and date) to document that the reviewer was able to reconcile the report to the accounting records each month.

RESPONSE: This finding has been substantially corrected as the cross-trained employees are completing the reports monthly and remitting them to the CCOC.

2018-010 **Criteria** – The budget for the Office’s court fund, along with monthly court collections, weekly documentary and intangible stamp collections, and quarterly reports are required to be submitted to the State by deadlines specified by Statute.

Condition — The Office did not remit the required items by the specified deadlines a significant majority of the time.

Cause – The personnel responsible for preparing the required submissions did not have effective oversight of the weekly, monthly, quarterly, and annual processes.

Effect – This condition results in noncompliance with the specified Statutes. A potential effect is that repeated delays in the required submissions could result in delinquent status with the State of Florida. Another potential effect is improper or inaccurate reporting to the State of Florida due to a significant lapse of time since the reportable activity.

Recommendation — Management of the Office should implement policies and practices to ensure that all reports, budgets, and collections are submitted by the deadlines specified by the Florida Statutes.

RESPONSE: This finding has been substantially corrected with the help of the independent consultants who have trained staff to have all required items submitted by the deadlines according to Florida Statutes.

Sincerely,



Dana D. Johnson
Clerk of the Circuit Court
Dixie County

**Dixie County
Property Appraiser**

Audit Report

September 30, 2018

**DIXIE COUNTY PROPERTY APPRAISER
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Powell & Jones
Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

The Honorable Robert Lee
Property Appraiser
Dixie County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the office of the Dixie County Property Appraiser (the "Office") as of and for the year ended September 30, 2018 and the related notes to the financial statements, which collectively comprise the Office's special purpose financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Office as of September 30, 2018, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

We draw attention to Note 1 to the financial statements, which describes that the accompanying financial statements were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are special purpose financial statements that do not constitute a complete presentation, but otherwise constitute financial statements prepared in accordance with generally accepted accounting principles. Our opinion is not modified with respect to this matter.

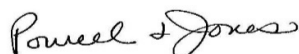
Other Matters

Required Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 14, 2020, on our consideration of the Office's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Officer's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Office's internal control over financial reporting and compliance.



Lake City, Florida
February 14, 2020

Dixie County Property Appraiser

Balance Sheet – Governmental Funds September 30, 2018

	General Fund
<hr/>	
Assets	
Cash and equivalents	\$ 83,542
<hr/>	
Total assets	\$ 83,542
<hr/> <hr/>	
Liabilities and fund balance	
Liabilities:	
Accounts payable and accrued liabilities	\$ 37,579
Due to other county agencies	45,963
<hr/>	
Total liabilities	83,542
Fund balance	-
<hr/>	
Total liabilities and fund balance	\$ 83,542
<hr/> <hr/>	

See accompanying notes.

Dixie County Property Appraiser

Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
Year ended September 30, 2018

	General Fund
<hr/>	
Revenues	
Charges for services	\$ 13,784
Miscellaneous revenue	65
<hr/>	
Total revenues	13,849
Expenditures	
Current:	
General government services	790,627
<hr/>	
Excess of revenues under expenditures	(776,778)
<hr/>	
Other financing sources (uses)	
Appropriation from board of county commissioners	822,741
Reversion to board of county commissioners	(45,963)
<hr/>	
Total other financing sources (uses)	776,778
<hr/>	
Net change in fund balance	-
Fund balance - October 1, 2017	-
<hr/>	
Fund balance - September 30, 2018	\$ -
<hr/> <hr/>	

See accompanying notes.

Dixie County Property Appraiser
Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the office of the Dixie County Property Appraiser (the “Office”) conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies.

Reporting Entity

The 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.

The Office is an integral part of Dixie County, which is the primary government for financial reporting purposes.

Basis of Presentation

The Office’s financial statements are special purpose financial statements that have been prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida (the “Rules”). These special purpose financial statements are the fund financial statements required by generally accepted accounting principles. However, these fund financial statements do not constitute a complete presentation because, in conformity with the Rules, the Office has not presented reconciliations to the government-wide financial statements, the government-wide financial statements, or management’s discussion and analysis. Also, certain notes to the financial statements may supplement rather than duplicate the notes included in the County’s countywide financial statements.

Fund Accounting

Accounts are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Government resources are allocated to, and accounted for in, individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The focus of fund financial statements is on major funds, each displayed in a separate column. All nonmajor funds are aggregated and displayed in a single column. The Office has no nonmajor funds.

The Office reports the following major governmental fund:

General Fund – The General Fund is the primary operating fund. It is used to account for and report all financial resources not accounted for and reported in another fund.

Fund Balance

The Office follows the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* to classify fund balances for governmental funds into specifically defined classifications. The classifications comprise a hierarchy based primarily on the extent to which the Office is bound to honor constraints on the specific purposes for which amounts in the funds can be spent.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The fund balance classifications specified in GASB Statement No. 54 are as follows:

Nonspendable Fund Balance – Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted Fund Balance – Restricted fund balances are restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – Committed fund balances are amounts that can only be used for specific purposes as a result of constraints imposed by formal action of the Office's highest level of decision-making authority, which is a policy of the Office. Committed amounts cannot be used for any other purpose unless the Office removes those constraints by taking the same type of action.

Assigned Fund Balance – Assigned fund balances are amounts that are constrained by the Office's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by (a) the constitutional officer or (b) a body or official to which the constitutional officer has delegated the authority to assign amounts to be used for specific purposes.

Unassigned Fund Balance – Unassigned fund balance is the residual classification for the General Fund.

The Office's policy is to expend resources in the following order: restricted, committed, assigned, and unassigned.

Measurement Focus/Basis of Accounting

All governmental funds are accounted for on a current financial resources measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources." Their operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets and, accordingly, are said to present a summary of sources and uses of "available spendable resources" during a period.

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Revenues are recognized when they become measurable and available as net current assets. Expenditures are generally recognized when the related fund liability is incurred.

Dixie County Property Appraiser

Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets and Long-Term Liabilities

Because of the current financial resources measurement focus, the accompanying fund financial statements do not report capital assets or long-term liabilities. Such amounts are instead reported in the government-wide financial statements of the County.

Cash and Equivalents

All cash and equivalents are placed in a bank that qualifies as a public depository pursuant to the provisions of the Florida Security for Public Deposits Act. Every qualified public depository is required by this law to deposit with the Chief Financial Officer eligible collateral equal to, or in excess of, an amount to be determined by the Chief Financial Officer. The Chief Financial Officer is required to ensure that all funds are entirely insured or collateralized throughout the fiscal year.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make various estimates. Actual results could differ from those estimates.

