

Calhoun County, Florida

Financial Statements

September 30, 2020

**Calhoun County, Florida
FINANCIAL STATEMENTS
September 30, 2020**

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SUPERVISOR OF ELECTIONS

Sharon Chason

COUNTY ATTORNEY

H. Matthew Fuqua

AUDITOR

Grimsley & Associates, P.A.

Calhoun County, Florida
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CONSTITUTIONAL OFFICER FINANCIAL STATEMENTS

Clerk of the Circuit Court

Property Appraiser

Sheriff

Supervisor of Elections

Tax Collector

GRIMSLEY & ASSOCIATES

Professional Association

Certified Public Accountants

OWEN W. GRIMSLEY, C.P.A.

MEMBER
FLORIDA INSTITUTE AND
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Honorable Board of County Commissioners
and Constitutional Officers of Calhoun County, Florida
Blountstown, 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, and the respective budgetary comparisons for the General Fund and the Major Special Revenue funds of Calhoun County, Florida (the "County") as of and for the year ended September 30, 2020, 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 and 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 basic financial statements are free of 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.

To the Honorable Board of County Commissioners
and Constitutional Officers of Calhoun County, Florida
Blountstown, Florida

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 Calhoun County, Florida as of September 30, 2020, and the respective changes in financial position, where applicable, thereof and the respective budgetary comparison for the General Fund and the Major Special Revenue Funds for the year then ended in conformity 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 on pages 4.1 to 4.7 and other required supplementary information as listed in the table of contents to 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 the 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 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 an opinion on the financial statements that collectively comprise Calhoun County, Florida's basic financial statements. The introductory section, combining and individual non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards*, and Chapter 10.550 of the *Rules of the Auditor General* State of Florida and is not a required part of the basic financial statements.

To the Honorable Board of County Commissioners
and Constitutional Officers of Calhoun County, Florida
Blountstown, Florida

The combining and individual non-major fund financial statements, and the schedule of expenditures of federal awards and state financial assistance projects are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied to 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 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 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 a report dated June 18, 2021, on our consideration of Calhoun County, Florida's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 Calhoun County, Florida'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* and should be read in conjunction with this report in considering the County's internal control over financial reporting and compliance.

Grimsley & Associates

June 18, 2021
Marianna, Florida

Grimsley & Associates, P.A.
Certified Public Accountants

Calhoun Board of County Commissioners

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Calhoun County, Florida, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended September 30, 2020. We encourage readers to consider the information presented here in conjunction with the County's basic financial statements.

FINANCIAL/COUNTY HIGHLIGHTS

- The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows at September 30, 2020 by \$59,446,257 (net position). Of this amount, \$605,575 represents unrestricted net position that may be used to meet the County's ongoing obligations to citizens and creditors.
- Total net position of \$59.45 million is comprised of the following:
 - \$54.08 million of capital assets includes property and equipment, net of accumulated depreciation.
 - \$4.76 million of net position is restricted by constraints imposed from outside the County such as grantors, laws, or regulations.
 - \$.61 million of unrestricted governmental net position represents the portion available to maintain the County's continuing obligation to citizens and creditors.
- As of September 30, 2020, the County's governmental funds reported combined ending fund balances of \$13,444,158, an increase of \$1,674,033 in comparison with the prior year.
- The County's total governmental net position increased \$4,138,502 during fiscal year ended September 30, 2020.
- During the current year, the County managed \$7.67 million in federal and state grant funded programs.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements consist of:

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

In addition, this report contains supplementary information intended to furnish additional detail to support the basic financial statements.

Government-wide Financial Statements

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

- The *statement of net position* presents information on all of the County's assets, liabilities and deferred inflows/outflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.
- The *statement of activities* presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave.)

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

Fund Financial Statements

A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. Like other state and local governments, Calhoun County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the County's funds may be classified in the broad category of *Governmental Funds* and *Fiduciary (Agency) Funds* as discussed below.

- Governmental Funds - these funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial 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 financial decisions. Both the governmental fund balance sheet and the governmental statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

- Fiduciary (Agency) Funds – Fiduciary funds are used to report assets held in a trustee or fiduciary capacity for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide statements because the resources of those funds are not available to support the County's own programs.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position

Net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflow of resources exceeded liabilities and deferred inflows of resources by approximately \$59.45 million at the close of the fiscal year ended September 30, 2020.

This was an increase of \$4,138,502 over prior year net position. In addition, in comparison with FY 2019, capital assets increased by \$3,706,709.

	Governmental Activities FY 2020	Governmental Activities FY 2019
Total Assets are comprised of the following elements.		
Current and Other Assets	\$ 21,473,781	13,554,346
Capital Assets, Net	<u>54,082,518</u>	<u>50,375,809</u>
Total Assets	<u><u>\$ 75,556,299</u></u>	<u><u>63,930,155</u></u>
Deferred Outflows of Resources		
Pensions and other post-employment benefits	<u>3,274,157</u>	<u>3,202,351</u>
Total Deferred Outflows of Resources	<u><u>3,274,157</u></u>	<u><u>3,202,351</u></u>
Total Liabilities are comprised of the following elements.		
Current and Other Liabilities	8,029,623	1,784,222
Long-term Liabilities	<u>10,598,826</u>	<u>9,163,250</u>
Total Liabilities	<u><u>\$ 18,628,449</u></u>	<u><u>10,947,472</u></u>
Deferred Inflows of Resources		
Pensions and other post-employment benefits	<u>755,750</u>	<u>877,279</u>
Total Deferred Inflows of Resources	<u><u>755,750</u></u>	<u><u>877,279</u></u>
Total Net Position is comprised of the following elements:		
Net Position		
Invested in Capital Assets, Net of Related Debt	54,082,518	50,375,809
Restricted	4,758,164	2,438,878
Unrestricted	<u>605,575</u>	<u>2,493,068</u>
Total Net Position	<u><u>\$ 59,446,257</u></u>	<u><u>55,307,755</u></u>

At September 30, 2020 the largest portion of the County's net position reflected investment in capital assets (e.g. land, buildings, infrastructure, equipment, and intangibles). The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

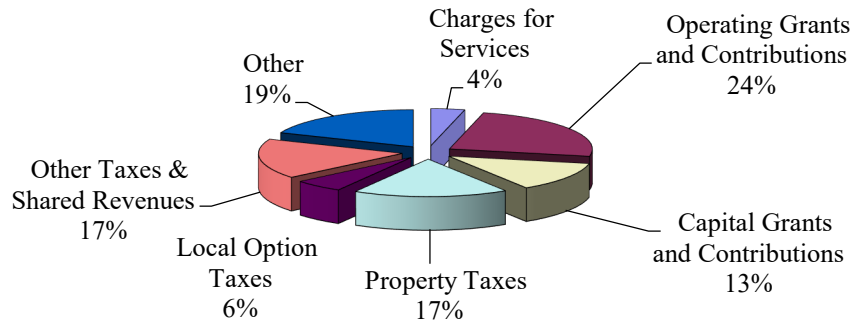
An additional portion of the County's net position represent resources that are subject to restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors.

Statement of Activities

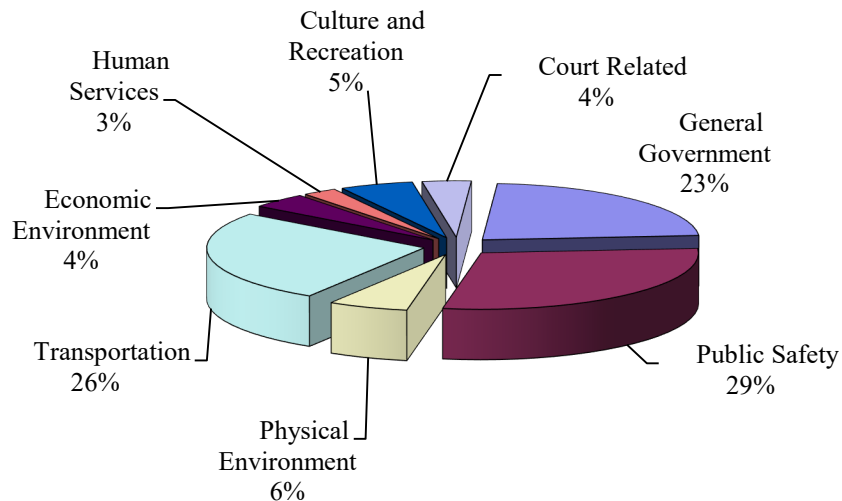
The following schedule summarizes revenues and expenses for the current and prior years:

	Governmental Activities FY 2020	Governmental Activities FY 2019
REVENUES		
Program Revenues		
Charges for Services	\$ 808,019	765,820
Operating Grants and Contributions	5,156,524	1,770,690
Capital Grants and Contributions	2,703,283	2,849,322
General Revenues:		
Property Taxes	3,686,351	3,923,881
Local Option Taxes	1,175,409	1,255,281
Other Taxes and Shared Revenues	3,657,449	3,918,882
Investment Earnings	122,460	177,733
Gain/loss on disposition of assets	-	932,406
Other	3,842,885	706,909
Total Revenues	<u>21,152,380</u>	<u>16,300,924</u>
EXPENSES		
Program Activities		
General Government	3,851,482	3,467,297
Public Health and Safety	4,949,322	4,778,876
Physical Environment	1,016,022	1,090,325
Transportation	4,491,031	3,525,257
Economic Environment	723,537	582,784
Human Services	433,076	413,875
Culture and Recreation	929,733	855,172
Court Related	619,675	763,092
Total Expense	<u>17,013,878</u>	<u>15,476,678</u>
NET INCREASE	<u>4,138,502</u>	<u>824,246</u>
Net Position - Beginning	55,307,755	54,483,509
Net Position - Ending	<u>\$ 59,446,257</u>	<u>55,307,755</u>

Revenue by Source-Governmental Activities FY 2020



Governmental Funds Expenditures by Functions FY 2020



Governmental activities revenue increased \$4,851,456, or 29.8%, from the prior fiscal year.

Governmental Funds

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

As of the end of fiscal year 2020, the County's governmental funds reported combined ending fund balances of \$13,444,158, a \$1,674,033 increase in comparison with the prior year. The unassigned General Fund balance of \$8,336,983 is available for spending at the County's discretion. The Special Revenue Fund balances of \$4,954,130 are for specified purposes.

FINANCIAL ANALYSIS OF INDIVIDUAL FUNDS

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

MAJOR FUNDS

Governmental Funds

The General Fund, Hurricane Housing Recovery Program, and Hurricane Michael Fund are reported as major governmental funds.

- The General Fund is the general operating fund of the County. All general tax revenues and other receipts that are not required either legally or by generally accepted accounting principles to be accounted for in other funds are accounted for in the General Fund.

General operating funds of the Clerk of the Circuit Court, Property Appraiser, Sheriff, Tax Collector, and Supervisor of Elections represent subfunds of the County's General Fund that are held and accounted for individually, but presented with the balance of the Board of County Commissioners' operating funds.

As of September 30, 2020, the County's general fund reported an ending fund balance of \$8,490,028, an increase of \$623,656 in comparison with the prior year

- Hurricane Housing Recovery Program accounts for activity related to a nonrecurring grant from the Local Government Housing Trust Fund to be used for Hurricane Michael recovery purposes in meeting the housing needs of the very low, low and moderate-income households. Eligible housing strategies include purchase assistance, owner-occupied housing rehabilitation, demolition/reconstruction, foreclosure prevention/mortgage assistance and land acquisition/construction.
- Hurricane Michael Fund accounts for revenue from grants and insurance proceeds and related expenditures caused by the destruction of property by Hurricane Michael.

GENERAL FUND BUDGETARY HIGHLIGHTS

The original general fund budget was amended to reflect an increase in revenues, expenditures and other financing uses in the amount of \$1,069,560. This increase was primarily the result of additional grant proceeds.

General fund revenues for permits, fees and special assessments had a positive variance of \$133,834, this was primarily due to the increase in building permits issued as a result of Hurricane Michael.

General government expenditures were less than the final budgeted amount due to the Clerk of the Circuit Court, Tax Collector, Supervisor of Elections, and Property Appraiser having less expenditures than anticipated, as did various Board expenditure line items. Public health and safety expenditures were less than final budgeted amounts due primarily to inmate detention costs being under budget (as this cost varies by inmate population).

CAPITAL ASSETS AND LONG-TERM DEBT

The County's investment in capital assets for its governmental activities as of September 30, 2020 amounted to \$54,082,518 (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment, intangibles, infrastructure (effective 10/1/03) and construction in progress, net of accumulated

depreciation. More detailed information about the County's capital assets is presented in the notes to financial statements.

Major additions to capital assets during fiscal year 2020 were as follows:

- Road paving
- Airport – Terminal and Hangar Construction in Progress
- Building renovations

Governmental Funds Outstanding Debt:

As of September 30, 2020, the County's long-term liabilities consisted of the following:

Compensated absences	\$ 223,980
Other post-employment benefit obligation	295,433
Net pension liability	10,079,413

Additional information on the County's long-term debt can be found in the Notes to the Financial Statements in this report.

SIGNIFICANT ECONOMIC FACTORS

- The unemployment rate for the County at fiscal year-end was 3.9%, an increase from the prior year rate of 3.4%.
- The ad valorem tax millage rate was 9.9 mills.

REQUESTS FOR INFORMATION

This report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Carla A. Hand, Clerk of Circuit Court and County Comptroller of Calhoun County, 20859 Central Avenue East, Room 130, Blountstown, Florida 32424. You may also visit our website, www.calhounclerk.com, for further financial information.

Calhoun County, Florida

Statement of Net Position

<i>September 30, 2020</i>	Primary Governmental Activities
Assets	
Cash and cash equivalents	\$ 17,752,614
Accounts receivable	12,902
Internal balances - due from agency funds	65,535
Due from other governmental units	3,347,224
Prepaid expense	179,214
Inventory	116,292
Capital assets, net	
Nondepreciable capital assets	5,669,971
Depreciable capital assets, net	48,412,547
Total assets	75,556,299
Deferred outflows of resources	
Other post employment benefits	174,760
Pension	3,099,397
Total deferred outflows of resources	3,274,157
Liabilities	
Accounts payable and accrued expenses	1,682,860
Due to other agency	-
Due to other governmental units	26,448
Unearned revenue	6,320,315
Long-term liabilities	
Portion due or payable within one year	
Compensated absences	44,796
Landfill closure and post-closure costs	-
Portion due or payable after one year	
Compensated absences	179,184
Other post-employment benefit obligation	295,433
Net pension liability	10,079,413
Total liabilities	18,628,449
Deferred inflows of resources	
Other post-employment benefits	145,295
Pension	610,455
Total deferred inflows of resources	755,750
Net position	
Invested in capital assets, net of related debt	54,082,518
Restricted for	
Public Safety	560,717
Physical environment	42,892
Transportation	3,828,216
Culture and recreation	253,608
Court Related	72,731
Unrestricted	605,575
Total net position	\$ 59,446,257

See accompanying notes to financial statements

Calhoun County, Florida

Statement of Activities

For the year ended September 30, 2020

						Net (Expense) Revenue and Changes in Net Assets
						Primary Government
Functions/Programs	Expenses	Program Revenues			Governmental Activities	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		
Primary government						
Governmental activities						
General government	\$ 3,851,482	\$ 248,063	\$ 379,078	\$ 447,268	\$ (2,777,073)	
Public safety	4,949,322	265,575	846,215	15,669	(3,821,863)	
Physical environment	1,016,022	-	82,051	-	(933,971)	
Transportation	4,491,031	89,608	2,935,404	2,005,364	539,345	
Economic environment	723,537	-	570,179	-	(153,358)	
Human services	433,076	-	34,497	-	(398,579)	
Culture and recreation	929,733	48,094	223,003	234,982	(423,654)	
Court related	619,675	156,679	86,097	-	(376,899)	
Total primary government	\$ 17,013,878	\$ 808,019	\$ 5,156,524	\$ 2,703,283	(8,346,052)	
General revenues						
Taxes						
Property taxes 3,686,351						
Local option taxes 1,175,409						
Sales tax and other taxes 3,657,449						
Investment earnings 122,460						
Intergovernmental 159,883						
Miscellaneous 3,496,693						
Transfers from the State of Florida 186,309						
Total general revenues 12,484,554						
Change in net position 4,138,502						
Net position, beginning 55,307,755						
Net position, ending \$ 59,446,257						

See accompanying notes to financial statements

Calhoun County, Florida
Balance Sheet
Governmental Funds

September 30, 2020

	General Fund	Hurricane Housing Recovery Program	Hurricane Michael	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	7,885,413	5,046,260	2,100,861	2,720,080	17,752,614
Accounts receivable	-	-	-	12,902	12,902
Due from other funds	381,315	-	-	88,434	469,749
Due from agency funds	47,256	-	-	18,279	65,535
Due from other governmental units	679,314	-	691,319	1,976,591	3,347,224
Prepaid expenses	133,684	14,000	-	31,530	179,214
Inventory	19,361	-	-	96,931	116,292
Total assets	\$ 9,146,343	\$ 5,060,260	\$ 2,792,180	\$ 4,944,747	\$ 21,943,530
Liabilities					
Accounts payable and accrued expenses	\$ 388,991	\$ 32,236	\$ 212,558	\$ 1,049,075	\$ 1,682,860
Due to other funds	87,829	14,900	-	367,020	469,749
Due to other governmental units	-	-	-	26,448	26,448
Unearned revenue	179,495	5,013,124	434,960	692,736	6,320,315
Total liabilities	656,315	5,060,260	647,518	2,135,279	8,499,372
Fund balances					
Nonspendable	153,045	-	-	128,461	281,506
Restricted	-	-	2,144,662	2,613,502	4,758,164
Committed	-	-	-	67,505	67,505
Unassigned	8,336,983	-	-	-	8,336,983
Total fund balances	8,490,028	-	2,144,662	2,809,468	13,444,158
Total liabilities and fund balances	\$ 9,146,343	\$ 5,060,260	\$ 2,792,180	\$ 4,944,747	\$ 21,943,530

See accompanying notes to financial statements

Calhoun County, Florida
Reconciliation of the Balance Sheet of Governmental
Funds to the Statement of Net Position

September 30, 2020

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

Total fund balances – governmental funds	\$ 13,444,158
Capital assets used in governmental activities are not financial resources, and, therefore, are not reported in the governmental funds.	54,082,518
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.	
Deferred outflows of resources - pensions and other post-employment benefits	3,274,157
Deferred inflows of resources - pensions and other post-employment benefits	(755,750)
Long-term liabilities are not due and payable in the current period, and, therefore, are not reported in the governmental funds.	
Total long-term liabilities	(10,598,826)
Net position of governmental activities	\$ 59,446,257

See accompanying notes to financial statements

Calhoun County, Florida

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the year ended September 30, 2020

	General Fund	Hurricane Housing Recovery Program	Hurricane Michael	Other Governmental Funds	Total Governmental Funds
Revenues					
Taxes	\$ 4,599,835	\$ -	\$ -	\$ 323,259	\$ 4,923,094
Licenses and permits	173,334	-	-	4,093	177,427
Intergovernmental	2,858,085	-	-	1,102,650	3,960,735
Grants	1,683,595	121,876	2,380,052	3,708,366	7,893,889
Charges for services	320,230	-	-	272,769	592,999
Fines and forfeitures	-	-	-	72,853	72,853
Investment earnings	75,022	28,598	15,529	3,315	122,464
Other fees and miscellaneous revenues	39,219	-	878,099	158,788	1,076,106
Total revenues	9,749,320	150,474	3,273,680	5,646,093	18,819,567
Expenditures					
Current:					
General government	2,922,085	-	558	47,770	2,970,413
Public health and safety	3,688,578	-	57,226	402,476	4,148,280
Physical environment	95,091	-	-	81,518	176,609
Transportation	-	-	629,487	1,331,814	1,961,301
Economic environment	98,962	139,264	-	450,034	688,260
Human services	403,494	-	-	-	403,494
Culture and recreation	81,600	-	33,232	626,219	741,051
Court related	148,983	-	-	452,308	601,291
Capital outlay	786,452	11,210	1,929,472	2,895,093	5,622,227
Total expenditures	8,225,245	150,474	2,649,975	6,287,232	17,312,926
Excess (deficiency) of revenues over (under) expenditures	1,524,075	-	623,705	(641,139)	1,506,641
Other financing sources (uses)					
Transfers in	25,649	-	-	865,431	891,080
Transfers out	(865,431)	-	-	(25,649)	(891,080)
Transfer from (to) the State of Florida	-	-	-	186,309	186,309
Net other financing sources (uses)	(839,782)	-	-	1,026,091	186,309
Net changes in fund balances	684,293	-	623,705	384,952	1,692,950
Fund balances - beginning	7,866,372	-	1,520,957	2,382,796	11,770,125
Inventory adjustment - purchase method	(60,637)	-	-	41,720	(18,917)
Fund balances - ending	\$ 8,490,028	-	2,144,662	\$ 2,809,468	\$ 13,444,158

See accompanying notes to financial statements

Calhoun County, Florida

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

For the year ended September 30, 2020

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

Net change in fund balances - total governmental funds	\$ 1,692,950
Capital outlay, reported as expenditures in governmental funds, are shown as capital assets in the statement of net position.	5,622,227
Depreciation expense on governmental capital assets included in the governmental activities in the statement of activities.	(4,088,011)
The net effect of transactions involving capital assets (i.e. sales, transfers and donations) included in the governmental activities in the statement of activities.	2,172,494
Inventory adjustment - purchases method	(18,917)
Accrued other post-employment benefits do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	(47,548)
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. These expenses include:	
Pension expenses	(1,203,741)
Compensated absences	9,048
Change in net position	\$ 4,138,502

See accompanying notes to financial statements

Calhoun County, Florida
Statement of Revenues, Expenditures and Changes in Fund Balance
General Fund
Budget and Actual

For the year ended September 30, 2020

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues				
Taxes	\$ 4,713,311	\$ 4,713,311	\$ 4,599,835	\$ (113,476)
Licenses and permits	39,500	39,500	173,334	133,834
Intergovernmental	3,043,671	3,048,291	2,858,085	(190,206)
Grants	393,942	1,393,364	1,683,595	290,231
Charges for services	244,000	298,000	320,230	22,230
Investment earnings	46,200	46,200	75,022	28,822
Other fees and miscellaneous revenues	700	12,218	39,219	27,001
Less 5% of estimated revenues	(403,464)	(403,464)	-	403,464
Total revenues	8,077,860	9,147,420	9,749,320	601,900
Expenditures				
Current:				
General government	3,303,391	3,326,384	2,922,085	404,299
Public health and safety	3,760,625	3,951,612	3,688,578	263,034
Physical environment	104,279	104,279	95,091	9,188
Economic environment	25,706	65,706	98,962	(33,256)
Human services	467,038	481,038	403,494	77,544
Culture and recreation	100,471	110,575	81,600	28,975
Court related	213,867	213,867	148,983	64,884
Capital outlay	166,758	1,037,766	786,452	251,314
Reserve for contingencies	479,971	284,578	-	284,578
Total expenditures	8,622,106	9,575,805	8,225,245	1,350,560
Excess (deficiency) of revenues over (under) expenditures	(544,246)	(428,385)	1,524,075	1,952,460
Other financing sources (uses)				
Operating transfers in	-	-	25,649	25,649
Transfers out	(800,071)	(915,932)	(865,431)	50,501
Net other financing sources (uses)	(800,071)	(915,932)	(839,782)	76,150
Net change in fund balance	(1,344,317)	(1,344,317)	684,293	2,028,610
Fund balance - beginning	5,664,039	5,664,039	7,866,372	2,202,333
Inventory adjustment - purchase method	-	-	(60,637)	(60,637)
Fund balance - ending	\$ 4,319,722	\$ 4,319,722	\$ 8,490,028	\$ 4,170,306

See accompanying notes to financial statements

Calhoun County, Florida
Statement of Revenues, Expenditures and Changes in Fund Balance
Hurricane Housing Recovery Program
Budget and Actual

For the year ended September 30, 2020

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues				
Grants	-	125,000	121,876	(3,124)
Investment earnings	-	29,000	28,598	(402)
Total revenues	-	154,000	150,474	(3,526)
Expenditures				
Current:				
Economic environment	-	142,790	139,264	3,526
Capital outlay	-	11,210	11,210	-
Total expenditures	-	154,000	150,474	3,526
Net change in fund balance	-	-	-	-
Fund balance - beginning	-	-	-	-
Fund balance - ending	\$ -	\$ -	\$ -	\$ -

See accompanying notes to financial statements

Calhoun County, Florida
Statement of Revenues, Expenditures and Changes in Fund Balance
Hurricane Michael Fund
Budget and Actual

For the year ended September 30, 2020

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues				
Grants	-	2,795,385	2,380,052	(415,333)
Investment earnings	-	-	15,529	15,529
Other fees and miscellaneous revenues		506,444	878,099	371,655
Total revenues	-	3,301,829	3,273,680	(28,149)
Expenditures				
Current:				
General government	-	20,890	558	20,332
Public health and safety	-	62,000	57,226	4,774
Transportation	-	719,183	629,487	89,696
Culture and recreation	-	41,600	33,232	8,368
Capital outlay	-	2,458,156	1,929,472	528,684
Total expenditures	-	3,301,829	2,649,975	651,854
Excess (deficiency) of revenues over (under) expenditures	-	-	623,705	623,705
Net change in fund balance	-	-	623,705	623,705
Fund balance - beginning	-	-	1,520,957	1,520,957
Fund balance - ending	\$ -	\$ -	\$ 2,144,662	\$ 2,144,662

See accompanying notes to financial statements

Calhoun County, Florida
Statement of Fiduciary Net Position
Agency Funds

September 30, 2020

	Agency Funds
Assets	
Cash and cash equivalents	\$ 350,793
Due from other funds	161
Due from individuals	3,187
Total assets	\$ 354,141
Liabilities	
Due to other funds	\$ 20,043
Due to Board of County Commissioners	45,653
Due to other governmental units	233,292
Due to individuals	55,153
Total liabilities	\$ 354,141

See accompanying notes to financial statements

Calhoun County, Florida

Notes to Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Calhoun County have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units in accordance with the Governmental Accounting Standards Board (GASB). The GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following notes to the financial statements are an integral part of the County's Basic Financial Statements.

The accounting and reporting framework and the more significant accounting principles and practices are discussed in subsequent sections of this Note. The remainder of the notes is organized to provide explanations, including required disclosures, of the County's financial activities for the fiscal year ended September 30, 2020.

Reporting Entity

Calhoun County, Florida (the "County") located in Northwest Florida, is a political subdivision of the State of Florida and provides services to approximately 14,000 residents in many areas including general government, public safety, physical environment, transportation, economic environment, human services, and culture and recreation. It was created by an act of the Florida Legislative Council on January 26, 1838. It is governed by a five-member elected Board of County Commissioners (the "Board"), which derives its authority by Florida Statutes and regulations. In addition to the members of the Board, there are five elected constitutional officers: Clerk of the Circuit Court, Sheriff, Tax Collector, Property Appraiser and Supervisor of Elections.

The elected offices of the Clerk of the Circuit Court, Sheriff, Tax Collector, Property Appraiser, and Supervisor of Elections are operated as separate County agencies in accordance with applicable provisions of Florida Statutes. These constitutional officers operate on a budget system whereby County-appropriated funds are received from the Board with unexpended funds returned to the Board except for excess federal financial participation payments and support incentive payments from the State Title IV-D agency and other Board approved special projects. The Clerk of the Circuit Court also operates as a fee officer by retaining various fees collected by this office and receives appropriated funds from the State of Florida to fund court-related activities. Separate accounting records and budgets are maintained by each individual office.

As outlined in Governmental Accounting Standards Board (GASB) Statement No. 14, The Reporting Entity, the financial reporting entity consists of the primary government, and its component units, for which the primary government is considered to be financially accountable. Also included are other entities whose exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Each potential component unit is individually evaluated using specific criteria outlined in GASB Statement No. 14 to determine whether the entity is: a) part of the primary government; b) a component unit which should be included in the reporting entity (blended or discretely presented); or c) an organization which should be excluded from the reporting entity entirely. The principal criteria for classifying a potential component unit include the legal separateness of the organization, the financial accountability of the primary government for the potential component unit resulting from either the primary government's ability to impose its will on the potential component unit, or the potential component unit's fiscal dependency on the primary government.

Calhoun County, Florida

Notes to Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The dependent special district, Industrial Development Authority, is considered a component unit, and is blended in the financial statements of the County as part of the special revenue funds. There were no other entities for which there were positive responses to specific criteria used for establishing oversight responsibility that were excluded from the County's financial statements.

Government-wide and Fund Financial Statements

The basic financial statements consist of the government-wide financial statements and fund financial statements. The government-wide financial statements include the statement of net position and the statement of net activities. These statements report financial information for the Calhoun County, Florida as a whole excluding fiduciary activities. For the most part, the effect of inter-fund activity has been removed from these statements. Individual funds are not displayed but the statement distinguishes governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given program and 2) operating or capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported instead as general revenues. Fiduciary funds are not included in these financial statements.

