

Dixie County, Florida
Annual Financial Report
September 30, 2020



Powell & Jones
Certified Public Accountants

Dixie County, Florida

Audit Report

September 30, 2020

Dixie County, Florida
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Fiscal Year Ended September 30, 2020

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Powell & Jones
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Board of County Commissioners
Dixie County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Dixie County, Florida (the "County") as of and for the year ended September 30, 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 that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the County as of September 30, 2020, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

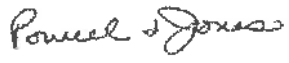
Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The information listed in the table of contents as supplementary information, including the Schedule of Expenditures of Federal Awards and State Financial Assistance, which is required by Chapter 10.550, Rules of the Auditor General of Florida and by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated, August 6, 2021 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial

reporting and compliance.



POWELL & JONES
Certified Public Accountants
August 6, 2021

Dixie County, Florida
Management's Discussion and Analysis
Year Ended September 30, 2020

This Management's Discussion and Analysis provides an objective and easily readable analysis of Dixie County's (the "County") financial activities for fiscal year ended September 30, 2020. The analysis provides summary financial information for the County and should be read in conjunction with the County's financial statements.

FINANCIAL HIGHLIGHTS

- Dixie County's assets and deferred outflows exceeded liabilities and deferred inflows by \$31,967,628 (net position). Of this amount, \$(11,872,949) is unrestricted net position, while \$41,428,822 was net investment in capital assets. The remaining \$2,411,755 is restricted net position.
- The County's total net position decreased by \$120,805 over the previous year.
- At September 30, 2020, the County's governmental funds reported a combined fund balance of \$4,909,478.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

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

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

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

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

Dixie County, Florida
Management's Discussion and Analysis
Year Ended September 30, 2020

Fund Financial Statements

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

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

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

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

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

Notes to the Financial Statements

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

Other Information

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

Dixie County, Florida
Management's Discussion and Analysis
Year Ended September 30, 2020

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

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

The following schedule summarizes the statement of net position as of September 30, 2020 and September 30, 2019.

	Net Position, End of Year	
	Governmental Activities	
	2020	2019
Current and other assets	\$ 7,139,723	\$ 6,685,866
Capital assets	42,126,101	40,968,353
Total assets	49,265,824	47,654,219
Deferred outflows	5,547,005	5,125,314
Other liabilities	740,660	727,642
Long-term liabilities	21,158,794	18,351,988
Total liabilities	21,899,454	19,079,630
Deferred inflows	945,747	1,611,470
Net position:		
Net investment in capital assets	41,428,822	39,919,544
Restricted	2,411,755	1,864,061
Unrestricted	(11,872,949)	(9,695,172)
Total net position	\$ 31,967,628	\$ 32,088,433

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

Dixie County, Florida
Management's Discussion and Analysis
Year Ended September 30, 2020

STATEMENT OF ACTIVITIES

The following schedule summarizes revenues and expenses for the fiscal years ended September 30, 2020 and September 30, 2019:

	Governmental Activities	
	2020	2019
Program revenues:		
Charges for services	\$ 5,029,108	\$ 4,214,099
Operating grants and contributions	4,504,431	3,293,861
Capital grants and contributions	3,125,063	2,355,593
General revenues:		
Property taxes	6,855,661	6,560,401
Other taxes	1,578,611	1,580,593
Shared revenues - unrestricted	2,874,568	2,994,079
Other	980,518	553,213
Total revenues	24,947,960	21,551,839
Expenses:		
General government	4,760,885	4,411,303
Public safety	12,060,067	12,115,975
Physical environment	2,106,910	2,237,210
Transportation	3,329,163	4,024,422
Economic environment	265,692	321,006
Human services	791,123	510,134
Culture-recreation	729,495	731,717
Court-related	993,371	721,272
Interest on long-term debt	32,059	40,891
Total expenses	25,068,765	25,113,930
Change in net position	(120,805)	(3,562,091)
Net position – beginning of year, as restated	32,088,433	35,650,524
Net position – end of year	\$ 31,967,628	\$ 32,088,433

**Dixie County, Florida
Management's Discussion and Analysis
Year Ended September 30, 2020**

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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

Highlights of 2020

The General Fund's fund balance decreased \$1,313,659. EMS fund balance decreased by \$273,592. The fund balance of the County Transportation Trust Fund increased approximately \$702,778 primarily due to intergovernmental revenue related to capital projects.

Governmental Funds

At year-end, the County's governmental funds reported a combined fund balance of \$4,909,478, an increase of approximately \$77,605. The overall increase is due to an overall increase in revenue primarily in the General Fund and the County Transportation Trust Fund.

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

Various County Funds Discussion

- The General Fund is the chief operating fund of the County. At the end of fiscal year 2020, unassigned fund balance of the General Fund was \$1,191,582.
- The Emergency Medical Service Fund had a total fund balance of \$949,723 at year end. Revenues are from fees charged for emergency medical services, grants and property taxes from a MSTU.
- The County Transportation Trust Fund accounts for the maintenance of roads, bridges, rights-of-way and drainage systems, and is primarily funded by gas taxes and state grants. Transportation projects, including those that span multiple years, were budgeted in fiscal year 2020. The fund had a total fund balance deficit of \$(169,175) at year end. This was an increase of \$702,778 from the prior year. In prior years, a transfer from the General Fund was made to prevent fund balance from going negative.

GENERAL FUND BUDGETARY HIGHLIGHTS

Actual total revenues were approximately \$3M higher than anticipated in the final budget primarily due to an increase in intergovernmental revenue and charges for services. Expenditures were less than budget by approximately \$475,000, primarily in human services. There were no significant changes between the original and final budgets.

Dixie County, Florida
Management's Discussion and Analysis
Year Ended September 30, 2020

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Asset Activity

A summary of changes in capital assets follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 2,782,373	\$ -	\$ -	\$ 2,782,373
Construction in progress	-	2,335,466	-	2,335,466
Total capital assets not being depreciated	2,782,373	2,335,466	-	5,117,839
Capital assets being depreciated:				
Buildings	13,793,972	50,000	-	13,843,972
Improvements	8,094,493	29,759	-	8,124,252
Infrastructure	38,595,734	-	-	38,595,734
Equipment	13,335,562	565,009	-	13,900,571
Total capital assets being depreciated	73,819,761	644,768	-	74,464,529
Less accumulated depreciation for:				
Buildings	8,192,111	324,738	-	8,516,849
Improvements	3,074,043	214,887	-	3,288,930
Infrastructure	14,211,901	729,890	-	14,941,791
Equipment	10,155,726	552,971	-	10,708,697
Total accumulated depreciation	35,633,781	1,822,486	-	37,456,267
Total capital assets being depreciated, net	38,185,980	(1,177,718)	-	37,008,262
Capital assets, net	\$ 40,968,353	\$ 1,157,748	\$ -	\$ 42,126,101

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

**Dixie County, Florida
Management's Discussion and Analysis
Year Ended September 30, 2020**

Long-Term Debt

On September 30, 2020, the County's governmental outstanding debt was \$21,158,794. This is comprised of \$478,631 outstanding Notes Payable, \$218,648 in Capital Lease Obligations, \$331,038 for closure and long-term care costs of landfills, \$754,120 for compensated absences, \$594,971 for other postemployment benefit liability and \$18,781,386 for the County's proportionate shares of State of Florida's net pension liability. Please refer to the Notes to Financial Statements for more detailed information about the County's long-term liabilities.

NEXT YEAR'S BUDGET AND SIGNIFICANT FINANCIAL CONDITIONS

- The Solid Waste fee of \$135 per household remains unchanged.
- The Mosquito Control fee of \$5 per household remains unchanged.
- The Fire fee of \$40 per household will remain unchanged.
- The millage rate of 10 mills will remain unchanged.
- The EMS MSTU rate of 2.6 mills will remain unchanged.
- The Recreation/Library MSTU rate of 0.4 mills will remain unchanged.

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

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

REQUESTS FOR INFORMATION

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

Board of County Commissioners
Dixie County
Duane Cannon, County Manager
P. O. Box 2600
Cross City, FL 32628-2600
Telephone: 352-498-1426
Fax: 352-498-1471

Dixie County, Florida
Statement of Activities
Fiscal Year Ended September 30, 2020

<i>September 30, 2020</i>	Governmental Activities
Assets	
Cash and equivalents	\$ 4,599,490
Receivables, net	1,344,496
Due from other governments	1,033,433
Prepays	162,304
Capital assets:	
Non-depreciable	5,117,839
Depreciable, net	37,008,262
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Total assets	49,265,824
<hr/>	
Deferred outflows	
Deferred outflows related to pensions	5,389,284
Deferred outflows related to OPEB	157,721
<hr/>	
Total deferred outflows	5,547,005
<hr/>	
Liabilities	
Accounts payable and accrued liabilities	740,660
Noncurrent liabilities:	
Due within one year	707,932
Due in more than one year	20,450,862
<hr/>	
Total liabilities	21,899,454
<hr/>	
Deferred inflows	
Deferred inflows related to pensions	866,739
Deferred inflows related to OPEB	79,008
<hr/>	
Total deferred inflows	945,747
<hr/>	
Net position	
Net investment in capital assets	41,428,822
Restricted for:	
Public safety	597,604
Other purposes	1,814,151
Unrestricted	(11,872,949)
<hr/>	
Total net position	\$ 31,967,628

See accompanying notes.