NOTE 2 – CONTINGENCIES

The Office is, during the course of normal operations, involved in various claims regarding the assessments of real and tangible property. It is the opinion of management that any uninsured claims would not be material in relation to the Office's financial condition.

Required Supplementary Information

Dixie County Property Appraiser

**Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – General Fund
Year ended September 30, 2018**

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Charges for services	\$ 14,305	\$ 14,305	\$ 13,784	\$ (521)
Miscellaneous revenue	-	-	65	65
<hr/>				
Total revenues	14,305	14,305	13,849	(456)
Expenditures				
Current:				
General government services	827,046	827,046	790,627	36,419
Capital outlay	10,000	10,000	-	10,000
<hr/>				
Total expenditures	837,046	837,046	790,627	46,419
<hr/>				
Excess of revenues over (under) expenditures	(822,741)	(822,741)	(776,778)	45,963
<hr/>				
Other financing sources (uses)				
Appropriation from board of county commissioners	822,741	822,741	822,741	-
Reversion to board of county commissioners	-	-	(45,963)	(45,963)
<hr/>				
Total other financing sources (uses)	822,741	822,741	776,778	(45,963)
<hr/>				
Net change in fund balances	-	-	-	-
<hr/>				
Fund balances - October 1, 2017	-	-	-	-
<hr/>				
Fund balances - September 30, 2018	\$ -	\$ -	\$ -	\$ -

Notes to Schedule:

The budget is prepared on a basis that does not differ materially from generally accepted accounting principles. Its preparation, adoption, and amendment is governed by Florida Statutes. The fund is the legal level of control.

**Additional Elements Required by the
Rules of the Auditor General**

MANAGEMENT LETTER

The Honorable Robert Lee
Property Appraiser
Dixie County, Florida

We have audited the financial statements of the office of the Dixie County Property Appraiser (the "Office"), as of and for the year ended September 30, 2018, and have issued our report thereon dated February 14, 2020. That report should be considered in conjunction with this management letter.

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. Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida and require that certain items be addressed in this letter.

Prior Audit Findings

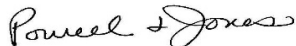
The Rules of the Auditor General require that we comment as to whether or not corrective actions have been taken to address findings and recommendations made in the preceding audit. If the audit findings in the preceding audit are uncorrected, we are required to identify those findings that were also included in the second preceding audit report. The Office has no uncorrected prior audit findings that are required to be identified pursuant to the Rules of the Auditor General.

Other Matters

Our audit did not reveal any other matters that we are required to include in this management letter.

The purpose of this management letter is solely to comply with the requirements of Chapter 10.550, Rules of the Auditor General. Accordingly, this communication is not suitable for any other purpose.

We wish to take this opportunity to thank you and your staff for the cooperation and courtesies extended to us during the course of the audit. Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.



Lake City, Florida
February 14, 2020

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

The Honorable Robert Lee
Property Appraiser
Dixie 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 office of the Dixie County Property Appraiser (the “Office”), as of and for the year ended September 30, 2018, 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 February 14, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Office’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 opinion on the 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.

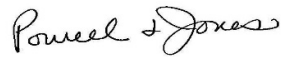
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Office’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*.

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.



Lake City, Florida
February 14, 2020

INDEPENDENT ACCOUNTANT’S REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES

The Honorable Robert Lee
Property Appraiser
Dixie County, Florida

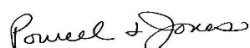
We have examined the office of the Dixie County Property Appraiser’s (the “Office”) compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the period October 1, 2017, to September 30, 2018. Management is responsible for the Office’s compliance with the specified requirements. Our responsibility is to express an opinion on the Office’s compliance with the specified requirements based on our examination.

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

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

In our opinion, the Office complied, in all material respects, with the aforementioned requirements during the period October 1, 2017 to September 30, 2018.

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.



Lake City, Florida
February 14, 2020

Robert A Lee
Dixie County Property Appraiser
P O Box 260
Cross City, FL 32628

March 17, 2020

Office of the Auditor General
State of Florida
Tallahassee, Fl

Reference: Dixie County Property Appraiser
Elected Official's Response to Auditors' Report

Dear Sir:

The Dixie County Property Appraiser is in receipt of the independent auditors' report of the financial statements for the year ended September 30, 2018.

There were no findings in the Independent Auditor's Report.

There were no unfavorable comments in the Independent Auditors' Management Letter.

There were no unfavorable comments in the Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters.

This letter is offered to the Auditor General in compliance with the requirement that the elected official respond to the finding of the Independent Auditors.

Sincerely,



Robert A Lee,
Dixie County Property Appraiser

Dixie County Sheriff

Audit Report

September 30, 2018

DIXIE COUNTY SHERIFF

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Powell & Jones
Certified Public Accountants

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admin@powellandjonescpa.com

INDEPENDENT AUDITORS' REPORT

The Honorable Dewey Hatcher
Sheriff
Dixie County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the office of the Dixie County Sheriff (the "Office") as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Office's special purpose financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion , the financial statements referred to above present fairly, in all material respects, the respective financial position of the major fund and the aggregate remaining fund information of the Office as of September 30, 2018, and the respective changes in financial position, where applicable, thereof for the year then ended in accordance with accounting principles generally accepted in the United State of America.

Emphasis of Matters

Special Purpose Financial Statements

We draw attention to Note 1 to the financial statements, which describes that the accompanying financial statements were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are special purpose financial statements that do not constitute a complete presentation, but otherwise constitute financial statements prepared in accordance with generally accepted accounting principles. Our opinions are not modified with respect to that matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information be presented to supplement the special purpose financial statements. Such information, although not a part of the special purpose financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the special purpose 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 special purpose financial statements, and other knowledge we obtained during our audit of the special purpose 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.

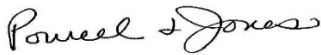
Management has omitted the budgetary comparison information for the Inmate Welfare Fund, a major special revenue fund, that accounting principles generally accepted in the United States of America require to be presented to supplement the special purpose financial statements. Such missing information, although not a part of the special purpose financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the special purpose financial statements in an appropriate operational, economic, or historical context. Our opinions on the special purpose financial statements are not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Office's special purpose financial statements. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the special purpose financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the special purpose financial statements. The information has been subjected to the auditing procedures applied in the audit of the special purpose financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the special purpose financial statements or to the special purpose financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the special purpose financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated, March 25, 2020 on our consideration of the Office's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Office's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Office's internal control over financial reporting and compliance.