The fund financial statements follow and report additional and detailed information about operations for major funds individually and nonmajor funds in the aggregate for governmental funds. Reconciliation is provided that converts the results of governmental fund accounting to the government-wide presentations.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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 the 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 fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period, considered to be sixty days. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due.

Calhoun County, Florida Notes to Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Major revenue sources susceptible to accrual include: sales and use taxes, various motor fuel taxes, property taxes, intergovernmental revenues, and investment income. In general, other revenues are recognized when cash is received.

The fiduciary fund statements are prepared using the economic resources measurement focus and the accrual basis of accounting.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as needed.

When expenditures are incurred for which committed, assigned or unassigned amounts could be used, it is the County's policy to use them in that order.

The County reports three major governmental funds:

General Fund - The general fund is the County's primary operating fund. It accounts for all resources traditionally associated with governments except those required to be accounted for in another fund.

Hurricane Housing Recovery Program – This special revenue fund accounts for the related revenue and expenses related to the hurricane housing recovery program.

Hurricane Michael – This special revenue fund accounts for the related revenue and expenses caused by the destruction of property by Hurricane Michael.

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

Budgets and Budgetary Accounting

General governmental revenue and expenditures accounted for in budgetary funds are controlled by a budgetary accounting system in accordance with various legal requirements which govern the County's operations. Budgets are monitored at varying levels of classification detail; however, expenditures cannot legally exceed total appropriations at the individual fund level. All budget changes that affect the total of a fund's budget must be approved by the Board.

Calhoun County, Florida

Notes to Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets and Budgetary Accounting (Continued)

The budgetary information presented for the general fund and any major special revenue funds is prepared on the modified accrual basis. Encumbrances are not recorded. Unexpended items at year-end must be reappropriated in the subsequent year.

Cash and Cash Equivalents

Cash and Cash Equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the government.

Equity in Pooled Investments

Equity in pooled investments includes amounts placed with the State Board of Administration for participation in the Local Government Surplus Funds Trust Fund investment pools created by Sections 218.405 and 218.417, Florida Statutes.

Investments

Investments consist of those deposits made locally in commercial banks with a maturity date greater than three months of the date acquired by the government.

The County follows GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, in reporting on investments owned. Generally, this statement requires various investments be reported at fair value, including debt securities and open-ended mutual funds.

Receivables

Receivables are shown at their net realizable value. The County estimates there are no material uncollectible accounts. Therefore, the County is of the opinion an allowance for doubtful accounts is not necessary.

Due from (to) Other Funds

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds."

Inventories

Inventory is valued at lower of cost or net realizable value. The County accounts for inventory in governmental funds using the purchases method.

Prepaid Expenses

Payments made to vendor for services that will benefit periods beyond September 30, 2020, are recorded as prepaid items using the consumption method by recording an asset for the prepaid amount and reflecting the expenditures/expense in the year in which services are consumed. At the fund reporting level, an equal amount of fund balance is reported as nonspendable, showing this amount is not in a spendable form.

Calhoun County, Florida
Notes to Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Capital assets, which include property, plant, equipment, intangible and infrastructure (e.g., roads, right of ways, stormwater system, sidewalks, and similar items) assets, are reported in the governmental column in the government-wide financial statements. Property and equipment with initial, individual costs that exceed \$1,000 and an estimated useful life in excess of one year are recorded as capital assets. Buildings, roads, bridges, and sidewalks are capitalized when their initial costs exceed \$25,000 and possess estimated useful lives of more than one year. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed.

Donated capital assets are recorded at estimated acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are expensed as incurred.

In accordance with the provisions of GASB Statement No. 34, the County has elected not to retroactively report major infrastructure constructed prior to October 1, 2003.

Buildings, infrastructure, and machinery and equipment are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	50
Machinery and equipment	3-15
Infrastructure	15-25

Major outlays for capital assets and improvements are capitalized as projects are constructed. For assets constructed with governmental fund resources, interest during construction is not capitalized.

Unearned Revenues

Unearned revenues reported in the government-wide financial statements represent grant receipts that have not been earned. The unearned revenues will be recognized as revenue in the fiscal year they are earned in accordance with the accrual basis of accounting. Unearned revenues reported in governmental fund financial statements represent unearned revenues or revenues which are measurable but not available, and in accordance with the modified accrual basis of accounting.

Compensated Absences

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

Both the current and long-term portion of compensated absences are accrued and reported in the government-wide financial statements. No expenditure is reported in the government fund level statements for these amounts until payment is due. Compensated absences liability is based on current rates of pay. This is accounted for pursuant to GASB Statement No. 16, *Accounting for Compensated Absences*.

Calhoun County, Florida
Notes to Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Fund Balances

The County follows GASB Statement No. 54, *Fund Balance Reporting and Governmental Type Definitions* which clarifies governmental fund balance classifications and fund-type definitions. Fund balances are classified either as non-spendable or spendable. See Note 13.

Net Position

For the year ended September 30, 2020, the County reports net position as restricted, unrestricted or net investment in capital assets. Restricted net positions have externally imposed constraints placed on the use of resources by creditors, grantors, contributors, laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Unrestricted net positions are comprised of all other balances, including committed, assigned and unassigned. Net investment in capital assets net positions includes capital assets less accumulated depreciation and outstanding balances of bonds, mortgages, notes or other borrowings attributable to the acquisition, construction or improvement of those assets.

Long-term Debt

In the government-wide financial statements, outstanding debt is reported as liabilities. The governmental fund financial statements recognize the proceeds of debt as other financial sources of the current period. Issuance costs are reported as expenditures.

Management Estimates and Assumptions

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

Encumbrances

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

Impact of Recently Issued Accounting Pronouncements

In May 2020, the GASB issued Statement No. 95 (GASB 95), *Postponement of the Effective Date of Certain Authoritative Guidance*. GASB 95 provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. GASB 95 had no impact on the County's financial statements.

Calhoun County, Florida
Notes to Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recently Issued But Not Yet Effective

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

GASB		Effective
Statement No.	GASB Accounting Standard	Fiscal Year
84	<i>Fiduciary Activities</i>	2021
87	<i>Leases</i>	2022
89	<i>Accounting for Interest Cost Incurred before the End of a Construction Period</i>	2022
90	<i>Majority Equity Interest an amendment of GASB Statements No. 14 and No. 61</i>	2021
91	<i>Conduit Debt Obligations</i>	2023
92	<i>Omnibus 2020</i>	2022
93	<i>Replacement of Interbank Offered Rates</i>	2022
94	<i>Public-Private and Public-Public Partnerships and Availability Payment Arrangements</i>	2023
96	<i>Subscription-Based Information Technology Arrangements</i>	2023
97	<i>Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans</i>	2022

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 18, 2021 and determined there were no events that occurred that required disclosure.

NOTE 2: PROPERTY TAXES

Under Florida law, the assessment of all properties and the collection of all county, municipal and school board property taxes are consolidated in the offices of the Property Appraiser and Tax Collector. The laws of the state regulating tax assessment are also designed to assure a consistent property valuation method statewide.

Florida Statutes permit counties to levy property taxes at a rate of up to 10 mills for general operations. The 2020 millage rate assessed by the County was 9.9 mills.

The tax levy of the County is established by the Board prior to October 1, of each year and the Property Appraiser incorporates the County millage into the total tax levy, which includes the various municipalities, the county school board, and other taxing authorities. All property is assessed according to its fair market value January 1, of each year. Each assessment roll is submitted to the Executive Director of the Florida Department of Revenue for review to determine if the rolls meet all of the appropriate requirements of Florida Statutes.

Calhoun County, Florida

Notes to Financial Statements

NOTE 2: PROPERTY TAXES (continued)

All taxes become payable on November 1, of each year, or as soon thereafter as the assessment roll is certified and delivered to the Tax Collector. All unpaid taxes become delinquent on April 1 following the year in which they are assessed. Discounts are allowed for early payment at the rate of 4% in the month of November, 3% in the month of December, 2% in the month of January and 1% in the month of February.

Taxes paid in March are without discount.

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

NOTE 3: DUE FROM OTHER GOVERNMENTS

Due from other governments consists of funds earned as of September 30, 2020, but not yet received by the County. The majority of these amounts were received in October and November 2020.

NOTE 4: DEPOSITS AND INVESTMENTS

At year end, the carrying amount of the County's deposits was \$18,103,407 and the bank balance was \$19,205,431. The bank balance was covered by federal depository insurance and, for the amount in excess of such federal depository insurance, by the State of Florida's Public Deposit Act. Provisions of the Act require that public deposits may only be made at qualified public depositories. The Act requires each qualified public depository to deposit with the State Treasurer eligible collateral equal to or in excess of the required collateral as determined by the provisions of the Act. In the event of a failure by a qualified public depository, losses in excess of federal depository insurance and proceeds from the sale of securities pledged by the defaulting depository are assessed against the other qualified public depositories of the same type as the depository in default. When other qualified public depositories are assessed additional amounts, they are assessed on a pro-rata basis.

Calhoun County, Florida

Notes to Financial Statements

NOTE 4: DEPOSITS AND INVESTMENTS (CONTINUED)

Florida Statutes authorize the County to invest in certificates of deposit, repurchase agreements and the State Treasurer's Investment Pool. In addition, the statutes allow the County to invest in bonds, notes or other obligations of the United States Government, certain bonds of any state or local government unit, and bonds issued by certain government agencies.

The County invested funds in the Florida State Board of Administration Local Governments Surplus Funds Investment Pool (PRIME Fund). At September 30, 2020, the market value and the carrying value of these funds was \$105,361. The funds are carried as equity in pooled investments on the balance sheet at September 30, 2020.

The PRIME Fund is administered by the Florida State Board of Administration (SBA), which provides regulatory oversight. The powers and duties of the SBA are defined in Florida Statute 218.409. In addition, Chapter 19-7 of the Florida Administrative Code identifies the rules and regulations governing the administration of the State Pool. These rules provide guidance and establish the general operating procedures for the administration of the pool. The SBA provides regulatory oversight for the PRIME Fund. As a pool participant, the County owns a share of the respective pool, not the underlying securities.

The PRIME Fund is an external investment pool that has adopted operating procedures consistent with the requirements of GASB Statement No. 79 to measure its investments at amortized cost. Therefore, the County's investment in the PRIME Fund is at amortized cost. Additional information and investment policies regarding the PRIME Fund may be obtained from the State Board of Administration at www.sbafla.com/prime. There are no restrictions or limitations on withdrawals; however, the PRIME Fund may on the occurrence of an event that has material impact on liquidity or operations, impose restrictions on withdrawals for up to 48 hours.

CREDIT RISK

As of September 30, 2020, the County's investment in the PRIME Fund is rated by Standard and Poors and the current rating is AAAM.

INTEREST RATE RISK

The weighted average days to maturity (WAM) of the PRIME Fund at September 30, 2019, is 48 days. Next interest rate reset for floating rate securities are used in the calculation of the WAM. The weighted average life (WAL) of the PRIME Fund at September 30, 2020, is 63 days.

CUSTODIAL CREDIT RISK

At September 30, 2020, the County did not hold any deposits or investments that were considered to have a custodial credit risk.

CONCENTRATION OF CREDIT RISK

At September 30, 2020, the County did not hold any investments that were considered to have a concentration of credit risk.

Calhoun County, Florida
Notes to Financial Statements

NOTE 4: DEPOSITS AND INVESTMENTS (CONTINUED)

Fair Value Measurement and Application

Governmental entities are required to record investments at fair value unless an exception applies and disclose the fair value measurement and hierarchy. Paragraph 69 of GASB 72 lists several investments that should be measured as described in GASB Statement 31 which includes investments in nonparticipating interest-earning investment contracts (certificates of deposit) and money market investments that have a maturity at the time of purchase of one year or less.

All County depositories are banks or savings institutions designated by the State Treasurer as qualified public depositories. Chapter 280, Florida Statutes "Florida Security for Public Deposits Act" provides procedures for public depositories to ensure monies in banks and savings institutions are collateralized with the Treasurer as an agent for the public entities. All County cash consists of checking accounts in local banks.

NOTE 5: INTERFUND TRANSACTIONS AND BALANCES

Interfund receivables/payables for the year ended September 30, 2020, consisted of the following:

Receivable Fund	Payable Fund	
General Fund	HHRP	\$ 14,900
	Nonmajor Governmental Funds	366,415
	Agency	47,256
Agency Fund	Agency Fund	161
Nonmajor Funds	General Fund	87,829
	Nonmajor Governmental Funds	605
	Agency Fund	18,279
Total		\$ 535,445

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

Calhoun County, Florida
Notes to Financial Statements

NOTE 5: INTERFUND TRANSACTIONS AND BALANCES (CONTINUED)

Interfund transfers for the year ended September 30, 2020, consisted of the following:

	TRANSFERS IN	TRANSFERS OUT
General Fund	\$ 25,649	\$ 865,431
Nonmajor Funds	865,431	25,649
	<u>\$ 891,080</u>	<u>\$ 891,080</u>

NOTE 6: CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2020, was as follows:

	BEGINNING BALANCE	INCREASES	DECREASES	ENDING BALANCE
Governmental activities:				
Capital assets not being depreciated:				
Land and improvements	\$ 2,794,219	\$ -	\$ -	\$ 2,794,219
Historical buildings	\$ 660,423	\$ -	\$ -	\$ 660,423
Construction in progress	1,649,672	6,529,724	5,964,067	2,215,329
Total capital assets not being depreciated	5,104,314	6,529,724	5,964,067	5,669,971
Capital assets being depreciated:				
Buildings and improvements	12,851,329	2,574,308	-	15,425,637
Machinery and equipment	7,703,929	644,031	51,038	8,296,922
Machinery and equipment - Sheriff	1,701,540	376,218	89,057	1,988,701
Intangibles	191,569	12,696	-	204,265
Infrastructure	58,881,466	3,623,309	-	62,504,775
Total capital assets being depreciated	81,329,833	7,230,562	140,095	88,420,300
Less: Total accumulated depreciation	36,058,338	4,088,011	138,596	40,007,753
Total capital assets being depreciated, net	45,271,495	3,142,551	1,499	48,412,547
Governmental activities capital assets, net	<u>\$ 50,375,809</u>	<u>\$ 9,672,275</u>	<u>\$ 5,965,566</u>	<u>\$ 54,082,518</u>

Calhoun County, Florida
Notes to Financial Statements

NOTE 6: CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions as follows:

Governmental activities

General government	\$ 306,563
Public safety	326,247
Physical environment	898,605
Transportation	2,376,511
Economic Environment	20,710
Human services	30,220
Culture and recreation	120,628
Court related	8,527
Total depreciation expense-governmental activities	\$ 4,088,011

NOTE 7: LONG-TERM DEBT

Long-term debt activity for the year ended September 30, 2020, was as follows:

	BEGINNING			ENDING	DUE
	BALANCE	ADDITIONS	REDUCTIONS	BALANCE	WITHIN
					ONE YEAR
Governmental activities:					
Other post-employment benefits	\$ 320,447	\$ 120,281	\$ 145,295	\$ 295,433	\$ -
Compensated absences	233,028	145,336	154,384	223,980	44,796
Total	\$ 553,475	\$ 265,617	\$ 299,679	\$ 519,413	\$ 44,796

NOTE 8: STATE RETIREMENT PROGRAM AND NET PENSION LIABILITY

Defined Benefit Plans

The County participates in 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).

Calhoun County, Florida
Notes to Financial Statements

NOTE 8: STATE RETIREMENT PROGRAM AND NET PENSION LIABILITY (Continued)

Defined Benefit 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.

Calhoun County, Florida
Notes to Financial Statements

NOTE 8: STATE RETIREMENT PROGRAM AND NET PENSION LIABILITY (Continued)

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. The employer's contribution rates as of September 30, 2020, were as follows:

Class or Plan	FRS	HIS
Florida Retirement System:		
Regular	8.34%	1.66%
County elected officials	47.52%	1.66%
Senior management service class	25.63%	1.66%
Special risk	22.79%	1.66%
DROP	15.32%	1.66%

The employer's contributions for the year ended September 30, 2020, were \$660,146 to the FRS and \$69,287 to the HIS.

Pension Liabilities and Pension Expense

In its financial statements for the year ended September 30, 2020, the County reported a liability for its proportionate share of the net pension liabilities 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, 2020, and the total pension liabilities used to calculate the net pension liability were determined by an actuarial valuation dated July 1, 2020. The County's proportions of the net pension liabilities were based on the County's share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

	FRS	HIS
Net Pension Liability at June 30, 2020	\$ 8,611,339	\$ 1,468,074
Proportion at:		
Current measurement date	0.0196870%	0.0127040%
Prior measurement date	0.0208700%	0.0127000%
Pension expense (benefit)	\$ 1,838,161	\$ 99,231

Calhoun County, Florida
Notes to Financial Statements

NOTE 8: STATE RETIREMENT PROGRAM AND NET PENSION LIABILITY (Continued)

Deferred Outflows/Inflows of Resources Related to Pensions

At September 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	FRS		HIS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 329,573	\$ -	\$ 60,054	\$ (1,132)
Changes of assumptions	1,558,927	-	157,860	(85,363)
Net difference between projected and actual earnings on pension plan investments	512,727	-	1,172	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	241,742	(409,620)	57,614	(114,340)
County contributions subsequent to the measurement date	163,438	-	16,290	
Total	\$ 2,806,407	\$ (409,620)	\$ 292,990	\$ (200,835)

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, 2021. Other pension-related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

<i>Fiscal Year Ending June 30,</i>	FRS	HIS
2021	\$ 469,005	\$ 20,483
2022	714,672	15,932
2023	603,004	4,551
2024	357,336	9,863
2025	89,334	13,655
Thereafter	-	11,380
Total	\$ 2,233,351	\$ 75,864

Calhoun County, Florida
Notes to Financial Statements

NOTE 8: STATE RETIREMENT PROGRAM AND NET PENSION LIABILITY (Continued)

Actuarial Assumptions

The total pension liability for each of the defined benefit plans, measured as of June 30, 2020, was determined by an actuarial valuation dated July 1, 2020, using the individual entry age normal actuarial cost method and the following significant actuarial assumptions:

	FRS	HIS
Inflation	2.40%	2.40%
Salary increases	3.25%	3.25%
Investment rate of return	6.80%	N/A
Discount rate	6.80%	2.21%

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

For both plans, the actuarial assumptions used in the valuation dated July 1, 2020 were based on the results of an actuarial experience study for the period July 1, 2013, through June 30, 2018.

The following changes in key actuarial assumptions occurred in 2020:

FRS: The long-term expected rate of return and the discount rate used to determine the total pension liability decreased from 6.9% to 6.8%.

HIS: The municipal bond index rate and the discount rate used to determine the total pension liability decreased from 3.5% to 3.21%.

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.

Calhoun County, Florida
Notes to Financial Statements

NOTE 8: STATE RETIREMENT PROGRAM AND NET PENSION LIABILITY (Continued)

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.00%	2.20%	2.20%	1.20%
Fixed Income	19.00%	3.00%	2.90%	3.50%
Global Equity	54.20%	8.00%	6.70%	17.10%
Real Estate (Property)	10.30%	6.40%	5.80%	11.70%
Private Equity	11.10%	10.80%	8.10%	25.70%
Strategic Investments	4.40%	5.50%	5.30%	6.90%
Total	100.00%			

Discount Rate

The discount rate used to measure the total pension liability for the FRS Pension Plan was 7.10%. 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 3.58% 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 Net Pension Liability		
	Current		
	1% Decrease (5.80%)	Discount Rate (6.80%)	1% Increase (7.80%)
Governmental Employer's proportionate share of the net pension liability	\$13,750,861	\$ 8,611,339	\$ 4,318,788

Calhoun County, Florida
Notes to Financial Statements

NOTE 8: STATE RETIREMENT PROGRAM AND NET PENSION LIABILITY (Continued)

	HIS Net Pension Liability		
	Current		
	1% Decrease (1.21%)	Discount Rate (2.21%)	1% Increase (3.21%)
Governmental Employer's proportionate share of the net pension liability	\$ 1,697,028	\$ 1,468,074	\$ 1,280,676

Pension Plans' Fiduciary Net Position

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

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, 2020, totaled \$151,953.

Note 9: OTHER DISCLOSURES

Local Ordinance 2019-2, adopted on June 25, 2019 and expiring on January 1, 2030, extended the six- cents per gallon motor fuel and special fuel gas tax. The tax has been in existence since 1990 and renews at ten year intervals.

Local Ordinance 2008-2, adopted on April 15, 2008 and in effect until repealed by an extraordinary vote of the Board of County Commissioners, extended the 1% discretionary sales surtax to be used for general operating purposes. The tax generates approximately \$835,000 in annual revenue. The tax has been in existence since 1993.

NOTE 10: GRANTS

The County participates in several state and federal grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The audits of these programs for or including the year ended September 30, 2020, have not yet been accepted/approved by the grantors. Accordingly, the final determination of the County's compliance with applicable grant requirements will be established at a future date. The amount, if any, of expenditures which may be disallowed by the grantor agencies cannot be determined, although the County expects such amounts, if any, to be immaterial.

Calhoun County, Florida

Notes to Financial Statements

Note 11: EMERGENCY MEDICAL AND AMBULANCE SERVICES

The County contracted with Calhoun-Liberty Hospital Association, Inc. (Hospital) to provide EMS services through August 2022 at a cost of \$240,000 per year.

NOTE 12: RISK MANAGEMENT

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

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

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

The Sheriff participates in the Florida's Sheriff's Self- Insurance Fund Program, which a public entity risk pool that permits the Sheriff to cover risk relating to professional liability, public officials' liability, public employees' blanket bond, and money and securities coverage. The Sheriff purchases commercial insurance to cover other risks and losses for use of a helicopter.

NOTE 13: FUND BALANCE

Fund balances are classified based upon a hierarchy of the County's ability to control spending of these fund balances and can be classified in the following categories:

Non-spendable fund balances include amounts that cannot be spent because they are not in spendable form or are legally or contractually required to be maintained intact. The County had \$281,506 in non- spendable fund balance which represents prepaid expense and inventory at September 30, 2020.

Spendable fund balances are classified based on a hierarchy of the County's ability to control the spending of these fund balances and are reported in the following categories: restricted, committed, assigned and unassigned. For the year ended September 30, 2020, the County reports net position as restricted, committed, assigned and unassigned. Restricted fund balance has externally imposed constraints placed on the use of resources by creditors, grantors, contributors, laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Committed fund balance has amounts constrained by a specific purpose by the Board of County Commissioners. Assigned fund balance has constraints placed on the use of resources by the County's intent to use the resources for specific purposes. Unassigned fund balances have not been restricted, committed or assigned to specific purposes within the general fund.

Calhoun County, Florida
Notes to Financial Statements

NOTE 13: FUND EQUITY (Continued)

At September 30, 2020, fund balance is comprised of the following:

Restricted Fund Balance:

Funds	Purpose	
Special Revenue Fund		
	Hurricane Michael	\$ 2,144,662
	Nonmajor governmental funds:	
	County Transportation I	1,187,063
	County Transportation II	437,385
	Industrial Development Authority	59,106
	Domestic violence	23,684
	Boating improvement program	32,452
	Police education	4,578
	Radio communications	8,365
	Library	221,156
	Waste management	42,892
	Crime prevention	23,523
	Courthouse facilities	39,170
	Teen court	13,783
	Modernization of public records	19,778
	Emergency 911 operations	237,616
	Investigative resources	154,193
	Other public safety	12,593
	Inmate welfare	96,165
	Total nonmajor governmental funds	2,613,502
	Total restricted fund balance	\$ 4,758,164

Committed Fund Balance

Funds	Purpose	
Special Revenue Fund		
	Old Court House Restoration	\$ 67,505
	Total committed fund balance	\$ 67,505

Calhoun County, Florida
Notes to Financial Statements

NOTE 13: FUND EQUITY (Continued)

Non-spendable Fund Balance:

Funds	Purpose		
	Funding for:		
General Fund	Prepaid expenses	\$	133,684
	Inventory		19,361
County Transportation I	Prepaid expenses		25,943
	Inventory		79,282
Sheriff Special Revenue	Prepaid expenses		5,587
Industrial Development	Inventory		17,649
	Total non-spendable fund balance	\$	281,506

Note 14: AGRI-PARK FACILITIES

The County owns a 314 acre agri-park located on Highway 71, north of Blountstown. Situated thereon are hangar facilities, a 3100 foot paved aircraft runway, a commercial building, and a water tank.

NOTE 15: LITIGATION AND CONTINGENT LIABILITIES

The County is involved in various litigation arising in the ordinary course of business. In the opinion of management, after consultation with legal counsel, these matters will be resolved without a material adverse effect on the County's financial position.

NOTE 16: COOPERATIVE AGREEMENT

The Clerk has a Cooperative Agreement with the Florida Department of Revenue. This agreement encompasses all the Clerk's child support functions. It allows for indirect cost reimbursement. The Clerk uses an established indirect cost rate to invoice the Department of Revenue each month. These amounts are federal funds received under CFDA #93.563. The net amount received was \$74,556.

Calhoun County, Florida
Notes to Financial Statements

NOTE 17: POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS

The County's post-employment benefits other than pension activity are reported in the statement of net position in the County's financial statements.

Plan Description – The Calhoun County Retiree Healthcare Plan (Plan) is a single-employer defined benefit healthcare plan which provides Other Postemployment Benefits (OPEB) to eligible retirees and their eligible dependents. Pursuant to the provisions of Section 112.0801, the Florida Statutes, employees who retire from the County and eligible dependents, may continue to participate in the group health insurance plan. Retirees and their eligible dependents shall be offered the same health insurance coverage as is offered to active employees at a premium cost of no more than the premium cost applicable to active employees. The Plan does not issue a publicly available financial report.

Eligibility for participation in the Plan is limited to full-time employees of the Board and the Constitutional officers. For regular, senior management service and elected officials, participants are eligible for normal retirement upon attaining the earlier of 1) six years of service and age 62 or 2) 30 years of service regardless of age. For Special Risk, participants are eligible for normal retirement upon attaining the earlier of 1) six years of special risk service and age 55 or 2) 25 total years of service consisting both of special risk service up to four years of military service and age 52 or 3) 25 total years of special risk service, regardless of age or 4) 30 years of any credible service, regardless of age.

Benefits Provided – The County provides post-employment healthcare to its retirees. Health benefits are provided through the County's healthcare provider, Capital Health Plan (CHP). The benefit levels are the same as those afforded to active employees. Health benefits include inpatient and outpatient medical services and prescriptions.

Membership – At September 30, 2020, there were no terminated employees entitled to benefits but not yet receiving them. The membership of the Plan consisted of:

Active employees	78
Retirees and beneficiaries currently receiving benefits	6
Total membership	84
<hr/>	
Participating employers	1

Calhoun County, Florida
Notes to Financial Statements

NOTE 17: POST EMPLOYMENT BENEFITS OTHER THAN PENSION (Continued)

Funding Policy – A qualifying trust or agency fund has not been authorized by the County. The County negotiates the premium rates with CHP. The required contribution is based on pay-as-you-go financing requirements. Retirees and employees with dependent coverage are required to contribute 100% of their current premium costs. The annual premium for retirees or dependent coverage is \$42,039. The chart below shows the cost of the monthly retiree premiums at September 30, 2020.

Coverage	Capital Health Plan	FSMET (Sheriff)
Retiree	\$ 633.64	\$ 594.79
Retiree & Dependent	\$ 1,267.28	\$ 1,325.02

OPEB Liabilities, OPEB Expense – At September 30, 2020, the County reported a liability of \$295,433 for the net OPEB liability. The net OPEB liability was measured as of September 30, 2020, and was determined by an actuarial valuation as of October 1, 2019. Standard actuarial update procedures were used to roll forward to the measurement date from the actuarial valuation date. For the year ended September 30, 2020, the County recognized OPEB expense of \$47,548.

The significant components of Other Postemployment Benefits follows:

	Total OPEB Liability	OPEB Expense
Balance at October 1, 2019	\$ 320,447	\$ -
Service cost	41,710	41,710
Expected interest growth	7,668	7,668
Demographic experience	(161,350)	(8,342)
Assumption changes	94,723	14,277
Benefit payments	(7,765)	(7,765)
Balance at September 30, 2020	\$ 295,433	\$ 47,548

Calhoun County, Florida
Notes to Financial Statements

NOTE 17: POST EMPLOYMENT BENEFITS OTHER THAN PENSION (Continued)

For the year ended September 30, 2019, under GASB 75 the county OPEB expense is \$47,548. The Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB as of September 30, 2020 from various sources are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Balance at October 1, 2019	\$ 102,027	\$ -
Demographic experience	-	161,350
Changes of assumptions or other inputs	94,723	-
Amortization payments	(21,990)	(16,055)
Balance at September 30, 2020	\$ 174,760	\$ 145,295

Amounts reported at deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended September 30,	Deferred Outflows of Resources	Deferred Inflows of Resources
2021	\$ 21,990	\$ 16,055
2022	21,990	16,055
2023	21,990	16,055
2024	21,990	16,055
2025	21,990	16,055
Thereafter	64,810	65,020
Total	\$ 174,760	\$ 145,295

Discount Rate - Given the County's decision not to fund the program, all future benefit payments were discounted using a high-quality municipal bond rate of 2.14%. The high-quality municipal bond rate was based on the week closest but not later than the measurement date of the Bond Buyer 20- Bond Index as published by the Federal Reserve. The 20-Bond General Obligation Bond Index consists of 20 general obligation bonds that mature in 20 years.