Dixie County, Florida
Statement of Activities
Fiscal Year Ended September 30, 2020

For the year ended September 30, 2020

	Program Revenues				and Changes in
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net Position Governmental Activities
Functions/programs					
Governmental activities:					
General government	\$ 4,760,885	\$ 303,169	\$ 795,022	\$ -	\$ (3,662,694)
Public safety	12,060,067	2,705,184	758,013	-	(8,596,870)
Physical environment	2,106,910	1,583,984	-	202,973	(319,953)
Transportation	3,329,163	64,495	2,002,585	2,865,457	1,603,374
Economic environment	265,692	-	38,689	-	(227,003)
Human services	791,123	-	572,764	-	(218,359)
Culture and recreation	729,495	54,901	214,112	-	(460,482)
Court related	993,371	317,375	123,246	56,633	(496,117)
Interest on long-term debt	32,059	-	-	-	(32,059)
Total	\$ 25,068,765	\$ 5,029,108	\$ 4,504,431	\$ 3,125,063	(12,410,163)

General revenues:

Property taxes	6,855,661
Sales taxes	976,069
Gas taxes	450,667
Tourist development tax	98,515
Telecommunications tax	53,360
Impact fees	114,825
Shared revenues - unrestricted	2,874,568
Investment earnings	39,265
Miscellaneous	826,428
Total general revenues	12,289,358

Change in net position **(120,805)**

Net position – beginning of year **32,088,433**
Net position – end of year **\$ 31,967,628**

Dixie County, Florida
Balance Sheet – Governmental Funds
Fiscal Year Ended September 30, 2020

<i>September 30, 2020</i>	General Fund	EMS	County Transportation Trust	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and equivalents	\$ 1,438,409	\$ (19,083)	\$ 966,753	\$ 2,213,411	\$ 4,599,490
Due from other funds	2,473,830	1,203,297	162,997	588,699	4,428,823
Due from other governments	-	90,713	405,395	678,855	1,174,963
Receivables, net	320,589	869,299	287	154,321	1,344,496
Prepays	162,304	-	-	-	162,304
Total assets					
	\$ 4,395,132	\$ 2,144,226	\$ 1,535,432	\$ 3,635,286	\$ 11,710,076
Liabilities, deferred inflows and fund balances					
Liabilities:					
Accounts payable and accrued liabilities	\$ 503,500	\$ 39,993	\$ 25,849	\$ 171,318	\$ 740,660
Due to other governments	141,530	-	-	-	141,530
Due to other funds	926,454	416,170	1,405,749	1,680,450	4,428,823
Total liabilities					
	1,571,484	456,163	1,431,598	1,851,768	5,311,013
Deferred inflows:					
Unavailable revenue	-	738,340	273,009	478,236	1,489,585
Fund balances:					
Nonspendable	162,304	-	-	-	162,304
Restricted	183,499	-	256,800	1,971,456	2,411,755
Assigned	1,286,263	949,723	-	281,371	2,517,357
Unassigned	1,191,582	-	(425,975)	(947,545)	(181,938)
Total fund balances					
	2,823,648	949,723	(169,175)	1,305,282	4,909,478
Total liabilities, deferred inflows and fund balances					
	\$ 4,395,132	\$ 2,144,226	\$ 1,535,432	\$ 3,635,286	\$ 11,710,076

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Dixie County, Florida
Reconciliation of the Balance Sheet to the Statement of Net Position
Governmental Funds
Fiscal Year Ended September 30, 2020

September 30, 2020

Fund balances – total governmental funds	\$ 4,909,478
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not reported in the governmental funds.

Capital assets – net	42,126,101
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Long-term liabilities are not reported in the governmental funds.

Note payable	(478,631)
Capital lease obligations	(218,648)
Landfills closure and long-term care costs	(331,038)
Total other postemployment benefit (OPEB) liability	(594,971)
Net pension liability	(18,781,387)
Compensated absences	(754,120)

Deferred outflows and inflows related to pensions and OPEB are reported in governmental activities but not in governmental funds.

Deferred outflows - related to pensions	5,389,284
Deferred outflows - related to OPEB	157,721
Deferred inflows - related to pensions	(866,739)
Deferred inflows - related to OPEB	(79,008)

Deferred inflows for earned but unavailable revenue are reported in the governmental funds but not in the statement of net position.

Net position of governmental activities	\$ 31,967,628
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Dixie County, Florida
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Fiscal Year Ended September 30, 2020

<i>For the year ended September 30, 2020</i>	General Fund	EMS	County Transportation Trust	Other Governmental Funds	Total Governmental Funds
Revenues					
Taxes	\$ 6,398,585	\$ 1,373,683	\$ 485,913	\$ 211,336	\$ 8,469,517
Permits, fees and special assessments	98,132	-	200	1,898,131	1,996,463
Intergovernmental	4,844,536	119,057	3,352,221	1,956,651	10,272,465
Charges for services	1,255,230	734,577	-	384,388	2,374,195
Fines and forfeitures	3,165	-	-	158,254	161,419
Miscellaneous	241,330	39,508	676,850	352,979	1,310,667
Total revenues	12,840,978	2,266,825	4,515,184	4,961,739	24,584,726
Expenditures					
Current:					
General government	4,294,685	-	-	60,500	4,355,185
Public safety	6,133,889	2,938,862	-	875,454	9,948,205
Physical environment	98,612	-	241,709	1,633,524	1,973,845
Transportation	5,068	-	2,272,306	152,124	2,429,498
Economic environment	865	-	-	255,481	256,346
Human services	683,331	-	-	125,000	808,331
Culture and recreation	6	-	-	474,849	474,855
Court related	442,519	-	-	454,513	897,032
Capital outlay	289,959	111,460	1,757,286	821,529	2,980,234
Debt service:					
Principal retirement	135,392	12,917	-	229,057	377,366
Interest and fiscal charges	11,270	807	-	19,982	32,059
Total expenditures	12,095,596	3,064,046	4,271,301	5,102,013	24,532,956
Excess of revenues over (under) expenditures	745,382	(797,221)	243,883	(140,274)	51,770
Other financing sources (uses)					
Issuance of capital leases	-	25,835	-	-	25,835
Transfers in	42,000	539,794	458,895	1,688,979	2,729,668
Transfers out	(2,101,041)	(42,000)	-	(586,627)	(2,729,668)
Total other financing sources (uses)	(2,059,041)	523,629	458,895	1,102,352	25,835
Net change in fund balances	(1,313,659)	(273,592)	702,778	962,078	77,605
Fund balances – beginning of year	4,137,307	1,223,315	(871,953)	343,204	4,831,873
Fund balances – end of year	\$ 2,823,648	\$ 949,723	\$ (169,175)	\$ 1,305,282	\$ 4,909,478

See accompanying notes.

Dixie County, Florida

**Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances to the Statement of Activities – Governmental Funds
Year Ended September 30, 2020**

For the year ended September 30, 2020

Net change in fund balances – total governmental funds	\$	77,605
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Amounts reported for governmental activities in the statement of activities are different because:

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

Acquisitions of capital assets		2,980,234
Current year depreciation expense		(1,822,486)

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

Principal payments		377,366
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The issuance of long-term debt provides current financial resources for governmental funds, but does not affect net position of governmental activities.

Capital leases		(25,835)
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Compensated absences		128,008
Landfill closure and long-term care costs		176

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

Net pension liability		(3,153,508)
Deferred outflows - related to pensions		278,679
Deferred inflows - related to pensions		734,731

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

Total OPEB liability		(133,013)
Deferred outflows - related to OPEB		143,012
Deferred inflows - related to OPEB		(69,008)

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

		363,234
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Change in net position of governmental activities	\$	(120,805)
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Dixie County, Florida
Statement of Fiduciary Net Position
Fiscal Year Ended September 30, 2020

<i>September 30, 2020</i>	Agency Funds
<hr/>	
Assets	
Cash	\$ 1,538,742
Receivables	2,925
<hr/>	
Total assets	1,541,667
Liabilities	
Assets held for others	1,541,667
<hr/>	
Net position	\$ -
<hr/>	

See accompanying notes.

Dixie County, Florida
Notes to Financial Statements
Year Ended September 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

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

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

Joint Ventures

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

The County has an ongoing financial interest in the Administration. The County also has an ongoing financial responsibility to the Administration in that the tipping fees paid to the Administration (\$443,075 in 2020) are applied by the Administration to the County's portion of the Administration's operating costs.

The County's share in Aucilla Area Solid Waste Administration's assets, liabilities and equity as of September 30, 2020 is as follows:

Assets	\$	3,995,436
Deferred Outflows of Resources		17,995
Liabilities		(1,425,370)
Deferred Inflows of Resources		(1,444)
Net Position	\$	2,586,617

Dixie County, Florida
Notes to Financial Statements
Year Ended September 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A copy of the Administration's separate financial statements may be obtained from its offices in Greenville, Florida. In order to equalize transportation costs in transporting waste to the Aucilla Area Solid Waste Administration landfill, participating counties agreed to reimburse Dixie County for its additional mileage. The interlocal agreement provides that Dixie County will be compensated from the time the landfill opened. The County's share of the reimbursement cost, according to the agreement, is not to exceed \$44,000 per year.

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

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

Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the County. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees charged to external parties. The County has no business-type activities.

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

Fund Financial Statements

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

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

Dixie County, Florida
Notes to Financial Statements
Year Ended September 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Additionally, the County reports the following fund type:

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

Measurement Focus and Basis of Accounting

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

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

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

Deposits

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

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

Dixie County, Florida
Notes to Financial Statements
Year Ended September 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The County has adopted GASB Statement No. 72, "Fair Value Measurement and Application", and GASB Statement No. 79, "Certain External Investment Pools and Pool Participants". These standards require categorization of fair value measurements within the fair value hierarchy, based on the valuation inputs used to measure the fair value of the asset. Investments in external pools, though measured at fair value, are not categorized within the fair value hierarchy. The County has no investments as of September 30, 2020.

Receivables

Accounts receivable are reported net of an allowance for uncollectible accounts of approximately \$1,150,000. The allowance represents approximately 57% of gross ambulance service accounts receivable at September 30, 2020.

Capital Assets

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

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

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

Compensated Absences

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

Restricted Net Position

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

Fund Balance

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

Dixie County, Florida
Notes to Financial Statements
Year Ended September 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

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

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

Pensions

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

Deferred Outflows/Inflows of Resources

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

Use of Estimates

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

Dixie County, Florida
Notes to Financial Statements
Year Ended September 30, 2020

NOTE 2 – PROPERTY TAXES

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

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

NOTE 3 – INTERFUND BALANCES AND TRANSFERS

At September 30, 2020, interfund balances consisted of:

Due From	Due To					Total
	General Fund	EMS	County Transportation Trust	Nonmajor Governmental		
General fund	\$ -	\$ 699,155	\$ 200	\$ 227,099	\$ 926,454	
EMS	125,175	-	-	290,995	416,170	
County transportation trust	927,832	477,917	-	-	1,405,749	
Nonmajor governmental	1,420,823	26,225	162,797	70,605	1,680,450	
Totals	\$ 2,473,830	\$ 1,203,297	\$ 162,997	\$ 588,699	\$ 4,428,823	

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

Interfund transfers are summarized below:

Transfers In	Transfers Out				Total
	General Fund	EMS	Nonmajor Governmental		
General fund	\$ -	\$ 42,000	\$ -	\$ 42,000	
EMS	539,794	-	-	539,794	
County transportation trust	458,895	-	-	458,895	
Nonmajor governmental	1,102,352	-	586,627	1,688,979	
Totals	\$ 2,101,041	\$ 42,000	\$ 586,627	\$ 2,729,668	

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

Dixie County, Florida
Notes to Financial Statements
Year Ended September 30, 2020

NOTE 4 – ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

At September 30, 2020, General Fund payables consisted of approximately 95% payable to vendors in the normal course of business. The remaining balance was due to wages and benefits.