Lake City, Florida

March 25, 2020

Dixie County Sheriff

**Balance Sheet – Governmental Funds
September 30, 2018**

	General Fund	Inmate Welfare Fund	Total Governmental Funds
Assets			
Cash and equivalents	\$ 61,564	\$ 98,650	\$ 160,214
Accounts receivable	-	5,482	5,482
Due from other governments	194,011	-	194,011
Total assets	\$ 255,575	\$ 104,132	\$ 359,707
Liabilities and fund balances			
Liabilities:			
Accrued liabilities	\$ 358,610	-	\$ 358,610
Due to other county agencies	66,494	-	66,494
Total liabilities	425,104	-	425,104
Fund balances:			
Assigned for inmate benefits	-	104,132	104,132
Unassigned	(169,529)	-	(169,529)
Total fund balances	(169,529)	104,132	(65,397)
Total liabilities and fund balances	\$ 255,575	\$ 104,132	\$ 359,707

See accompanying notes.

Dixie County Sheriff

**Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year ended September 30, 2018**

	General Fund	Inmate Welfare Fund	Total Governmental Funds
Revenues			
Intergovernmental revenue	\$ 106,010	\$ -	\$ 106,010
Miscellaneous revenue	101,032	88,997	190,029
Total revenues	207,042	88,997	296,039
Expenditures			
Current:			
Public safety	4,480,444	12,451	4,492,895
Human services	47,640	-	47,640
Capital outlay			
Public safety	406,265	61,062	
Debt service:			
Principal	190,578	-	190,578
Interest	7,640	-	7,640
Total expenditures	5,132,567	73,513	5,206,080
Excess of revenues over (under) expenditures	(4,925,525)	15,484	(4,910,041)
Other financing sources (uses)			
Capital lease	334,445	-	334,445
Appropriation from board of county commissioners	5,047,815	-	5,047,815
Reversion to board of county commissioners	-	-	-
Total other financing sources (uses)	5,382,260	-	5,382,260
Net change in fund balances	456,735	15,484	472,219
Fund balances- October 1, 2017	(626,264)	88,648	(537,616)
Fund balances- September 30, 2018	\$ (169,529)	\$ 104,132	\$ (65,397)

See accompanying notes.

Dixie County Sheriff

Statement of Fiduciary Net Position
September 30, 2018

	Agency Funds
<hr/>	
Assets	
Cash and equivalents	\$ 25,071
<hr/>	
Liabilities	
Assets held for others	16,081
Due to other county agencies	8,990
<hr/>	
Total liabilities	25,071
<hr/>	
Net position	\$ -
<hr/> <hr/>	

See accompanying notes.

DIXIE COUNTY SHERIFF
Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the office of the Dixie County Sheriff (the “Office”) conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies.

Reporting Entity

The Sheriff 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.

The Office is an integral part of Dixie County, which is the primary government for financial reporting purposes.

Basis of Presentation

The Office’s financial statements are special purpose financial statements that have been prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida (the “Rules”). These special purpose financial statements are the fund financial statements required by generally accepted accounting principles. However, these fund financial statements do not constitute a complete presentation because, in conformity with the Rules, the Office has not presented reconciliations to the government-wide financial statements, the government-wide financial statements, or management’s discussion and analysis. Also, certain notes to the financial statements may supplement rather than duplicate the notes included in the County’s countywide financial statements.

Fund Accounting

Accounts are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Government resources are allocated to, and accounted for in, individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The focus of fund financial statements is on major funds, each displayed in a separate column. All nonmajor funds are aggregated and displayed in a single column.

The Office reports the following major governmental funds:

General Fund – The General Fund is the primary operating fund. It is used to account for and report all financial resources not accounted for and reported in another fund.

Inmate Welfare Fund – The Inmate Welfare Fund accounts for and reports the Commissary operations of the County’s detention facility. Revenues are provided by sales of products to inmates. The profits can only be spent for the benefit of the inmates.

The Office also reports the following fiduciary funds:

Agency Funds – Agency Funds are used to account for assets held in a custodial capacity.

DIXIE COUNTY SHERIFF

Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance

The Office follows the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* to classify fund balances for governmental funds into specifically defined classifications. The classifications comprise a hierarchy based primarily on the extent to which the Office is bound to honor constraints on the specific purposes for which amounts in the funds can be spent.

The fund balance classifications specified in GASB Statement No. 54 are as follows:

Nonspendable Fund Balance – Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted Fund Balance – Restricted fund balances are restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – Committed fund balances are amounts that can only be used for specific purposes as a result of constraints imposed by formal action of the Office’s highest level of decision-making authority, which is a policy of the Office. Committed amounts cannot be used for any other purpose unless the Office removes those constraints by taking the same type of action.

Assigned Fund Balance – Assigned fund balances are amounts that are constrained by the Office’s intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by (a) the constitutional officer or (b) a body or official to which the constitutional officer has delegated the authority to assign amounts to be used for specific purposes.

Unassigned Fund Balance – Unassigned fund balance is the residual classification for the General Fund.

The Office’s policy is to expend resources in the following order: restricted, committed, assigned, and unassigned.

Measurement Focus/Basis of Accounting

All governmental funds are accounted for on a current financial resources measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of “available spendable resources.” Their operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets and, accordingly, are said to present a summary of sources and uses of “available spendable resources” during a period.

DIXIE COUNTY SHERIFF

Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. However, principal and interest on long-term debt are recognized when due.

Agency fund assets and liabilities are accounted for on the accrual basis of accounting.

Cash and Equivalents

Cash and equivalents consist of deposits placed in a bank that qualifies as a public depository pursuant to the provisions of the Florida Security For Public Deposits Act. Every qualified public depository is required by this law to deposit with the Chief Financial Officer eligible collateral equal to, or in excess of, an amount to be determined by the Chief Financial Officer. The Chief Financial Officer is required to ensure that all funds are entirely insured or collateralized throughout the fiscal year.

Capital Assets and Long-Term Liabilities

Because of the current financial resources measurement focus, the accompanying fund financial statements do not report capital assets or long-term liabilities. Such amounts are instead reported in the government-wide financial statements of the County.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make various estimates. Actual results could differ from those estimates.

NOTE 2 – RISK MANAGEMENT

The Office participates in the Florida Sheriff's Risk Management Fund for risk related to professional law enforcement liability. Aggregate coverage is two million dollars. The Office had no settlements that exceeded coverage in the last two years. The Office also participates in the Florida Sheriff's Association Vehicle Risk Management Program for risk related to its automobile fleet, and participates in the Board of County Commissioners' group health insurance.