Actuarial Method and Assumptions – The total OPEB liability in the October 1, 2019, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Healthcare Cost Trend Rates	5.00%
Salary Increase Rate(s)	3.00%
Discount Rate	2.14%
Age-related Morbidity	3.50%
Coverage Election	20.00%

Calhoun County, Florida
Notes to Financial Statements

NOTE 17: POST EMPLOYMENT BENEFITS OTHER THAN PENSION (Continued)

All mortality rates were based on the MP-2020 combined mortality tables with full generational improvements in mortality.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate - The following presents the County's proportionate share of the net OPEB liability using a discount rate that is 1 percent lower (1.14%) or 1 percent point higher (3.14%) than the current discount rate:

	1% Decrease (1.14%)	Current Discount Rate (2.14%)	1% Increase (3.14%)
Net OPEB Liability \$	330,210	\$ 295,433	\$ 265,425

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate - The following presents the County's proportionate share of the net OPEB liability if it were calculated using healthcare cost trend rates that are 1 percent lower (4.00%) or 1 percent point higher (6.00%) than the current healthcare cost trend rates:

	1% Decrease (4.00%)	Current Medical Trend (5.00%)	1% Increase (6.00%)
Net OPEB Liability \$	254,634	\$ 295,433	\$ 345,780

NOTE 18: COMMITMENTS AND CONTINGENCIES

The County's construction commitments at September 30, 2020 were approximately \$4,902,000. These construction commitments include airport buildings, improvements to the Neal Landing boat ramp, building repairs, road improvements and other infrastructure projects funded primarily by federal and state grants.

NOTE 19: UNCERTAINTIES

In March 2020, the World Health Organization made the assessment that the outbreak of the novel coronavirus (COVID-19) can be characterized as a pandemic. As a result, uncertainties have arisen that may have a significant negative impact on the ongoing operating activities and the future 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 as of June 18, 2021.

Calhoun County, Florida
Combining Balance Sheet
Nonmajor Governmental Funds (Page 1 of 4)

September 30, 2020

	County Transportation Trust I	County Transportation Trus II	Domestic Violence	Library	Affordable Housing (SHIP)
Assets					
Cash and cash equivalents	946,624	195,471	23,473	338,894	537,939
Accounts receivable	5,000	-	-	-	1,167
Due from other funds	-	-	-	-	-
Due from agency funds	-	-	211	-	-
Due from other governmental units	455,926	501,720	-	5,571	-
Prepaid expenses	25,943	-	-	-	-
Inventory	79,282	-	-	-	-
Total assets	\$ 1,512,775	\$ 697,191	\$ 23,684	\$ 344,465	\$ 539,106
Liabilities					
Accounts payable and accrued expenses	\$ 166,576	\$ 259,806	\$ -	\$ 35,126	\$ 4,754
Due to other funds	-	-	-	-	1,895
Unearned revenue	53,911	-	-	88,183	532,457
Total liabilities	220,487	259,806	-	123,309	539,106
Fund balances					
Nonspendable	105,225	-	-	-	-
Restricted	1,187,063	437,385	23,684	221,156	-
Committed	-	-	-	-	-
Total fund balances	1,292,288	437,385	23,684	221,156	-
Total liabilities and fund balances	\$ 1,512,775	\$ 697,191	\$ 23,684	\$ 344,465	\$ 539,106

See Independent Auditors' Report

Calhoun County, Florida
Combining Balance Sheet
Nonmajor Governmental Funds (Page 2 of 4)

September 30, 2020

	Boating Improvement Program	Police Education	Radio Communications Fund	CDBG Neighborhood Revitalization	Waste Management Grants	Crime Prevention Fund
Assets						
Cash and cash equivalents	-	4,532	8,219	-	18,352	24,789
Accounts receivable	-	-	-	-	799	-
Due from other funds	-	-	-	-	-	-
Due from agency funds	589	46	146	-	-	509
Due from other governmental units	234,982	-	-	262,579	27,791	-
Prepaid expenses	-	-	-	-	-	-
Inventory	-	-	-	-	-	-
Total assets	\$ 235,571	\$ 4,578	\$ 8,365	\$ 262,579	\$ 46,942	\$ 25,298
Liabilities						
Accounts payable and accrued expenses	\$ 23,617	\$ -	\$ -	\$ 252,579	\$ 4,050	\$ -
Due to other funds	179,502	-	-	10,000	-	1,775
Unearned revenue	-	-	-	-	-	-
Total liabilities	203,119	-	-	262,579	4,050	1,775
Fund balances						
Nonspendable	-	-	-	-	-	-
Restricted	32,452	4,578	8,365	-	42,892	23,523
Committed	-	-	-	-	-	-
Total fund balances	32,452	4,578	8,365	-	42,892	23,523
Total liabilities and fund balances	\$ 235,571	\$ 4,578	\$ 8,365	\$ 262,579	\$ 46,942	\$ 25,298

See Independent Auditors' Report

Calhoun County, Florida
Combining Balance Sheet
Nonmajor Governmental Funds (Page 3 of 4)

September 30, 2020

	Health Grant Fund	Industrial Development Authority	Courthouse Facilities	Teen Court	Old Courthouse Restoration	Article V Grant Fund
Assets						
Cash and cash equivalents	10,048	32,000	38,778	13,801	67,505	-
Accounts receivable	-	834	-	-	-	-
Due from other funds	-	-	-	-	-	-
Due from agency funds	425	-	392	114	-	-
Due from other governmental units	-	446,286	-	-	-	-
Prepaid expenses	-	-	-	-	-	-
Inventory	-	17,649	-	-	-	-
Total assets	\$ 10,473	\$ 496,769	\$ 39,170	\$ 13,915	\$ 67,505	\$ -
Liabilities						
Accounts payable and accrued expenses	\$ 10,048	\$ 256,628	\$ -	\$ 132	\$ -	\$ -
Due to other funds	-	159,819	-	-	-	-
Due to other governmental units	425	-	-	-	-	-
Unearned revenue	-	3,567	-	-	-	-
Total liabilities	10,473	420,014	-	132	-	-
Fund balances						
Nonspendable	-	17,649	-	-	-	-
Restricted	-	59,106	39,170	13,783	-	-
Committed	-	-	-	-	67,505	-
Total fund balances	-	76,755	39,170	13,783	67,505	-
Total liabilities and fund balances	\$ 10,473	\$ 496,769	\$ 39,170	\$ 13,915	\$ 67,505	\$ -

See Independent Auditors' Report

Calhoun County, Florida
Combining Balance Sheet
Nonmajor Governmental Funds (Page 4 of 4)

September 30, 2020

	Clerk's Article V Fund	Clerk's Modernization Trust Fund	Sheriff's Special Revenue Funds	Supervisor of Elections' Grant Fund	Total Other Governmental Funds
Assets					
Cash and cash equivalents	28,547	32,118	381,354	17,636	2,720,080
Accounts receivable	-	-	5,102	-	12,902
Due from other funds	-	-	88,434	-	88,434
Due from agency funds	13,905	1,942	-	-	18,279
Due from other governmental units	-	-	41,736	-	1,976,591
Prepaid expenses	-	-	5,587	-	31,530
Inventory	-	-	-	-	96,931
Total assets	\$ 42,452	\$ 34,060	\$ 522,213	\$ 17,636	\$ 4,944,747
Liabilities					
Accounts payable and accrued expenses	\$ 14,649	\$ 1,283	\$ 15,029	\$ 4,798	\$ 1,049,075
Due to other funds		12,999	1,030	-	367,020
Due to other governmental units	26,023	-	-	-	26,448
Unearned revenue	1,780	-	-	12,838	692,736
Total liabilities	42,452	14,282	16,059	17,636	2,135,279
Fund balances					
Nonspendable	-	-	5,587	-	128,461
Restricted	-	19,778	500,567	-	2,613,502
Committed	-	-	-	-	67,505
Total fund balances	-	19,778	506,154	-	2,809,468
Total liabilities and fund balances	\$ 42,452	\$ 34,060	\$ 522,213	\$ 17,636	\$ 4,944,747

See Independent Auditors' Report

Calhoun County, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds (Page 1 of 4)

For the year ended September 30, 2020

	County Transportation Trust I	County Transportation Trust II	Domestic Violence	Library	Affordable Housing (SHIP)
Revenues					
Taxes	\$ 24,407	\$ 298,852	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	874,329	-	-	44,000	-
Grants	421,980	1,298,337	-	223,003	448,303
Charges for services	-	-	1,821	2,527	-
Fines and forfeitures	-	-	-	549	-
Investment earnings	-	810	-	725	1,431
Other fees and miscellaneous revenues	10,089	36,452	-	14,798	300
Total revenues	1,330,805	1,634,451	1,821	285,602	450,034
Expenditures					
Current:					
General government	-	-	-	-	-
Public health and safety	-	-	-	-	-
Physical environment	-	-	-	-	-
Transportation	1,028,383	160,670	-	-	-
Economic environment	-	-	-	-	450,034
Culture and recreation	-	-	-	626,219	-
Court related	-	-	-	-	-
Capital outlay	307,942	1,441,609	-	5,089	-
Total expenditures	1,336,325	1,602,279	-	631,308	450,034
Excess (deficiency) of revenues over (under) expenditures	(5,520)	32,172	1,821	(345,706)	-
Other financing sources (uses)					
Transfers in	248,881	-	-	365,003	-
Transfers out	-	-	-	-	-
Transfer from (to) the State of Florida	-	-	-	-	-
Net other financing sources (uses)	248,881	-	-	365,003	-
Net changes in fund balances	243,361	32,172	1,821	19,297	-
Fund balances - beginning	1,007,207	405,213	21,863	201,859	-
Inventory adjustment - purchase method	41,720	-	-	-	-
Fund balances - ending	\$ 1,292,288	\$ 437,385	\$ 23,684	\$ 221,156	-

See Independent Auditors' Report

Calhoun County, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds (Page 2 of 4)

For the year ended September 30, 2020

	Boating Improvement Program	Police Education	Radio Communication Fund	CDBG Neighborhood Revitalization	Waste Management Grants	Crime Prevention Fund
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	4,093	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Grants	234,982	-	-	274,579	82,051	-
Charges for services	-	727	-	-	-	5,347
Fines and forfeitures	-	-	2,621	-	-	-
Investment earnings	-	-	-	-	-	-
Other fees and miscellaneous revenues	-	-	5,000	-	6,192	-
Total revenues	239,075	727	7,621	274,579	88,243	5,347
Expenditures						
Current:						
General government	-	-	-	-	-	-
Public health and safety	-	400	12,265	-	-	2,847
Physical environment	-	-	-	-	81,518	-
Transportation	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Court related	-	-	-	-	-	-
Capital outlay	236,163	-	-	274,579	-	-
Total expenditures	236,163	400	12,265	274,579	81,518	2,847
Excess (deficiency) of revenues over (under) expenditures	2,912	327	(4,644)	-	6,725	2,500
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	(25,649)	-
Transfer from (to) the State of Florida	-	-	-	-	-	-
Net other financing sources (uses)	-	-	-	-	(25,649)	-
Net changes in fund balances	2,912	327	(4,644)	-	(18,924)	2,500
Fund balances - beginning	29,540	4,251	13,009	-	61,816	21,023
Inventory adjustment - purchase method	-	-	-	-	-	-
Fund balances - ending	\$ 32,452	\$ 4,578	\$ 8,365	\$ -	\$ 42,892	\$ 23,523

See Independent Auditors' Report

Calhoun County, Florida

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds (Page 3 of 4)

For the year ended September 30, 2020

	Health Grant Fund	Industrial Development Authority	Courthouse Facilities	Teen Court	Old Courthouse Restoration	Article V Trust Fund
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Grants	10,048	565,818	-	-	-	11,541
Charges for services	-	26,100	6,221	1,545	-	-
Fines and forfeitures	-	-	-	-	-	-
Investment earnings	-	44	-	-	-	17
Other fees and miscellaneous revenues	-	74,064	-	-	-	-
Total revenues	10,048	666,026	6,221	1,545	-	11,558
Expenditures						
Current:						
Public health and safety	4,666	-	-	-	-	-
Physical environment	-	-	-	-	-	-
Transportation	-	142,761	-	-	-	-
Economic environment	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Court related	-	-	3,459	2,636	-	11,582
Capital outlay	5,382	543,818	-	-	-	-
Total expenditures	10,048	686,579	3,459	2,636	-	11,582
Excess (deficiency) of revenues over (under) expenditures	-	(20,553)	2,762	(1,091)	-	(24)
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Transfer from (to) the State of Florida	-	-	-	-	-	-
Net other financing sources (uses)	-	-	-	-	-	-
Net changes in fund balances	-	(20,553)	2,762	(1,091)	-	(24)
Fund balances - beginning	-	97,308	36,408	14,874	67,505	24
Inventory adjustment - purchase method	-	-	-	-	-	-
Fund balances - ending	\$ -	\$ 76,755	\$ 39,170	\$ 13,783	\$ 67,505	\$ -

See Independent Auditors' Report

Calhoun County, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds (Page 4 of 4)

For the year ended September 30, 2020

	Clerk's Article V Fund	Clerk's Modernization Trust Fund	Sheriff's Special Revenue Funds	Supervisor of Elections' Grant Fund	Total Other Governmental Funds
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 323,259
Licenses and permits	-	-	-	-	4,093
Intergovernmental	-	-	184,321	-	1,102,650
Grants	-	-	55,637	82,087	3,708,366
Charges for services	123,257	19,182	86,042	-	272,769
Fines and forfeitures	69,683	-	-	-	72,853
Investment earnings	67	45	153	23	3,315
Other fees and miscellaneous revenues	297	-	11,596	-	158,788
Total revenues	193,304	19,227	337,749	82,110	5,646,093
Expenditures					
Current:					
General government	-	-	-	47,770	47,770
Public health and safety	-	-	382,298	-	402,476
Physical environment	-	-	-	-	81,518
Transportation	-	-	-	-	1,331,814
Economic environment	-	-	-	-	450,034
Culture and recreation	-	-	-	-	626,219
Court related	420,349	14,282	-	-	452,308
Capital outlay	-	-	45,227	35,284	2,895,093
Total expenditures	420,349	14,282	427,525	83,054	6,287,232
Excess (deficiency) of revenues over (under) expenditures	(227,045)	4,945	(89,776)	(944)	(641,139)
Other financing sources (uses)					
Transfers in	40,736	-	209,867	944	865,431
Transfers out	-	-	-	-	(25,649)
Transfer from (to) the State of Florida	186,309	-	-	-	186,309
Net other financing sources (uses)	227,045	-	209,867	944	1,026,091
Net changes in fund balances	-	4,945	120,091	-	384,952
Fund balances - beginning	-	14,833	386,063	-	2,382,796
Inventory adjustment - purchase method	-	-	-	-	41,720
Fund balances - ending	\$ -	\$ 19,778	\$ 506,154	\$ -	\$ 2,809,468

See Independent Auditors' Report

Calhoun County, Florida
Combining Statement of Fiduciary Net Position
Agency Funds

September 30, 2020

	Clerk			Sheriff		Tax Collector		
	General Trust	Child Support	Jury and Witness	Inmate Trust	Suspense	Tax	Tag	Total
Assets								
Cash and cash equivalents	\$ 97,517	\$ 1,061	\$ 4,040	\$ 6,031	\$ 1,797	\$ 187,114	\$ 53,233	\$ 350,793
Due from other funds	-	-	-	-	-	126	35	161
Due from individuals	128	-	-	-	-	2,017	1,042	3,187
Total assets	\$ 97,645	\$ 1,061	\$ 4,040	\$ 6,031	\$ 1,797	\$ 189,257	\$ 54,310	\$ 354,141
Liabilities								
Due to other funds	\$ 19,882	\$ -	\$ -	\$ -	-	\$ 35	\$ 126	\$ 20,043
Due to Board of County Commissioners	14,999	1,042	1,050	-	1,460	8,627	18,475	45,653
Due to other governmental units	13,979	19	2,990	-	-	180,595	35,709	233,292
Due to individuals	48,785	-	-	6,031	337	-	-	55,153
Total liabilities	\$ 97,645	\$ 1,061	\$ 4,040	\$ 6,031	\$ 1,797	\$ 189,257	\$ 54,310	\$ 354,141

See Independent Auditors' Report

Calhoun County, Florida
Schedule of Proportional Share of Net Pension Liability - FRS
(Last 8 Fiscal Years)

	2020	2019	2018	2017	2016	2015	2014	2013
County's proportion of the net pension liability (asset)	0.019869%	0.020873%	0.021300%	0.020600%	0.020300%	0.020100%	0.018600%	0.016400%
County's proportionate share of the net pension liability (asset)	\$ 8,611,339	\$ 7,188,291	\$ 6,403,845	\$ 6,086,676	\$ 5,128,175	\$ 2,593,231	\$ 1,135,718	\$ 1,459,788
County's covered - employee payroll	\$ 4,719,360	\$ 4,168,974	\$ 4,105,434	\$ 4,076,920	\$ 3,936,433	\$ 4,000,025	\$ 3,608,819	\$ 3,935,661
County's proportionate share of the net pension liability (asset) as a percentage of its own covered - employee payroll	182.47%	172.42%	155.98%	149.30%	130.27%	64.83%	31.47%	37.09%
FRS Plan fiduciary net position as a percentage of the total pension liability	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%	96.09%	N/A

Note: Data was unavailable prior to 2013

Notes to schedules:

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

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

See Independent Auditors' Report

Calhoun County, Florida
Schedule of Contributions - FRS
(Last 8 Fiscal Years)

	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contributions	\$ 660,146	\$ 647,206	\$ 605,914	\$ 535,682	\$ 495,280	\$ 489,498	\$ 407,722	\$ 220,273
Contributions in relation to the contractually required contribution	(660,146)	(647,206)	(605,914)	(535,682)	(495,280)	(489,498)	(407,722)	(220,273)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County's covered-employee payroll	\$ 4,719,360	\$ 4,215,032	\$ 4,127,418	\$ 4,076,920	\$ 3,936,433	\$ 4,000,025	\$ 3,608,819	\$ 3,935,661
Contributions as a percentage of covered-employee payroll	13.99%	15.35%	14.68%	13.14%	12.58%	12.24%	11.30%	5.60%

Notes to schedules:

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.

See Independent Auditors' Report

Calhoun County, Florida
Schedule of Proportional Share of Net Pension Liability - HIS
(Last 8 Fiscal Years)

	2020	2019	2018	2017	2016	2015	2014	2013
County's proportion of the net pension liability (asset)	0.012024%	0.012704%	0.012400%	0.012300%	0.012900%	0.012600%	0.012800%	0.013700%
County's proportionate share of the net pension liability (asset)	\$ 1,468,074	\$ 1,421,484	\$ 1,311,000	\$ 1,319,817	\$ 1,498,531	\$ 1,287,829	\$ 1,196,118	\$ 1,189,980
County's covered - employee payroll	\$ 4,719,360	\$ 4,168,974	\$ 4,105,434	\$ 4,076,920	\$ 3,936,433	\$ 4,000,025	\$ 3,608,819	\$ 3,935,661
County's proportionate share of the net pension liability (asset) as a percentage of its own covered - employee payroll	31.11%	34.10%	31.93%	32.37%	38.07%	32.20%	33.14%	30.24%
HIS Plan fiduciary net position as a percentage of the total pension liability	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%	0.99%	N/A

Note: Data was unavailable prior to 2013

Notes to schedules:

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

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

See Independent Auditors' Report

Calhoun County, Florida
Schedule of Contributions - HIS
(Last 8 Fiscal Years)

	2020		2019		2018		2017		2016		2015		2014		2013	
Contractually required contributions	\$	69,287	\$	70,546	\$	67,172	\$	65,325	\$	65,905	\$	48,271	\$	43,822	\$	44,774
Contributions in relation to the contractually required contribution		(69,287)		(70,546)		(67,172)		(65,325)		(65,905)		(48,271)		(43,822)		(44,774)
Contribution deficiency (excess)	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
County's covered-employee payroll	\$	4,719,360	\$	4,215,032	\$	4,127,418	\$	4,076,920	\$	3,936,433	\$	4,000,025	\$	3,608,819	\$	3,935,661
Contributions as a percentage of covered-employee payroll		1.47%		1.67%		1.63%		1.60%		1.67%		1.21%		1.21%		1.14%

Notes to schedules:

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.

See Independent Auditors' Report

Calhoun County, Florida

Schedule of Changes in the Sponsor's Total OPEB Liability and Related Ratios
Last 10 Fiscal Years*

For the year ended September 30,	2020	2019	2018
Total OPEB Liability			
Service Cost	\$ 41,710	\$ 28,968	\$ 23,910
Expected Interest Growth	7,668	7,263	6,542
Changes in Benefit Terms	-	-	-
Difference between Expected and Actual Experience with Regard to Economic or Demographic Assumptions	(161,350)	-	-
Current Year Amortization of Experience Difference	-	-	-
Changes in Benefit Terms	-	-	-
Difference between expected and actual experience		70,343	-
Change in Assumptions	94,723	44,249	-
Benefit Payment	(7,765)	(8,499)	(16,125)
Other Changes		-	
Net change in total OPEB liability	(25,014)	142,324	14,327
Total OPEB Liability - Beginning	320,447	178,123	163,796
Total OPEB Liability - Ending (a)	295,433	320,447	178,123
Plan Fiduciary Net Position			
Contributions - Employer	7,765	8,499	16,125
Benefit Payments	(7,765)	(8,499)	(16,125)
Net Change In Plan Fiduciary Net Position	-	-	-
Plan Fiduciary Net Position - beginning	-	-	-
Plan Fiduciary Net Position- ending (b)	-	-	-
Net OPEB Liability - ending (a) - (b)	\$ 295,433	\$ 320,447	\$ 178,123
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.00%	0.00%	0.00%
Covered Employee Payroll	3,081,035	3,229,368	4,127,419
Net OPEB Liability as a Percentage of Covered Payroll	9.59%	9.92%	4.32%
Contributions as a Percentage of Covered Payroll	0.25%	0.26%	0.39%

*This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See Independent Auditors' Report

GRIMSLEY & ASSOCIATES

Professional Association

Certified Public Accountants

OWEN W. GRIMSLEY, C.P.A.

MEMBER
FLORIDA INSTITUTE AND
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

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

To the Honorable Board of County Commissioners
and Constitutional Officers of Calhoun County, Florida
Blountstown, 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 of the United States, the financial statements of the governmental activities, and each major fund and the aggregate remaining fund information of Calhoun County, Florida (the "County") as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise Calhoun County, Florida's basic financial statements and have issued our report thereon dated June 18, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit, 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.

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 that may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

To the Honorable Board of County Commissioners
and Constitutional Officers of Calhoun County, Florida
Blountstown, Florida

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 deficiencies described in the schedule of findings and questioned costs as items SOE2004-001 and SH2004-002, to be significant deficiencies.

Compliance and Other Matters

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

Calhoun County's Response to Findings

Calhoun County, Florida's written response to the findings identified in our audit is described in the accompanying letter. Calhoun County, Florida's response was not subjected to the auditing procedures applied in the audit of the financial statements and, according, 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 County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Grimsley & Associates

June 18, 2021
Marianna, Florida

Grimsley & Associates, P.A.
Certified Public Accountants

GRIMSLEY & ASSOCIATES

Professional Association

Certified Public Accountants

OWEN W. GRIMSLEY, C.P.A.

MEMBER
FLORIDA INSTITUTE AND
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

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

To the Honorable Board of County Commissioners
and Constitutional Officers of Calhoun County, Florida
Blountstown, Florida

Report on Compliance for Each Major Federal Programs and State Project

We have audited Calhoun County, Florida's (the County) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the requirements in the *Department of Financial Services' State Projects Compliance Supplement*, that could have a direct and material effect on each of its major federal programs and state projects for the year ended September 30, 2020. The County's major federal programs and state major projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs and state projects.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs and major state projects 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; the audit requirements of Title 2 U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance); and Chapter 10.550, Rules of the Florida Auditor General. Those standards, Uniform Guidance, and Chapter 10.550, Rules of the Florida Auditor General require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal programs and major state project occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

To the Honorable Board of County Commissioners
and Constitutional Officers of Calhoun County, Florida
Blountstown, Florida

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program and major state project. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program and State Project

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and major state projects for the year ended September 30, 2020.