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

NOTE 5 – FUND BALANCE CLASSIFICATIONS

Fund balance is restricted for the following purposes:

	General Fund	County Transportation Trust	Other Governmental Funds	Total
General government	\$ -	\$ -	\$ 77,103	\$ 77,103
Public safety	-	-	597,604	597,604
Physical environment	-	-	232,041	232,041
Transportation	-	256,800	37,715	294,515
Economic environment	165,144	-	506,385	671,529
Culture and recreation	-	-	229,172	229,172
Court related	-	-	291,436	291,436
Election grants	18,355	-	-	18,355
Total restricted fund balance	\$ 183,499	\$ 256,800	\$ 1,971,456	\$ 2,411,755

Fund balance is assigned for the following purposes:

	General Fund	EMS	Other Governmental Funds	Total
Public safety	\$ -	\$ 949,723	\$ 281,371	\$ 1,231,094
Subsequent year's expenditures	1,286,263	-	-	1,286,263
Total assigned fund balance	\$ 1,286,263	\$ 949,723	\$ 281,371	\$ 2,517,357

Dixie County, Florida
Notes to Financial Statements
Year Ended September 30, 2020

NOTE 6 – CAPITAL ASSETS

A summary of changes in capital assets follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 2,782,373	\$ -	\$ -	\$ 2,782,373
Construction in progress	-	2,335,466	-	2,335,466
Total capital assets not being depreciated	2,782,373	2,335,466	-	5,117,839
Capital assets being depreciated:				
Buildings	13,793,972	50,000	-	13,843,972
Improvements	8,094,493	29,759	-	8,124,252
Infrastructure	38,595,734	-	-	38,595,734
Equipment	13,335,562	565,009	-	13,900,571
Total capital assets being depreciated	73,819,761	644,768	-	74,464,529
Less accumulated depreciation for:				
Buildings	8,192,111	324,738	-	8,516,849
Improvements	3,074,043	214,887	-	3,288,930
Infrastructure	14,211,901	729,890	-	14,941,791
Equipment	10,155,726	552,971	-	10,708,697
Total accumulated depreciation	35,633,781	1,822,486	-	37,456,267
Total capital assets being depreciated, net	38,185,980	(1,177,718)	-	37,008,262
Capital assets, net	\$ 40,968,353	\$ 1,157,748	\$ -	\$ 42,126,101

52,390

Depreciation expense was charged to governmental activities as follows:

General government	\$ 84,896
Public safety	559,682
Physical environment	56,066
Transportation	825,172
Human services	37,624
Culture and recreation	250,931
Court related	8,115
Total	\$ 1,822,486

Dixie County, Florida
Notes to Financial Statements
Year Ended September 30, 2020

NOTE 7 – LONG-TERM LIABILITIES

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

Notes Payable

Notes payable at September 30, 2020, consist of the following:

Notes payable	\$ 478,631
Capital lease obligations	218,648
Landfills closure and long-term care costs	331,037
Net pension liability	18,781,387
Other postemployment benefit liability	594,971
Compensated absences	754,120
Total long-term liabilities	\$ 21,158,794

An agreement with a financial institution entered into on July 03, 2019, for purchase of equipment; payable from tax revenues. The note is payable in annual installments of \$53,300 and bears an interest rate of 3.50%.

An agreement with a financial institution entered into on August 19, 2016 for the purchase of a public safety telecommunication system with a maximum amount of \$750,000; payable from the General Fund (with a pledge of the County's discretionary sales tax revenue) monthly for 60 months at a tax-exempt rate fixed at 2.77%. The first nine months of payments are interest only and subsequent payments are set at \$13,414 per month until the full amount is repaid. As of September 30, 2020, the total amount drawn was \$478,631.

Year ending September 30	Principal	Interest	Total
2021	207,142	12,943	220,085
2022	159,566	6,902	166,468
2023	55,198	3,915	59,113
2024	56,725	1,983	58,708
Total	\$ 478,631	\$ 25,743	\$ 504,374

Capital Lease Obligations

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

Dixie County, Florida
Notes to Financial Statements
Year Ended September 30, 2020

NOTE 7 – LONG-TERM LIABILITIES (CONTINUED)

Capital assets under capital lease include equipment totaling \$540,465, less \$90,691 accumulated amortization/depreciation for a carrying amount of \$449,774. Amortization of leased equipment under capital assets is included with depreciation expense.

The future minimum lease payments required and the present value of the net minimum lease payments at September 30, 2020 are as follows:

Year ending September 30,	Amount
2021	154,705
2022	97,836
2023	24,459
<hr/>	
Total minimum lease payments	277,000
Amount representing interest	58,352
<hr/>	
Present value of net minimum lease payments	\$ 218,648

Landfills Closure and Long-Term Care Costs

The Florida Department of Environmental Protection (DEP) requires landfill operators to fund landfill closure costs before receiving a permit for landfill closure. Rules of DEP mandate that the closure costs be fully funded by the end of the design life of the landfill as specified in the approved closure plan. The County has accrued \$218,347 for the closure of its Construction and Demolition (C & D) Landfill based on the capacity used to date. This amount represents the complete closure costs for Phase I, which was effectively closed in June 2018, and Phase II closure costs pro-rated based on capacity used, which was approximately 3.5% as of September 30, 2020.

Additionally, state and federal laws require landfill owners to perform certain maintenance and monitoring functions at the landfill sites for a number of years after closure. The County was released by the DEP from these requirements on its closed Central Landfill in a prior year. The County has accrued \$112,691 for such estimated long-term care costs as of September 30, 2020 related to future long-term care of both phases of the C & D Landfill.

The County will recognize the remaining estimated cost of closure and long-term care of approximately \$331,800 associated with its C & D Landfill as the remaining estimated capacity is used (estimated to be approximately 27 years for Phase II, as Phase I is effectively closed). All amounts recognized are based on what it would cost to perform all post-closure care at year-end. Actual costs are subject to changes such as the effects of inflation, revision of laws and other variables. The County anticipates funding the closure and long-term care costs from non-ad valorem assessments and user charges.

Dixie County, Florida
Notes to Financial Statements
Year Ended September 30, 2020

NOTE 7 – LONG-TERM LIABILITIES (CONTINUED)

DEP also requires the County to deposit in an escrow account, by the end of each fiscal year, funds sufficient to cover closure costs. The County has set aside \$232,041 for that requirement.

Compensated Absences

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

NOTE 8 – CHANGES IN LONG-TERM LIABILITIES

A summary of changes in long-term liabilities follows:

	Balance			Balance	
	October 1, 2019	Additions	Deductions	September 30, 2020	
Notes payable	\$ 679,628	\$ -	\$ 200,997	\$ 478,631	
Capital lease obligations	369,181	25,835	176,368	218,648	
Landfills closure and long-term care costs	331,214	-	177	331,037	
Other postemployment benefit liability	461,958	133,013	-	594,971	
Net pension liability	15,627,879	3,153,508	201,000	18,781,387	
Compensated absences	882,128	426,755	554,763	754,120	
Total	\$18,351,988	\$3,739,111	\$ 932,304	\$ 21,158,794	

NOTE 9 – STATE OF FLORIDA PENSION PLANS

Defined Benefit Plans

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

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

Dixie County, Florida
Notes to Financial Statements
Year Ended September 30, 2020

NOTE 9 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

receive a lifetime pension benefit with joint and survivor payment options. FRS membership is compulsory for employees filling regularly established positions in a state agency, county agency, state university, state college, or district school board, unless restricted from FRS membership under Sections 121.053 or 121.122, Florida Statutes, or allowed to participate in a defined contribution plan in lieu of FRS membership. Participation by cities, municipalities, special districts, charter schools and metropolitan planning organizations is optional.

The Retiree Health Insurance Subsidy (HIS) Program is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with Section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. To be eligible to receive a HIS benefit, a retiree under a state administered retirement system must provide proof of eligible health insurance coverage, which can include Medicare.

Benefits Provided

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

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

Contributions

The contribution requirements of plan members and the employer are established and may be amended by the Florida Legislature. Employees are required to contribute 3.00% of their salary to the FRS Pension Plan.

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

	FRS	HIS
Regular class	8.34%	1.66%
Special risk class	22.79%	1.66%
Senior management service class	25.63%	1.66%
Elected officials	47.52%	1.66%
DROP from FRS	15.32%	1.66%

Dixie County, Florida
Notes to Financial Statements
Year Ended September 30, 2020

NOTE 9 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

The employer’s contributions for the year ended September 30, 2020, were \$1,237,953 to the FRS and \$124,256 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 liability of the FRS Pension Plan and its proportionate share of the net pension liability of the HIS Program. The net pension liabilities were measured as of June 30, 2020. The County’s proportions of the net pension liabilities were based on its share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

	FRS	HIS
Net pension liability	\$ 16,148,615	\$ 2,632,772
Proportion at:		
Current measurement date	3.7300%	2.1600%
Prior measurement date	0.0388%	2.1800%
Pension expense (benefit)	\$ 3,336,176	\$ 188,329

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:

	FRS		HIS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 618,040	\$ -	\$ 107,696	\$ 2,031
Changes of assumptions	2,923,413	-	283,098	153,085
Net difference between projected and actual earnings				
on pension plan investments	961,504		2,102	-
Changes in proportion and differences between employer				
contributions and proportionate share of contributions	84,392	540,662	29,463	170,961
Employer contributions subsequent to the measurement date	345,182		34,394	-
Total	\$ 4,932,531	\$ 540,662	\$ 456,753	\$ 326,077

Dixie County, Florida
Notes to Financial Statements
Year Ended September 30, 2020

NOTE 9 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

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:

Year ending September 30,	FRS	HIS
2021	\$ 814,549	\$ 26,216
2022	1,318,797	7,093
2023	1,126,616	(10,335)
2024	653,227	11,794
2025	133,498	32,670
Thereafter	-	28,844
Total	\$ 4,046,687	\$ 96,282

Actuarial Assumptions

The total pension liability for each of the defined benefit plans was measured as of June 30, 2020. The total pension liability for the FRS Pension Plan was determined by an actuarial valuation dated July 1, 2020.