Required Supplementary Information

Dixie County Sheriff

Schedule of Revenues, Expenditures and Changes in Fund Balances
 Budget and Actual – General Fund
 Year ended September 30, 2018

	Budgeted Amounts		Actual	Variance
	Original	Final		With Final Budget
Revenues				
Intergovernmental revenue	\$ -	\$ 106,010	\$ 106,010	\$ -
Miscellaneous revenue	-	-	101,032	101,032
Total revenues	-	106,010	207,042	101,032
Expenditures				
Current:				
Public safety	4,451,349	4,830,607	4,480,444	350,163
Human services	138,882	138,882	47,640	91,242
Court related	-	-	-	-
Capital outlay				
Law enforcement	-	406,265	406,265	-
Debt service:				
Principal	-	190,578	190,578	-
Interest	-	7,640	7,640	-
Total expenditures	4,590,231	5,573,972	5,132,567	441,405
Excess of revenues over (under) expenditures	(4,590,231)	(5,467,962)	(4,925,525)	542,437
Other financing sources (uses)				
Capital lease	-	334,445	334,445	-
Appropriation from board of county commissioners	4,590,231	5,047,815	5,047,815	-
Reversion to board of county commissioners	-	-	-	-
Total other financing sources (uses)	4,590,231	5,382,260	5,382,260	-
Net change in fund balances	-	(85,702)	456,735	542,437
Fund balances- October 1, 2017	-	-	(626,264)	(626,264)
Fund balances- September 30, 2018	\$ -	(85,702)	\$ (169,529)	\$ (83,827)

Notes to Schedule:

The preparation, adoption and amendment of the budgets are governed by Florida Statutes. The fund is the legal level of control. Budgets are prepared and adopted on a basis that does not differ materially from generally accepted accounting principles (GAAP). Appropriations lapse at year-end.

Supplementary Information

Dixie County Sheriff
Combining Statement of Fiduciary Net Position
Agency Funds
September 30, 2018

	Individual Deposits Fund	Cash Bonds Fund	Inmate Trust Fund	Total Agency Funds
Assets				
Cash and equivalents	\$ 9,271	\$ 1,351	\$ 14,449	\$ 25,071
Liabilities				
Assets held for others	281	1,351	14,449	16,081
Due to other county agencies	8,990	-	-	8,990
Total liabilities	9,271	1,351	14,449	25,071
Net position	\$ -	\$ -	\$ -	\$ -

**Additional Elements Required by the
Rules of the Auditor General**

MANAGEMENT LETTER

The Honorable Dewey Hatcher
Sheriff
Dixie County, Florida

We have audited the financial statements of the office of the Dixie County Sheriff (the "Office"), as of and for the year ended September 30, 2018, and have issued our report thereon dated March 25, 2020. That report should be considered in conjunction with this management letter.

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. Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida and require that certain items be addressed in this letter.

Prior Audit Findings

The Rules of the Auditor General require that we comment as to whether or not corrective actions have been taken to address findings and recommendations made in the preceding audit. If the audit findings in the preceding audit are uncorrected, we are required to identify those findings that were also included in the second preceding audit report. These requirements of the Rules of the Auditor General are addressed in the schedule of findings that accompanies this letter. Findings 2017-001, 2017-002, and 2017-003 are included in the second preceding audit report

Other Matters

Our audit did not reveal any other matters that we are required to include in this management letter.

The purpose of this management letter is solely to comply with the requirements of Chapter 10.550, Rules of the Auditor General. Accordingly, this communication is not suitable for any other purpose.

We wish to take this opportunity to thank you and your staff for the cooperation and courtesies extended to us during the course of the audit. Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.



March 25, 2020

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

The Honorable Dewey Hatcher
Sheriff
Dixie 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 each major fund and the aggregate remaining fund information of the office of the Dixie County Sheriff (the "Office"), as of and for the year ended September 30, 2018, 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 March 25, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Office'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 the Office's internal control. Accordingly, we do not express an opinion on the effectiveness of the Office's internal control.

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings as items 2017-001, 2017-002, 2017-003, and 2017-005 to be material weaknesses.

Compliance and Other Matters

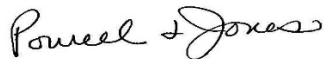
As part of obtaining reasonable assurance about whether the Office's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards*, and which is described in the accompanying schedule of findings as item 2017-006.

The Office's Response to Findings

The Office's response to the findings identified in our audit is described in its accompanying letter of response. The Office'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.



March 25, 2020

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES

The Honorable Dewey Hatcher
Sheriff
Dixie County, Florida

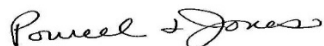
We have examined the office of the Dixie County Sheriff's (the "Office") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the period October 1, 2017 to September 30, 2018. Management is responsible for the Office's compliance with those specified requirements. Our responsibility is to express an opinion on the Office's compliance with the specified requirements based on our examination.

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

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

In our opinion, the Office complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2018.

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.



March 25, 2020

Schedule of Findings

2017-001 (Reported in preceding audit reports as items 2016-001 and 2015-001.)

Criteria – The internal control environment should include adequate segregation of duties within significant processes.

Condition – Certain employees who record cash transactions in the accounting records also have access to cash collections and perform bank reconciliations. As a result of this lack of separation of duties, the possibility exists that intentional or unintentional errors could occur without being promptly detected.

Cause – The staffing levels at the office are not sufficient for adequate segregation of duties.

Effect – The risk of errors and fraudulent activities is prevalent.

Recommendation – To the extent possible, given the availability of personnel, steps should be taken to separate employee duties so that no one individual has access to both physical assets and the related accounting records, or to all phases of a transaction.

2017-002 (Reported in preceding audit reports as items 2016-003 and 2015-003.)

Criteria – The internal control environment should include procedures to detect errors to the accounting records and a means to correct them in a timely manner.

Condition – As part of the audit process, we proposed material adjustments to the Office’s financial statements. It was also necessary for us to assist in the preparation of the Office’s financial statements.

Cause – The staff at the Office lack the skills, knowledge or experience to perform those functions.

Effect – Management agreed with our proposed adjustments to present the financial statements in accordance with generally accepted accounting principles and the auditors assisted with the preparation of the Office’s financial statements.

Recommendation – We recommend that you consider and evaluate the cost and benefits of improving internal controls relative to the financial reporting process.

2017-003 (Reported in preceding audit reports as items 2016-005 and 2015-005.)

Criteria – The office should post transactions in a timely manner and monitor its budgetary position on an ongoing basis.

Condition – The Office did post cash receipts and disbursements of the General Fund in a timely manner and provided a trial balance for audit when it was requested.

Effect – The Office was not able to monitor its budgeted and actual expenditures in a timely fashion.