Report on Internal Control Over Compliance

Management of the County, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program and 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 federal program and major state project and to test and report on internal control over compliance in accordance with Uniform Guidance and Chapter 10.550, Rules 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 the County'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 federal program or 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 federal program or state project will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

To the Honorable Board of County Commissioners
and Constitutional Officers of Calhoun County, Florida
Blountstown, Florida

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

Grimsley & Associates

June 18, 2021
Marianna, Florida

Grimsley & Associates, P.A.
Certified Public Accountants

Calhoun County, Florida
Schedule of Expenditures of Federal Awards and
State Financial Assistance

For the year ended September 30, 2020

<u>Programs</u>	<u>Contract/Grant Number</u>	<u>Federal CFDA Number</u>	<u>Expenditures</u>
<u>Federal Financial Assistance</u>			
United States Department of Homeland Security			
Florida Division of Emergency Management			
Disaster #4399 - Hurricane Michael (BOCC)	Z0852	97.036	1,218,994
Disaster #4399 - Hurricane Michael (Sheriff)	Z0869	97.036	125,403
Disaster #4564 - Hurricane Sally (BOCC)	Z2582	97.036	28,617
Disaster #4564 - Hurricane Sally (Sheriff)	Z2626	97.036	9,071
Disaster #1785 T.S. Fay	08-FA-B9-02-17-00-505	97.036	3,844
Total Disaster Grants - Public Assistance (Presidentially Declared Disasters)			1,385,929
Florida Division of Emergency Management			
Emergency Management Performance Grant	G0164	97.042	11,856
Emergency Management Performance Grant	G0017	97.042	17,286
Total Emergency Management Performance Grants			29,142
Pre-Disaster Mitigation Program	PDMC-PL-04-FL-2017-010	97.047	38,808
Florida Division of Emergency Management			
Hazard Mitigation Grant Program:			
Black Bottom Road Drainage Project #4177-11-R	18HM-H4-01-17-01-299	97.039	1,065
Troy McCroan Road Drainage Project #4177-12-R	18HM-H4-02-17-01-301	97.039	2,968
Bears Head Road Drainage Project #4177-13-R	18HM-H4-01-17-01-300	97.039	208,530
Total Hazard Mitigation Grant Program			212,563
Total United States Department of Homeland Security			1,666,442

See Independent Auditors' Report and Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance Projects

Calhoun County, Florida
Schedule of Expenditures of Federal Awards and
State Financial Assistance

United States Department of the Treasury			
Florida Housing Finance Corporation			
Coronavirus Relief Funds (CRF)	# 041-2020	21.019	27,087
Florida Division of Emergency Management			
Coronavirus Relief Funds (CRF) (BOCC)	Y2310	21.019	447,268
Total United States Department of the Treasury			474,355
United States Department of Transportation			
Federal Aviation Administration			
CARES Act Airport Grant	3-12-0158-009-2020	20.106	20,000
Pass through Florida Department of Transportation:			
Local Agency Program - Construction of Altha Elementary			
School Sidewalk Project	G1840	20.205	277,384
Calhoun County Distracted Driving Program	G1D66	20.600	10,287
Total United States Department of Transportation			307,671
United States Department of Housing and Urban Development			
Florida Department of Economic Opportunity			
Community Development Block Grants Program			
FFY 2018 Funding Cycle Neighborhood Revitalization	20DB-OO-02-17-01-N15	14.228	274,579
Total United States Department of Housing and Urban Development			274,579
United States Department of Health and Human Services,			
Agency for Children and Families			
Florida Department of Revenue:			
Child Support Enforcement			
Child Support Enforcement - Title IVD	COC07	93.563	74,556
Child Support Enforcement - Title IVD	SCU07	93.563	172
Child Support Enforcement - Title IVD	CST07	93.563	726
Total United States Department of Health and Human Services			75,454

See Independent Auditors' Report and Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance Projects

Calhoun County, Florida
Schedule of Expenditures of Federal Awards and
State Financial Assistance

United States Department of Justice**Bureau of Justice Assistance**

Bulletproof Vest Partnership Program	2019/2020	16.607	1,302
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Pass through the State of Florida to the Florida Coalition Against Domestic Violence (FCADV)**Violence Against Women Office**

Violence Against Women Formula Grant Program (STOP 1-AWLOO)	LN115	16.588	20,699
Violence Against Women Formula Grant Program (STOP 1-AWLOO)	20-8057-LE-ENH	16.588	32,814
Total Violence Against Women Formula Grants			53,513

Pass through State of Florida Office of the Attorney General**Office of Victims of Crime**

Victims of Crime Advocate (VOCA)	A-2019-Calhoun County Sheriff's-00290	16.575	44,434
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Florida Department of Law Enforcement:

Coronavirus Emergency Supplemental Funding Program	2020-CESF-CALH-1-C9-017	16.034	4,416
Edward Byrne Justice Assistance Grant Program	220-JAGC-CALH-3-5R-0004	16.751	21,802

Total United States Department of Justice	125,467
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United States Election Assistance Commission**Pass through Florida Department of State, Division of Elections****Help America Vote Act Program**

Voting Systems Assistance Grants	MOA # 2016-2017-0003-CAL	90.401	13,165
Voter Education Grant	19 e.f.a 000.283	90.401	6,293
Elections Security Grant	20.e.es 000.007	90.401	34,432
COVID-19 HAVA Election Security Grant	COVID 19 2018-2019-0003-CAL	90.404	41,362

Total United States Election Assistance Commission	95,252
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Total Federal Awards	3,019,220
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Calhoun County, Florida
Schedule of Expenditures of Federal Awards and
State Financial Assistance

For the year ended September 30, 2020

<u>Programs</u>	<u>Grant/ Contract Number</u>	<u>State CSFA Number</u>	<u>Expenditures</u>
<u>State Financial Assistance</u>			
Florida Executive Office of the Governor			
Division of Emergency Management			
Emergency Management Programs			
Emergency Management Assistance	A0112	31.063	22,902
Emergency Management Assistance	A0014	31.063	76,500
Total Emergency Management Assistance Programs			99,402
Hurricane Michael Infrastructure Repairs	F0036	31.071	215,148
Hurricane Michael State Recovery Grant	F0041	31.070	1,311,194
Total Florida Executive Office of the Governor			1,625,744
Florida Department of Transportation			
Aviation Development Grants			
Aviation Development Grants - Hangar Design and Construction	G1797	55.004	247,131
Aviation Development Grants - Terminal Design and Construction	G1919	55.004	296,687
Aviation Grant Program -Airport Master Plan Update	G1796	55.004	2,000
Total Aviation Grant Programs			545,818
Transportation Systems Operations			
County Incentive Grant Program (CIGP)-Alliance Road	436666-1-54-01	55.008	4,184
Total County Incentive Grant Program (CIGP)			4,184
Small County Outreach Program (SCOP)-Silas Green Rd. Construct	440646-1-54-01	55.009	706,658
Small County Outreach Program (SCOP)-Design Bodiford Rd.	445008-1-34-01	55.009	7,030
Small County Outreach Program (SCOP)-Iola Road	429699-2-54-01	55.009	93,334
Total Small County Outreach Program (SCOP)			807,022

See Independent Auditors' Report and Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance Projects

Calhoun County, Florida
Schedule of Expenditures of Federal Awards and
State Financial Assistance

Small County Road Assistance Program (SCRAP) - Silas Whitfield Road	446707-1-54-01	55.016	39,957
Small County Road Assistance Program (SCRAP) - 287A-Design	442416-1-34-01	55.016	46,550
Small County Road Assistance Program (SCRAP) - 287A-Construction	442416-1-54-01	55.016	81
Small County Road Assistance Program (SCRAP) - 73A-Design	446591-1-34-01	55.016	29,325
Small County Road Assistance Program (SCRAP) - NE Live Oak	438305-1-54-01	55.016	93,835
Total Small County Road Assistance Program (SCRAP)			209,748
Total Florida Department of Transportation			1,566,772
Florida Housing Finance Corporation			
State Housing Initiatives Partnership Program			
State Housing Initiatives Partnership Program	18/19	40.901	61,219
State Housing Initiatives Partnership Program	19/20	40.901	869
State Housing Initiatives Partnership - Disaster Recovery Funds	18/19	40.901	359,128
Total State Housing Initiative Partnership Programs			421,216
Hurricane Housing Recovery Program	046-2019	40.902	121,876
Total Florida Housing Finance Corporation			543,092
Florida Fish and Wildlife Conservation Commission			
Florida Boating Improvement Program			
Neal Landing Boat Ramp	17200	77.006	234,982
Total Florida Fish and Wildlife Conservation Commission			234,982
Florida Department of Financial Services			
Division of State Fire Marshal			
Volunteer Fire Department Equipment - Hurricane Michael Recovery	FM517	43.010	229,037
Total Florida Department of Financial Services			229,037
Florida Department of State			
Division of Library and Information Services:			
State Aid to Libraries	Project 20-ST-65	45.030	177,688
State Aid to Libraries	Project 19-ST-65	45.030	45,315
Total Florida Department of State			223,003

See Independent Auditors' Report and Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance Projects

Calhoun County, Florida
Schedule of Expenditures of Federal Awards and
State Financial Assistance

Florida Department of Environmental Protection**Small County Grants**

Small County Consolidated Grant	SC003	37.012	82,051
Total Florida Department of Environmental Protection			82,051

Florida Department of Economic Opportunity

Growth Management Implementation - Community Planning Technical Assistance grant	P0350	40.024	40,000
Total Florida Department of Economic Opportunity			40,000

Florida Department of Agriculture and Consumer Services

Mosquito Control	26480	42.003	34,497
Total Florida Department of Agriculture and Consumer Services			34,497

Florida State Court System**County Article V Trust Fund**

Small County Courthouse Facilities		22.004	11,541
Total Florida State Court System			11,541

Florida Department of Health

Emergency Medical Services County Grant	C9007	64.005	10,048
Total Florida Department of Health			10,048

Florida Department of Management Services**Technology Program**

Wireless 911	20-04-03	72.001	51,297
E911 Rural County Grant Program - GIS Data Support	S15-20-06-02	72.003	3,677
Total Florida Department of Management Services			54,974

Total State Financial Assistance			4,655,741
---	--	--	------------------

Total Federal Awards and State Financial Assistance			7,674,961
--	--	--	------------------

Calhoun County, Florida
Notes to Schedule of Expenditures of
Federal Awards and State Financial Assistance Projects
For the year ended September 30, 2020

NOTE 1: BASIS OF ACCOUNTING

The supplementary Schedule of Expenditures of Federal Awards and State Financial Assistance includes the grant activity of Calhoun County, Florida (the County). Federal and state expenditures are presented on the modified accrual basis of accounting. The information in these schedules is presented in accordance with the requirements of Uniform Guidance and Chapter 10.550, Rules of the Auditor General. Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2: REPORTING ENTITY

The County for purposes of the supplementary Schedule of Expenditures of Federal Awards and State Financial Assistance Projects includes all the funds of the primary government as defined by GASB 14, *The Financial Reporting Entity*.

NOTE 3: PASS-THROUGH AWARDS

The County receives certain federal awards from pass-through awards of the State. The total amount of such pass-through awards is included on the supplementary Schedule of Expenditures of Federal Awards and State Financial Assistance.

NOTE 4: INDIRECT COST

The County has not elected to use the ten percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 5: OTHER TYPES OF FINANCIAL ASSISTANCE

There were no other types of financial assistance to include endowments, insurance in effect, non-cash assistance, donated property, or free rent received or included in the schedule of expenditures of state financial assistance.

NOTE 6: SUBRECIPIENTS

There were no Federal or state awards passed through to subrecipients.

Calhoun County, Florida
Schedule of Findings and Questioned Costs
For the year ended September 30, 2020

Section I - Summary of Auditor's Results

Financial Statements

- | | |
|--|------------|
| 1. Type of auditor's report issued | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified not considered to be material weaknesses? | Yes |
| c. Noncompliance material to the financial statements noted? | None noted |

Federal Awards

- | | |
|--|------------|
| 1. Type of auditor's report issued on compliance for major programs | Unmodified |
| 2. Internal control over major programs: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified not considered to be material weaknesses? | None noted |
| 3. Any audit findings disclosed that are required to be reported in accordance with 2CFR section 200.516(a)? | None noted |
| 4. Identification of major programs | |

CFDA Number	Federal Program
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)

- | | |
|--|------------|
| 5. Dollar threshold used to distinguish between type A and type B programs | \$ 750,000 |
| 6. Auditee qualified as low-risk under 2CFR 200.520 | No |

State Projects

- | | |
|--|------------|
| 1. Type of auditor's report issued on compliance for major programs | Unmodified |
| 2. Internal control over major programs: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified not considered to be material weaknesses? | None noted |
| 3. Any audit findings disclosed that are required to be reported in accordance with 2CFR section 200.516(a)? | None noted |
| 4. Identification of major programs | |

CSFA Number	State Project
55.009	Small County Outreach Program (SCOP)
31.070	Hurricane Michael Recovery Grant Program

- | | |
|--|-----------|
| 5. Dollar threshold used to distinguish between type A and type B programs | \$750,000 |
|--|-----------|

Calhoun County, Florida
Schedule of Findings and Questioned Costs
For the year ended September 30, 2020

B. FINDINGS - FINANCIAL STATEMENT AUDIT

SUPERVISOR OF ELECTIONS

Significant Deficiency SOE2004-001: Segregation of Duties

CRITERIA: The internal control environment should include proper segregation of duties and responsibilities over accounting functions.

CONDITION: Separation of certain accounting and administrative duties among employees, which is recommended as an effective internal control procedures, was not considered feasible by the Supervisor of Elections' office because of its size and limited number of employees. They recognize that the cost of its internal control structure should not exceed the benefits expected to be derived. They also recognize the inherent limitations of an internal control structure. Mistakes and irregularities may occur in any event with or without an adequate internal control structure. Furthermore, adequate segregation of duties can be circumvented by collusion among persons. Nevertheless, internal control is strengthened when incompatible duties are separated and review procedures are established and adhered to.

CAUSE: The Supervisor of Elections' office have a limited number of personnel in the accounting department.

EFFECT: The possibility exists that unintentional or intentional errors or irregularities could occur and not be promptly detected.

RECOMMENDATION: We recommended that the Supervisor of Elections' office continue to seek ways to strengthen internal control through segregation of duties. The Supervisor of Elections should document her review of transactions, bank reconciliations and financial reports to provide evidence of compensating controls.

STATUS: This condition continues to exist for the Supervisor of Elections.

VIEW OF RESPONSIBLE OFFICIALS: See Management's Response and Corrective Action Plan on pages 73.

Calhoun County, Florida
Schedule of Findings and Questioned Costs
For the year ended September 30, 2020

SHERIFF

Significant Deficiency SH2004-002: Segregation of Duties

CRITERIA: The internal control environment should include proper segregation of duties and responsibilities over accounting functions.

CONDITION: Separation of certain accounting and administrative duties among employees, which is recommended as an effective internal control procedures, was not considered feasible by the Sheriff's office because of its size and limited number of employees. They recognize that the cost of its internal control structure should not exceed the benefits expected to be derived. They also recognize the inherent limitations of an internal control structure. Mistakes and irregularities may occur in any event with or without an adequate internal control structure. Furthermore, adequate segregation of duties can be circumvented by collusion among persons. Nevertheless, internal control is strengthened when incompatible duties are separated and review procedures are established and adhered to.

CAUSE: The Sheriff's office have a limited number of personnel in the accounting department.

EFFECT: The possibility exists that unintentional or intentional errors or irregularities could occur and not be promptly detected.

RECOMMENDATION: We recommended that the Sheriff's office continue to seek ways to strengthen internal control through segregation of duties. The Sheriff should document his review of transactions, bank reconciliations and financial reports to provide evidence of compensating controls.

STATUS: This condition continues to exist for the Sheriff.

VIEW OF RESPONSIBLE OFFICIALS: See Management's Response and Corrective Action Plan on pages 74.

Calhoun County, Florida
Summary Schedule of Prior Audit Findings
For the year ended September 30, 2020

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARDS PROGRAMS

There were no current year findings.

D. FINDINGS AND QUESTIONED COSTS – MAJOR STATE FINANCIAL ASSISTANCE PROJECTS

There were no current year findings.

E. PRIOR-YEAR FINDINGS AND QUESTIONED COSTS

MAJOR FEDERAL AWARDS PROGRAMS AND STATE PROJECTS

None

FINANCIAL STATEMENT AUDIT

None

GRIMSLEY & ASSOCIATES

Professional Association

Certified Public Accountants

OWEN W. GRIMSLEY, C.P.A.

MEMBER
FLORIDA INSTITUTE AND
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' MANAGEMENT LETTER

To the Honorable Board of County Commissioners
And Constitutional Officers of Calhoun County, Florida
Blountstown, Florida

Report on the Financial Statements

We have audited the financial statements of Calhoun County, Florida, (the "County") as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated June 18, 2021.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control Over Financial Reporting and 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 Federal Program and State Project and on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Florida Auditor General. Disclosures in those reports and schedules, which are dated June 18, 2021, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Florida Auditor General, requires that we determine whether or not corrective actions have been taken to address significant findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address significant findings and recommendations made in the preceding annual financial audit report except as noted under the heading "Schedule of Findings and Questioned Costs."

To the Honorable Board of County Commissioners
and Constitutional Officers of Calhoun County, Florida
Blountstown, Florida

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Florida Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in the management letter, unless disclosed in the notes to the financial statements. This information is disclosed in the notes to the financial statements.

Financial Condition

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

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

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we address in the management letter any findings and recommendations that improve financial management. In connection with our audit, we have no 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 charges 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, granting agencies, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Grimsley & Associates

June 18, 2021
Marianna, Florida

Grimsley & Associates, P.A.
Certified Public Accountants

GRIMSLEY & ASSOCIATES

Professional Association

Certified Public Accountants

OWEN W. GRIMSLEY, C.P.A.

MEMBER
FLORIDA INSTITUTE AND
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES, *LOCAL GOVERNMENT INVESTMENT POLICIES*

To the Honorable Board of County Commissioners
And Constitutional Officers of Calhoun County, Florida
Blountstown, Florida

We have examined Calhoun County, Florida's (the "County") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2020. Management is responsible for the Calhoun County, Florida's compliance with those requirements. Our responsibility is to express an opinion on the Calhoun County, Florida's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the County complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether Calhoun County, Florida 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 County's compliance with specified requirements.

In our opinion, the Calhoun County, Florida complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2020.

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.

Grimsley & Associates

June 18, 2021
Marianna, Florida

Grimsley & Associates, P.A.
Certified Public Accountants

Sheriff



Glenn H. Kimbrel
Calhoun County

State of Florida
Auditor General
P.O. Box 1735
Tallahassee, FL 32303

RE: Fiscal Year Audit Report 2019/2020, Management Letter Comments & Findings

Dear Sir or Madam:

Calhoun County Sheriff's Office would like to address the following audit findings:

FINDING S08-01: NEED FOR SEGREGATION OF DUTIES:

COMMENT:

There is a lack of segregation of duties between employees who have recordkeeping responsibility and employees in custody of the Sheriff's assets.

RECOMMENDATION:

We realize that due to the limited number of employees and certain incompatible duties being performed by the same employee, it is difficult to achieve ideal separation of duties. Nevertheless, internal control is strengthened when incompatible duties are separated and review procedures are established and adhered to. We also recommend the Sheriff log in to the bank's website and review the original bank statement.

CALHOUN CO. SHERIFF'S OFFICE RESPONSE:

Calhoun County Sheriff's Office is a very small agency (consisting of approximately 35 employees). There is one financial officer whose duties include administration assistant duties, human resources, grant writing and administration, and all of the accounting duties (budgeting, payroll, accounts payable, etc). Limited funding prohibits the hiring of additional staff to strengthen internal controls. However, the finance officer/administrative assistant is supervised directly by the sheriff. Sheriff Kimbrel will continue to monitor the finances and review bank statements each month in order to provide a measure of assurance of proper accountability and handling of the Calhoun County Sheriff's Office finances.

Please contact me if you have additional questions or concerns.

Sincerely,

A handwritten signature of Glenn Kimbrel in black ink.
Sheriff Glenn Kimbrel



Sharon Chason

Calhoun County Supervisor of Elections

Auditor General's Office
111 West Madison Street
Tallahassee, Florida 32399

We are in agreement with the finding listed in the 2019/2020 audit report. We have responded to the findings as identified below.

Finding SOE 2004-01: Need for Segregation of Duties

The Supervisor of Elections' office is limited to two full time employees. Due to the limited staff, it is impossible to have adequate segregation of duties. The Supervisor of Elections' will remain active and involved in day-to-day operations. Monthly bank reconciliations and financial statements will be reviewed for discrepancies. Internal controls will be monitored and implemented to compensate of potential weaknesses.

Sincerely,

A handwritten signature in blue ink that reads "Sharon Chason". The signature is stylized with a large, flowing "S" and "C".

Sharon Chason
Supervisor of Elections
Calhoun County

Type text here

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

Financial Statements

September 30, 2020

Calhoun County, Florida
Clerk of the Circuit Court
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September 30, 2020

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INDEPENDENT AUDITORS' REPORT

GRIMSLEY & ASSOCIATES

Professional Association
Certified Public Accountants

MEMBER
FLORIDA INSTITUTE AND
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

OWEN W. GRIMSLEY, C.P.A.

INDEPENDENT AUDITORS' REPORT

Honorable Carla A. Hand
Clerk of Circuit Court
Calhoun 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 Calhoun County, Florida, Clerk of the Circuit Court (the "Clerk") as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Clerk'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 the *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 Clerk'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.

Honorable Carla A. Hand
Clerk of Circuit Court
Calhoun County, Florida

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 remaining aggregate fund information of the Clerk as of September 30, 2020, and the respective changes in financial position and the respective budgetary comparison for the General Fund and the major Special Revenue Funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida ("Rules"). In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position, of each major fund, and the aggregate remaining fund information of Calhoun County, Florida that is attributable to the Clerk. They do not purport to, and do not, present fairly the financial position of Calhoun County, Florida as of September 30, 2020, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Clerk's financial statements. The combining and individual fund statements, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual fund financial statement are the responsibility of management and were derived from and related 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 statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements are fairly stated, in all material respects, in relation to the financial statements as a whole.

Honorable Carla A. Hand
Clerk of Circuit Court
Calhoun County, Florida

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 18, 2021 on our consideration of the Clerk's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Clerk's internal control over financial reporting and compliance.

Grimsley & Associates

June 18, 2021
Marianna, Florida

Grimsley & Associates, P.A.
Certified Public Accountants

FINANCIAL STATEMENTS

Calhoun County, Florida
Clerk of the Circuit Court
Balance Sheet
Governmental Funds

	Major Funds				
	General Fund	Court Article V Fund	Modernization Trust Fund		Total Governmental Funds
For the year ended September 30, 2020					
Assets					
Cash and cash equivalents	\$ 282,302	\$ 28,547	\$ 32,118	\$	342,967
Due from other funds	17,034	13,905	1,942		32,881
Due from other governmental units	16,972	-	-		16,972
Total assets	\$ 316,308	\$ 42,452	\$ 34,060	\$	392,820
Liabilities					
Accounts payable and accrued expenses	\$ 18,717	\$ 14,649	\$ 1,283	\$	34,649
Due to other funds	-	-	12,999		12,999
Due to Board of County Commissioners	50,243	-	-		50,243
Due to other governmental units	-	26,023	-		26,023
Unearned revenue	2,350	1,780	-		4,130
Total liabilities	71,310	42,452	14,282		128,044
Fund balances					
Unassigned	244,998	-	-		244,998
Restricted	-	-	19,778		19,778
Total liabilities and fund balances	\$ 316,308	\$ 42,452	\$ 34,060	\$	392,820

The accompanying notes are an integral part of these financial statements

Calhoun County, Florida
Statement of Revenues, Expenditures,
And Changes in Fund Balance
Governmental Funds

	Major Funds				
	General Fund	Court Article V Fund	Modernization Trust Fund	Governmental Funds	Total
For the year ended September 30, 2020					
Revenues					
Charges for services	\$ 46,299	\$ 123,257	\$ 19,182	\$	188,738
Grants	74,556	-	-		74,556
Fines and forfeitures	-	69,683	-		69,683
Investment earnings	74,812	67	45		74,924
Other fees and miscellaneous	1,325	297	-		1,622
Total revenues	196,992	193,304	19,227		409,523
Expenditures					
General government					
Personal services	353,005	-	-		353,005
Operating expenses	78,606	-	-		78,606
Capital outlay	16,854	-	-		16,854
Court-related					
Personal services	49,844	385,694	-		435,538
Operating expenses	2,700	34,655	14,282		51,637
Total expenditures	501,009	420,349	14,282		935,640
Excess (deficiency) of revenues over (under) expenditures	(304,017)	(227,045)	4,945		(526,117)
Other financing sources (uses)					
Appropriations from Board of County Commissioners	468,955	-	-		468,955
Reversion to Board of County Commissioners	(52,734)	-	-		(52,734)
Transfer in	-	40,736	-		40,736
Transfer out	(40,736)	-	-		(40,736)
Transfers from the State of Florida	-	186,309	-		186,309
Net other financing sources (uses)	375,485	227,045	-		602,530
Net change in fund balance	71,468	-	4,945		76,413
Fund balances - beginning	173,530	-	14,833		188,363
Fund balances - ending	\$ 244,998	\$ -	\$ 19,778	\$	264,776

The accompanying notes are an integral part of these financial statements

Calhoun County, Florida
Clerk of the Circuit Court
Statement of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual
General Fund

For the year ended September 30, 2020

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Charges for services	\$ 35,900	\$ 35,900	\$ 46,299	\$ 10,399
Grants	75,000	75,000	74,556	(444)
Investment earnings	46,200	46,200	74,812	28,612
Other fees and miscellaneous	-	-	1,325	1,325
Total revenues	157,100	157,100	196,992	39,892
Expenditures				
General government				
Personal services	386,728	386,728	353,005	33,723
Operating expenses	96,419	96,419	78,606	17,813
Capital outlay	77,445	77,445	16,854	60,591
Court-related				
Personal services	87,978	87,978	49,844	38,134
Operating expenses	2,900	2,900	2,700	200
Contingency	30,300	30,300	-	30,300
Total expenditures	681,770	681,770	501,009	180,761
Excess (deficiency) of revenues over (under) expenditures	(524,670)	(524,670)	(304,017)	220,653
Other financing sources (uses)				
Appropriations from Board of County Commissioners	351,126	468,955	468,955	-
Reversion to Board of County Commissioners	-	-	(52,734)	(52,734)
Transfer out	-	(117,829)	(40,736)	77,093
Net other financing sources (uses)	351,126	351,126	375,485	24,359
Net change in fund balance	(173,544)	(173,544)	\$ 71,468	\$ 245,012
Fund balances - beginning	173,544	173,544	173,530	(14)
Fund balances - ending	\$ -	\$ -	\$ 244,998	\$ 244,998

The accompanying notes are an integral part of these financial statements

Calhoun County, Florida
Clerk of the Circuit Court
Statement of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual
Court Article V Fund

For the year ended September 30, 2020

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Charges for services	\$ 118,435	\$ 118,435	\$ 123,257	\$ 4,822
Fines and forfeitures	69,152	69,152	69,683	531
Investment earnings	57	57	67	10
Other fees and miscellaneous	-	-	297	297
Total revenues	187,644	187,644	193,304	5,660
Expenditures				
Court-related				
Personal services	373,807	373,807	385,694	(11,887)
Operating expenses	64,075	64,075	34,655	29,420
Total expenditures	437,882	437,882	420,349	17,533
Excess (deficiency) of revenues over (under) expenditures	(250,238)	(250,238)	(227,045)	23,193
Other financing sources (uses)				
Transfers in	-	40,736	40,736	-
Transfers from the State of Florida	250,238	209,502	186,309	(23,193)
Net other financing sources (uses)	250,238	250,238	227,045	(23,193)
Net change in fund balance	-	-	-	-
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ -	\$ -	\$ -

The accompanying notes are an integral part of these financial statements

Calhoun County, Florida
Clerk of the Circuit Court
Statement of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual
Modernization Trust Fund

For the year ended September 30, 2020

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Charges for services	\$ 15,400	\$ 15,400	\$ 19,182	\$ 3,782
Investment earnings	-	-	45	45
Total revenues	15,400	15,400	19,227	3,827
Expenditures				
General government				
Operating expenses	19,100	19,100	-	19,100
Court-related				
Operating expenses	11,000	11,000	14,282	(3,282)
Total expenditures	30,100	30,100	14,282	15,818
Excess (deficiency) of revenues over (under) expenditures	(14,700)	(14,700)	4,945	19,645
Other financing sources (uses)				
Net other financing sources (uses)	-	-	-	-
Net change in fund balance	(14,700)	(14,700)	4,945	19,645
Fund balances - beginning	14,700	14,700	14,833	133
Fund balances - ending	\$ -	\$ -	\$ 19,778	\$ 19,778

The accompanying notes are an integral part of these financial statements

Calhoun County, Florida
Clerk of the Circuit Court
Statement of Fiduciary Net Position
Agency Funds

September 30, 2020

	Agency Funds
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Assets	
Cash and cash equivalents	\$ 102,618
Due from individuals	128
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Total assets	\$ 102,746
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Liabilities	
Due to other governments	\$ 16,988
Due to other funds	19,882
Due to individuals	48,785
Due to Board of County Commissioners	17,091
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Total liabilities	\$ 102,746
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The accompanying notes are an integral part of these financial statements

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Calhoun County, Florida, Clerk of the Circuit Court (the “Clerk”) conform to generally accepted accounting principles (GAAP), as applicable to governments. The following is a summary of significant accounting principles and policies used in preparation of these financial statements.

Reporting Entity

The Calhoun County Clerk of Circuit Court (Clerk) is an integral part of Calhoun County, Florida and is an elected Constitutional Officer who is governed by state statutes and regulations. The financial statements of the Clerk are included in Calhoun County, Florida’s basic financial statements. The Clerk operates on a fee and budgetary system. Under the fee system, the officer retains fees, commissions, and other revenue to pay all operating expenditures, including statutory compensation. Under the budgetary system, appropriated funds are received from the Board of County Commissioners and any unexpended appropriations are remitted to the Board of County Commissioners after the end of the fiscal year. The Clerk receives appropriated funds from the State of Florida to fund court-related activities. The receipts from the State are recorded as other financing sources on the Clerk’s financial statements. The Clerk’s financial statements do not purport to reflect the financial position or the results of operations of Calhoun County, Florida as a whole.

Entity status for financial reporting is governed by Statement No. 14 of the Governmental Accounting Standards Board (GASB). Although the Clerk’s office is operationally autonomous from the Board of County Commissioners (“the Board”), it does not hold sufficient corporate powers of its own to be considered a legally separate entity for financial reporting purposes. Pursuant to GASB Codification of Governmental Accounting and Financial Reporting Standards, Section 2100 and 2600, the Clerk’s financial statements are combined with those of the Board and other elected constitutional officers into the reporting entity of Calhoun County, Florida (the “County”).

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

Under the budgetary system, a portion of the operations of the Clerk are funded by the Board. The receipts from the Board are recorded as other financing sources on the Clerk’s financial statements and as other financing uses on the Board’s financial statements. Any excess of revenue and other financial sources received over expenditures are remitted to the Board at year-end except for budgeted excess federal financial participation payments and support incentive payments from the State’s Title IV-D agency and other Board approved special projects.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation

The Clerk's financial statements 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 statements do not constitute a complete presentation because, in conformity with the Rules, the Clerk has not presented reconciliations to the government-wide financial statements, management's discussion and analysis, or the pension or the other post-employment benefit related required supplementary information. Also, certain notes to the financial statements may supplement rather than duplicate the notes included in the County's county wide financial statements. In conformity with the rules, the accompanying financial statements are intended to present the financial position and changes in financial position of each major fund, and the aggregate remaining fund information, only for that portion of each major fund, and the aggregate remaining fund information, of Calhoun County, Florida, that is attributable to the Clerk. They do not purport to, and do not, present fairly the financial position of Calhoun County, Florida as of September 30, 2020, and the changes in its financial position, for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

In preparing these financial statements the following are reported as major governmental funds:

General Fund - The General Fund is used to account for all revenue and expenditures applicable to the general operations of the Clerk that are not required either legally or by generally accepted accounting principles to be accounted for in another fund.

Court Article V – Special Revenue Fund that accounts for all court related functions in accordance with Florida Statutes Section 28.

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

The Clerk also reported the following fund type:

Agency Funds - The agency funds are used to account for assets held by the Clerk as an agent for individuals, other governmental units and/or other funds. Agency funds are custodial in nature and do not involve measurement of changes in financial position.