The individual entry age normal actuarial cost method was used for each plan, along with 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 PUB-2010 base tables projected generationally with Scale MP-2018.

For both plans, the actuarial assumptions 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:

Dixie County, Florida
Notes to Financial Statements
Year Ended September 30, 2020

NOTE 9 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

FRS:

- The long-term expected rate of return and the discount rate used to determine the total pension liability decreased from 6.90% to 6.80%.
- The assumed rate of inflation was decreased from 2.60% to 2.40%.

HIS:

- The municipal bond index rate and the discount rate used to determine the total pension liability decreased from 3.50% to 2.21%.
- The assumed rate of inflation was decreased from 2.60% to 2.40%.
- Mortality assumptions for the HIS Program were changed from the Generational RP-2000 with Projection Scale BB to the PUB2010 base tables projected generationally with Scale MP-2018.

The long-term expected investment rate of return for the FRS Pension Plan was not based on historical returns, but instead was based on a forward-looking capital market economic model developed during 2020 by an outside investment consultant to the Florida State Board of Administration. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption of 2.40%.

For the FRS Pension Plan, the table below summarizes the consulting actuary’s assumptions based on the long-term target asset allocation.

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return
Cash	1.0%	2.2%	2.2%
Fixed income	19.0%	3.0%	2.9%
Global equity	54.2%	8.0%	6.7%
Real estate	10.3%	6.4%	5.8%
Private equity	11.1%	10.8%	8.1%
Strategic investments	4.4%	5.5%	5.3%
	<u>100%</u>		

Discount Rate

The discount rate used to measure the total pension liability for the FRS Pension Plan was 6.80%. The 6.80% reported investment return assumption differs from the 7.00% investment return assumption chosen by the 2020 FRS Actuarial Assumption Conference for funding policy purposes, as allowable under governmental accounting and reporting standards. FRS’ fiduciary net position was projected to be

Dixie County, Florida
Notes to Financial Statements
Year Ended September 30, 2020

NOTE 9 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

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 and the depletion date is considered to be immediate, a municipal bond rate of 2.21% was used to determine the total pension liability for the program. The Bond Buyer General Obligation Bond 20-Bond Municipal Bond Index was used as the applicable municipal bond index.

Sensitivity Analysis

The following tables demonstrate the sensitivity of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact to the employer’s proportionate share of the net pension liability if the discount rate was 1.00% higher or 1.00% lower than the current discount rate.

	FRS			HIS		
		Current			Current	
	1% Decrease	Discount Rate	1% Increase	1% Decrease	Discount Rate	1% Increase
	(5.80%)	(6.80%)	(7.80%)	(1.21%)	(2.21%)	(3.21%)
Employer's proportionate share of the net pension liability	\$ 25,786,624	\$ 16,148,615	\$ 8,098,908	\$ 3,043,367	\$ 2,632,772	\$ 2,296,701

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 \$162,194.

Dixie County, Florida
Notes to Financial Statements
Year Ended September 30, 2020

NOTE 10 – RISK MANAGEMENT

Public Entity Risk Pool

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

NOTE 11 – OPERATING LEASE

The County entered into an operating lease for voting equipment and services with Dominion Voting Systems, Inc. in July 2017. The agreement requires eight annual payments of \$47,936.

Future payments being made from General Fund revenues as follows:

Fiscal Year Ending	Principal
<u>September 30,</u>	<u>_____</u>
2021	\$ 47,936
2022	47,936
2023	47,936
2024	47,936
2025	47,936
	<u>\$ 239,680</u>

NOTE 12 – DEFICIT FUND BALANCES

At September 30, 2020, the following funds had negative fund balances. The County intends to resolve these deficits through a combination of grant funding and interfund transfers.

Solid Waste Disposal	\$ (165,224)
E-911	(18,068)
Fine and Forfeiture	(149,183)
Court Operating	(88,496)
Airport Fund	(328,005)
Clerk of Courts General	(85,493)
	<u>\$ (834,469)</u>

Dixie County, Florida
Notes to Financial Statements
Year Ended September 30, 2020

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS PLAN

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

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

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

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

As of October 1, 2019, the date of the latest actuarial valuation, plan participation consisted of 185 active employees and 6 retirees receiving benefits.

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

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

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 144,851	\$ -
Changes of assumptions	12,870	79,008
Total	\$ 157,721	\$ 79,008

Dixie County, Florida
Notes to Financial Statements
Year Ended September 30, 2020

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS PLAN (CONTINUED)

Deferred outflows of resources related to changes in assumptions will be recognized as a reduction of the total OPEB liability in the reporting period ending:

Year ending September 30,		
2021	\$	12,813
2022		12,813
2023		12,813
2024		12,813
2025		12,813
Thereafter		14,648
Total	\$	78,713

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

The actuarial assumptions are:

Discount rate	2.14%
Salary increase rate	Varies by Service
Inflation rate	2.50%
Mortality	Pub-2010 mortality table
Healthcare cost trend rate	7.50% in fiscal year 2020; decreasing each year until reaching ultimate trend rate of 4.00% in 2075.

Dixie County, Florida
Notes to Financial Statements
Year Ended September 30, 2020

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS PLAN (CONTINUED)

Changes in the Total OPEB Liability:

Service cost	\$ 50,225
Interest	23,891
Changes of benefit terms	-
Differences between expected and actual experience	168,993
Other change	-
Change of assumptions	(82,176)
Benefit payments	(27,920)
Net change in total OPEB liability	133,013
Total OPEB Liability, beginning	461,958
Total OPEB Liability, ending	\$ 594,971

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

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

	Current Discount		
	1% Decrease	Rate	1% Increase
	1.14%	2.14%	3.14%
Total OPEB Liability	\$ 639,521	\$ 594,971	\$ 553,465

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

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

	Current Healthcare		
	1% Decrease	Cost Trend Rate	1% Increase
	3.00% - 6.50%	4.00% - 7.50%	5.00% - 8.50%
Total OPEB Liability	\$ 531,788	\$ 594,971	\$ 668,232

Dixie County, Florida
Notes to Financial Statements
Year Ended September 30, 2020

NOTE 14 – COMMITMENTS/CONTINGENCIES

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

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

NOTE 15 – NEGATIVE CASH BALANCE

At September 30, 2020, the EMS Fund had a negative cash balance. This is primary a timing difference with receivables and balances due from other funds. The County intends to resolve this deficit through a combination of clearing interfund balances and collecting outstanding receivables.

NOTE 16 – FUTURE ACCOUNTING PRONOUNCEMENTS

The Governmental Accounting Standards Board has issued statements that will become effective in 2021. The statements address:

- Leases;
- Accounting for Interest Costs Incurred before the End of a Construction Period;
- Conduit Debt Obligations

The County is currently evaluating the effects that these statements will have on its financial statements for 2021.

Required Supplementary Information

Dixie County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – General Fund
Year Ended September 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 6,048,117	\$ 6,048,117	\$ 6,398,585	\$ 350,468
Permits, fees and special assessments	74,700	74,700	98,132	23,432
Intergovernmental	3,121,576	3,121,576	4,844,536	1,722,960
Charges for services	446,699	446,699	1,255,230	808,531
Fines and forfeitures	-	-	3,165	3,165
Miscellaneous	27,400	27,400	241,330	213,930
Total revenues	9,718,492	9,718,492	12,840,978	3,122,486
Expenditures				
Current:				
General government	4,018,399	4,018,399	4,294,685	(276,286)
Public safety	6,190,449	6,190,449	6,133,889	56,560
Physical environment	119,613	119,613	98,612	21,001
Transportation	8,000	8,000	5,068	2,932
Economic environment	276,370	276,370	865	275,505
Human services	805,160	805,160	683,331	121,829
Culture and recreation	-	-	6	(6)
Court related	504,889	504,889	442,519	62,370
Reserve for contingencies	200,000	200,000	-	200,000
Capital outlay	289,959	289,959	289,959	-
Debt service:				
Principal retirement	135,392	135,392	135,392	-
Interest and fiscal charges	22,540	22,540	11,270	11,270
Total expenditures	12,570,771	12,570,771	12,095,596	475,175
Excess of revenues over (under) expenditures	(2,852,279)	(2,852,279)	745,382	3,597,661
Other financing sources (uses)				
Issuance of capital leases	-	-	-	-
Transfers in	193,850	193,850	42,000	(151,850)
Transfers out	(660,803)	(660,803)	(2,101,041)	(1,440,238)
Total other financing sources (uses)	(466,953)	(466,953)	(2,059,041)	(1,592,088)
Net change in fund balances	(3,319,232)	(3,319,232)	(1,313,659)	2,005,573
Fund balances – beginning of year	3,319,232	3,319,232	4,137,307	818,075
Fund balances – end of year	\$ -	\$ -	\$ 2,823,648	\$ 2,823,648

Note to Budgetary Comparison Schedules

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

Dixie County, Florida

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – County Transportation Trust Fund
Year Ended September 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 506,665	\$ 506,665	\$ 485,913	\$ (20,752)
Permits, fees and special assessments	-	-	200	200
Intergovernmental	8,660,988	8,660,988	3,352,221	(5,308,767)
Miscellaneous	122,211	122,211	676,850	554,639
Total revenues	9,289,864	9,289,864	4,515,184	(4,774,680)
Expenditures				
Current:				
Transportation	7,099,077	7,099,077	2,272,306	4,826,771
Physical environment	2,788,928	2,788,928	241,709	2,547,219
Reserve for contingencies	50,000	50,000	-	50,000
Capital outlay	-	-	1,757,286	(1,757,286)
Debt service:				
Principal retirement	37,000	37,000	-	37,000
Interest and fiscal charges	1,000	1,000	-	1,000
Total expenditures	9,976,005	9,976,005	4,271,301	5,704,704
Excess of revenues over (under) expenditures	(686,141)	(686,141)	243,883	930,024
Other financing sources				
Transfers in	-	-	458,895	458,895
Net change in fund balances	(686,141)	(686,141)	702,778	1,388,919
Fund balances – beginning of year	686,141	686,141	(871,953)	(1,558,094)
Fund balances – end of year	\$ -	\$ -	\$ (169,175)	\$ (169,175)

Note to Budgetary Comparison Schedules

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

Dixie County, Florida
Schedule of Changes in the County's Total OPEB Liability and Related Ratios
Last 10 Fiscal Years
Year Ended September 30, 2020