Recommendation – The Office should integrate the budget in the accounting system so as to provide a mechanism to monitor budgetary compliance.

Dixie County Sheriff

Schedule of Findings

- 2017-004 **Criteria** – All bank accounts should be included in the accounting records.
- Current year status** – This finding was corrected in the current year.
- 2017-005 **Criteria** – There should be sufficient controls over salaries and pay rates, with verifiable documentation.
- Condition** – The Office does not have a review or verification process for initial pay rates or changes in pay rates. They are maintained manually with no oversight.
- Cause** – The Office staff were not sufficiently aware of the chance for inadvertent or intentional errors, by not implementing such a process.
- Effect** – There is a potential for error in the pay rates, which could lead to material misstatement in the financial statements.
- Recommendation** – The Office should maintain documentation signed by the employee and management that establishes the pay rates, and have a documented communication for any changes to the pay rates.
- 2017-006 **Criteria** – The Office should monitor its fiscal activities and ensure that it does not incur obligations in excess of its available resources.
- Condition** – The General Fund had a deficit fund balance of \$626,264 at September 30, 2018.
- Cause** – The fiscal activities of the Office were not adequately monitored on an ongoing basis.
- Current year status-** In the fiscal year ending September 30, 2018, the General Fund had a surplus of \$456,735 which reduced the deficit fund balance to \$169,529.

Sheriff



DEWEY H. HATCHER, SR. • DIXIE COUNTY
MEMBER FLORIDA SHERIFFS ASSOCIATION
BOX 470 • CROSS CITY, FLORIDA 32628-0470
(352) 498-1220 • FAX (352) 498-1226

March 17, 2020

Richard Powell and Associates
1359 SW Main Blvd
Lake City, FL 32025

Greetings,

The following are responses to the findings made by Carr, Riggs and Ingram, LLC, Certified Public Accountants, for the budget year October 1, 2017 through September 30, 2018.

- 2017-001 Steps are taken to minimize the occurrences of these events that include both transactions. However, due to staffing limitations brought about by lack of budget allowances, there are and will be circumstances that are unpreventable
- 2017-002 The fiscal year in question is a year in which our long time finance officer retired and we hired our current finance officer. There was a very short transition time during this period. In attempting to meet the separation of duties as recommended in 2017-001, there are three individuals who deal with various accounts to include; civil, payroll/payroll taxes and accounts payable. These three also have multiple other duties and therefore are not always on a schedule to submit to the finance officer for balancing.
- 2017-003 We have become more and more automated which is allowing us to be more timely in postings, however, there are and will continue to be times when postings are not completed as scheduled due personnel performing other required duties and not focusing solely on financial tasks.
- 2017-004 As noted in Schedule of Findings, this item has been corrected in the current year.
- 2017-005 The Sheriff does have a base rate for beginning salaries. Whenever he hires a new employee their pay might be adjusted somewhat based on the employee's experience. He then informs payroll what the new employee's salary will be. Periodically throughout the year the Sheriff and Major obtain a printout of salaries to review the employees' salaries. Cost of living pay changes occur when the BOCC budgets for these raises which are passed on to the employees.

2017-006 We were monitoring and were aware of the rise in debt over a period of time. We submitted budget increases to the BOCC in each of the years. That rise in debt was due to inmate medical care and hospitalization. By law we are prohibited from denying the inmates medical care and as you well know that costs money. We have passed the assumption of outside/offsite medical care to the BOCC and worked with creditors to alleviate the past due medical debt.

Respectfully,

A handwritten signature in black ink that reads "Dewey H. Hatcher Sr." The signature is written in a cursive style with a large initial 'D' and a distinct 'Sr.' at the end.

Dewey H. Hatcher, Sheriff

**Dixie County
Supervisor of Elections**

**Audit Report
September 30, 2018**

Dixie County Supervisor of Elections

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Richard C. Powell, Jr., CPA
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INDEPENDENT AUDITOR'S REPORT

The Honorable Starlet E. Cannon
Supervisor of Elections
Dixie County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the office of the Dixie County Supervisor of Elections (the "Office") as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Office's special purpose financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Office as of September 30, 2018, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

We draw attention to Note 1 to the financial statements, which describes that the accompanying financial statements were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are special purpose financial statements that do not constitute a complete presentation, but otherwise constitute financial statements prepared in accordance with generally accepted accounting principles. Our opinion is not modified with respect to this matter.

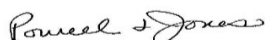
Other Matters

Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 14, 2020, on our consideration of the Office's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Office's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Office's internal control over financial reporting and compliance.



Lake City, Florida
February 14, 2020

Dixie County Supervisor of Elections

Balance Sheet – Governmental Funds
September 30, 2018

	General Fund
<hr/>	
Assets	
Cash and equivalents	\$ 116,369
<hr/>	
Liabilities and fund balance	
Liabilities:	
Accounts payable and accrued liabilities	\$ 25,093
Due to other county agencies	16,552
<hr/>	
Total liabilities	41,645
Fund balance:	
Restricted – election grants	74,724
<hr/>	
Total liabilities and fund balance	\$ 116,369
<hr/>	

See accompanying notes.

Dixie County Supervisor of Elections

Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
Year ended September 30, 2018

	General Fund
<hr/>	
Revenues	
Intergovernmental revenue	\$ 74,556
Miscellaneous revenue	35
<hr/>	
Total revenues	74,591
Expenditures	
Current:	
General government services	292,745
<hr/>	
Excess of revenues under expenditures	(218,154)
<hr/>	
Other financing sources (uses)	
Appropriation from board of county commissioners	304,388
Reversion to board of county commissioners	(16,552)
<hr/>	
Total other financing sources (uses)	287,836
<hr/>	
Net change in fund balance	69,682
<hr/>	
Fund balance - October 1, 2017	5,042
<hr/>	
Fund balance - September 30, 2018	\$ 74,724
<hr/>	

See accompanying notes.

Dixie County Supervisor of Elections Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the office of the Dixie County Supervisor of Elections (the “Office”) conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies.

Reporting Entity

The Supervisor of Elections 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.

The Office is an integral part of Dixie County, which is the primary government for financial reporting purposes.

Basis of Presentation

The Office’s financial statements are special purpose financial statements that have been prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida (the “Rules”). These special purpose financial statements are the fund financial statements required by generally accepted accounting principles. However, these fund financial statements do not constitute a complete presentation because, in conformity with the Rules, the Office has not presented reconciliations to the government-wide financial statements, the government-wide financial statements, or management’s discussion and analysis. Also, certain notes to the financial statements may supplement rather than duplicate the notes included in the County’s countywide financial statements.