Basis of Accounting

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

All governmental fund financial statements are reported using a current financial resources measurement focus on a modified accrual basis of accounting. The major modifications to the accrual basis are: (a) revenues are recorded in the accounting period in which they become available and measurable (available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, considered to be sixty days for all revenue) (b) expenditures are recorded in the accounting period in which the liability is incurred, except for accumulated sick and vacation pay, which are not recorded until due. Charges for services and investment revenue are recorded as earned.

The fiduciary fund statements are prepared using the economic resources measurement focus and the accrual basis of accounting.

When both restricted and unrestricted resources are available for use, it is the Clerk's policy to use restricted resources first, then unrestricted resources as needed.

Measurement Focus

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

Budgetary Requirements

Government fund revenues and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with the Florida Statutes. An annual budget is adopted for the general fund. All budget amounts presented in the accompanying financial statements have been adjusted for legally authorized amendment of the annual budget for the year. Budgets are prepared on the modified accrual basis of accounting.

The Clerk, functioning in the capacity as the Clerk of the Circuit and County Courts and as Clerk of the Board of County Commissioners, prepares a budget in two parts:

- A. The budget relating to the state court system (circuit and county) is filed with the Florida Clerk of the Court Operations Corporation; and
- B. The budget relating to the requirements of the Clerk as the Clerk of the Board, County Auditor, and Custodian or Treasurer of all County funds and other County-related duties.

The Departments with the Clerk's office that deal primarily or exclusively with the County are budgeted with appropriations from the Board. The fees generated by the various non-court activities of the Clerk are used to pay operating expenditures of that department. The Clerk's annual budget is monitored at varying levels of classification detail.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

However, for purposes of budgetary control, expenditures cannot legally exceed the total annual budget appropriations at the individual fund level.

Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the government. Short-term investments also include amounts placed with the State Board of Administration for participation in the Local Government Surplus Funds Trust Fund investment pools created by Sections 218.405 and 218.417, Florida Statutes.

Capital Assets and Depreciation

Tangible personal property is recorded as expenditures in the governmental fund types at the time an asset is acquired. Assets acquired by the Clerk are capitalized at cost in the capital asset accounts of the County. The Clerk maintains custodial responsibility for the capital assets used by his office.

Estimated useful lives, in years, for depreciable assets are as follows:

Furniture, machinery, and equipment	3-15 years
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Due to Others

This account is used to account for assets held by the Clerk in a trustee capacity for other governmental agencies or individuals.

Unearned Revenues

Unearned revenues reported in governmental fund financial statements represent unearned revenues or revenues which are measurable but not available, and in accordance with the modified accrual basis of accounting, are reported as unearned revenues.

Accumulated Compensated Absences

The Clerk maintains a policy that permits permanent full-time employees to accumulate earned but unused personal leave hours that will be paid to employees upon separation if certain criteria are met. These benefits, plus their related tax and retirement cost are classified as compensated absences. Employees may be paid for unused personal leave hours accrued up to a maximum amount in accordance with the personnel policy.

The Clerk's accumulated compensated absences are reported in the statement of net position in the County's financial statements. No expenditure is reported in the government fund level statements for these amounts until payment is due. Compensated absences liability is based on current rate of pay.

Fund Balance Reporting and Governmental Fund-Type Definitions

The Clerk adopted GASB Statement No. 54, *Fund Balance Reporting and Governmental Type Definitions* which clarifies governmental fund balance classifications and fund-type definitions. Fund balances are classified either as non-spendable or spendable. See Note 7.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Risk Management and Insurance

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

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

- Real and Personal Property Damage
- Public Employees' Bond
- Workers' Compensation
- General and Automobile Liability

Management Estimates and Assumptions

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

Subsequent Events

Subsequent events have been evaluated through the date that the financial statements were available to be issued, June 18, 2021 and determined there were no events that required disclosure.

Interfund Loans and Transfers

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

Impact of Recently Issued Accounting Pronouncements

New Accounting Standards Adopted

In May 2020, the GASB issued Statement No. 95 (GASB 95), *Postponement of the Effective Date of Certain Authoritative Guidance*. GASB 95 provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. GASB 95 had no impact on the County's financial statements.

Calhoun County, Florida
Clerk of the Circuit Court
Notes to Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recently Issued But Not Yet Effective

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

GASB Statement No.	GASB Accounting Standard	Effective Fiscal Year
84	<i>Fiduciary Activities</i>	2021
87	<i>Leases</i>	2022
89	<i>Accounting for Interest Cost Incurred before the End of a Construction Period</i>	2022
90	<i>Majority Equity Interest an amendment of GASB Statements No. 14 and No. 61</i>	2021
91	<i>Conduit Debt Obligations</i>	2023
92	<i>Omnibus 2020</i>	2022
93	<i>Replacement of Interbank Offered Rates</i>	2022
94	<i>Public-Private and Public-Public Partnerships and Availability Payment Arrangements</i>	2023
96	<i>Subscription-Based Information Technology Arrangements</i>	2023
97	<i>Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans</i>	2022

NOTE 2 - DEPOSITS AND INVESTMENTS

At September 30, 2020, the carrying amount of the Clerk's cash and cash equivalents and restricted cash was \$445,585 and the bank balance was \$494,269. The bank balance was covered by federal depository insurance and, for the amount in excess of such federal depository insurance, by the State of Florida's Public Deposit Act. Provisions of the Act require that public deposits may only be made at qualified public depositories. The Act requires each qualified public depository to deposit with the State Treasurer eligible collateral equal to or in excess of the required collateral as determined by the provisions of the Act. In the event of a failure by a qualified public depository, losses in excess of federal depository insurance and proceeds from the sale of securities pledged by the defaulting depository are assessed against the other qualified public depositories of the same type as the depository in default. When other qualified public depositories are assessed additional amounts, they are assessed on a pro-rata basis.

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

The Clerk's investment practices are governed by Chapter 218.415 of the Florida Statutes. The Clerk is authorized to invest in certificates of deposit, money market certificates, obligations of the U.S. Treasury, mutual funds and repurchase agreements collateralized by U.S. Government securities, and the Local Government Surplus Trust Fund.

The Clerk's invested funds in the Florida State Board of Administration Local Governments Surplus Funds Investment Pool. At September 30, 2020, the market value and the carrying value of these funds was \$48,586. The funds are carried as a cash equivalent on the balance sheet at September 30, 2020 (See Note 1, for definition of cash equivalents) and are included in carrying value and bank balance in the first paragraph of this note. Additional information and investment policies regarding the Local Government Surplus Funds Trust Fund may be obtained from the State Board of Administration at www.sbafla.com/prime.

The Florida PRIME Fund is administered by the Florida State Board of Administration (SBA), which provides regulatory oversight. The powers and duties of the SBA are defined in Florida Statute 218.409. In addition, Chapter 19-7 of the Florida Administrative Code identifies the rules and regulations governing the administration of the State Pool. These rules provide guidance and establish the general operating procedures for the administration of the pool. The SBA provides regulatory oversight for the Florida PRIME Fund. As a pool participant, the County owns a share of the respective pool, not the underlying securities.

The Florida PRIME Fund is an external investment pool that has adopted operating procedures consistent with the requirements of GASB Statement No. 79 to measure its investments at amortized cost. Therefore, the County's investment in PRIME is at amortized cost.

There are no restrictions or limitations on withdrawals, however, Florida Prime or Standard and Poor's may on the occurrence of an event that has a material impact on liquidity or operations, impose restrictions on withdrawals for up to 48 hours.

Credit Risk

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

As of September 30, 2020, the Clerk's investment in the Florida PRIME Fund is rated by Standard and Poor's and the current rating is AAAM.

Interest Rate Risk

The weighted average days to maturity (WAM) of the Florida PRIME Fund at September 30, 2020 is 48 days. Next interest rate reset for floating rate securities are used in the calculation of the WAM. The weighted average life (WAL) of the Florida PRIME Fund at September 30, 2020 is 63 days.

Calhoun County, Florida
Clerk of the Circuit Court
Notes to Financial Statements

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

Custodial Credit Risk

At September 30, 2020, the Clerk did not hold any deposits or investments that were considered to have custodial credit risk.

Concentration of Credit Risk

At September 30, 2020, the Clerk did not hold any investments that were considered to have concentration of credit risk.

NOTE 3 – BALANCES DUE TO/FROM OTHER FUNDS

Balances due to/from other funds at September 30, 2020 consist of the following

Receivable Fund	Payable Fund	Amount
Governmental Funds		
General Fund	Agency Fund	\$ 4,035
Court Article V	Agency Fund	13,905
Modernization Trust Fund	Agency Fund	1,942
General Fund	Modernization Trust Fund	12,999
Total governmental funds		\$ 32,881

Balances due are for general operating activity. All amounts will be repaid with one year. The remaining balances were generally used to meet cash demands on allowable Clerk expenditures that will be repaid withing one year.

NOTE 4 - EMPLOYEE PENSION PLAN

The Clerk's office participates in the Florida Retirement System (FRS), a cost-sharing, multiple-employer defined benefit public retirement system administered by the State of Florida, Department of Management Services, Division of Retirement, to provide retirement and survivor benefits to participating public employees. Chapter 121, Florida Statutes, establishes the authority for participant eligibility, contribution requirements, vesting eligibility and benefit provisions. FRS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by contacting the State of Florida Division of Retirement, Tallahassee, Florida 32399-1560, or by accessing their internet site at (www.dms.myflorida.com/workforce_operations/retirement/publications/annual_reports).

For those employees hired prior to July 1, 2011, FRS provides vesting of benefits after six years of creditable service. Members are eligible for normal retirement after six years of service and attaining age 62, or 30 years of service regardless of age. Early retirement may be taken any time after completing six years of service; however, there is a 5% benefit reduction for each year prior to normal retirement. For those employees hired on or after July 1, 2011, the System provides for vesting of benefits after eight years of credible service. Normal retirement benefits are available to these employees who retire at or after age 65 with eight years of service with a 5% reduction of benefits for

Calhoun County, Florida
Clerk of the Circuit Court
Notes to Financial Statements

NOTE 4 - EMPLOYEE PENSION PLAN (CONTINUED)

each year prior to normal retirement. FRS also provides death and disability benefits and cost-of-living adjustments. Generally, membership is compulsory for all full-time and part-time employees. Prior to July 1, 2011, retirement coverage was employee noncontributory. Effective July 1, 2011 the Florida Legislature mandated all employees contribute 3% to their retirement coverage with immediate vesting of their contributions.

The funding methods and the determination of benefits payable are provided in various acts of the Florida Legislature. These acts provide that employers and employees pay contributions at rates determined each year by the legislature. The employer rates, as a percentage of gross earnings, are as follows:

	10/01/19 Through 06/30/20	07/01/20 Through 09/30/20
Regular employees	8.47%	10.00%
Senior Management	25.41%	27.29%
Elected county officials' class	48.82%	49.18%
Drop participants	14.60%	16.98%

Chapter 121, Florida Statutes establishes the authority for participant eligibility, contribution requirements, vesting eligibility and benefit provisions. For the period October 1, 2019 through September 30, 2020, the total payroll for the Clerk employees covered by the System was \$540,915. The retirement contributions for all employees covered by the FRS for the years ended September 30, 2020, 2019 and 2018 were \$102,032, \$94,975 and \$89,192 respectively, which equal the required contributions. For the year ended September 30, 2020, retirement contributions represent 18.86% of covered payroll.

GASB Statement No. 68 establishes standards of accounting and financial reporting, but not funding or budgetary standards, for defined benefit pensions and defined contribution pensions provided to the employees of state and local governmental employers through pension plans that are administered through trusts or equivalent arrangements. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans within the scope of the Statement.

The requirements of Statement No. 68 apply to the financial statements of all state and local governmental employers whose employees (or volunteers that provide services to state and local governments) are provided with pensions through pension plans that are administered through trusts or equivalent arrangements, and to the financial statements of state and local governmental nonemployer contributing entities that have a legal obligation to make contributions directly to such pension plans. This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures related to pensions. Note disclosure and RSI requirements about pensions also are addressed. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

NOTE 4 - EMPLOYEE PENSION PLAN (CONTINUED)

The adoption of Statement No. 68 has no impact on the Calhoun County, Florida Clerk's governmental fund financial statements, which continue to report expenditures in the amount of the actuarially determined contributions, as required by State law. The calculation of pension contributions is unaffected by the change.

NOTE 5 - POST EMPLOYMENT BENEFITS OTHER THAN PENSION

In addition to the retirement plan in Note 4, the County, in accordance with Section 112.0801, Florida Statutes, provides post-retirement health care benefits to all retired employees who participated in the group health plan while employed. Employees of the Clerk are covered under the County's plan. The County is required to measure and recognize the annual cost of the future benefits and calculate the annual employer funding requirements and, to the extent funding is not made by the County recognize another post-employment benefit (OPEB) liability on the balance sheet of the County. These amounts, if any, are recorded in the County's government-wide financial statements.

NOTE 6 - COURT RELATED FEES

Based on the legal opinion provided by the Clerks of Court Operations Corporation general counsel of the provisions of Section 28.37(3), F.S., which was adopted as policy by the CCOC Finance and Budget Committee, all excess court-related funds have been included in a fund asset or liability, Due to/from Other Governmental Units. As of September 30, 2020, excess court-related funds were \$26,023.

NOTE 7 - FUND BALANCE

Non-spendable fund balances include amounts that cannot be spent because they are not in spendable form or are legally or contractually required to be maintained intact. The Clerk had no non-spendable fund balances at September 30, 2020.

Spendable fund balances are classified based on a hierarchy of the Clerk's ability to control the spending of these fund balances and are reported in the following categories: restricted, committed, assigned and unassigned. For the year ended September 30, 2020, the Clerk reports fund balances as restricted and unassigned. Restricted fund balances have externally imposed constraints placed on the use of resources by creditors, grantors, contributors, laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Unassigned fund balances have not been restricted, committed or assigned to specific purposes within the general fund. For the year ended September 30, 2020, the Clerk reported \$19,778 in restricted fund balance for the modernization of public records and court-related technology.

NOTE 8 - COOPERATIVE AGREEMENT

The Clerk has a Cooperative Agreement with the Florida Department of Revenue. This agreement encompasses all the Clerk's child support functions. It allows for indirect cost reimbursement. The Clerk uses an established indirect cost rate to invoice the Department of Revenue each month. These amounts are federal funds received under CFDA #93.563. The net amount received was \$74,556.

NOTE 9: UNCERTAINTIES

In March 2020, the World Health Organization made the assessment that the outbreak of the novel coronavirus (COVID-19) can be characterized as a pandemic. As a result, uncertainties have arisen that may have a significant negative impact on the ongoing operating activities and the future 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 as of June 18, 2021.

SUPPLEMENTARY INFORMATION

Calhoun County, Florida
Clerk of the Circuit Court
Combining Statement of Fiduciary Net Position
Agency Funds

September 30, 2020	General Trust		Child Support		Jury and Witness		Total
Assets							
Cash and cash equivalents	\$	97,517	\$	1,061	4,040	\$	102,618
Due from individuals		128		-	-		128
<hr/>							
Total assets	\$	97,645	\$	1,061	\$	4,040	\$ 102,746
<hr/>							
Liabilities							
Due to other governments	\$	13,979	\$	19	\$	2,990	\$ 16,988
Due to other funds		19,882		-		-	19,882
Due to individuals		48,785		-		-	48,785
Due to Board of County Commissioners		14,999		1,042		1,050	17,091
<hr/>							
Total liabilities	\$	97,645	\$	1,061	\$	4,040	\$ 102,746
<hr/>							

COMPLIANCE SECTION

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OWEN W. GRIMSLEY, C.P.A.

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

Honorable Carla A. Hand
Clerk of Circuit Court
Calhoun 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 aggregate remaining fund information of the Calhoun County, Florida, Clerk of the Circuit Court (the "Clerk") as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Clerk's basic financial statements and have issued our report thereon dated June 18, 2021.

Internal Control Over Financial Reporting

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

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

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

Honorable Carla A. Hand
Clerk of Circuit Court
Calhoun County, Florida

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Clerk's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 Clerk's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Grimsley & Associates

June 18, 2021
Marianna, Florida

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INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES, *LOCAL GOVERNMENT INVESTMENT POLICIES*

Honorable Carla A. Hand
Clerk of Circuit Court
Calhoun County, Florida

We have examined Calhoun County, Florida, Clerk of the Circuit Court's (the "Clerk") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2020. Management is responsible for the Clerk's compliance with those requirements. Our responsibility is to express an opinion on the Clerk's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Clerk complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Clerk complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Clerk's compliance with specified requirements.

In our opinion, the Clerk complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2020.

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.

Grimsley & Associates

June 18, 2021
Marianna, Florida

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INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH SECTION 28.35, FLORIDA STATUTES, *FLORIDA CLERKS OF COURT OPERATIONS CORPORATION*, AND SECTION 28.36, FLORIDA STATUTES, *BUDGET PROCEDURE*

Honorable Carla A. Hand
Clerk of Circuit Court
Calhoun County, Florida

We have examined the office of the Calhoun County, Florida, Clerk of Circuit Court's (the "Clerk") compliance with the requirements of Section 28.35, Florida Statutes, *Florida Clerks of Court Operations Corporation*, and Section 28.36, Florida Statutes, *Budget Procedure*, during the year ended September 30, 2020. Management is responsible for the Clerk's compliance with those requirements. Our responsibility is to express an opinion on the Clerk's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Clerk complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Clerk complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Clerk's compliance with specified requirements.

In our opinion, the Clerk complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2020.

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.

Grimsley & Associates

June 18, 2021
Marianna, Florida

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INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH SECTION 61.181, FLORIDA STATUTES, *DEPOSITORY FOR ALIMONY TRANSACTIONS, SUPPORT, MAINTENANCE AND SUPPORT PAYMENTS; FEES*

Honorable Carla A. Hand
Clerk of Circuit Court
Calhoun County, Florida

We have examined the office of the Calhoun County, Florida, Clerk of Circuit Court's (the "Clerk") compliance with the requirements of Section 61.181, Florida Statutes, *Depository for Alimony Transactions, Support, Maintenance and Support Payments; Fees* during the year ended September 30, 2020. Management is responsible for the Clerk's compliance with those requirements. Our responsibility is to express an opinion on the Clerk's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Clerk complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Clerk complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Clerk's compliance with specified requirements.

In our opinion, the Clerk complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2020.

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.

Grimsley & Associates

June 18, 2021
Marianna, Florida

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INDEPENDENT AUDITORS' MANAGEMENT LETTER

Honorable Carla A. Hand
Clerk of Circuit Court
Calhoun County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the Calhoun County, Florida, Clerk of the Circuit Court (the "Clerk"), as of and for the year ended September 30, 2020, and have issued our report thereon dated June 18, 2021.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated June 18, 2021, 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 significant findings and recommendations made in the preceding annual financial audit report. No significant findings and recommendations were made in the preceding annual financial audit report.

Honorable Carla A. Hand
Clerk of Circuit Court
Calhoun County, Florida

Official Title and Legal Authority

Section 10.554(1)(i)4, Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in the management letter, unless disclosed in the notes to the financial statements. The Calhoun County, Florida, Clerk of the Circuit Court was established by the Constitution of the State of Florida, Article VIII, Section 1(d). There were no component units related to the Calhoun County, Florida, Clerk of the Circuit Court.

Financial Management

Section 10.554(1)(i)2, Rules of the Auditor General, requires that we communicate any recommendations that 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, and the Calhoun County, Florida, Clerk and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Grimsley & Associates

June 18, 2021
Marianna, Florida

Grimsley & Associates, P.A.
Certified Public Accountants

**Calhoun County, Florida
Sheriff**

Financial Statements

September 30, 2020

Calhoun C County, Florida
Sheriff
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September 30, 2020

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OWEN W. GRIMSLEY, C.P.A.

INDEPENDENT AUDITORS' REPORT

Honorable Glenn H. Kimbrel
Sheriff
Calhoun 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 Calhoun County, Florida, Sheriff (the "Sheriff") as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Sheriff'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 the *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 Sheriff'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.

Honorable Glenn H. Kimbrel
Sheriff
Calhoun County, Florida

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the Sheriff as of September 30, 2020, and the respective changes in financial position, where applicable, and the respective budgetary comparison for the General Fund, Emergency 911 Fund, Investigative Resource Fund, and Inmate Welfare Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position, where applicable, of each major fund, and the aggregate remaining fund information, only for that portion of each major fund, and the aggregate remaining fund information, of Calhoun County, Florida, that is attributable to the Sheriff. They do not purport to, and do not, present fairly the financial position of Calhoun County, Florida, as of September 30, 2020, and the changes in its financial position, where applicable, for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to these matters.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Sheriff's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate 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 combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

Honorable Glenn H. Kimbrel
Sheriff
Calhoun County, Florida

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 18, 2021 on our consideration of the Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Sheriff's internal control over financial reporting and compliance.

Grimsley & Associates

June 18, 2021
Marianna, Florida

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Calhoun County, Florida
Sheriff
Balance Sheet
Governmental Funds

September 30, 2020

	General Fund	Emergency 911	Investigative Resource	Inmate Welfare Fund	Other Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	\$ 27,640	\$ 210,458	\$ 67,203	\$ 91,000	\$ 12,693	\$ 408,994
Accounts Receivable	-	-	-	5,102	-	5,102
Prepaid Expenses	-	5,587	-	-	-	5,587
Due from other funds	-	2,205	85,405	824	-	88,434
Due from Board of County Commissioners	3,450	-	-	-	-	3,450
Due from other governmental units	121,632	40,151	1,585	-	-	163,368
Total assets	\$ 152,722	\$ 258,401	\$ 154,193	\$ 96,926	\$ 12,693	\$ 674,935
Liabilities						
Accounts payable and accrued expenses	\$ 65,318	\$ 14,960	\$ -	\$ 69	\$ -	\$ 80,347
Due to other funds	87,404	238	-	692	100	88,434
Total liabilities	152,722	15,198	-	761	100	168,781
Fund balance						
Restricted	-	243,203	154,193	96,165	12,593	506,154
Total liabilities and fund balances	\$ 152,722	\$ 258,401	\$ 154,193	\$ 96,926	\$ 12,693	\$ 674,935

The accompanying notes are an integral part of these financial statements

Calhoun County, Florida
Sheriff
Statement of Revenues, Expenditures, and
Changes in Fund Balance
Governmental Funds

For the year ended September 30, 2020

	General Fund	Emergency 911	Investigative Resource	Inmate Welfare Fund	Other Governmental Funds	Total Governmental Funds
Revenues						
Intergovernmental	\$ 162,821	\$ 184,321	\$ -	\$ -	\$ -	\$ 347,142
Charges for services	67,994	-	18,041	68,001	-	154,036
Grants	350,912	55,637	-	-	-	406,549
Investment earnings	-	153	-	-	-	153
Contributions and donations	21,422	-	-	-	3,191	24,613
Other fees and miscellaneous	6,928	-	8,405	-	-	15,333
Total revenues	610,077	240,111	26,446	68,001	3,191	947,826
Expenditures						
Current:						
Public health and safety:						
Law Enforcement						
Personal services	1,297,142	-	-	-	-	1,297,142
Operating expenses	440,675	-	3,027	-	-	443,702
Correction and detention						
Personal services	352,807	-	-	12,437	-	365,244
Operating expenses	121,928	-	-	19,600	-	141,528
Other public health and safety						
Personal services	141,477	225,314	-	-	-	366,791
Operating expenses	11,920	114,849	-	-	-	126,769
Capital Outlay						
Law Enforcement	330,991	-	-	-	-	330,991
Corrections and detention	-	-	-	7,196	-	7,196
Other public health and safety	-	38,031	-	-	7,071	45,102
Total expenditures	2,696,940	378,194	3,027	39,233	7,071	3,124,465
Excess (deficiency) of revenues over (under) expenditures	(2,086,863)	(138,083)	23,419	28,768	(3,880)	(2,176,639)
Other financing sources (uses)						
Appropriations from Board of County Commissioners	2,086,863	209,867	-	-	-	2,296,730
Net other financing sources (uses)	2,086,863	209,867	-	-	-	2,296,730
Net change in fund balance	-	71,784	23,419	28,768	(3,880)	120,091
Fund balance - beginning	-	171,419	130,774	67,397	16,473	386,063
Fund balance - ending	\$ -	\$ 243,203	\$ 154,193	\$ 96,165	\$ 12,593	\$ 506,154

The accompanying notes are an integral part of these financial statements

Calhoun County, Florida
Sheriff
Statement of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual
General Fund

For the year ended September 30, 2020

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Intergovernmental	\$ 158,202	\$ 162,822	\$ 162,821	\$ (1)
Charges for services	\$ 14,000	\$ 68,000	67,994	(6)
Grants	\$ 82,750	\$ 350,915	350,912	(3)
Contributions and donations	\$ -	\$ -	21,422	21,422
Other fees and miscellaneous revenues	\$ -	\$ 6,929	6,928	(1)
Total revenues	254,952	588,666	610,077	21,411
Expenditures				
Current:				
Public health and safety:				
Law enforcement				
Personal services	1,290,996	1,297,147	1,297,142	5
Operating expenses	323,686	440,735	440,675	60
Correction and detention				
Personal services	415,873	351,747	352,807	(1,060)
Operating expenses	145,445	122,917	121,928	989
Other public health and safety				
Personal services	159,815	141,480	141,477	3
Operating expenses	6,000	11,933	11,920	13
Capital outlay				-
Law enforcement	0	309,570	330,991	(21,421)
Total expenditures	2,341,815	2,675,529	2,696,940	(21,411)
Excess (deficiency) of revenues over (under) expenditures	(2,086,863)	(2,086,863)	(2,086,863)	-
Other financing sources (uses)				
Appropriations from Board of County Commissioners	2,086,863	2,086,863	2,086,863	-
Total other financing sources	2,086,863	2,086,863	2,086,863	-
Net change in fund balance	\$ -	\$ -	\$ -	\$ -

The accompanying notes are an integral part of these financial statements

Calhoun County, Florida
Sheriff
Statement of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual
Emergency 911

For the year ended September 30, 2020

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Intergovernmental	\$ 138,250	\$ 186,250	\$ 184,321	\$ (1,929)
Grants	-	55,638	55,637	(1)
Investment Earnings	154	154	153	(1)
Total revenues	138,404	- 242,042	240,111	(1,931)
Expenditures				
Current:				
Public health and safety:				
Other public health and safety				
Personal services	224,500	224,648	225,314	(666)
Operating expenses	97,771	189,221	114,849	74,372
Capital outlay				
Other public health and safety	26,000	38,040	38,031	9
Total expenditures	348,271	451,909	378,194	73,715
Excess (deficiency) of revenues over (under) expenditures	(209,867)	- (209,867)	(138,083)	71,784
Other financing sources (uses)				
Appropriations from Board of County Commissioners	209,867	209,867	209,867	-
Total other financing sources	209,867	- 209,867	209,867	-
Net change in fund balance	\$ -	\$ -	\$ 71,784	\$ 71,784

The accompanying notes are an integral part of these financial statements

Calhoun County, Florida
Sheriff
Statement of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual
Investigative Resource

For the year ended September 30, 2020

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Charges for Services	\$ 18,041	\$ 18,041	\$ 18,041	-
Other fees and miscellaneous	\$ 8,405	\$ 8,405	8,405	-
Total revenues	26,446	26,446	26,446	-
Expenditures				
Current:				
Public health and safety:				
Law enforcement				
Operating expenses	26,446	26,446	3,027	23,419
Total expenditures	26,446	26,446	3,027	23,419
Excess (deficiency) of revenues over (under) expenditures	-	-	23,419	23,419
Net change in fund balance	\$ -	\$ -	\$ 23,419	\$ 23,419

The accompanying notes are an integral part of these financial statements

Calhoun County, Florida
Sheriff
Statement of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual
Inmate Welfare Fund

For the year ended September 30, 2020

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Charges for Services	\$ 68,002	\$ 68,002	68,001	(1)
Total revenues	68,002	68,002	68,001	(1)
Expenditures				
Current:				
Public health and safety:				
Law enforcement				
Correction and detention				
Personal services	13,500	13,500	12,437	1,063
Operating expenses	47,306	47,306	19,600	27,706
Capital outlay				
Corrections and detention	7,196	7,196	7,196	-
Total expenditures	68,002	68,002	39,233	28,769
Excess (deficiency) of revenues over (under) expenditures	-	-	28,768	28,768
Net change in fund balance	\$ -	\$ -	\$ 28,768	\$ 28,768

The accompanying notes are an integral part of these financial statements

Calhoun County, Florida
Sheriff
Statement of Fiduciary Net Position
Agency Funds

September 30, 2020

		Inmate Trust		Suspense		Total Agency Funds
Assets						
Cash	\$	6,031	\$	1,797	\$	7,828
Total assets	\$	6,031	\$	1,797	\$	7,828
Liabilities						
Due to individuals	\$	6,031	\$	337	\$	6,368
Due to Board of County Commissioners		-		1,460		1,460
Total liabilities	\$	6,031	\$	1,797	\$	7,828

The accompanying notes are an integral part of these financial statements

Calhoun County, Florida
Sheriff
Notes to Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the Calhoun County, Florida, Sheriff (the “Sheriff”) conform to generally accepted accounting principles (GAAP), as applicable to all governments. The following is a summary of significant accounting principles and policies used in the preparation of these financial statements.