	2020	2019	2018
Total OPEB liability			
Service cost	\$ 50,225	\$ 49,986	\$ 16,500
Interest	23,891	18,135	6,500
Changes of benefit terms	-	-	-
Differences between expected and actual experience	168,993	-	-
Other changes	-	171,978	-
Changes of assumptions and other inputs	(82,176)	16,548	-
Benefit payments	(27,920)	(13,024)	(11,000)
Net change in total OPEB liability	133,013	243,623	12,000
Total OPEB liability - beginning	461,958	218,335	206,335
Total OPEB liability - ending	\$ 594,971	\$ 461,958	\$ 218,335
Covered-employee payroll	\$ 7,261,896	\$ 7,326,747	\$ 7,190,278
Total OPEB liability as a percentage of covered-employee payroll	8.19%	6.31%	3.04%

Notes to schedules:

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

Dixie County, Florida
Schedule of Proportionate Share of Net Pension Liability
Last 10 Fiscal Years (1)
Year Ended September 30, 2020

Florida Retirement System	2020	2019	2018	2017	2016	2015
Employer's proportion of the net pension liability (asset)	0.0373%	0.0383%	0.0388%	0.0394%	0.0405%	0.0425%
Employer's proportionate share of the net pension liability (asset)	\$ 16,148,615	\$ 13,193,668	\$ 11,676,939	\$ 11,665,096	\$ 10,237,985	\$ 5,484,238
Employer's covered-employee payroll (2)	\$ 7,619,711	\$ 7,370,747	\$ 7,277,331	\$ 7,191,039	\$ 7,093,803	\$ 7,496,858
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	211.93%	179.00%	160.46%	162.22%	144.32%	73.15%
Plan fiduciary net position as a percentage of the total pension liability	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%
Health Insurance Subsidy Program	2020	2019	2018	2017	2016	2015
Employer's proportion of the net pension liability (asset)	0.0216%	0.0218%	0.0221%	0.0229%	0.0230%	0.0247%
Employer's proportionate share of the net pension liability (asset)	\$ 2,632,772	\$ 2,434,211	\$ 2,339,967	\$ 2,447,012	\$ 2,677,411	\$ 2,519,874
Employer's covered-employee payroll (2)	\$ 7,619,711	\$ 7,370,747	\$ 7,277,331	\$ 7,191,039	\$ 7,093,803	\$ 7,496,858
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	34.55%	33.03%	32.15%	34.03%	37.74%	33.61%
Plan fiduciary net position as a percentage of the total pension liability	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%

Notes to schedules:

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

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

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

Dixie County, Florida
Schedule of Employer Contributions
Last 10 Fiscal Years (1)
Year Ended September 30, 2020

Florida Retirement System	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 1,253,670	\$ 1,292,861	\$ 1,121,767	\$ 1,054,937	\$ 1,045,863	\$ 1,030,289
Contributions in relation to the contractually required contribution	1,253,670	1,292,861	1,121,767	1,054,937	1,045,863	1,030,289
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered-employee payroll (1)	\$ 7,731,103	\$ 7,326,747	\$ 7,190,277	\$ 7,190,277	\$ 7,380,745	\$ 7,421,285
Contributions as a percentage of covered-employee payroll	16.22%	17.65%	15.60%	14.67%	14.17%	13.88%

Health Insurance Subsidy Program	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 128,336	\$ 121,490	\$ 119,117	\$ 119,359	\$ 122,635	\$ 100,139
Contributions in relation to the contractually required contribution	128,336	121,490	119,117	119,359	122,635	100,139
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered-employee payroll (1)	\$ 7,731,103	\$ 7,326,747	\$ 7,190,277	\$ 7,190,277	\$ 7,380,745	\$ 7,421,285
Contributions as a percentage of covered-employee payroll	1.66%	1.66%	1.66%	1.66%	1.66%	1.35%

Notes to schedules:

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

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

Supplementary Information

Dixie County, Florida
Combining Balance Sheet – Nonmajor Governmental Funds (Continued)
Year Ended September 30, 2020

	Special Revenue Funds			
	Law Library	Fire District	Solid Waste Disposal	Court Facilities
Assets				
Cash and equivalents	\$ 29,138	\$ 234,947	\$ 382,269	\$ 173,858
Due from other funds	-	39,791	70,555	-
Due from other governments	1,615	-	-	729
Receivables	-	1,208	67,882	-
Total assets	\$ 30,753	\$ 275,946	\$ 520,706	\$ 174,587
Liabilities, deferred inflows and fund balances				
Liabilities:				
Accounts payable and accrued liabilities	\$ 746	\$ 3,864	\$ 62,505	\$ -
Due to other funds	172	29,480	623,425	-
Total liabilities	918	33,344	685,930	-
Deferred inflows:				
Unavailable revenue	-	-	-	-
Fund balances:				
Restricted	29,835	91,624	232,041	174,587
Assigned	-	150,978	-	-
Unassigned	-	-	(397,265)	-
Total fund balances	29,835	242,602	(165,224)	174,587
Total liabilities and fund balances	\$ 30,753	\$ 275,946	\$ 520,706	\$ 174,587

Dixie County, Florida
Combining Balance Sheet – Nonmajor Governmental Funds (Continued)
Year Ended September 30, 2020

	Special Revenue Funds			
	Law Enforce- ment Trust	State Housing Initiative Program	E-911	Fine and Forfeiture
Assets				
Cash and equivalents	\$ 163,778	\$ 513,007	\$ 5,240	\$ 176
Due from other funds	-	-	400	-
Due from other governments	42,611	-	146,710	8,101
Receivables	-	5	-	-
Total assets	\$ 206,389	\$ 513,012	\$ 152,350	\$ 8,277
Liabilities, deferred inflows and fund balances				
Liabilities:				
Accounts payable and accrued liabilities	\$ 2,166	\$ 5,650	\$ 776	\$ -
Due to other funds	3,298	979	169,642	157,460
Total liabilities	5,464	6,629	170,418	157,460
Deferred inflows:				
Unavailable revenue	-	-	-	-
Fund balances:				
Restricted	200,925	506,383	-	-
Assigned	-	-	-	-
Unassigned	-	-	(18,068)	(149,183)
Total fund balances	200,925	506,383	(18,068)	(149,183)
Total liabilities and fund balances	\$ 206,389	\$ 513,012	\$ 152,350	\$ 8,277

Dixie County, Florida
Combining Balance Sheet – Nonmajor Governmental Funds (Continued)
Year Ended September 30, 2020

	Special Revenue Funds			
	Impact Fee	CDBG	Recreation and Libraries	Airport Fund
Assets				
Cash and equivalents	\$ 428,162	\$ -	\$ 109,451	\$ 40,277
Due from other funds	187,308	-	-	290,645
Due from other governments	-	-	853	478,236
Receivables	-	-	-	-
Total assets	\$ 615,470	\$ -	\$ 110,304	\$ 809,158
Liabilities, deferred inflows and fund balances				
Liabilities:				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 3,157	\$ 3,032
Due to other funds	-	-	40,099	655,895
Total liabilities	-	-	43,256	658,927
Deferred inflows:				
Unavailable revenue	-	-	-	478,236
Fund balances:				
Restricted	615,470	-	33,576	-
Assigned	-	-	-	-
Unassigned	-	-	33,472	(328,005)
Total fund balances	615,470	-	67,048	(328,005)
Total liabilities and fund balances	\$ 615,470	\$ -	\$ 110,304	\$ 809,158

Dixie County, Florida

Combining Balance Sheet – Nonmajor Governmental Funds (Concluded)
Fiscal Year Ended September 30, 2020

	Special Revenue Funds			Totals
	Court Operating Fund	Records Moderni- zation Trust	Inmate Welfare Fund	
Assets				
Cash and equivalents	\$ 926	\$ 1,789	\$ 130,393	\$ 2,213,411
Due from other funds	-	-	-	588,699
Due from other governments	-	-	-	678,855
Receivables	-	85,226	-	154,321
Total assets	\$ 926	\$ 87,015	\$ 130,393	\$ 3,635,286
Liabilities, deferred inflows and fund balances				
Liabilities:				
Accounts payable and accrued liabilities	\$ 89,422	\$ -	\$ -	\$ 171,318
Due to other funds	-	-	-	1,680,450
Total liabilities	89,422	-	-	1,851,768
Deferred inflows:				
Unavailable revenue	-	-	-	478,236
Fund balances:				
Restricted	-	87,015	-	1,971,456
Assigned	-	-	130,393	281,371
Unassigned	(88,496)	-	-	(947,545)
Total fund balances	(88,496)	87,015	130,393	1,305,282
Total liabilities and fund balances	\$ 926	\$ 87,015	\$ 130,393	\$ 3,635,286

Dixie County, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds (Continued)
Year Ended September 30, 2020

	Special Revenue Funds			
	Law Library	Fire District	Solid Waste Disposal	Court Facilities
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Permits, fees and special assessments	-	443,565	1,339,741	-
Intergovernmental	-	15,002	302,622	-
Charges for services	-	3,040	147,842	-
Fines and forfeitures	-	-	-	-
Miscellaneous	13	2,974	73,865	165
Total revenues	13	464,581	1,864,070	165
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	440,116	-	-
Physical environment	-	-	1,633,524	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Human services	-	-	125,000	-
Culture and recreation	-	-	-	-
Court related	6,358	-	-	-
Capital outlay	-	-	71,261	-
Debt service:				
Principal retirement	-	-	77,715	-
Interest and fiscal charges	-	-	10,355	-
Total expenditures	6,358	440,116	1,917,855	-
Excess of revenues over (under) expenditures	(6,345)	24,465	(53,785)	165
Other financing sources (uses)				
Transfers in	-	135,242	244,707	-
Transfers out	-	(38,001)	(180,000)	-
Total other financing sources (uses)	-	97,241	64,707	-
Net change in fund balances	(6,345)	121,706	10,922	165
Fund balances – beginning of year	36,180	120,896	(176,146)	174,422
Fund balances – end of year	\$ 29,835	\$ 242,602	\$ (165,224)	\$ 174,587

Dixie County, Florida

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds (Continued)
Year Ended September 30, 2020