Fund Accounting

Accounts are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Government resources are allocated to, and accounted for in, individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The focus of fund financial statements is on major funds, each displayed in a separate column. All nonmajor funds are aggregated and displayed in a single column. There are no nonmajor governmental funds.

The Office reports the following major governmental fund:

General Fund – The General Fund is the primary operating fund. It is used to account for and report all financial resources not accounted for and reported in another fund.

Fund Balance

The Office follows the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* to classify fund balances for governmental funds into specifically defined classifications. The classifications comprise a hierarchy based primarily on the extent to which the Office is bound to honor constraints on the specific purposes for which amounts in the funds can be spent.

Dixie County Supervisor of Elections Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The fund balance classifications specified in GASB Statement No. 54 are as follows:

Nonspendable Fund Balance – Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted Fund Balance – Restricted fund balances are restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – Committed fund balances are amounts that can only be used for specific purposes as a result of constraints imposed by formal action of the Office's highest level of decision-making authority, which is a policy of the Office. Committed amounts cannot be used for any other purpose unless the Office removes those constraints by taking the same type of action.

Assigned Fund Balance – Assigned fund balances are amounts that are constrained by the Office's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by (a) the constitutional officer or (b) a body or official to which the constitutional officer has delegated the authority to assign amounts to be used for specific purposes.

Unassigned Fund Balance – Unassigned fund balance is the residual classification for the General Fund.

The Office's policy is to expend resources in the following order: restricted, committed, assigned, and unassigned.

Measurement Focus/Basis of Accounting

All governmental funds are accounted for on a current financial resources measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources." Their operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets and, accordingly, are said to present a summary of sources and uses of "available spendable resources" during a period.

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

Dixie County Supervisor of Elections Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. However, principal and interest on long-term debt are recognized when due.

Capital Assets and Long-Term Liabilities

Because of the current financial resources measurement focus, the accompanying fund financial statements do not report capital assets or long-term liabilities. Such amounts are instead reported in the government-wide financial statements of the County.

Cash and Equivalents

All cash is placed in a bank that qualifies as a public depository pursuant to the provisions of the Florida Security For Public Deposits Act. Every qualified public depository is required by this law to deposit with the Chief Financial Officer eligible collateral equal to, or in excess of, an amount to be determined by the Chief Financial Officer. The Chief Financial Officer is required to ensure that all funds are entirely insured or collateralized throughout the fiscal year. All the deposits of the office are entirely collateralized pursuant to Chapter 280, Florida Statutes.

Restricted Fund Balance

The Office implemented voter education, poll worker recruitment, and federal election activities programs using federal funds passed through the Florida Department of State. Available but unexpended funds of these programs are restricted for future expenditures.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make various estimates. Actual results could differ from those estimates.

NOTE 2 – COMMITMENTS AND CONTINGENCIES

On September 1, 2017, the Office entered into an agreement with Dominion Voting Systems for voting system services, software licenses, and related services through December 31, 2025. The first of eight annual payments of \$47,936 is due in May, 2019. Equal amounts due annually thereafter, through December 31, 2025, are subject to annual increases based upon changes in the Consumer Price Index.

REQUIRED SUPPLEMENTARY INFORMATION

Dixie County Supervisor of Elections

Statement of Revenues, Expenditures and Changes in Fund Balance Budget and Actual – General Fund Year Ended September 30, 2018

	Budgeted Amounts		Actual	Variance
	Original	Final		With Final Budget
Revenues				
Intergovernmental revenue	\$ -	\$ -	\$ 74,556	\$ 74,556
Miscellaneous revenue	2,081	2,081	35	(2,046)
<hr/>				
Total revenues	2,081	2,081	74,591	72,510
Expenditures				
Current:				
General government services	304,388	304,388	292,745	11,643
<hr/>				
Excess of revenues over (under) expenditures	(302,307)	(302,307)	(218,154)	84,153
<hr/>				
Other financing sources (uses)				
Appropriation from board of county commissioners	302,307	302,307	304,388	2,081
Reversion to board of county commissioners			(16,552)	(16,552)
<hr/>				
Total other financing sources (uses)	302,307	302,307	287,836	(14,471)
<hr/>				
Net change in fund balances	-	-	69,682	69,682
<hr/>				
Fund balances - October 1, 2017	-	-	5,042	5,042
<hr/>				
Fund balances - September 30, 2018	\$ -	\$ -	\$ 74,724	\$ 74,724

Notes to Schedule:

The budget is prepared on a basis that does not differ materially from generally accepted accounting principles. Its preparation, adoption, and amendment is governed by Florida Statutes. The fund is the legal level of control.

**Additional Elements Required by the
Rules of the Auditor General**

MANAGEMENT LETTER

The Honorable Starlet E. Cannon
Supervisor of Elections
Dixie County, Florida

We have audited the financial statements of the office of the Supervisor of Elections (the "Office"), Dixie County, Florida, as of and for the year ended September 30, 2018, and have issued our report thereon dated February 14, 2020. That report should be considered in conjunction with this management letter.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards; and Independent Accountant's Report on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated February 14, 2020, 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. Prior-audit findings 2016-001 and 2016-002 are repeated in the accompanying schedule of findings.

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.

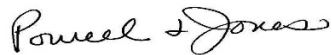
Additional Matters

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

We wish to take this opportunity to thank you and your staff for the cooperation and courtesies extended to us during the course of the audit. Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.

A handwritten signature in cursive script that reads "Powell & Jones".

Lake City, Florida
February 14, 2020

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

The Honorable Starlet E. Cannon
Supervisor of Elections
Dixie 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 office of the Dixie County Supervisor of Elections (the “Office”), as of and for the year ended September 30, 2018, 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 February 14, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Office’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 opinion on the 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 was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings as items 2018-001 and 2018-002 that we consider to be material weaknesses.

Compliance and Other Matters

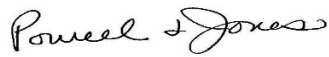
As part of obtaining reasonable assurance about whether the Office’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

The Office's Response to Findings

The Office's response to the findings identified in our audit is described in its accompanying letter of response. The Office'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 office'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.



Lake City, Florida
February 14, 2020

INDEPENDENT ACCOUNTANT’S REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES

The Honorable Starlet E. Cannon
Supervisor of Elections
Dixie County, Florida

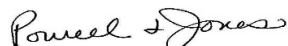
We have examined the office of the Dixie County Supervisor of Elections’ (the “Office”) compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2018. Management is responsible for the Office’s compliance with the specified requirements. Our responsibility is to express an opinion on the Office’s compliance with the specified requirements based on our examination.