Reporting Entity

The Calhoun County, Florida, Sheriff (the “Sheriff”) is a separately elected County official established pursuant to the Constitution of the State of Florida. The Sheriff’s financial statements do not purport to reflect the financial position or the results of operations of Calhoun County, Florida taken as a whole.

Entity status for financial reporting is governed by Statement No. 14 of the Governmental Accounting Standards Board (GASB). Although the Sheriff’s office is operationally autonomous from the Board of County Commissioners (“the Board”), it does not hold sufficient corporate powers of its own to be considered a legally separate entity for financial reporting purposes. Therefore, the Sheriff is reported as part of the primary government of Calhoun County, Florida.

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

The operations of the Sheriff are primarily funded by the Board. The receipts from the Board are recorded as other financing sources on the Sheriff’s financial statements and as other financing uses on the Board’s financial statements. Any excess of revenues and other financing sources received over expenditures are remitted to the Board at year-end.

Basis of Presentation

The Sheriff’s financial statements 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 statements do not constitute a complete presentation because, in conformity with the Rules, the Sheriff has not presented reconciliations to the government-wide financial statements, management’s discussion and analysis, or the pension or the other poste-employment benefit related required supplementary information. Also, certain notes to the financial statements may supplement rather than duplicate the notes included in the County’s countywide financial statements. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of each major fund, the aggregate remaining fund information, of Calhoun County, Florida, that is attributable to the Sheriff. They do not purport to, and do not, present fairly the financial position of Calhoun County, Florida, as of September 30, 2020, and the changes in its financial position, for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Calhoun County, Florida
Sheriff
Notes to Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In preparing these financial statements the following are reported as major governmental funds:

General Fund - The General Fund is used to account for all revenue and expenditures applicable to the general operations of the Sheriff that are not required either legally or by generally accepted accounting principles to be accounted for in another fund.

Emergency 911 – This special revenue fund accounts for the operations of the emergency 911 system of Calhoun County.

Investigative Resource Fund – This special revenue fund accounts for revenues and expenditures relating to various forfeitures, investigative fees and restitution.

Inmate Welfare Fund – This special revenue fund accounts for the activities related to operation of the inmate commissary.

In addition, the Sheriff reported the following non-major governmental funds:

Special Revenue Funds - Special revenue funds are used to account for the proceeds of specific revenues sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. The Sheriff reports the following special revenue funds in the financial statements under the title "Other Governmental Funds."

Drug Enforcement Fund – Accounts for revenues and expenses of the Calhoun County Sheriff's office drug enforcement program.

Contribution Fund – Accounts for revenues and expenditures related to public donations to assist the less fortunate.

The Sheriff also reported the following fund type:

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

Measurement Focus

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

Calhoun County, Florida
Sheriff
Notes to Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting

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

All governmental fund financial statements are reported using a current financial resources measurement focus on a modified accrual basis of accounting. The major modifications to the accrual basis are: (a) revenues are recorded in the accounting period in which they become available and measurable (available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, considered to be sixty days for all revenue) (b) expenditures are recorded in the accounting period in which the liability is incurred, except for accumulated sick and vacation pay, which are not recorded until paid. Charges for services and investment revenue are recorded as earned.

The fiduciary fund statements are prepared using the economic resources measurement focus and the accrual basis of accounting.

When both restricted and unrestricted resources are available for use, it is the Sheriff's policy to use restricted resources first, then unrestricted resources as needed.

Budgetary Requirements

Florida Statutes, Chapter 30.49 and 129.03(2), details the preparation, adoption and administration of the Sheriff's annual budget. The Sheriff establishes an annual balanced budget for his office which displays the revenues available to the office and the functions for which the money is to be expended. All budget amounts presented in the accompanying financial statements have been adjusted for legally authorized amendments of the annual budget for the year. Budgets are prepared on the modified accrual basis of accounting.

The Sheriff's annual budgets are monitored at varying levels of classification detail. However, for purposes of budgetary control, expenditures cannot legally exceed the total annual budget appropriations at the individual fund level. All appropriations lapse at year end.

Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits as well as short term investments with a maturity date within three months of the date acquired by the government.

Capital Assets

Tangible personal property is recorded as expenditures in the governmental fund types at the time an asset is acquired. Assets acquired by the Sheriff are capitalized at cost in the capital asset accounts of the County. The Sheriff maintains custodial responsibility for the capital assets used by his office.

Calhoun County, Florida
Sheriff
Notes to Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance

The Sheriff adopted GASB Statement No. 54, *Fund Balance Reporting and Governmental Type Definitions* (GASB Statement No. 54) effective October 1, 2010. This GASB Statement clarifies governmental fund balance classifications and fund-type definitions. Fund balances are classified either as non-spendable or spendable. See Note 9.

Accumulated Compensated Absences

Permanent full-time employees of the Sheriff are entitled to accrue up to 360 hours of sick leave and up to 240 hours of vacation time depending on the length of employment. Upon separation of employment, employees can be paid their vacation time and up to 25% of unused sick time, with the payment of unused sick time being subject to various criteria.

The Sheriff's accumulated compensated absences are reported in the statement of net position in the County's financial statements.

Due to Others

This account is used to account for assets held by the Sheriff in a trustee capacity for other governmental agencies or individuals.

Risk Management and Insurance

The Sheriff participates in the Florida Sheriff Self-Insurance Fund, which is considered a public entity risk pool which purchases insurance policies on behalf of its members. The pool's members are not obligated for risk associated with such coverage. Coverage under these programs includes:

- General liability
- Automobiles
- Money and securities coverage

The Sheriff provides for workers' compensation coverage through the Board. A separate insurance policy is carried for aircraft. In addition, the Sheriff participates in the Florida Self-Insurance Fund for risks related to professional liability and public officials' coverage. The funding agreement provides that the liability fund will be self-sustaining through member premiums and that it will reinsure through commercial companies. Aggregate coverage provided by the liability fund is \$3,500,000 for professional liability and \$3,500,000 for public officials' coverage.

Management Estimates and Assumptions

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

Calhoun County, Florida
Sheriff
Notes to Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent Events

Management has evaluated subsequent events through the date that the financial statement were available to be issued, and determined there were no events that occurred that required disclosure.

Interfund Loans and Transfers

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds”.

New Accounting Standards

In May 2020, the GASB issued Statement No. 95 (GASB 95), *Postponement of the Effective Date of Certain Authoritative Guidance*. GASB 95 provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. GASB 95 had no impact on the Sheriff’s financial statements.

NOTE 2: DEPOSITS AND INVESTMENTS

At September 30, 2020, the carrying amount of the Sheriff’s cash and cash equivalents and restricted cash was \$416,822 and the bank balance was \$566,060. The bank balance was covered by federal depository insurance and, for the amount in excess of such federal depository insurance, by the State of Florida’s Public Deposit Act. Provisions of the Act require that public deposits may only be made at qualified public depositories. The Act requires each qualified public depository to deposit with the State Treasurer eligible collateral equal to or in excess of the required collateral as determined by the provisions of the Act. In the event of a failure by a qualified public depository, losses in excess of federal depository insurance and proceeds from the sale of securities pledged by the defaulting depository are assessed against the other qualified public depositories of the same type as the depository in default. When other qualified public depositories are assessed additional amounts, they are assessed on a pro-rata basis.

Florida Statutes authorize the Sheriff to invest in certificates of deposit, repurchase agreements and the State Treasurer’s Investment Pool. In addition, the statutes allow the Sheriff to invest in bonds, notes or other obligations of the United States Government, certain bonds of any state or local government unit, and bonds issued by certain government agencies.

Credit Risk

At September 30, 2020, the Sheriff did not hold any deposits or investments that were considered to have credit risk.

Interest Rate Risk

At September 30, 2020, the Sheriff did not hold any investments that were considered to have interest rate risk.

Calhoun County, Florida
Sheriff
Notes to Financial Statements

NOTE 2: DEPOSITS AND INVESTMENTS (CONTINUED)

Custodial Credit Risk

At September 30, 2020, the Sheriff did not hold any deposits or investments that were considered to have custodial credit risk.

Concentration of Credit Risk

At September 30, 2020, the Sheriff did not hold any investments that were considered to have concentration of credit risk.

NOTE 3: INTERFUND RECEIVABLES AND PAYABLES

Interfund receivables and payables at September 30, 2020, are as follows:

Receivable Fund	Payable Fund		
911 General Operating	General Fund	\$	1,580
911 General Operating	911 Wireless	\$	238
Investigative Resource	General Fund	\$	85,000
Investigative Resource	Drug Enforcement Fund	\$	100
Investigative Resource	Inmate Welfare	\$	305
Inmate Welfare	General Fund	\$	824
911 Wireless	Inmate Welfare	\$	387

The balances resulted from the time lag between the dates that (a) interfund goods and services are provided or reimbursable expenditures occur, (b) transactions are recorded in the accounting system, and (c) payments between funds are made. Amounts are generally repaid during the next fiscal year.

NOTE 4: EMPLOYEE PENSION PLAN

The Sheriff participates in the Florida Retirement System (FRS), a cost-sharing, multiple-employer cost sharing defined benefit public retirement system administered by the State of Florida Department of Administration, Division of Retirement, to provide retirement and survivor benefits to participating public employees. Chapter 121, Florida Statutes establishes the authority for participant eligibility, contribution requirements, vesting eligibility and benefit provisions. FRS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by contacting the State of Florida Division of Retirement, Tallahassee, Florida 32399-1560, or by accessing their internet site at www.dms.myflorida.com/workforce/operations/retirement/publications/annual-reports.

For those employees hired prior to July 1, 2011, FRS provides vesting benefits after six years of creditable service. Members are eligible for normal retirement after six years of service and attaining age 62, or 30 years of service regardless of age. Early retirement may be taken any time after completing six years of service; however, there is a 5% benefit reduction for each year prior to normal retirement. For those employees hired on or after July 1, 2011, FRS provides for vesting of benefits after eight years of creditable service. Normal retirement benefits are available to these employees who retire at or after age 65 with eight years of service with a 5% reduction of benefits for each year

Calhoun County, Florida
Sheriff

Notes to Financial Statements

prior to normal retirement. FRS also provides death and disability benefits and cost-of-living

NOTE 4: EMPLOYEE PENSION PLAN (CONTINUED)

adjustments. Generally, membership is compulsory for all full-time and part-time employees. Prior to July 1, 2011, retirement coverage was employee noncontributory. Effective July 1, 2011 the Florida Legislature mandated all employee contribute 3% to their retirement coverage with immediate vesting of their contributions.

The funding methods and the determination of benefits payable are provided in various acts of the Florida Legislature. These acts provide that both the employer and employee make contributions at rates determined each year by the legislature. The employer rates, as a percentage of gross earnings, are as follows:

	10/1/2019 Through 6/30/2020	07/01/20 Through 9/30/2020
Regular employees	8.47%	10.00%
Senior management	25.41%	27.29%
Special risk employees	25.48%	24.45%
DROP participants	14.60%	16.98%
Re-employed retirees - Special risk	12.81%	9.26%
Re-employed retirees - Senior management	25.41%	27.29%

Chapter 121, Florida Statutes establishes the authority for participant eligibility, contribution requirements, vesting eligibility and benefit provisions. For the period October 1, 2019 through September 30, 2020, the total payroll for the Sheriff employees covered by the System was \$1,387,341. The retirement contributions for all employees covered by the FRS for the years ended September 30, 2020, 2019 and 2018 were \$276,511, \$274,281 and \$237,452 respectively, which equal the required contributions. For the year ended September 30, 2020 retirement contributions represent 19.93% of covered payroll.

GASB Statement No. 68 establishes standards of accounting and financial reporting, but not funding or budgetary standards, for defined benefit pensions and defined contribution pensions provided to the employees of state and local governmental employers through pension plans that are administered through trusts or equivalent arrangements. This Statement replaces the requirements of Statement No. 27, Accounting for Pensions by State and Local Governmental Employers, as well as the requirements of Statement No. 50, Pension Disclosures, as they relate to pensions that are provided through pension plans within the scope of the Statement.

The requirements of Statement No. 68 apply to the financial statements of all state and local governmental employers whose employees (or volunteers that provide services to state and local governments) are provided with pensions through pension plans that are administered through trusts or equivalent arrangements, and to the financial statements of state and local governmental nonemployer contributing entities that have a legal obligation to make contributions directly to such pension plans. This Statement establishes standards for measuring and recognizing liabilities,

Calhoun County, Florida
Sheriff
Notes to Financial Statements

NOTE 4: EMPLOYEE PENSION PLAN (CONTINUED)

deferred outflows of resources, and deferred inflows of resources, and expense/expenditures related to pensions. Note disclosure and RSI requirements about pensions also are addressed. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

The adoption of Statement No. 68 has no impact on the Calhoun County, Florida Sheriff's governmental fund financial statements, which continue to report expenditures in the amount of the actuarially determined contributions, as required by State law. The calculation of pension contributions is unaffected by the change.

NOTE 5: POST EMPLOYMENT BENEFITS OTHER THAN PENSION

In addition to the retirement plan in Note 4, the County, in accordance with Section 112.0801, Florida Statutes, provides post-retirement health care benefits to all retired employees who participated in the group health plan while employed. Employees of the Sheriff are covered under the County's plan. The County is required to measure and recognize the annual cost of the future benefits and calculate the annual employer funding requirements and, to the extent funding is not made by the County recognize another post-employment benefit (OPEB) liability on the balance sheet of the County. These amounts, if any, are recorded in the County's government-wide financial statements.

NOTE 6: EXCESS REVENUE

Pursuant to Section 218.36(2), Florida Statutes, any excess revenues over expenditures determine as of the fiscal year end, "...is returned to each governmental unit in the same proportion as fees paid by the governmental unit bear to the total fee income of the Sheriff." Excess revenues over expenditures returned to the Board of County Commissioners as required by Florida Statutes are accrued and reported as a reversion to Board of County Commissioners. The Sheriff's general fund ended this year with no excess fees.

NOTE 7: GRANTS

The Sheriff participates in several state and federal grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The audits of these programs for or including the year ended September 30, 2020, as well as prior years, have not yet been accepted/approved by the grantors. Accordingly, the final determination of the Sheriff's compliance with applicable grant requirements will be established at a future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined, although the Sheriff expects such amounts, if any, to be immaterial.

Calhoun County, Florida
Sheriff
Notes to Financial Statements

NOTE 8: LITIGATION AND CONTINGENT LIABILITIES

The Sheriff is involved in various litigation arising from the ordinary course of business. In the opinion of management, after consultation with legal counsel, these matters will be resolved without a material adverse effect on the Sheriff's financial position.

NOTE 9: FUND BALANCE

Non-spendable fund balances include amounts that cannot be spent because they are not in spendable form or are legally or contractually required to be maintained intact. The Sheriff had no non-spendable fund balance at September 30, 2020.

Spendable fund balances are classified based on a hierarchy of the Sheriff's ability to control the spending of these fund balances and are reported in the following categories: restricted, committed, assigned and unassigned. For the year ending September 30, 2020, the Sheriff reports fund balances as restricted. Restricted fund balance has externally imposed constraints placed on the use of resources by creditors, grantors, contributors, laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Assigned fund balance has constraints placed on the use of resources by the Sheriff's intent to use the resources for specific purposes. Unassigned fund balance has not been restricted, committed or assigned to specific purposes within the general fund.

NOTE 10: UNCERTAINTIES

In March 2020, the World Health Organization made the assessment that the outbreak of the novel coronavirus (COVID-19) can be characterized as a pandemic. As a result, uncertainties have arisen that may have a significant negative impact on the ongoing operating activities and the future results of the Sheriff. 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 as of June 18, 2021.

**Calhoun County, Florida
Sheriff
Combining Balance Sheet -
Nonmajor Governmental Funds**

September 30, 2020

	Drug Task Force Fund	Contribution Fund	Total Nonmajor Governmental Funds
Assets			
Cash and cash equivalents	\$ 100	\$ 12,593	\$ 12,693
Total assets	\$ 100	\$ 12,593	\$ 12,693
Liabilities			
Due to other funds	\$ 100	-	\$ 100
Total liabilities	100	-	100
Fund balance - restricted	-	12,593	12,593
Total liabilities and fund balances	\$ 100	\$ 12,593	\$ 12,693

See Independent Auditors' Report

Calhoun County, Florida
Sheriff
Combining Statement of Revenues,
Expenditures, and Changes in Fund Balances -
Nonmajor Governmental Funds

For the year ended September 30, 2020

	Drug Task Force Fund	Contribution Fund	Total Nonmajor Governmental Funds
Revenues			
Contributions and donations	\$ -	\$ 3,191	\$ 3,191
Total revenues	-	3,191	3,191
Expenditures			
Current:			
Other public health and safety			
Operating expenses	-	7,071	7,071
Total expenditures	-	7,071	7,071
Excess (deficiency) of revenues over (under) expenditures	-	(3,880)	(3,880)
Net change in fund balance	-	(3,880)	(3,880)
Fund balance - beginning	-	16,473	16,473
Fund balance - ending	\$ -	\$ 12,593	\$ 12,593

See Independent Auditors' Report

GRIMSLEY & ASSOCIATES

Professional Association
Certified Public Accountants

MEMBER
FLORIDA INSTITUTE AND
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

OWEN W. GRIMSLEY, C.P.A.

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

To the Honorable Glenn H. Kimbrel
Sheriff of Calhoun County, Florida
Blountstown, 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 Calhoun County, Florida, Sheriff (the "Sheriff") as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements and have issued our report thereon dated June 18, 2021.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the 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. We did identify a certain deficiency in internal control described below as finding No. S08-01 that we consider to be a significant deficiency.

To the Honorable Glenn H. Kimbrel
Sheriff of Calhoun County, Florida
Blountstown, Florida

PRIOR YEAR FINDINGS AND RECOMMENDATIONS:

Need for Segregation of Duties – Sheriff 2004-002

CRITERIA: The internal control environment should include proper segregation of duties and responsibilities over accounting functions.

CONDITION: There is a lack of segregation of duties between employees who have recordkeeping responsibility and employees in custody of the Sheriff's assets.

CAUSE: The Sheriff has limited personnel in the accounting department.

EFFECT: The possibility exists that unintentional or intentional errors or irregularities could occur and not be promptly detected.

RECOMMENDATION: We realize that due to the limited number of employees and certain incompatible duties being performed by the same employee, it is difficult to achieve ideal separation of duties. Nevertheless, internal control is strengthened when incompatible duties are separated and review procedures are established and adhered to. We also recommend the Sheriff log in to the bank's website and review the original bank statement.

STATUS: This condition continues to exist.

Compliance and Other Matters

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

Sheriff's Response to Findings

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

To the Honorable Glenn H. Kimbrel
Sheriff of Calhoun County, Florida
Blountstown, Florida

Purpose of this Report

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

Grimsley & Associates

June 18, 2021
Marianna, Florida

Grimsley & Associates, P.A.
Certified Public Accountants

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OWEN W. GRIMSLEY, C.P.A.

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES, *LOCAL GOVERNMENT INVESTMENT POLICIES*

To the Honorable Glenn H. Kimbrel
Sheriff of Calhoun County, Florida
Blountstown, Florida

We have examined Calhoun County, Florida Sheriff (the "Sheriff") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2020. Management is responsible for the Sheriff's compliance with those requirements. Our responsibility is to express an opinion on the Sheriff's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Sheriff complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Sheriff complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Sheriff's compliance with specified requirements.

In our opinion, the Sheriff complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2020.

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.

Grimsley & Associates

June 18, 2021
Marianna, Florida

Grimsley & Associates, P.A.
Certified Public Accountants

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OWEN W. GRIMSLEY, C.P.A.

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

To the Honorable Glenn H. Kimbrel
Sheriff of Calhoun County, Florida
Blountstown, Florida

We have examined Calhoun County, Florida Sheriff (the "Sheriff") compliance with the 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 the year ended September 30, 2020. Management is responsible for the Sheriff's compliance with those requirements. Our responsibility is to express an opinion on the Sheriff's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Sheriff complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Sheriff complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Sheriff's compliance with specified requirements.

In our opinion, the Sheriff complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2020.

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.

Grimsley & Associates

June 18, 2021
Marianna, Florida

Grimsley & Associates, P.A.
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OWEN W. GRIMSLEY, C.P.A.

INDEPENDENT AUDITORS' MANAGEMENT LETTER

To the Honorable Glenn H. Kimbrel
Sheriff of Calhoun County, Florida
Blountstown, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the Calhoun County, Florida Sheriff (the "Sheriff"), as of and for the year ended September 30, 2020, and have issued our report thereon dated June 18, 2021.

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; and Chapter 10.550, Rules of the Auditor General.

Other Reports

We have issued our Independent Auditors' Report on Internal Control Over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated June 18, 2021, should be considered in conjunction with this management letter.

Prior Audit Findings

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

To the Honorable Glenn H. Kimbrel
Sheriff of Calhoun County, Florida
Blountstown, Florida

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This item was disclosed in the notes to the financial statements.

Financial Management

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

Additional Matters

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

Purpose of this Letter

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

Grimsley & Associates

June 18, 2021
Marianna, Florida

Grimsley & Associates, P.A.
Certified Public Accountants

Sheriff



Glenn H. Kimbrel
Calhoun County

State of Florida
Auditor General
P.O. Box 1735
Tallahassee, FL 32303

RE: Fiscal Year Audit Report 2019/2020, Management Letter Comments & Findings

Dear Sir or Madam:

Calhoun County Sheriff's Office would like to address the following audit findings:

FINDING S08-01: NEED FOR SEGREGATION OF DUTIES:

COMMENT:

There is a lack of segregation of duties between employees who have recordkeeping responsibility and employees in custody of the Sheriff's assets.

RECOMMENDATION:

We realize that due to the limited number of employees and certain incompatible duties being performed by the same employee, it is difficult to achieve ideal separation of duties. Nevertheless, internal control is strengthened when incompatible duties are separated and review procedures are established and adhered to. We also recommend the Sheriff log in to the bank's website and review the original bank statement.

CALHOUN CO. SHERIFF'S OFFICE RESPONSE:

Calhoun County Sheriff's Office is a very small agency (consisting of approximately 35 employees). There is one financial officer whose duties include administration assistant duties, human resources, grant writing and administration, and all of the accounting duties (budgeting, payroll, accounts payable, etc). Limited funding prohibits the hiring of additional staff to strengthen internal controls. However, the finance officer/administrative assistant is supervised directly by the sheriff. Sheriff Kimbrel will continue to monitor the finances and review bank statements each month in order to provide a measure of assurance of proper accountability and handling of the Calhoun County Sheriff's Office finances.

Please contact me if you have additional questions or concerns.

Sincerely,

A handwritten signature of Glenn Kimbrel in black ink.
Sheriff Glenn Kimbrel

**Calhoun County, Florida
Property Appraiser**

Financial Statements

September 30, 2020

**Calhoun County, Florida
Property Appraiser
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September 30, 2020**

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OWEN W. GRIMSLEY, C.P.A.
ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of the major fund of the Calhoun County, Florida, Property Appraiser (the "Property Appraiser") as of and for the year ended September 30, 2020, and the related notes to the 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 opinion.

Honorable Carla Peacock
Property Appraiser
Calhoun County, Florida

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the major fund of the Property Appraiser as of September 30, 2020, and the respective changes in financial position thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General for the State of Florida ("Rules"). In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of the major fund of Calhoun County, Florida that is attributable to the Property Appraiser. They do not purport to, and do not present fairly the financial position of Holmes County, Florida as of September 30, 2020, and the changes in its financial position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 18, 2021 on our consideration of the Property Appraiser's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Property Appraiser's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Property Appraiser's internal control over financial reporting and compliance.

Grimsley & Associates

June 18, 2021
Marianna, Florida

Grimsley & Associates, P.A.
Certified Public Accountants

Calhoun County, Florida
Property Appraiser
Balance Sheet
Governmental Fund

September 30, 2020

	General Fund
Assets	
Cash and cash equivalents	\$ 69,027
Total assets	\$ 69,027
Liabilities	
Due to Board of County Commissioners	69,027
Total liabilities	69,027
Fund balance	-
Total liabilities and fund balance	\$ 69,027

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

Calhoun County, Florida
Property Appraiser
Statement of Revenues, Expenditures, and
Changes in Fund Balance
Governmental Fund

For the year ended September 30, 2020

	General Fund
Revenues	
Investment earnings	\$ 146
Total revenues	146
Expenditures	
General government	
Personal services	382,152
Operating expenses	76,335
Total expenditures	458,487
Deficiency of revenues under expenditures	(458,341)
Other financing sources (uses)	
Transfers in	527,368
Reversion to Board of County Commissioners	(69,027)
Net other financing sources	458,341
Net change in fund balance	-
Fund balance - beginning	-
Fund balance - ending	\$ -

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

Calhoun County, Florida
Property Appraiser
Statement of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual
General Fund

For the year ended September 30, 2020

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Investment earnings	\$ -	\$ -	\$ 146	\$ 146
Total revenues	-	-	146	146
Expenditures				
General government				
Personal services	\$ 431,066	\$ 433,035	\$ 382,152	\$ 50,883
Operating expenses	94,333	94,333	76,335	17,998
Capital outlay	-	-	-	-
Total expenditures	525,399	527,368	458,487	68,881
Deficiency of revenues under expenditures	(525,399)	(527,368)	(458,341)	69,027
Other financing sources (uses)				
Transfer in	525,399	527,368	527,368	-
Reversion to Board of County Commissioners	-	-	(69,027)	(69,027)
Net other financing sources	525,399	527,368	458,341	(69,027)
Net change in fund balance	\$ -	\$ -	\$ -	\$ -

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

Calhoun County, Florida
Property Appraiser
Notes to Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Calhoun County, Florida, Property Appraiser (the "Property Appraiser") conform to generally accepted accounting principles (GAAP), as applicable to governments. The following is a summary of significant principles and policies used in the preparation of these financial statements.

Reporting Entity

The Calhoun County, Florida, Property Appraiser (the "Property Appraiser") is a separately elected County official established pursuant to the Constitution of the State of Florida. The Property Appraiser's financial statements do not purport to reflect the financial position or the results of operations of Calhoun County, Florida taken as a whole.

Entity status for financial reporting purposes is governed by Statement No. 14 of the Governmental Accounting Standards Board (GASB). Although the Property Appraiser's office is operationally autonomous from the Board of County Commissioners ("the Board"), it does not hold sufficient corporate powers of its own to be considered a legally separate entity for financial reporting purposes. Therefore, the Property Appraiser is reported as part of the primary government of Calhoun County, Florida.

These financial statements are not intended to be a complete presentation of the financial position and results of operations of Calhoun County, Florida taken as a whole. As permitted by Chapter 10.556(5), Rules of the Auditor General State of Florida, the financial statements consist of only the fund level financial statements as defined in GASB No. 34, and do not include presentations of government-wide financial statements of the Property Appraiser.

The operations of the Property Appraiser are funded by the Board. The receipts from the Board are recorded as other financing sources on the Property Appraiser's financial statements and as other financing uses on the Board's financial statements. Any excess of revenues and other financing sources received over expenditures are remitted to the Board at year-end.

Calhoun County, Florida
Property Appraiser
Notes to Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation

The Property Appraiser's financial statements 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 statements do not constitute a complete presentation because, in conformity with the Rules, the Property Appraiser has not presented reconciliations to the government-wide financial statements, management's discussion and analysis, or the pension or the other post-employment benefit related required supplementary information. Also, certain notes to the financial statements may supplement rather than duplicate the notes included in the County's countywide financial statements. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of the major fund, and the aggregate remaining fund information, only for that portion of the major fund, and the aggregate remaining fund information, of Calhoun County, Florida, that is attributable to the Property Appraiser. They do not purport to, and do not, present fairly the financial position of Calhoun County, Florida, as of September 30, 2020, and the changes in its financial position, for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

In preparing these financial statements, the following is reported as a major governmental fund:

General Fund - The general fund is the general operating fund of the Property Appraiser. It is used to account for all financial resources, except those required to be accounted for in another fund.

Measurement Focus

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

Basis of Accounting

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 fund financial statements are reported using a current financial resources measurement focus on a modified accrual basis of accounting. The major modifications to the accrual basis are: (a) revenues are recorded in the accounting period in which they become available and measurable (available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, considered to be sixty days for all revenue) (b) expenditures are recorded in the accounting period in which the liability is incurred, except for accumulated sick and vacation pay, which are not recorded until due. The operations of the Property Appraiser are funded by the Board of County Commissioners. The appropriations from the Board are recorded as other financing sources. Charges for services and investment revenue are recorded as earned.