	Special Revenue Funds			
	Law Enforce- ment Trust	State Housing Initiative Program	E-911	Fine and Forfeiture
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Permits, fees and special assessments	-	-	-	-
Intergovernmental	56,505	525,000	342,856	-
Charges for services	15,110	-	28,317	-
Fines and forfeitures	3,132	-	-	8,291
Miscellaneous	180	38,868	51,244	2
Total revenues	74,927	563,868	422,417	8,293
Expenditures				
Current:				
General government	-	57,500	-	-
Public safety	46,140	-	300,246	73,510
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	255,481	-	-
Human services	-	-	-	-
Culture and recreation	-	-	-	-
Court related	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	151,342
Interest and fiscal charges	-	-	-	9,627
Total expenditures	46,140	312,981	300,246	234,479
Excess of revenues over (under) expenditures	28,787	250,887	122,171	(226,186)
Other financing sources (uses)				
Transfers in	-	-	354,872	161,000
Transfers out	(5,051)	-	(335,575)	-
Total other financing sources (uses)	(5,051)	-	19,297	161,000
Net change in fund balances	23,736	250,887	141,468	(65,186)
Fund balances – beginning of year	177,189	255,496	(159,536)	(83,997)
Fund balances – end of year	\$ 200,925	\$ 506,383	\$ 18,068	\$ (149,183)

Dixie County, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds (Concluded)
Year Ended September 30, 2020

	Special Revenue Funds			
	Impact Fee	CDBG	Recreation and Libraries	Airport Fund
Revenues				
Taxes	\$ -	\$ -	\$ 211,336	\$ -
Permits, fees and special assessments	114,825	-	-	-
Intergovernmental	-	-	212,962	378,458
Charges for services	-	-	60,483	1,100
Fines and forfeitures	-	-	-	-
Miscellaneous	710	-	7,982	76,586
Total revenues	115,535	-	492,763	456,144
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Physical environment	-	-	-	-
Transportation	-	-	-	152,124
Economic environment	-	-	-	-
Human services	-	-	-	-
Culture and recreation	-	-	474,849	-
Court related	-	-	-	-
Capital outlay	50,000	-	-	648,680
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	50,000	-	474,849	800,804
Excess of revenues over (under) expenditures	65,535	-	17,914	(344,660)
Other financing sources (uses)				
Transfers in	-	57,358	735,800	-
Transfers out	-	-	(28,000)	-
Total other financing sources (uses)	-	57,358	707,800	-
Net change in fund balances	65,535	57,358	725,714	(344,660)
Fund balances – beginning of year	549,935	(57,358)	(658,666)	16,655
Fund balances – end of year	\$ 615,470	\$ -	\$ 67,048	\$ (328,005)

Dixie County, Florida

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds (Concluded)
Year Ended September 30, 2020

	Special Revenue Funds			Totals
	Court Operating Fund	Records Moderni- zation Trust	Inmate Welfare Fund	
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ 211,336
Permits, fees and special assessments	-	-	-	1,898,131
Intergovernmental	123,246	-	-	1,956,651
Charges for services	119,222	9,274	-	384,388
Fines and forfeitures	146,831	-	-	158,254
Miscellaneous	7,513	7	92,870	352,979
Total revenues	396,812	9,281	92,870	4,961,739
Expenditures				
Current:				
General government	-	3,000	-	60,500
Public safety	-	-	15,442	875,454
Physical environment	-	-	-	1,633,524
Transportation	-	-	-	152,124
Economic environment	-	-	-	255,481
Human services	-	-	-	125,000
Culture and recreation	-	-	-	474,849
Court related	435,461	12,694	-	454,513
Capital outlay	-	-	51,588	821,529
Debt service:				
Principal retirement	-	-	-	229,057
Interest and fiscal charges	-	-	-	19,982
Total expenditures	435,461	15,694	67,030	5,102,013
Excess of revenues over (under) expenditures	(38,649)	(6,413)	25,840	(140,274)
Other financing sources (uses)				
Transfers in	-	-	-	1,688,979
Transfers out	-	-	-	(586,627)
Total other financing sources (uses)	-	-	-	1,102,352
Net change in fund balances	(38,649)	(6,413)	25,840	962,078
Fund balances – beginning of year	(49,847)	93,428	104,553	343,204
Fund balances – end of year	\$ (88,496)	\$ 87,015	\$ 130,393	\$ 1,305,282

Dixie County, Florida
Statement of Fiduciary Net Position
Year Ended September 30, 2020

	Agency Funds			Totals
	Clerk of the Circuit Court	Sheriff	Tax Collector	
Assets				
Cash	\$ 1,143,681	\$ 64,043	\$ 331,018	\$ 1,538,742
Accounts receivable	1,899	-	1,026	2,925
Total assets	1,145,580	64,043	332,044	1,541,667
Liabilities				
Assets held for others	1,145,580	64,043	332,044	1,541,667
Net position	\$ -	\$ -	\$ -	\$ -

DIXIE COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Fiscal Year ended September, 30, 2020

FINANCIAL STATEMENT FINDINGS

INTERNAL CONTROL OVER FINANCIAL REPORTING

Type of auditor's report issued.	Unmodified
*Material weakness identified?	No
*Significant deficiencies identified not considered to be material weaknesses.	Yes, see <i>Schedule of Prior Audit Findings</i>
Noncompliance material to financial statements	No

FEDERAL AWARDS

INTERNAL CONTROL OVER MAJOR PROGRAMS

Type of auditor's report issued on compliance for major programs:	Unmodified
* Material weakness identified?	No
* Significant deficiencies identified that are not considered to be material weaknesses?	None reported
Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations Part 200.	No

Identification of major programs:	<u>Name of Federal Program</u>
CFDA Number 21.019	U.S. Department of Treasury - Corona Virus Relief Fund

Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
Auditee qualified as low risk auditee?	No

STATE FINANCIAL ASSISTANCE

INTERNAL CONTROL OVER MAJOR PROGRAMS

Type of auditor's report issued on compliance for major programs:	Unmodified
* Material weakness identified?	No
* Significant deficiencies identified that are not considered to be material weaknesses?	None Reported
Any audit findings disclosed that are required to be reported in accordance with rule 10.656, <i>Rules of the Auditor General?</i>	No

Identification of major programs:	<u>Name of State Program</u>
CSFA Number 55.009	Department of Transportation - Small County Outreach Program
CSFA Number 40.901	Florida Housing Finance Corporation - State Housing Initiatives Program

Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
State Financial Assistance Findings and Questioned Costs	None reported

DIXIE COUNTY FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
For The Fiscal Year Ended September 30, 2020

Federal and State Grants/Pass Through Grantor Program Title	CSFA#	GRANT #	PROGRAM OR AWARD AMOUNT	REPORTED IN PRIOR YEARS	DEFERRED IN PRIOR YEARS	REVENUES RECOGNIZED	EXPENDITURES
FEDERAL AWARDS							
US DEPARTMENT OF JUSTICE							
Coronavirus Emergency Supplemental Funding Program <i>Passed through the Florida Department of Law Enforcement</i>	16.034	2020-CE5F-DIXI-1-C9-014	5,823	-	-	5,823	5,823
Edward Byrne Memorial Justice Assistance Grant	16.738	2020-JAGC-DIXI-1-Y5-081	27,354	-	-	27,354	27,354
Edward Byrne Memorial Justice Assistance Grant	16.738	2019-JAGC-DIXI-1-N2-095	23,328	-	-	23,328	23,328
			<u>50,682</u>	-	-	<u>50,682</u>	<u>50,682</u>
US DEPARTMENT OF THE TREASURY							
<i>Passed through the Florida Department of Emergency Management</i>							
Coronavirus Relief Fund <i>Passed through Florida Housing Finance Corporation</i>	21.019	Y2307	734,002	-	-	734,002	734,002
Coronavirus Relief Fund	21.019		175,000	-	-	5,675	5,675
			<u>909,002</u>	-	-	<u>739,677</u>	<u>739,677</u>
US ELECTIONS ASSISTANCE COMMISSION							
<i>Passed through Florida Department of State</i>							
Cradlepoint Grant		MOA-#2019-2020-001-DIX	3,000	-	-	2,075	2,075
Election Security Improvement Grant	90.404	MOA-#2019-2020-001-DIX	23,763	-	-	20,910	20,910
			<u>26,763</u>	-	-	<u>22,985</u>	<u>22,985</u>
FEDERAL OFFICE OF CHILD SUPPORT ENFORCEMENT							
<i>Passed through the Florida Department of Revenue</i>							
Title IV-D Child Support Enforcement	93.563		56,633	-	-	56,633	56,633
FEDERAL DEPARTMENT OF HOMELAND SECURITY							
<i>passed through Florida Division of Emergency Management</i>							
Emergency Management Preparedness and Assistance Grant	97.042	G0045	54,784	-	-	50,922	50,922
			<u>54,784</u>	-	-	<u>50,922</u>	<u>50,922</u>
FEDERAL DEPARTMENT OF EMERGENCY MANAGEMENT							
<i>passed through Florida Division of Emergency Management</i>							
FEMA Hurricane Michael	97.036	Z0561	404,402	-	-	404,402	404,402
FEMA Hurricane Irma	97.042	FEMA-4280-PA-FL	185,112	-	-	185,112	-
			<u>589,514</u>	-	-	<u>589,514</u>	<u>404,402</u>
US DOT- FEDERAL AVIATION ADMINISTRATION							
<i>passed through Florida Division of Emergency Management</i>							
Airport Apron Rehabilitation		3-12-0015-013-2019	450,000	-	-	450,000	450,000
Total federal awards			<u>\$ 2,137,378</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,950,413</u>	<u>\$ 1,775,301</u>

DIXIE COUNTY FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
For The Fiscal Year Ended September 30, 2020