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

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

In our opinion, the Office complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2018.

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.



Lake City, Florida
February 14, 2020

Dixie County Supervisor of Elections

Schedule of Findings

2018-001 (Reported in previous audit reports as items 2017-001 and 2016-001)

Condition: The Office failed to adequately segregate certain incompatible duties. The same two employees have access to both physical assets and the related accounting records.

Criteria: Internal controls should be designed and implemented to allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis.

Cause of Condition: Because of limited personnel, it is not always possible to adequately segregate certain incompatible duties. Where segregation was not possible, management failed to select and develop alternative control activities. The IT environment is set up in such a way that error or fraud on the account of one of the two employees mentioned would not be traceable to a specific employee.

Potential Effect of Condition: Failure to properly segregate duties or select alternative control activities could result in a misstatement, whether due to error or fraud, that could exist and not be promptly detected or corrected.

Recommendation: We recommend that the Office, to the extent possible given the availability of personnel, segregate employee duties or select or develop alternative control activities so that no single individual has access to both physical assets and the related accounting records without compensating controls being in place.

2018-002 (Reported in previous audit reports as items 2017-002 and 2016-002)

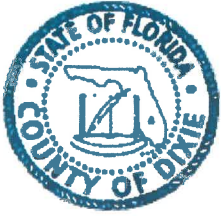
Condition: As part of the audit process, it was necessary for us to assist with the preparation of Office's financial statements.

Criteria: Management should have sufficient resources and expertise to prepare the financial statements of the Office.

Cause of condition: Limited personnel and resources such that it is not feasible to devote staff or resources to prepare the financial statements

Potential effect of condition: Although the Office reviews the financial statements prepared by the auditor, the financial statements are a presentation of the Office, and should ideally be prepared by the Office. If the auditor did not prepare the financial statements, the Office would not have the resources to do so.

Recommendation: We recommend the Office consider and evaluate the costs and benefits of improving internal controls relative to the financial reporting process.



Starlet E. Cannon

DIXIE COUNTY

P.O. BOX 2057
CROSS CITY, FLORIDA 32628-2057
(352) 498-1216

Supervisor of Elections



March 17, 2020
Honorable David Martin
Office of the Auditor General
P O Box 1735
Tallahassee, Florida 32302

RESPONSE TO AUDIT OF THE SUPERVISOR OF ELECTIONS DIXIE COUNTY,
FLORIDA FOR FY 2018

2018-001

Because of a limited number of available personnel, it is not always possible to adequately segregate certain incompatible duties so that no one employee has access to both physical assets and the related accounting records, or to all phases of a transaction. Consequently, the possibility exists that unintentional or intentional error or irregularities could exist and not be promptly detected. Our audit did not reveal any significant errors or irregularities resulting from this lack of separation of employee duties and responsibilities.

2018-002 – We realize that ideally our internal control system should be designed in a manner that ensures the accuracy of the financial statements and that the auditors should not have to recommend journal entries to see that they confirm to generally accept accounting principles. We do not feel that in the future the benefits derived from investing in the resources necessary for us to implement an effective internal control system would outweigh the cost of those resources. Although I have taken steps to the best of my ability to ensure that every possible effort is made to ensure that all appropriate controls to the financial reporting process are adhered to. Due to the size of office and county it's not cost effect.

Sincerely,

Starlet Cannon
Supervisor of Elections
Dixie County

Dixie County Tax Collector

Audit Report

September 30, 2018

Dixie County Tax Collector

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Powell & Jones
Certified Public Accountants

Richard C. Powell, Jr., CPA
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INDEPENDENT AUDITOR'S REPORT

The Honorable Michelle F. Cannon
Tax Collector
Dixie County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the major fund and the aggregate remaining fund information of the office of the Dixie County Tax Collector (the "Office") as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Office's special purpose financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the major fund and the aggregate remaining fund information of the Office as of September 30, 2018, and the respective changes in financial position, where applicable, thereof for

the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

We draw attention to Note 1 to the financial statements, which describes that the accompanying financial statements were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are special purpose financial statements that do not constitute a complete presentation, but otherwise constitute financial statements prepared in accordance with generally accepted accounting principles. Our opinions are not modified with respect to this matter.

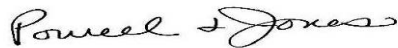
Other Matters

Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2020 on our consideration of the Office's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Office's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Office's internal control over financial reporting and compliance.



POWELL & JONES
Certified Public Accountants
March 25, 2020

Dixie County Tax Collector

Balance Sheet - Governmental Funds
September 30, 2018

	General Fund
<hr/>	
Assets	
Cash and equivalents	\$ 21,106
<hr/>	
Liabilities and fund balance	
Liabilities:	
Accounts payable and accrued liabilities	13,574
Due to other county agencies	7,532
<hr/>	
Total liabilities	21,106
Fund balance	-
<hr/>	
Total liabilities and fund balance	\$ 21,106
<hr/>	

See accompanying notes.

Dixie County Tax Collector

Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
Year ended September 30, 2018

	General Fund
Revenues	
Miscellaneous revenue	\$ 23
Expenditures	
Current:	
General government services	613,960
Excess of revenues under expenditures	(613,937)
Other financing sources (uses)	
Appropriation from board of county commissioners	613,937
Reversion to board of county commissioners	-
Total other financing sources (uses)	613,937
Net change in fund balance	-
Fund balance - beginning of year	-
Fund balance - end of year	\$ -

See accompanying notes.

Dixie County Tax Collector

Statement of Fiduciary Net Position
September 30, 2018

	Agency Fund
<hr/>	
Assets	
Cash and equivalents	\$ 283,729
Accounts receivable	27,178
<hr/>	
Total assets	310,907
<hr/>	
Liabilities	
Assets held for others	294,047
Due to other county agencies	16,860
<hr/>	
Total liabilities	310,907
<hr/>	
Net position	\$ -
<hr/>	

See accompanying notes.

Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the office of the Dixie County Tax Collector (the “Office”) conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies.

Reporting Entity

The 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.

The Office is an integral part of Dixie County, which is the primary government for financial reporting purposes.

Basis of Presentation

The Office’s financial statements are special purpose financial statements that have been prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida (the “Rules”). These special purpose financial statements are the fund financial statements required by generally accepted accounting principles. However, these fund financial statements do not constitute a complete presentation because, in conformity with the Rules, the Office has not presented reconciliations to the government-wide financial statements, the government-wide financial statements, or management’s discussion and analysis. Also, certain notes to the financial statements may supplement rather than duplicate the notes included in the County’s countywide financial statements.