Calhoun County, Florida
Property Appraiser
Notes to Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting (Continued)

When both restricted and unrestricted resources are available for use, it is the Clerk's policy to use restricted resources first, then unrestricted resources as needed.

Budgetary Requirements

Florida Statutes, Chapter 218.35 and 195.087, details the preparation, adoption and administration of the Property Appraiser's annual budget. The Property Appraiser establishes an annual balanced budget for her office which displays the revenues available to the office and the functions for which the money is to be expended. The budgeted revenues and expenditures in the accompanying financial statements reflect all amendments approved by the Department of Revenue and the Board of County Commissioners. The Department of Revenue and the Board of County Commissioners must approve the financial budget. The budget is prepared on a basis consistent with generally accepted accounting principles.

Cash and Cash Equivalents

Cash and cash equivalents includes amounts in demand deposits as well as short term investments with a maturity date within three months of the date acquired by the government.

Capital Assets and Depreciation

Tangible personal property is recorded as expenditures in the general fund at the time an asset is acquired. Assets acquired by the Property Appraiser are capitalized at cost in the capital asset accounts of the County. The Property Appraiser's assets are reported in the Statement of Net Position in the County's financial statements. The Property Appraiser maintains custodial responsibility for the capital assets used by her office.

Accumulated Compensated Absences

Permanent full-time employees of the Property Appraiser are entitled to accrue sick leave based on pay periods worked with the Property Appraiser's office, with a limit on total hours accrued being 280 hours. Annual leave (PTO) is earned depending on the length of employment. Upon positive termination, employees can be paid for unused annual leave in accordance with personnel policy.

Risk Management and Insurance

The Property Appraiser is covered under the Board of County Commissioners insurance policies. The Board insures itself against losses from casualty, accident and dishonesty by purchasing insurance through a local insurance agency. The Board believes the level of insurance purchased is adequate to protect against material loss. No significant changes in coverage or claims have been made during the current year.

Calhoun County, Florida
Property Appraiser
Notes to Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance

Fund balances are classified based on a hierarchy of the Property Appraiser's ability to control spending of these fund balances and can be classified in the following categories:

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

Spendable fund balances are classified based on a hierarchy of the Property Appraiser's ability to control the spending of these fund balances and are reported in the following categories: restricted, committed, assigned and unassigned. Restricted fund balances have externally imposed constraints placed on the use of resources by creditors, grantors, contributors, laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Unassigned fund balances have not been restricted, committed or assigned to specific purposes within the general fund. The Property Appraiser had no non-spendable or spendable fund balances at September 30, 2020.

Management Estimates and Assumptions

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

Subsequent Events

Subsequent events have been evaluated through the date that the financial statements were available to be issued, June 18, 2021 and determined there were no events that required disclosure.

Recently Issued and Implemented Accounting Pronouncements

In May 2020, the GASB issued Statement No. 95 (GASB 95), *Postponement of the Effective Date of Certain Authoritative Guidance*. GASB 95 provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. GASB 95 had no impact on the Property Appraiser's financial statements.

Calhoun County, Florida
Property Appraiser
Notes to Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recently Issued But Not Yet Effective

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

Statement No.	GASB Accounting Standard	GASB Effective Fiscal Year
84	<i>Fiduciary Activities</i>	2021
87	<i>Leases</i>	2022
89	<i>Accounting for Interest Cost Incurred before the End of a Construction Period</i>	2022
90	<i>Majority Equity Interest an amendment of GASB Statements No. 14 and No. 61</i>	2021
91	<i>Conduit Debt Obligations</i>	2023
92	<i>Omnibus 2020</i>	2022
93	<i>Replacement of Interbank Offered Rates</i>	2022
94	<i>Public-Private and Public-Private Partnerships and Availability Payment Arrangements</i>	2023
96	<i>Subscription-Based Informaiton Technology Arrangements</i>	2023
97	<i>Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans</i>	2023

Calhoun County, Florida
Property Appraiser
Notes to Financial Statements

NOTE 2 - DEPOSITS AND INVESTMENTS

At September 30, 2020, the carrying amount of the Property Appraiser's cash and cash equivalents was \$69,027 and the bank balance was \$95,415. The bank balance was covered by federal depository insurance and, for the amount in excess of such federal depository insurance, by the State of Florida's Public Deposit Act. Provisions of the Act require that public deposits may only be made at qualified public depositories. The Act requires each qualified public depository to deposit with the State Treasurer eligible collateral equal to or in excess of the required collateral as determined by the provisions of the Act. In the event of a failure by a qualified public depository, losses in excess of federal depository insurance and proceeds from the sale of securities pledged by the defaulting depository are assessed against the other qualified public depositories of the same type as the depository in default. When other qualified public depositories are assessed additional amounts, they are assessed on a pro-rata basis. Florida Statutes authorize the Property Appraiser to invest in certificates of deposit, repurchase agreements and the State Treasurer's Investment Pool. In addition, the statutes allow the Property Appraiser to invest in bonds, notes or other obligations of the United States Government, certain bonds of any state or local government unit, and bonds issued by certain government agencies.

Credit Risk

At September 30, 2020, the Property Appraiser did not hold any deposits or investments that were considered to have credit risk.

Interest Rate Risk

At September 30, 2020, the Property Appraiser did not hold any investments that were considered to have interest rate risk.

Custodial Credit Risk

At September 30, 2020, the Property Appraiser did not hold any deposits or investments that were considered to have custodial credit risk.

Concentration of Credit Risk

At September 30, 2020, the Property Appraiser did not hold any investments that were considered to have concentration of credit risk.

Calhoun County, Florida
Property Appraiser
Notes to Financial Statements

NOTE 3 – EMPLOYEE PENSION PLAN

The Property Appraiser participates in the Florida Retirement System (FRS), a cost-sharing, multiple-employer defined benefit public retirement system administered by the State of Florida, Department of Management Services, Division of Retirement, to provide retirement and survivor benefits to participating public employees. Chapter 121, Florida Statutes, establishes the authority for participant eligibility, contribution requirements, vesting eligibility and benefit provisions. FRS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by contacting the State of Florida Division of Retirement, Tallahassee, Florida 32399-1560, or by accessing their internet site at (www.dms.myflorida.com/workforce_operations/retirement/publications/annual_reports).

For those employees hired prior to July 1, 2011, FRS provides vesting of benefits after six years of creditable service. Members are eligible for normal retirement after six years of service and attaining age 62, or 30 years of service regardless of age. Early retirement may be taken any time after completing six years of service; however, there is a 5% benefit reduction for each year prior to normal retirement. For those employees hired on or after July 1, 2011, the System provides for vesting of benefits after six years of creditable service. Normal retirement benefits are available to these employees who retire at or after age 65 with eight years of service with a 5% reduction of benefits for each year prior to normal retirement. FRS also provides death and disability benefits and cost-of-living adjustments. Generally, membership is compulsory for all full-time and part-time employees. Prior to July 1, 2011, retirement coverage was employee noncontributory. Effective July 1, 2011 the Florida Legislature mandated all employees contribute 3% to their retirement coverage with immediate vesting of their contributions.

The funding methods and the determination of benefits payable are provided in various acts of the Florida Legislature. These acts provide that employers and employees pay contributions at rates determined each year by the legislature. The employer rates, as a percentage of gross earnings, are as follows:

	10/01/19 Through <u>06/30/20</u>	07/01/20 Through <u>09/30/20</u>
Regular Employees	8.47%	10.00%
Elected county officials' class	48.82%	49.18%
DROP participants	14.60%	16.98%

NOTE 3 - EMPLOYEE PENSION PLAN (CONTINUED)

Chapter 121, Florida Statutes establishes the authority for participant eligibility, contribution requirements, vesting eligibility and benefit provisions. For the period October 01, 2019 through September 30, 2020, the total payroll for the Property Appraiser's employees covered by the System was \$271,166. The retirement contributions for all employees covered by the FRS for the years ended September 2020, 2019 and 2018 were \$64,034, \$61,680 and \$56,186 which were the required contributions. For the year ended September 30, 2020 retirement contributions represent 38.02% of covered payroll.

GASB Statement No. 68 establishes standards of accounting and financial reporting, but not funding or budgetary standards, for defined benefit pensions and defined contribution pensions provided to the employees of state and local governmental employers through pension plans that are administered through trusts or equivalent arrangements. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans within the scope of the Statement.

The requirements of Statement No. 68 apply to the financial statements of all state and local governmental employers whose employees (or volunteers that provide services to state and local governments) are provided with pensions through pension plans that are administered through trusts or equivalent arrangements, and to the financial statements of state and local governmental nonemployer contributing entities that have a legal obligation to make contributions directly to such pension plans. This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures related to pensions. Note disclosure and RSI requirements about pensions also are addressed. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

The adoption of Statement No. 68 has no impact on the Calhoun County, Florida Property Appraiser's governmental fund financial statements, which continue to report expenditures in the amount of the actuarially determined contributions, as required by State law. The calculation of pension contributions is unaffected by the change.

NOTE 4 - POST EMPLOYMENT BENEFITS OTHER THAN PENSION

In addition to the retirement plan in Note 3, the County, in accordance with Section 112.0801, Florida Statutes, provides post-retirement health care benefits to all retired employees who participated in the group health plan while employed. Employees of the Property Appraiser are covered under the County's plan. The County is required to measure and recognize the annual cost of the future benefits and calculate the annual employer funding requirements and, to the extent funding is not made by the County recognize another post-employment benefit (OPEB) liability on the balance sheet of the County. These amounts, if any, are recorded in the County's government-wide financial statements.

NOTE 5 - EXCESS REVENUE

Pursuant to Section 218.36(2), Florida Statutes, each County Officer shall pay into the county general fund all money in excess of the sum to which he or she is entitled under the provisions of Chapter 145. Excess revenues over expenditures were returned to the Board of County Commissioners as required by Florida Statutes.

NOTE 6: UNCERTAINTIES

In March 2020, the World Health Organization made the assessment that the outbreak of the novel coronavirus (COVID-19) can be characterized as a pandemic. As a result, uncertainties have arisen that may have a significant negative impact on the ongoing operating activities and the future 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 as of June 18, 2021.

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OWEN W. GRIMSLEY, C.P.A.

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

Honorable Carla Peacock
Property Appraiser
Calhoun 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 Calhoun County, Florida, Property Appraiser (the "Property Appraiser") as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Property Appraiser's financial statements and have issued our report thereon dated June 18, 2021.

Internal Control Over Financial Reporting

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

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

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

Honorable Carla Peacock
Property Appraiser
Calhoun County, Florida

Compliance and Other Matters

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

Purpose of this Report

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

Grimsley & Associates

June 18, 2021
Marianna, Florida

Grimsley & Associates, P.A.
Certified Public Accountants

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INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES, *LOCAL GOVERNMENT INVESTMENT POLICIES*

Honorable Carla Peacock
Property Appraiser
Calhoun County, Florida

We have examined Calhoun County, Florida Property Appraiser (the "Property Appraiser") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2020. Management is responsible for the Property Appraiser's compliance with the specified requirements. Our responsibility is to express an opinion on the Property Appraiser's compliance based on our examination.

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

In our opinion, the Property Appraiser complied, in all material respects, with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2020.

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.

Grimsley & Associates

June 18, 2021
Marianna, Florida

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INDEPENDENT AUDITORS' MANAGEMENT LETTER

Honorable Carla Peacock
Property Appraiser
Calhoun County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the Calhoun County, Florida, Property Appraiser (the "Property Appraiser"), as of and for the year ended September 30, 2020, and have issued our report thereon dated June 18, 2021.

Auditors' Responsibility

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

Other Reports

We have issued our Independent Auditors' Report on Internal Control Over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Report on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated June 10, 2021, 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 significant findings and recommendations made in the preceding annual financial audit report. There were no findings and recommendations made in the preceding annual financial audit report.

Honorable Carla Peacock
Property Appraiser
Calhoun County, Florida

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The Calhoun County, Florida, Property Appraiser was established by the Constitution of the State of Florida, Article VIII, Section 1(d). There were no component units related to the Calhoun County, Florida, Property Appraiser.

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 recommendation.

Additional Matters

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

Purpose of this Letter

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

Grimsley & Associates

June 18, 2021
Marianna, Florida

Grimsley & Associates, P.A.
Certified Public Accountants

**Calhoun County, Florida
Supervisor of Elections**

Financial Statements

September 30, 2020

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INDEPENDENT AUDITORS' REPORT

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OWEN W. GRIMSLEY, C.P.A.

INDEPENDENT AUDITORS' REPORT

Honorable Sharon Chason
Supervisor of Elections
Calhoun County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the major fund of the office of the Calhoun County, Florida, Supervisor of Elections (the "Supervisor of Elections") as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Supervisor of Elections' 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 Supervisor of Elections' 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.

Honorable Sharon Chason
Supervisor of Elections
Calhoun County, Florida

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 of the Supervisor of Elections as of September 30, 2020, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida ("Rules"). In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of the General Fund of Calhoun County, Florida that is attributable to the Supervisor of Elections. They do not purport to, and do not, present fairly the financial position of Calhoun County, Florida as of September 30, 2020, and the changes in its financial position for the fiscal year then ended, in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions in the financial statement that collectively comprise the Supervisor of Elections' financial statements. The combining and individual fund statements, as listed in the table of contents, are presented for purposes and additional analysis and are not a required part of the financial statements.

The combining and individual fund financial statement are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the accounting procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements are fairly stated, in all material respects, in relation to the financial statements as a whole.

Honorable Sharon Chason
Supervisor of Elections
Calhoun County, Florida

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated June 18, 2021 on our consideration of the Supervisor of Elections' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Supervisor of Elections' internal control over financial reporting and compliance.

Grimsley & Associates

June 18, 2021
Marianna, Florida

Grimsley & Associates, P.A.
Certified Public Accountants

FINANCIAL STATEMENTS

Calhoun County, Florida
Supervisor of Elections
Balance Sheet
Governmental Fund

September 30, 2020

	General Fund	Grant Fund	Total Goverernmental Funds
Assets			
Cash and cash equivalents	\$ 4,170	\$ 17,636	\$ 21,806
Total assets	\$ 4,170	\$ 17,636	\$ 21,806
Liabilities			
Accounts Payable	\$ 1,211	\$ 4,798	\$ 6,009
Deferred Revenue	-	12,838	12,838
Due to Board of County Commissioners	2,959	-	2,959
Total liabilities	4,170	17,636	21,806
Fund balance	-	-	-
Total liabilities and fund balance	\$ 4,170	\$ 17,636	\$ 21,806

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

Calhoun County, Florida
Supervisor of Elections
Statement of Revenues, Expenditures, and
Changes in Fund Balance
Governmental Fund

For the year ended September 30, 2020

	General Fund	Grant Fund	Total Governmental Funds
Revenues			
Grants	\$ -	\$ 82,087	\$ 82,087
Investment earnings	64	23	87
Other fees and miscellaneous revenue	4,589	-	4,589
Total revenues	4,653	82,110	86,763
Expenditures			
General government			
Personal services	231,936	-	231,936
Operating expenses	88,591	47,770	136,361
Capital Outlay	-	35,284	35,284
Total expenditures	320,527	83,054	403,581
Excess (deficiency) of revenues over (under) expenditures	(315,874)	(944)	(316,818)
Other financing sources (uses)			
Appropriations from Board of County Commissioners	319,777	-	319,777
Transfers In	-	944	944
Transfers Out	(944)	-	(944)
Reversion to Board of County Commissioners	(2,959)	-	(2,959)
Net other financing sources (uses)	315,874	944	316,818
Net change in fund balance	-	-	-
Fund balance - beginning	-	-	-
Fund balance - ending	\$ -	\$ -	\$ -

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

Calhoun County, Florida
Supervisor of Elections
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
General Fund

For the year ended September 30, 2020

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Investment earnings	\$ -	\$ -	\$ 64	\$ 64
Other fees and miscellaneous revenue	-	4,589	4,589	-
Total revenues	-	4,589	4,653	64
Expenditures				
General government				
Personal services	247,922	247,922	231,936	15,986
Operating expenses	71,855	76,444	88,591	(12,147)
Capital outlay	-	-	-	-
Total expenditures	319,777	324,366	320,527	3,839
Excess (deficiency) of revenues over (under) expenditures	- (319,777)	- (319,777)	- (315,874)	- 3,903
Other financing sources (uses)				
Appropriations from Board of County Commissioners	319,777	319,777	319,777	-
Transfer out	-	-	(944)	(944)
Reversion to the Board of County Commissioners	-	-	(2,959)	(2,959)
Net other financing sources (uses)	319,777	319,777	315,874	(3,903)
Net change in fund balance	\$ -	\$ -	\$ -	\$ -

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

Calhoun County, Florida
Supervisor of Elections
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Grants Fund

For the year ended September 30, 2020

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Grants	\$ 94,925	\$ 94,925	\$ 82,087	\$ 82,087
Investment earnings	\$ -	\$ -	\$ 23	\$ 23
Total revenues	94,925	94,925	82,110	82,110
Expenditures				
General government				
Operating expenses	52,925	52,925	\$ 47,770	5,155
Capital outlay	42,000	42,000	\$ 35,284	6,716
Total expenditures	94,925	94,925	83,054	11,871
Excess (deficiency) of revenues over (under) expenditures	-	-	(944)	(944)
Other financing sources (uses)				
Transfer out	-	-	944	944
Net other financing sources (uses)	-	-	944	944
Net change in fund balance	\$ -	\$ -	\$ -	\$ -

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

Calhoun County, Florida
Supervisor of Elections
Notes to Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Calhoun County, Florida, Supervisor of Elections (the “Supervisor of Elections”) conform to generally accepted accounting principles (GAAP), as applicable to governments. The following is a summary of significant accounting principles and policies used in preparation of these financial statements.

Reporting Entity

The Calhoun County, Florida, Supervisor of Elections (the “Supervisor of Elections”) is a separately elected County official established pursuant to the Constitution of the State of Florida. The Supervisor of Elections’ financial statements do not purport to reflect the financial position or the results of operations of Calhoun County, Florida taken as a whole.

Entity status for financial reporting purposes is governed by Statement No. 14 of the Governmental Accounting Standards Board (GASB). Although the Supervisor of Elections’ office is operationally autonomous from the Board of County Commissioners (“the Board”), it does not hold sufficient corporate powers of its own to be considered a legally separate entity for financial reporting purposes. Therefore, the Supervisor of Elections is reported as part of the primary government of Calhoun County, Florida.

These financial statements are not intended to be a complete presentation of the financial position and results of operations of Calhoun County, Florida taken as a whole. As permitted by Chapter 10.556(5), *Rules of the Auditor General* State of Florida, the financial statements consist of only the *fund level* financial statements as defined in GASB No. 34, and do not include presentations of *government-wide* financial statements of the Supervisor of Elections.

The operations of the Supervisor of Elections are funded by the Board of County Commissioners. The receipts from the Board are recorded as other financing sources on the Supervisor of Elections’ financial statements and as other financing uses on the Board’s financial statements. Any excess of revenue and other financial sources received over expenditures are remitted to the Board of County Commissioners after the end of the fiscal year.

Basis of Presentation

The Supervisor of Elections’ financial statements 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 statements do not constitute a complete presentation because, in conformity with the Rules, the Supervisor of Elections has not presented reconciliations to the government-wide financial statements, management’s discussion and analysis, or the pension of the other post-employment benefit related required supplementary information. Also, certain notes to the financial statements may supplement rather than duplicate the notes included in the County’s countywide financial statements.

Calhoun County, Florida
Supervisor of Elections
Notes to Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In conformity with the rules, the accompanying financial statements are intended to present the financial position and changes in financial position of the major fund, and the aggregate remaining fund information, only for the portion of each major fund, and the aggregate remaining fund information, that is attributable to the Supervisor of Elections. They do not purport to, and do not, present fairly the financial position of Calhoun County, Florida, as of September 30, 2020, and the changes in its financial position, for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

In preparing these financial statements the following are reported as major governmental funds:

General Fund - The general fund is the general operating fund of the Supervisor of Elections. It is used to account for all financial resources, except those required to be accounted for in another fund.

Grant Fund – Special revenue fund that accounts for the grant funds received to educate the voters and assist with elections safety.

Measurement Focus

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

Basis of Accounting and Financial Statement Presentation

Governmental fund financial statements are reported using a current financial resources measurement focus on a modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible with the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Supervisor of Elections considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures are recorded in the accounting period in which the liability is incurred, except for debt service expenditures and accumulated sick and vacation pay, which are not recorded until paid. General capital asset acquisitions are reported as expenditures and issuance of long-term debt and acquisition under capital leases are reported as other financing sources. The operations of the Supervisor of Elections are funded by the Board of County Commissioners. The appropriations from the Board are recorded as other financing sources.

Calhoun County, Florida
Supervisor of Elections
Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The accounting and financial reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or “financial flow” measurement focus. This means that generally, only current assets and current liabilities are included in the balance sheet.

Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they present a summary of sources and uses of “available spendable resources” during a period.

Budgetary Requirements

General governmental revenue and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with the Florida Statutes. An annual budget is prepared by the Supervisor of Elections and adopted by the Board for the general fund.

The Supervisor of Elections' annual budget is monitored at varying levels of classification detail. However, for purposes of budgetary control, expenditures cannot legally exceed the total annual budget appropriations at the individual fund level. All appropriations lapse at year end.

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

Cash and Cash Equivalents

Cash includes amounts in demand deposits as well as short term investments with a maturity date within three months of the date acquired by the government.

Capital Assets and Depreciation

Tangible personal property is recorded as expenditures in the general fund at the time an asset is acquired. Assets acquired by the Supervisor of Elections are capitalized at cost in the capital asset accounts of the County. The Supervisor of Elections' assets are reported in the Statement of Net Position in the County's financial statements. The Supervisor of Elections maintains custodial responsibility for the capital assets used by her office.

Accumulated Compensated Absences

Permanent full-time employees of the Supervisor of Elections are entitled to accrue unlimited hours of sick leave based on pay periods worked. Upon termination, employees with five years of more of service can be paid up to 30 days of unused sick time. Permanent full-time employees of the Supervisor of Elections are entitled to accrue up to a maximum of 30 days of vacation leave. Upon termination, employees can be paid up to 30 days of unused vacation time.

The Supervisor of Elections' accumulated compensated absences are reported in the statement of net position in the County's financial statements.

Calhoun County, Florida
Supervisor of Elections
Notes to Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Risk Management and Insurance

The Supervisor of Elections is covered under the Board of County Commissioners insurance policies. The Board insures itself against losses from casualty, accident and dishonesty by purchasing insurance through a local insurance agency. The Board believes the level of insurance purchased is adequate to protect against material loss. No significant changes in coverage or claims have been made during the current year.

Fund Balance

Fund balances are classified based on a hierarchy of the Supervisor of Elections' ability to control spending of these fund balances and can be classified in the following categories:

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

Spendable fund balances are classified based on a hierarchy of the Supervisor of Elections' ability to control the spending of these fund balances and are reported in the following categories: restricted, committed, assigned and unassigned. Restricted fund balances have externally imposed constraints placed on the use of resources by creditors, grantors, contributors, laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Unassigned fund balances have not been restricted, committed or assigned to specific purposes within the general fund. The Supervisor of Elections' had no non-spendable or spendable fund balances at September 30, 2020.

Management Estimates and Assumptions

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

Subsequent Events

Subsequent events have been evaluated through the date that the financial statements were available to be issued, June 18, 2021 and determined there were no events that required disclosure.

Recently Issued and Implemented Accounting Pronouncements

In May 2020, the GASB issued Statement No. 95 (GASB 95), *Postponement of the Effective Date of Certain Authoritative Guidance*. GASB 95 provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. GASB 95 had no impact on the Supervisor of Elections' financial statements.

Calhoun County, Florida
Supervisor of Elections
Notes to Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recently Issued But Not Yet Effective

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

Statement No.	GASB Accounting Standard	GASB Effective Fiscal Year
84	<i>Fiduciary Activities</i>	2021
87	<i>Leases</i>	2022
89	<i>Accounting for Interest Cost Incurred before the End of a Construction Period</i>	2022
90	<i>Majority Equity Interest an amendment of GASB Statements No. 14 and No. 61</i>	2021
91	<i>Conduit Debt Obligations</i>	2023
92	<i>Omnibus 2020</i>	2022
93	<i>Replacement of Interbank Offered Rates</i>	2022
94	<i>Public-Private and Public-Public Partnerships and Availability Payment Arrangements</i>	2023
96	<i>Subscription-Based Information Technology Arrangements</i>	2023
97	<i>Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans</i>	2023

Calhoun County, Florida
Supervisor of Elections
Notes to Financial Statements

NOTE 2 - DEPOSITS AND INVESTMENTS

At September 30, 2020, the carrying amount of the Supervisor's cash and cash equivalents and restricted cash was \$21,806 and the bank balance was \$39,210. The bank balance was covered by federal depository insurance and, for the amount in excess of such federal depository insurance, by the State of Florida's Public Deposit Act. Provisions of the Act require that public deposits may only be made at qualified public depositories. The Act requires each qualified public depository to deposit with the State Treasurer eligible collateral equal to or in excess of the required collateral as determined by the provisions of the Act. In the event of a failure by a qualified public depository, losses in excess of federal depository insurance and proceeds from the sale of securities pledged by the defaulting depository are assessed against the other qualified public depositories of the same type as the depository in default. When other qualified public depositories are assessed additional amounts, they are assessed on a pro-rata basis.

Florida Statutes authorize the Supervisor to invest in certificates of deposit, repurchase agreements and the State Treasurer's Investment Pool. In addition, the statutes allow the Supervisor to invest in bonds, notes or other obligations of the United States Government, certain bonds of any state or local government unit, and bonds issued by certain government agencies.

Credit Risk

At September 30, 2020, the Supervisor did not hold any deposits or investments that were considered to have credit risk.

Interest Rate Risk

At September 30, 2020, the Supervisor did not hold any investments that were considered to have interest rate risk.

Custodial Credit Risk

At September 30, 2020, the Supervisor did not hold any deposits or investments that were considered to have custodial credit risk.

Concentration of Credit Risk

At September 30, 2020, the Supervisor did not hold any investments that were considered to have concentration of credit risk.

Calhoun County, Florida
Supervisor of Elections
Notes to Financial Statements

NOTE 3 - EMPLOYEE PENSION PLAN

The Supervisor of Elections' participates in participates in the Florida Retirement System (FRS), a cost-sharing, multiple-employer defined benefit public retirement system administered by the State of Florida, Department of Management Services, Division of Retirement, to provide retirement and survivor benefits to participating public employees. Chapter 121, Florida Statutes, establishes the authority for participant eligibility, contribution requirements, vesting eligibility and benefit provisions. FRS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by contacting the State of Florida Division of Retirement, Tallahassee, Florida 32399-1560, or by accessing their internet site at (www.dms.myflorida.com/workforce_operations/retirement/publications/annual_reports).

For those employees hired prior to July 1, 2011, FRS provides vesting of benefits after six years of creditable service. Members are eligible for normal retirement after six years of service and attaining age 62, or 30 years of service regardless of age. Early retirement may be taken any time after completing six years of service; however, there is a 5% benefit reduction for each year prior to normal retirement. For those employees hired on or after July 1, 2011, the System provides for vesting of benefits after six years of creditable service. Normal retirement benefits are available to these employees who retire at or after age 65 with eight years of service with a 5% reduction of benefits for each year prior to normal retirement. FRS also provides death and disability benefits and cost-of-living adjustments. Generally, membership is compulsory for all full-time and part-time employees. Prior to July 1, 2011, retirement coverage was employee noncontributory. Effective July 1, 2011 the Florida Legislature mandated all employees contribute 3% to their retirement coverage with immediate vesting of their contributions.

The funding methods and the determination of benefits payable are provided in various acts of the Florida Legislature. These acts provide that employers and employees pay contributions at rates determined each year by the legislature. The employer rates, as a percentage of gross earnings, are as follows:

	10/01/19 Through <u>06/30/20</u>	07/01/20 Through <u>09/30/20</u>
Regular employees	8.47%	10.00%
Elected county officials' class	48.70%	49.18%
Senior Management	25.41%	27.29%

Calhoun County, Florida
Supervisor of Elections
Notes to Financial Statements

NOTE 3 - EMPLOYEE PENSION PLAN (CONTINUED)

Chapter 121, Florida Statutes establishes the authority for participant eligibility, contribution requirements, vesting eligibility and benefit provisions. For the period October 01, 2019 through September 30, 2020, the total payroll for the Supervisor's employees covered by the System was \$146,361. The retirement contributions for all employees covered by the FRS for the years ended September 30, 2020, 2019 and 2018 were \$54,191, \$52,863 and \$49,601 respectively, which were the required contributions. For the year ended September 30, 2020 retirement contributions represent 37.02% of covered payroll.