Federal and State Grantor/Pass Through Grantor Program Title	CSFA#	GRANT #	PROGRAM OR AWARD AMOUNT	REPORTED IN PRIOR YEARS	DEFERRED IN PRIOR YEARS	REVENUES RECOGNIZED	EXPENDITURES
STATE FINANCIAL ASSISTANCE							
<i>Florida Division of Emergency Management</i>							
Emergency Management Performance Grant	31.063	A0048	105,806	-	-	39,792	39,792
			105,806	-	-	39,792	39,792
<i>Department of Environmental Protection</i>							
Small County Solid Waste Grant Agreement	37.012	SC029	90,909	-	-	90,909	90,909
<i>Passed through Suwannee River Water Management District</i>							
Florida Springs Grant Program (Multi Basin Aquifer Recharge Project)	37.052	19/20/149	5,792,213	-	-	273,009	273,009
Lower Suwannee Basin Aquifer Recharge Project	37.052	16/17-231	2,200,000	-	-	74,596	74,596
Cow Pond Aquifer Recharge Project	37.052	16/17-207	1,550,000	-	-	128,376	128,376
			9,542,213	-	-	475,981	475,981
<i>Florida Housing Finance Corporation</i>							
<i>State Housing Initiatives Program</i>							
SHIP Funds 2019-2020	40.901	N/A	350,000	-	-	350,000	-
SHIP Funds 2018-2019	40.901	N/A	350,000	-	-	-	255,271
SHIP Funds 2017-2018	40.901	N/A	350,000	-	-	-	328,587
			1,050,000	-	-	350,000	583,858
<i>Department of Agriculture and Consumer Services</i>							
Arthropod Mosquito Control State Aid	42.003	FDACS-026483	34,497	-	-	34,497	34,497
<i>Florida Department of Financial Services</i>							
Volunteer Firefighter Grant Assistance Program	43.006	FM520	15,002	-	-	15,002	15,002
			15,002	-	-	15,002	15,002
<i>Department of State</i>							
State Aid to Libraries	45.030	20-ST-84	212,962	-	-	212,962	212,962
			212,962	-	-	212,962	212,962
<i>Aviation Grant Program</i>							
Removal of Obstacles	55.004	43994819418	120,000	-	-	116,699	116,699
Apron Rehabilitation	55.004	43641019419	450,000	176,646	-	273,365	273,354
Airport Fencing	55.004	44249619420	235,000	-	-	3,897	3,897
			570,000	176,646	-	390,064	390,053
<i>Small County Outreach Program</i>							
Grady Hires Road	55.009	G1255	325,000	-	-	31,200	31,200
County Road 351A	55.009	G1256	1,840,000	-	-	1,240,469	1,240,469
NE 305TH Ave (Dollar Road)	55.009	G1E46	1,376,000	-	-	66,000	66,000
138TH Ave. (Punk Clark Road)	55.009	G0R95	976,997	-	-	63,000	63,000
NE 272 & NE 617 to NE 594 & NE 362	55.009	GJR95	1,420,748	768,037	-	652,711	652,711
			5,937,745	768,037	-	2,053,380	2,053,380

(Continued)

DIXIE COUNTY FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
For the Fiscal Year Ended September 30, 2020

Federal and State Grantor/Pass Through Grantor Program Title	CFDA#	GRANT #	PROGRAM OR AWARD AMOUNT	REPORTED IN PRIOR YEARS	DEFERRED IN PRIOR YEARS	REVENUES RECOGNIZED	EXPENDITURES
<i>Florida Department of Transportation</i> <i>Small County Road Assistance Program</i> SE 633RD Street (Neely Hicks)	55.016	G1084	\$ 525,000	-	-	\$ 44,100	\$ 44,100
			<u>525,000</u>	<u>-</u>	<u>-</u>	<u>44,100</u>	<u>44,100</u>
<i>Wireless 911 Board-911 Wireless State Funds</i>							
Rural County Maintenance Grant-Fall	72.001	19-10-05	44,902	-	-	44,902	44,902
Rural County Maintenance Grant-Spring	72.001	18-11-03	45,442	-	-	45,442	45,442
Rural County Reimbursement Grant/Fall	72.001	19-10-06	124,420	-	-	124,420	124,420
			<u>124,420</u>	<u>-</u>	<u>-</u>	<u>124,420</u>	<u>124,420</u>
Total state financial assistance			<u>\$ 18,117,645</u>	<u>\$ 944,683</u>	<u>\$ -</u>	<u>\$ 3,740,198</u>	<u>\$ 3,974,045</u>

Dixie County, Florida
Notes to Schedule of Expenditures of Federal Awards
and State Financial Assistance
Year Ended September 30, 2020

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance includes the federal and state award activity of the County under programs of the federal and state government for the year ended September 30, 2018. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulation Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and Chapter 10.550, Rules of the Auditor General. Because this schedule presents only a selected portion of the operation of the County, it is not intended to and does not present the financial position or changes in net position of the County.

NOTE 2 – USE OF ESTIMATES

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

NOTE 3 – SUBRECIPIENTS

The County did not provide federal or state awards to subrecipients.

NOTE 4 – INDIRECT COST RATE

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

NOTE 5 – LOAN AND LOAN GUARANTEE PROGRAMS

The County did not participate in any loan or loan guarantee programs.

NOTE 6 – FEDERALLY FUNDED INSURANCE

The County did not receive any federally funded insurance.

NOTE 7 – NONCASH ASSISTANCE

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

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

MANAGEMENT LETTER

The Honorable County Commissioners
Dixie County, Florida

We have audited the financial statements of Dixie County, Florida (the "County"), as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated August 6, 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. Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida and require that certain items be addressed in this letter.

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditors' Report on Compliance for Each Major State Project; Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountants' Reports on examinations conducted in accordance with *AICPA Professional Standards*, AT-C Section 315 regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedules, which are dated August 6, 2021, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Status of Prior Year Findings:

Finding Number FY 2017	Finding Number FY 2016	Status FY 2020
2017-002	2016-002	Repeated as 2017-002
2017-003	2016-003	Repeated as 2017-003
2017-004	n/a (new in FY17)	Repeated as 2017-004
2017-005	2016-005	Repeated as 2017-005

Financial Condition and Management

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

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

Section 10.554(1)(i)(2), Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. We had no such recommendations required to be included herein.

Additional Matters

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

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

Purpose of this Letter

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

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



POWELL & JONES
Certified Public Accountants
August 6, 2021

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

The Honorable County Commissioners
Dixie County, Florida

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

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

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

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



POWELL & JONES
Certified Public Accountants
August 6, 2021

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

The Honorable County Commissioners
Dixie County, Florida

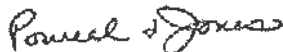
We have examined Dixie County, Florida's (the County) compliance with the specified requirements of Section 365.172(10), Florida Statutes, *Authorized Expenditures of E911 Fee*, and Section 365.173(2)(d), Florida Statutes, *Distribution and Use of (E911) Funds*, during year ended September 30, 2019. Management of County is responsible for the County's compliance with the specified requirements. Our responsibility is to express an opinion on the County's compliance with the specified requirements based on our examination.

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

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

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



POWELL & JONES
Certified Public Accountants
August 6, 2021

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

The Honorable County Commissioners
Dixie County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Dixie County, Florida (the "County"), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated August 6, 2021.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2017-003, 2017-004 and 2017-005 that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our auditing procedures disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. We did identify certain other matters which are described in the accompanying schedule of findings and questioned costs as item 2017-003.

County's Response to Findings

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

Purpose of this Report

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



POWELL & JONES
Certified Public Accountants
August 6, 2021

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE *OMB UNIFORM
GUIDANCE***

To the Board of County
Commissioners of Dixie
County, Florida

Report on Compliance for Each Major Federal Program

We have audited the Dixie County, Florida's compliance with the types of compliance requirements described in the *OMB Uniform Guidance* that could have a direct and material effect on each of the Dixie County, Florida's major federal programs for the year ended September 30, 2020. Dixie County, Florida's major federal programs are identified in the summary of auditor's results in the accompanying schedule of findings.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Dixie County, Florida's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (OMB Uniform Guidance)*. Those standards, and the *OMB Uniform Guidance* 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 program occurred. An audit includes examining, on a test basis, evidence about the Dixie County, Florida's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

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

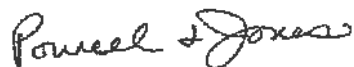
Report on Internal Control Over Compliance

Management of the Dixie County, Florida, 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 consider Dixie County, Florida's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program 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 to test and report on internal control over compliance in accordance with OMB Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Dixie County, Florida's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the 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.

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 OMB Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Powell & Jones
Certified Public Accountants
Lake City, FL
August 6, 2021

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

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

Report on Compliance for Each Major State Project

We have audited the compliance of Dixie County, Florida with the types of compliance requirements described in the State of Florida, Department of Financial Services State Projects Compliance and Supplement, that could have a direct and material effect on its major State project for the year ended September 30, 2020. Dixie County, Florida's major State projects are identified in the summary of auditors' results section of the accompanying Schedule of Findings.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on Dixie County, Florida's compliance for each major State Project based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and Chapter 10.550, Rules of the State of Florida, Office of the Auditor General. Those standards and Chapter 10.550, Rules of the State of Florida, Office of the Auditor General, require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major State project occurred. An audit includes examining, on a test basis, evidence about Dixie County, Florida's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major State Project

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

Other Matters

The results of our auditing procedures disclosed no instances of non-compliance, which are required to be reported in accordance with Chapter 10.550, Rules of the State of Florida, Office of the Auditor General.

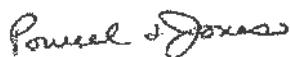
Internal Control Over Compliance

Management of Dixie County, Florida is responsible for establishing and maintaining effective internal control over the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Dixie County, Florida's internal control over compliance with the types of requirements that could have a direct and material effect on a major State project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major State Project and to test and report on internal control over compliance in accordance with Chapter 10.550, Rules of the State of Florida, Office of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Dixie County, Florida's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified.

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



POWELL & JONES

Certified Public Accountants

August 6, 2021

Dixie County, Florida

Schedule of Prior Audit Findings

FINANCIAL STATEMENT FINDINGS

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

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

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

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

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

Current Year Status: During the current year, the County retained an independent certified public accounting firm to adjust the financial records and prepare the countywide financial report. The firm's contract ended as of September 30, 2020.

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

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

Condition: For the year ended September 30, 2020, there was not adequate segregation of duties so that no one employee had access to the accounting records and all phases of recording a transaction.

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

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

Current Year Status: During the ensuing year the newly-elected Clerk of Courts hired new finance personnel and implemented systems and processes to increase internal controls relating to fiscal management.

2017-003 (Similar to previously reported items 2016-003 and 2015-003)

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

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

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

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

Current Year Status: **The County performed a comprehensive physical inventory during the prior year, but the property records had not been adjusted based upon this inventory.**

2017-004 (Similar to previously reported item 2016-004)

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

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

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

Effect: The risk of misstatements is enhanced.

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

2017-005

Condition: The County's Recreation and Library Fund had a deficit fund balance and an interfund balance with the General Fund. No repayments were made to reduce the balance during FY 2019.

Cause: The County anticipated grant funding to be received to enable the repayment of the interfund balance but it was not sufficient during FY 2019.

Effect: The nonpayment of the loan could have a negative impact on the fund balance of the County's General Fund in the future.

Recommendation: The County's management should evaluate the likelihood of repaying the funds owed to the General Fund and take appropriate action to either forgive the loan or restructure it where payments are made over time to reduce the balance.

Current Year Status: Six additional Board and Clerk funds had negative fund balances at September 30, 2020 totaling \$(834,469); although the Recreation and Library Fund had a positive fund balance. This remains a finding for the County.