Fund Accounting

Accounts are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Government resources are allocated to, and accounted for in, individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The focus of fund financial statements is on major funds, each displayed in a separate column. All nonmajor funds are aggregated and displayed in a single column. The Office has no nonmajor funds.

The Office reports the following major governmental fund:

General Fund – The General Fund is the primary operating fund. It is used to account for and report all financial resources not accounted for and reported in another fund.

The Office also reports the following fiduciary funds:

Agency Fund – the Agency Fund is used to account for assets held in a custodial capacity.

Fund Balance

The Office follows the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* to classify fund balances for governmental funds into specifically defined classifications. The classifications comprise a hierarchy based primarily on the extent to which the Office is bound to honor constraints on the specific purposes for which amounts in the funds can be spent.

Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The fund balance classifications specified in GASB Statement No. 54 are as follows:

Nonspendable Fund Balance – Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted Fund Balance – Restricted fund balances are restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – Committed fund balances are amounts that can only be used for specific purposes as a result of constraints imposed by formal action of the Office's highest level of decision-making authority, which is a policy of the Office. Committed amounts cannot be used for any other purpose unless the Office removes those constraints by taking the same type of action.

Assigned Fund Balance – Assigned fund balances are amounts that are constrained by the Office's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by (a) the constitutional officer or (b) a body or official to which the constitutional officer has delegated the authority to assign amounts to be used for specific purposes.

Unassigned Fund Balance – Unassigned fund balance is the residual classification for the General Fund.

The Office's policy is to expend resources in the following order: restricted, committed, assigned, and unassigned.

Measurement Focus/Basis of Accounting

All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources." Their operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets and, accordingly, are said to present a summary of sources and uses of "available spendable resources" during a period.

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. However, principal and interest on long-term debt are recognized when due.

Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Agency fund assets and liabilities are accounted for on the accrual basis of accounting.

Capital Assets and Long-Term Liabilities

Because of the current financial resources measurement focus, the accompanying fund financial statements do not report capital assets or long-term liabilities. Such amounts are instead reported in the government-wide financial statements of the County.

Cash and Equivalents

All cash and equivalents are placed in a bank that qualifies as a public depository pursuant to the provisions of the Florida Security for Public Deposits Act. Every qualified public depository is required by this law to deposit with the Chief Financial Officer eligible collateral equal to, or in excess of, an amount to be determined by the Chief Financial Officer. The Chief Financial Officer is required to ensure that all funds are entirely insured or collateralized throughout the fiscal year.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make various estimates. Actual results could differ from those estimates.

Required Supplementary Information

Dixie County Tax Collector

Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual – General Fund Year ended September 30, 2018

	Budgeted Amounts		Actual	Variance
	Original	Final		With Final Budget
Revenues				
Miscellaneous revenue	\$ -	\$ -	\$ 23	\$ 23
Expenditures				
Current:				
General government services	613,937	613,937	613,960	(23)
Excess of revenues over (under) expenditures				
	(613,937)	(613,937)	(613,937)	-
Other financing sources (uses)				
Appropriation from board of county commissioners	613,937	613,937	613,937	-
Reversion to board of county commissioners	-	-	-	-
Total other financing sources (uses)				
	613,937	613,937	613,937	-
Net change in fund balances				
	-	-	-	-
Fund balances - beginning of year				
	-	-	-	-
Fund balances - end of year				
	\$ -	\$ -	\$ -	\$ -

Notes to Schedule:

The budget is prepared on a basis that does not differ materially from generally accepted accounting principles. Its preparation, adoption, and amendment is governed by Florida Statutes. The fund is the legal level of control.

**Additional Elements Required by the
Rules of the Auditor General**

MANAGEMENT LETTER

The Honorable Michelle F. Cannon
Tax Collector
Dixie County, Florida

We have audited the financial statements of the office of the Dixie County Tax Collector (the "Office"), as of and for the year ended September 30, 2018, and have issued our report thereon dated March 25, 2020. That report should be considered in conjunction with this management letter.

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. Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida and require that certain items be addressed in this letter.

Prior Audit Findings

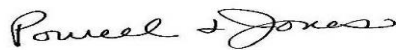
The Rules of the Auditor General require that we comment as to whether or not corrective actions have been taken to address findings and recommendations made in the preceding audit. There were no unresolved prior audit findings.

Other Matters

Our audit did not reveal any other matters that we are required to include in this management letter.

The purpose of this management letter is solely to comply with the requirements of Chapter 10.550, Rules of the Auditor General. Accordingly, this communication is not suitable for any other purpose.

We wish to take this opportunity to thank you and your staff for the cooperation and courtesies extended to us during the course of the audit. Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.



POWELL & JONES
Certified Public Accountants
March 25, 2020

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

The Honorable Michelle F. Cannon
Tax Collector
Dixie 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 major fund and the aggregate remaining fund information of the office of the Dixie County Tax Collector (the “Office”), as of and for the year ended September 30, 2018, 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 March 25, 2020 .

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Office’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 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.

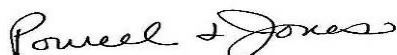
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Office'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.

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.



POWELL & JONES
Certified Public Accountants
March 25, 2020

INDEPENDENT ACCOUNTANT’S REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES

The Honorable Michelle F. Cannon
Tax Collector
Dixie County, Florida

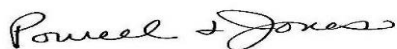
We have examined the office of the Dixie County Tax Collector’s (the “Office”) compliance with the specified requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the period October 1, 2017 to September 30, 2018. Management is responsible for the Office’s compliance with those specified requirements. Our responsibility is to express an opinion on the Office’s compliance with the specified requirements based on our examination.

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

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

In our opinion, the Office complied, in all material respects, with the aforementioned requirements during the period October 1, 2017 to September 30, 2018.

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.



POWELL & JONES
Certified Public Accountants
March 25, 2020



MICHELLE F. CANNON, C.F.C.

DIXIE COUNTY TAX COLLECTOR

P.O. Box 5040

Cross City, FL 32628-5040

Phone: (352) 498-1213

Fax: (352) 498-1259

March 25, 2020

Sherrill F. Norman, CPA
State of Florida Auditor General
Claude Pepper Building
111 West Madison Street
Tallahassee, Florida 32399

Dear Mrs. Norman,

We are in receipt of our Audit Report ending September 30, 2018 conducted by Powell and Jones, CPAs. We are pleased to note there were no findings reported in this year's audit.

We appreciate the assistance provided throughout the year and look forward to future association.

Respectfully,

Michelle F. Cannon, C.F.C.
Tax Collector

Cc: Powell and Jones, CPAs