GASB Statement No. 68 establishes standards of accounting and financial reporting, but not funding or budgetary standards, for defined benefit pensions and defined contribution pensions provided to the employees of state and local governmental employers through pension plans that are administered through trusts or equivalent arrangements. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans within the scope of the Statement.

The requirements of Statement No. 68 apply to the financial statements of all state and local governmental employers whose employees (or volunteers that provide services to state and local governments) are provided with pensions through pension plans that are administered through trusts or equivalent arrangements, and to the financial statements of state and local governmental nonemployer contributing entities that have a legal obligation to make contributions directly to such pension plans. This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures related to pensions. Note disclosure and RSI requirements about pensions also are addressed. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

The adoption of Statement No. 68 has no impact on the Calhoun County, Florida Supervisor of Elections' governmental fund financial statements, which continue to report expenditures in the amount of the actuarially determined contributions, as required by State law. The calculation of pension contributions is unaffected by the change.

Calhoun County, Florida
Supervisor of Elections
Notes to Financial Statements

NOTE 4 - POST EMPLOYMENT BENEFITS OTHER THAN PENSION

In addition to the retirement plan in Note 3, the County, in accordance with Section 112.0801, Florida Statutes, provides post-retirement health care benefits to all retired employees who participated in the group health plan while employed. Employees of the Supervisor of Elections are covered under the County's plan. The County is required to measure and recognize the annual cost of the future benefits and calculate the annual employer funding requirements and, to the extent funding is not made by the County recognize another post-employment benefit (OPEB) liability on the balance sheet of the County. These amounts, if any, are recorded in the County's government-wide financial statements.

NOTE 5 - EXCESS REVENUE

Pursuant to Section 218.36(2), Florida Statutes, each County Officer shall pay into the county general fund all money in excess of the sum to which he or she is entitled under the provisions of Chapter 145. Excess revenues over expenditures in the amount of \$2,959 were returned to the Board of County Commissioners as required by Florida Statutes subsequent to year end.

NOTE 6 - GRANTS

The Supervisor participates in three state grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The audits of these programs for or including the year ended September 30, 2020, have not yet been accepted/approved by the grantors. Accordingly, the final determination of the Supervisor's compliance with applicable grant requirements will be established at a future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined, although the Supervisor expects such amounts, if any, to be immaterial.

NOTE 7 - UNCERTAINTIES

In March 2020, the World Health Organization made the assessment that the outbreak of the novel coronavirus (COVID-19) can be characterized as a pandemic. As a result, uncertainties have arisen that may have a significant negative impact on the ongoing operating activities and the future results of the Supervisor of Elections'. 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 as of June 18, 2021.

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OWEN W. GRIMSLEY, C.P.A.

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

Honorable Sharon Chason
Supervisor of Elections
Calhoun 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 Calhoun County, Florida, Supervisor of Elections (the "Supervisor of Elections") as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Supervisor of Elections' financial statements and have issued our report thereon dated June 18, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Supervisor of Elections' internal control over financial reporting (internal control) 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 Supervisor of Elections' internal control. Accordingly, we do not express an opinion on the effectiveness of the Supervisor of Election'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 the internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in the internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control described below that we consider to be significant deficiencies.

Honorable Sharon Chason
Supervisor of Elections
Calhoun County, Florida

PRIOR YEAR FINDINGS AND RECOMMENDATIONS:

Need for Segregation of Duties, SOE 2004-01

CRITERIA: The internal control environment should include proper segregation of duties and responsibilities over accounting functions.

CONDITION: There is a lack of segregation of duties between employees who have recordkeeping responsibility and employees in custody of Supervisor of Elections' assets.

CAUSE: The Supervisor of Elections has limited personnel in the accounting department.

EFFECT: The possibility exists that unintentional or intentional errors or irregularities could occur and not be promptly detected.

RECOMMENDATION: We realize that due to the size of the Supervisor of Elections' administrative staff, it is difficult to achieve ideal separation of duties. However, the Supervisor of Elections should remain very active and involved in the day-to-day operations. Controls should be implemented to help compensate for these weaknesses and to provide check and balances.

MANAGEMENT RESPONSE: This condition continues to exist.

Honorable Sharon Chason
Supervisor of Elections
Calhoun County, Florida

Compliance and Other Matters

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

Supervisor of Elections' Response to Findings

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

Grimsley & Associates

June 18, 2021
Marianna, Florida

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INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES, *LOCAL GOVERNMENT INVESTMENT POLICIES*

Honorable Sharon Chason
Supervisor of Elections
Calhoun County, Florida

We have examined Calhoun County, Florida's Supervisor of Elections (the "Supervisor of Elections") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2020. Management is responsible for the Supervisor of Election's compliance with those requirements. Our responsibility is to express an opinion on the Supervisor of Elections' 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 Supervisor of Election's complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Supervisor of Election's 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 Supervisor of Elections' compliance with specified requirements.

In our opinion, the Supervisor of Elections complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2020.

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.

Grimsley & Associates

June 18, 2021
Marianna, Florida

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INDEPENDENT AUDITORS' MANAGEMENT LETTER

Honorable Sharon Chason
Supervisor of Elections
Calhoun County, Florida

Report on the Financial Statements

We have audited the financial statements of the Calhoun County, Florida, Supervisor of Elections (the "Supervisor of Elections") as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated June 18, 2021.

Auditors' Responsibility

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

Other Reports and Schedule

We have issued our Independent Auditors' Report on Internal Control Over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated June 18, 2021, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Honorable Sharon Chason
Supervisor of Elections
Calhoun County, Florida

Official Title and Legal Authority

Section 10.554(1)(i)4, Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in the management letter, unless disclosed in the notes to the financial statements. The Calhoun County, Florida, Supervisor of Elections was established by the Constitution of the State of Florida, Article VIII, Section 1(d). There were no component units related to the Calhoun County, Florida, Supervisor of Elections.

Financial Management

Section 10.554(1)(i)2, Rules of the Auditor General, requires that we communicate any recommendations that 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, and the Calhoun County, Florida Supervisor of Elections and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Grimsley & Associates

June 20, 2021
Marianna, Florida

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Sharon Chason

Calhoun County Supervisor of Elections

Auditor General's Office
111 West Madison Street
Tallahassee, Florida 32399

We are in agreement with the finding listed in the 2019/2020 audit report. We have responded to the findings as identified below.

Finding SOE 2004-01: Need for Segregation of Duties

The Supervisor of Elections' office is limited to two full time employees. Due to the limited staff, it is impossible to have adequate segregation of duties. The Supervisor of Elections' will remain active and involved in day-to-day operations. Monthly bank reconciliations and financial statements will be reviewed for discrepancies. Internal controls will be monitored and implemented to compensate of potential weaknesses.

Sincerely,

Sharon Chason
Supervisor of Elections
Calhoun County

**Calhoun County, Florida
Tax Collector**

Financial Statements

September 30, 2020

Calhoun County, Florida
Tax Collector
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September 30, 2020

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INDEPENDENT AUDITORS' REPORT

Honorable Becky Trickey-Smith
Tax Collector
Calhoun 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 Calhoun County, Florida, Tax Collector (the "Tax Collector") as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Tax Collector'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 the *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 Tax Collector'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

Honorable Becky Trickey-Smith
Tax Collector
Calhoun County, Florida

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

Opinion

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 Tax Collector as of September 30, 2020, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida ("Rules"). In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of the General Fund and fiduciary fund types, only for that portion of the General Fund and fiduciary fund types of Calhoun County, Florida that is attributable to the Tax Collector. They do not purport to, and do not, present fairly the financial position of Calhoun County, Florida as of September 30, 2020, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions in the financial statement that collectively comprise the Tax Collector's financial statements. The combining and individual fund statements, as listed in the table of contents, are presented for purposes and additional analysis and are not a required part of the financial statements.

The combining and individual fund financial statement are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the accounting procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements are fairly stated, in all material respects, in relation to the financial statements as a whole.

Honorable Becky Trickey-Smith
Tax Collector
Calhoun County, Florida

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 18, 2021 on our consideration of the Tax Collector's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Tax Collector's internal control over financial reporting and compliance.

June 18, 2021
Marianna, Florida

Grimsley & Associates

Grimsley & Associates, P.A.
Certified Public Accountants

Calhoun County, Florida
Tax Collector
Balance Sheet
Governmental Fund

September 30, 2020

	General Fund
Assets	
Cash and cash equivalents	\$ 27,606
Due from other governmental agencies	169
Total assets	\$ 27,775
Liabilities	
Accounts payable	\$ 1,701
Due to Board of County Commissioners	26,074
Total liabilities	27,775
Fund balance	-
Total liabilities and fund balance	\$ 27,775

The accompanying notes are an integral part of these financial statements

Calhoun County, Florida
Tax Collector
Statement of Revenues, Expenditures, and
Changes in Fund Balance
Governmental Fund

For the year ended September 30, 2020

	General Fund
Expenditures	
General government	
Personal services	\$ 378,360
Operating expenses	92,025
Total expenditures	470,385
Excess (deficiency) of revenues over (under) expenditures	(470,385)
Other financing sources (uses)	
Appropriations from Board of County Commissioners	496,459
Reversion to Board of County Commissioners	(26,074)
Net other financing sources (uses)	470,385
Net change in fund balance	-
Fund balance - beginning	-
Fund balance - ending	\$ -

The accompanying notes are an integral part of these financial statements

Calhoun County, Florida
Tax Collector
Statement of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual
General Fund

For the year ended September 30, 2020

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
Expenditures				
General government				
Personal services	\$ 360,105	\$ 360,105	\$ 378,360	\$ (18,255)
Operating expenses	136,354	136,354	92,025	44,329
Total expenditures	496,459	496,459	470,385	26,074
Excess (deficiency) of revenues over (under) expenditures	(496,459)	(496,459)	(470,385)	26,074
Other financing sources (uses)				
Appropriations from Board of County Commissioners	496,459	496,459	496,459	-
Reversion to Board of County Commissioners	-	-	(26,074)	(26,074)
Net other financing sources (uses)	496,459	496,459	470,385	(26,074)
Net change in fund balance	\$ -	\$ -	\$ -	\$ -

The accompanying notes are an integral part of these financial statements

Calhoun County, Florida
Tax Collector
Statement of Fiduciary Net Position
Agency Fund

September 30, 2020

	Agency Funds
<hr/>	
Assets	
Cash	\$ 240,347
Due from other funds	161
Accounts receivable	3,059
<hr/>	
Total assets	\$ 243,567
<hr/>	
Liabilities	
Due to other funds	161
Due to Board of County Commissioners	27,767
Due to other governments	215,639
<hr/>	
Total liabilities	\$ 243,567
<hr/>	

The accompanying notes are an integral part of these financial statements

Calhoun County, Florida
Tax Collector
Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Calhoun County, Florida Tax Collector (the “Tax Collector”) conform to generally accepted accounting principles (GAAP), as applicable to governments. The following is a summary of significant accounting principles and policies used in preparation of these financial statements.

Reporting Entity

The Calhoun County Tax Collector (the “Tax Collector”) is an integral part of Calhoun County, Florida and is an elected Constitutional Officer who is governed by state statutes and regulations. The financial statements of the Tax Collector are included in Calhoun County, Florida’s basic financial statements. The Tax Collector operates on a fee and budgetary system. Under the fee system, the officer retains fees, commissions, and other revenue to pay all operating expenditures, including statutory compensation. Under the budgetary system, appropriated funds are received from the Board of County Commissioners and any unexpended appropriations are remitted to the Board of County Commissioners after the end of the fiscal year. The Tax Collector receives appropriated funds from the State of Florida to fund court-related activities. The receipts from the State are recorded as other financing sources on the Clerk’s financial statements. The Tax Collector’s financial statements do not purport to reflect the financial position or the results of operations of Calhoun County, Florida as a whole.

Entity status for financial reporting purposes is governed by Statement No. 14 of the Governmental Accounting Standards Board (GASB). Although the Tax Collector’s office is operationally autonomous from the Board of County Commissioners (the “Board”), it does not hold sufficient corporate powers of its own to be considered a legally separate entity for financial reporting purposes. Pursuant to GASB Codification of Governmental Accounting and Financial Reporting Standards, Section 2100 and 2600, the Clerk’s financial statements are combined with those of the Board and other elected constitutional officers into the reporting entity of Calhoun County, Florida (the “County”).

These financial statements are not intended to be a complete presentation of the financial position and results of operations of Calhoun County, Florida taken as a whole. As permitted by Chapter 10.556(5), *Rules of the Auditor General State of Florida*, the financial statements consist of only the *fund level* financial statements as defined in GASB No. 34, and do not include presentations of *government-wide* financial statements of the Tax Collector.

The operations of the Tax Collector are funded by the Board of County Commissioners. The receipts from the Board are recorded as other financing sources on the Tax Collector’s financial statements and as other financing uses on the Board’s financial statements. Any excess of revenue and other financial sources received over expenditures are remitted to the Board of County Commissioners after the end of the fiscal year.

Calhoun County, Florida
Tax Collector
Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation

The Tax Collector's financial statements 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 statements do not constitute a complete presentation because, in conformity with the Rules, the Tax Collector has not presented reconciliations to the government-wide financial statements, management's discussion and analysis, or the pension of the other post-employment benefit related required supplementary information. Also, certain notes to the financial statements may supplement rather than duplicate the notes included in the County's countywide financial statements. In conformity with the rules, the accompanying financial statements are intended to present the financial position and changes in financial position of the major fund, and the aggregate remaining fund information, only for the portion of the major fund, and the aggregate remaining fund information, of Calhoun County, Florida, that is attributable to the Tax Collector. They do not purport to, and do not, present fairly the financial position of Calhoun County, Florida, as of September 30, 2020, and the changes in its financial position, for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

In preparing these financial statements the following is reported as a major governmental fund:

General Fund - The general fund is the general operating fund of the Tax Collector. It is used to account for all financial resources, except those required to be accounted for in another fund.

The Tax Collector also reported the following fund type:

Agency Fund - The agency funds are used to account for assets held by the Tax Collector as an agent for individuals, private organizations, and other governments. Agency funds are custodial in nature and do not involve measurement of changes in financial position. The Tax Collector reports Boats and Licenses, Tag, Tax, and Driver's License Transactions in the agency fund.

Measurement Focus

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

Calhoun County, Florida
Tax Collector
Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. All governmental fund financial statements are reported using a current financial resources measurement focus on a modified accrual basis of accounting. The major modifications to the accrual basis are: (a) revenues are recorded in the accounting period in which they become available and measurable (available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, considered to be sixty days for all revenue) (b) expenditures are recorded in the accounting period in which the liability is incurred, except for accumulated sick and vacation pay, which are not recorded until due. The operations of the Tax Collector are funded by the Board of County Commissioners. The appropriations from the Board are recorded as other financing sources. Charges for services and investment revenue are recorded as earned. When both restricted and unrestricted resources are available for use, it is the Tax Collector's policy to use restricted resources first, then unrestricted resources as needed.

The fiduciary fund statements are prepared using the economic resources measurement focus and the accrual basis of accounting.

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

Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses 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.

Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits as well as short term investments with a maturity date within three months of the date acquired by the government.

Capital Assets and Depreciation

Tangible personal property is recorded as expenditures in the general fund at the time an asset is acquired. Assets acquired by the Tax Collector are capitalized at cost in the capital asset accounts of the County. The Tax Collector's assets are reported in the Statement of Net Position in the County's financial statements. The Tax Collector maintains custodial responsibility for the capital assets used by her office.

Calhoun County, Florida
Tax Collector
Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accumulated Compensated Absences

Permanent full-time employees of the Tax Collector accrue sick leave based on pay periods worked with no limit on total hours accrued. Vacation time is earned depending on the length of employment and up to 120 hours may be carried forward to future years. Upon separation from employment, employees can be paid for unused sick leave and annual leave in accordance with the personnel policy.

The Tax Collector's accumulated compensated absences are reported in the statement of net position in the County's financial statements.

Budgetary Requirements

Florida Statutes, Chapter 218.35 and 195.087, details the preparation, adoption and administration of the Tax Collectors' annual budget. The Tax Collector establishes an annual balanced budget for her office which displays the revenues available to the office and the functions for which the money is to be expended. The budgeted revenues and expenditures in the accompanying financial statements reflect all amendments approved by the Department of Revenue and the Board of County Commissioners. The budget is prepared on a basis consistent with generally accepted accounting principles.

Property Tax Collections

Chapter 197, Florida Statutes, governs property tax collections.

Current Taxes

All property taxes become due and payable on November 1, and are delinquent on April 1 of the following year. Discounts of 4%, 3%, 2% and 1% are allowed for early payment in November through February, respectively.

Unpaid Taxes - Sale of Tax Certificates

The Tax Collector advertises, as required by Florida Statutes, and then sells tax certificates on all real property for unpaid taxes. Certificates not purchased are issued to the County. Any person owning real property upon which a tax certificate has been sold may redeem the certificate by paying the Tax Collector the face amount of the tax certificate plus interest and other costs.

Tax Deeds

The owner of a tax certificate may, after two years of holding a certificate (after April 1), file an application for tax deed sale. The County, as a certificate owner, may exercise similar procedures two years after taxes have been delinquent (after April 1). Tax deeds are issued to the highest bidder for the property, which is sold at public auction. The Clerk of the Court administers these sales.

Calhoun County, Florida
Tax Collector
Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Risk Management and Insurance

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

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

- Real and Personal Property Damage
- Public Employees' Bond
- Workers' Compensation
- General and Automobile Liability

Fund Balance

Fund balances are classified based on a hierarchy of the Tax Collector's ability to control spending of these fund balances and can be classified in the following categories:

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

Spendable fund balances are classified based on a hierarchy of the Tax Collector's ability to control the spending of these fund balances and are reported in the following categories: restricted, committed, assigned and unassigned. Restricted fund balances have externally imposed constraints placed on the use of resources by creditors, grantors, contributors, laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Unassigned fund balances have not been restricted, committed or assigned to specific purposes within the general fund. The Tax Collector had no non-spendable or spendable fund balances at September 30, 2020.

Management Estimates and Assumptions

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

Subsequent Events

Subsequent events have been evaluated through the date that the financial statements were available to be issued, June 18, 2021 and determined there were no events that required disclosure.

Calhoun County, Florida
Tax Collector
Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recently Issued and Implemented Accounting Pronouncements

In May 2020, the GASB issued Statement No. 95 (GASB 95), *Postponement of the Effective Date of Certain Authoritative Guidance*. GASB 95 provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. GASB 95 had no impact on the Tax Collector's financial statements.

Recently Issued But Not Yet Effective

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

Statement No.	GASB Accounting Standard	GASB Effective Fiscal Year
84	<i>Fiduciary Activities</i>	2021
87	<i>Leases</i>	2022
89	<i>Accounting for Interest Cost Incurred before the End of a Construction Period</i>	2022
90	<i>Majority Equity Interest an amendment of GASB Statements No. 14 and No. 61</i>	2021
91	<i>Conduit Debt Obligations</i>	2023
92	<i>Omnibus 2020</i>	2022
93	<i>Replacement of Interbank Offered Rates</i>	2022
94	<i>Public-Private and Public-Public Partnerships and Availability Payment Arrangements</i>	2023
96	<i>Subscription-Based Information Technology Arrangements</i>	2023
97	<i>Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans</i>	2023

Calhoun County, Florida
Tax Collector
Notes to Financial Statements

NOTE 2 – DEPOSITS AND INVESTMENTS

At September 30, 2020, the carrying amount of the Tax Collector's cash and cash equivalents was \$267,953 and the bank balance was \$344,626. The balance was covered by federal depository insurance and, for the amount in excess of such federal depository insurance, by the State of Florida's Public Deposit Act. Provisions of the Act require that public deposits may only be made at qualified public depositories. The Act requires each qualified public depository to deposit with the State Treasurer eligible collateral equal to or in excess of the required collateral as determined by the provisions of the Act. In the event of a failure by a qualified public depository, losses in excess of federal depository insurance and proceeds from the sale of securities pledged by the defaulting depository are assessed against the other qualified public depositories of the same type as the depository in default. When other qualified public depositories are assessed additional amounts, they are assessed on a pro-rata basis.

Florida Statutes authorize the Tax Collector to invest in certificates of deposit, repurchase agreements and the State Treasurer's Investment Pool. In addition, the statutes allow the Tax Collector to invest in bonds, notes or other obligations of the United States Government, certain bonds of any state or local government unit, and bonds issued by certain government agencies.

Credit Risk

At September 30, 2020, the Tax Collector did not hold any deposits or investments that were considered to have credit risk.

Interest Rate Risk

At September 30, 2020, the Tax Collector did not hold any investments that were considered to have interest rate risk.

Custodial Credit Risk

At September 30, 2020, the Tax Collector did not hold any deposits or investments that were considered to have custodial risk.

Concentration of Credit Risk

At September 30, 2020, the Tax Collector did not hold any investments that were considered to have concentration of credit risk.

Calhoun County, Florida
Tax Collector
Notes to Financial Statements

NOTE 3 – EMPLOYEE PENSION PLAN

The Property Appraiser participates in the Florida Retirement System (FRS), a cost-sharing, multiple-employer defined benefit public retirement system administered by the State of Florida, Department of Management Services, Division of Retirement, to provide retirement and survivor benefits to participating public employees. Chapter 121, Florida Statutes, establishes the authority for participant eligibility, contribution requirements, vesting eligibility and benefit provisions. FRS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by contacting the State of Florida Division of Retirement, Tallahassee, Florida 32399-1560, or by accessing their internet site at (www.dms.myflorida.com/workforce_operations/retirement/publications/annual_reports).

For those employees hired prior to July 1, 2011, FRS provides vesting of benefits after six years of creditable service. Members are eligible for normal retirement after six years of service and attaining age 62, or 30 years of service regardless of age. Early retirement may be taken any time after completing six years of service; however, there is a 5% benefit reduction for each year prior to normal retirement. For those employees hired on or after July 1, 2011, the System provides for vesting of benefits after eight years of creditable service. Normal retirement benefits are available to these employees who retire at or after age 65 with eight years of service with a 5% reduction of benefits for each year prior to normal retirement. FRS also provides death and disability benefits and cost-of-living adjustments. Generally, membership is compulsory for all full-time and part-time employees. Prior to July 1, 2011, retirement coverage was employee noncontributory. Effective July 1, 2011 the Florida Legislature mandated all employees contribute 3% to their retirement coverage with immediate vesting of their contributions.

The funding methods and the determination of benefits payable are provided in various acts of the Florida Legislature. These acts provide that employers and employees pay contributions at rates determined each year by the legislature. The employer rates, as a percentage of gross earnings, are as follows:

	10/01/19 Through <u>06/30/20</u>	07/01/20 Through <u>09/30/20</u>
Regular employees	8.47%	10.00%
Elected county officials' class	48.82%	49.18%
DROP participants	14.60%	16.98%

Chapter 121, Florida Statutes establishes the authority for participant eligibility, contribution requirements, vesting eligibility and benefit provisions. For the period October 01, 2019 through September 30, 2020, the total payroll for the Tax Collector's employees covered by the System was \$249,404. The retirement contributions for all employees covered by the FRS for the years ended September 2020, 2019 and 2018 were \$65,809, \$64,851 and \$61,111 which were the required contributions. For the year ended September 30, 2020 retirement contributions represent 26.39% of covered payroll.

Calhoun County, Florida
Tax Collector
Notes to Financial Statements

NOTE 3 - EMPLOYEE PENSION PLAN (CONTINUED)

GASB Statement No. 68 establishes standards of accounting and financial reporting, but not funding or budgetary standards, for defined benefit pensions and defined contribution pensions provided to the employees of state and local governmental employers through pension plans that are administered through trusts or equivalent arrangements. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans within the scope of the Statement.

The requirements of Statement No. 68 apply to the financial statements of all state and local governmental employers whose employees (or volunteers that provide services to state and local governments) are provided with pensions through pension plans that are administered through trusts or equivalent arrangements, and to the financial statements of state and local governmental nonemployer contributing entities that have a legal obligation to make contributions directly to such pension plans. This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures related to pensions. Note disclosure and RSI requirements about pensions also are addressed. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

The adoption of Statement No. 68 has no impact on the Calhoun County, Florida Tax Collector's governmental fund financial statements, which continue to report expenditures in the amount of the actuarially determined contributions, as required by State law. The calculation of pension contributions is unaffected by the change.

NOTE 4 – POST EMPLOYMENT BENEFITS OTHER THAN PENSION

In addition to the retirement plan in Note 3, the County, in accordance with Section 112.0801, Florida Statutes, provides post-retirement health care benefits to all retired employees who participated in the group health plan while employed. Employees of the Tax Collector are covered under the County's plan. The County is required to measure and recognize the annual cost of the future benefits and calculate the annual employer funding requirements and, to the extent funding is not made by the County recognize another post-employment benefit (OPEB) liability on the balance sheet of the County. These amounts, if any, are recorded in the County's government-wide financial statements.

NOTE 5 – EXCESS REVENUE

Pursuant to Section 218.36(2), Florida Statutes, any excess revenues over expenditures determined as of the fiscal year end, "...is returned to each governmental unit in the same proportion as the fees paid by the governmental unit bear to the total fee income of the Tax Collector." For the year ended September 30, 2020, excess revenues over expenditures of \$26,074 are accrued and reported as a transfer out.

Calhoun County, Florida
Tax Collector
Notes to Financial Statements

NOTE 8: UNCERTAINTIES

In March 2020, the World Health Organization made the assessment that the outbreak of the novel coronavirus (COVID-19) can be characterized as a pandemic. As a result, uncertainties have arisen that may have a significant negative impact on the ongoing operating activities and the future results of the Tax Collector. 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 as of June 18, 2021.

Calhoun County, Florida
Tax Collector
Combining Statement of Fiduciary Net Position
Agency
Funds

September 30, 2020

	Tag	Tax	Total
Assets			
Cash	\$ 53,233	\$ 187,114	\$ 240,347
Due from other funds	35	126	161
Accounts receivable	1,042	2,017	3,059
Total assets	\$ 54,310	\$ 189,257	\$ 243,567
Liabilities			
Due to other funds	126	35	161
Due to Board of County Commissioners	18,475	9,292	27,767
Due to other governments	35,709	179,930	215,639
Total liabilities	\$ 54,310	\$ 189,257	\$ 243,567

See Independent Auditors' Report

GRIMSLEY & ASSOCIATES

Professional Association

Certified Public Accountants

OWEN W. GRIMSLEY, C.P.A.

MEMBER
FLORIDA INSTITUTE AND
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

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

Honorable Becky Trickey-Smith
Tax Collector
Calhoun 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 Calhoun County, Florida, Tax Collector (the "Tax Collector") as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Tax Collector's basic financial statements and have issued our report thereon dated June 18, 2021.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Tax Collector'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.

Honorable Becky Trickey-Smith
Tax Collector
Calhoun County, Florida

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Tax Collector's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 Tax Collector's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Grimsley & Associates

June 18, 2021
Marianna, Florida

Grimsley & Associates, P.A.
Certified Public Accountants

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OWEN W. GRIMSLEY, C.P.A.

MEMBER
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INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES, *LOCAL GOVERNMENT INVESTMENT POLICIES*

Honorable Becky Trickey-Smith
Tax Collector
Calhoun County, Florida

We have examined Calhoun County, Florida, Tax Collector (the "Tax Collector") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2020. Management is responsible for the Tax Collector's compliance with those requirements. Our responsibility is to express an opinion on the Tax Collector's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Tax Collector complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Tax Collector complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Tax Collector's compliance with specified requirements.

In our opinion, the Tax Collector complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2020.

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.

Grimsley & Associates

June 18, 2021
Marianna, Florida

Grimsley & Associates, P.A.
Certified Public Accountants

GRIMSLEY & ASSOCIATES

Professional Association

Certified Public Accountants

OWEN W. GRIMSLEY, C.P.A.

MEMBER
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INDEPENDENT AUDITORS' MANAGEMENT LETTER

Honorable Becky Trickey-Smith
Tax Collector
Calhoun County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the Calhoun County, Florida, Tax Collector (the "Tax Collector"), as of and for the year ended September 30, 2020, and have issued our report thereon dated June 18, 2021.

Auditors' Responsibility

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

Other Reports

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated June 18, 2021, 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 significant findings and recommendations made in the preceding annual financial audit report. There were no findings or recommendations made in the preceding annual financial audit report.

Honorable Becky Trickey-Smith
Tax Collector
Calhoun County, Florida

Official Title and Legal Authority

Section 10.554(1)(i)4, Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in the management letter, unless disclosed in the notes to the financial statements. The Calhoun County, Florida, Tax Collector was established by the Constitution of the State of Florida, Article VIII, Section 1(d). There were no component units related to the Calhoun County, Florida, Tax Collector.

Financial Management

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

Additional Matters

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

Purpose of this Letter

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

Grimsley & Associates

June 18, 2021
Marianna, Florida

Grimsley & Associates, P.A.
Certified Public Accountants