FINDINGS AND QUESTIONED COSTS – STATE PROJECTS

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

Questioned Costs: None

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

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

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

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

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

Current Year Status: During the current year the County included these grant funds in the State Single Audit procedures performed by the County auditor.

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

AFFIDAVIT

BEFORE ME, the undersigned authority, personally appeared Barbara Higginbotham, who being duly sworn, deposes and says on oath that:

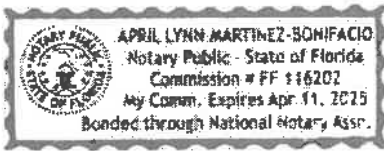
1. I am the Chief Financial Officer of Dixie County, Florida which is a local governmental entity of the State of Florida;
2. The governing body of the Board of County Commissioners of Dixie County adopted Ordinance No. 2009-01A implementing an impact fee; and
3. The Board of County Commissioners of Dixie County has complied and, as of the date of this Affidavit, remains in compliance with Section 163.31801, Florida Statutes.

FURTHER AFFIANT SAYETH NAUGHT.

Barbie Higginbotham
(Clerk of Court)

State of Florida
County of Dixie

SWORN TO AND SUBSCRIBED before me this 26th day of July, 2021.



[Signature]
NOTARY PUBLIC
Print Name April Martinez-Bonifacio

Personally known _____ or produced identification ✓

Type of Identification produced: Driver license

My Commission Expires:
4/11/25

56 NE 210 Avenue
Post Office Box 2600
Cross City, Florida 32628



County Manager Office
Phone: (352)498-1426
Fax: (352)498-1277

DIXIE COUNTY BOARD OF COUNTY COMMISSIONERS

October 8, 2021

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

IN RE: RESPONSE TO AUDIT OF THE DIXIE COUNTY BOARD OF COUNTY COMMISSIONERS FOR THE FISCAL PERIOD ENDING SEPTEMBER 30, 2020.

Dear Ms. Norman:

I hereby submit to you my response to the above referenced audit as prepared by the firm of Powell & Jones, 1359 S.W. Main Boulevard, Lake City, Florida 32025. Please note that I am the newly elected Clerk of Court and assumed office on January 5, 2021.

PART II-FINANCIAL STATEMENT FINDINGS

2017-001 Criteria: Section 218.33, Florida Statutes, requires that local government entities follow uniform accounting practices and procedures including the use of proper accounting and fiscal management, which includes establishing and maintaining effective internal control to help ensure that appropriate goals and objectives are met and ensuring that management and financial information is reliable and properly reported.

Response: Every effort has been made to comply with uniform accounting procedures and internal controls currently. Many changes/upgrades have been added to our Finance Department and training is ongoing.

2017-002 Criteria: Section 218.33, Florida Statutes, requires that local government entities follow uniform accounting practices and procedures including the use of proper accounting and fiscal management, which includes establishing and maintaining effective internal control to help ensure that appropriate goals and objectives are met and ensuring that management and financial information is reliable and properly reported.

Response: New Finance staff has been hired and a consultant was hired to correct the payroll processes and reduce the risk of payroll misstatement or fraud. In addition, as much as possible, considering the limited staffing, we are segregating duties.

2017-003 Criteria: Per rule 691-73.006, Florida Administrative Code, management is required to perform a physical inventory count of all tangible property.

Response: Every effort will be made to perform the inventory and update our records.

2017-004 Criteria: Section 218.33, Florida Statutes, requires that local government entities follow uniform accounting practices and procedures including the use of proper accounting and fiscal management, which includes establishing and maintaining effective internal control to help ensure that appropriate goals and objectives are met and ensuring that management and financial information is reliable and properly reported. The internal control environment should include adequate segregation of duties within the financial reporting IT systems.

Response: Since taking office, we have instituted a process to limit the IT exposure and provide specific roles for specific levels of responsibility. Due to the limited staffing of our small offices, the segregation is not always ideal but procedures are there to track all transaction and limit the risk when possible.

2017-005 Condition: The County's Recreation and Library Fund had a deficit fund balance and an inter fund balance with the General Fund. No repayments were made to reduce the balance during FY2019.

Current Year Status: Six additional Board and Clerk funds had negative balances at September 30, 2020 totaling \$(834,496); although the Recreation and Library Fund had a positive fund balance. This remains a finding for the County.

Response: In the future, staff and management must do a better job of monitoring expenditures and budget variances. Every effort will be made to keep this from happening. Training and procedures need to be improved.

FINDINGS AND QUESTIONED COSTS-STATE PROJECTS

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

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

Response: We will continue to monitor the activities of the Sub recipients and include these grant funds in the State Single Audit Procedures performed by the County auditor.

Respectfully submitted,



Barbara Higginbotham
Clerk of Court
Dixie County, Florida

**Dixie County
Clerk of the Circuit Court**

Audit Report

September 30, 2020

**Dixie County Clerk of the Circuit Court
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Year Ended September 30, 2020**

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Powell & Jones
Certified Public Accountants

Richard G. Powell, Jr., CPA
Marian Jones Powell, CPA

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Lake City, Florida 32025
386 / 755-4200
Fax: 386 / 719-5504
admin@powellandjonescpa.com

INDEPENDENT AUDITORS' REPORT

To the Clerk of the Circuit Court
Dixie County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the office of the Dixie County Clerk of the Circuit Court (the "Office") as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Office's financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Florida Institute of Certified Public Accountants • American Institute of Certified Public Accountants

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the Office as of September 30, 2020, and the respective changes in financial position, where applicable, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

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

Other Matters

Required Supplementary Information

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

Other Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 26, 2021 on our consideration of the Office's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Office's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Office's internal control over financial reporting and compliance.



POWELL & JONES
Certified Public Accountants
July 26, 2021

**Dixie County Clerk of the Circuit Court
Balance Sheet – Governmental Funds
Year Ended September 30, 2020**

	General Fund	Court Operating Fund	Records Modernization Trust Fund	Total Governmental Funds
Assets				
Cash and equivalents	\$ 433,113	\$ 3,179	\$ 1,789	\$ 438,081
Due from other funds	150,445	67,950	85,226	303,621
Due from other governments	54,351	-	-	54,351
Total assets	\$ 637,909	\$ 71,129	\$ 87,015	\$ 796,053
Liabilities				
Accounts payable and accrued liabilities	\$ 17,538	\$ 5,028	\$ -	\$ 22,566
Due to other funds	80,234	152,344	-	232,578
Due to other governments	60,635	-	-	60,635
Due to other county agencies	564,995	-	-	564,995
Total liabilities	723,402	157,372	-	880,774
Fund balances				
Unassigned	-	(86,243)	-	(86,243)
Restricted	(85,493)	-	87,015	1,522
Total fund balances	(85,493)	(86,243)	87,015	(84,721)
Total liabilities and fund balances	\$ 637,909	\$ 71,129	\$ 87,015	\$ 796,053

See accompanying notes.

Dixie County Clerk of the Circuit Court
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended September 30, 2020

	General Fund	Court Operating Fund	Records Modernization Trust Fund	Total Governmental Funds
Revenues				
Intergovernmental revenues	\$ 56,633	\$123,246	\$ -	\$ 179,879
Charges for services	42,048	119,222	241	161,511
Fines and forfeitures	-	146,831	9,033	155,864
Miscellaneous revenue	28	7,513	7	7,548
Total revenues	98,709	396,812	9,281	504,802
Expenditures				
Current:				
General government	509,956	-	3,000	512,956
Court related	-	433,208	12,694	445,902
Total expenditures	509,956	433,208	15,694	958,858
Excess of revenues over (under) expenditures	(411,247)	(36,396)	(6,413)	(454,056)
Other financing sources (uses)				
Appropriations from board of county commissioners	325,754	-	-	325,754
Reversion to board of county commissioners	-	-	-	-
Total other financing sources (uses)	325,754	-	-	325,754
Net change in fund balances	(85,493)	(36,396)	(6,413)	(128,302)
Fund balances - October 1, 2019	-	(49,847)	93,428	43,581
Fund balances - September 30, 2020	\$ (85,493)	\$ (86,243)	\$ 87,015	\$ (84,721)

See accompanying notes.

**Dixie County Clerk of the Circuit Court
Statement of Fiduciary Net Position
Year Ended September 30, 2020**

	Agency Funds
<hr/>	
Assets	
Cash and equivalents	\$ 1,143,681
Due from other funds	1,899
<hr/>	
Total assets	1,145,580
<hr/>	
Liabilities	
Assets held for others	1,059,150
Due to other funds	72,942
Due to other county agencies	13,488
<hr/>	
Total liabilities	1,145,580
<hr/>	
Net position	\$ -
<hr/>	

See accompanying notes.

Dixie County Clerk of the Circuit Court
Notes to Financial Statements
Year Ended September 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

The Clerk of the Circuit Court is an elected constitutional officer, whose office is established by Article VIII of the Constitution of the State of Florida and is governed by various provisions of state law.

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

Basis of Presentation

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

Fund Accounting

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

The Office reports the following major governmental funds:

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

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

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

Additionally, the Office reports the following fiduciary funds:

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

**Dixie County Clerk of the Circuit Court
Notes to Financial Statements
Year Ended September 30, 2020**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus/Basis of Accounting

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

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

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

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

Capital Assets and Long-Term Liabilities

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

Cash and Equivalents

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

Fund Balance

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

Dixie County Clerk of the Circuit Court
Notes to Financial Statements
Year Ended September 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

Unassigned Fund Balance – Unassigned fund balance is the residual classification for the General Fund or negative balance in a special revenue fund.

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

Use of Estimates

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

NOTE 2 – FUND BALANCE CLASSIFICATIONS

Balances of reported fund balance at September 30, 2020 are as follows:

	Records Modernization Fund
Restricted for:	
Court technology	\$ 23,139
Records modernization	63,876
Totals	\$ 87,015

**Dixie County Clerk of the Circuit Court
Notes to Financial Statements
Year Ended September 30, 2020**

NOTE 3 – INTERFUND BALANCES

At September 30, 2020, interfund balances consisted of:

Due From	Due To				Total
	General Fund	Court Operating Fund	Records Modernization Fund	Agency Funds	
General fund	\$ -	\$ -	\$ 80,234	\$ -	\$ 80,234
Court operating fund	150,445	-	-	1,899	152,344
Agency funds	-	67,950	4,992	-	72,942
Totals	\$ 150,445	\$ 67,950	\$ 85,226	\$ 1,899	\$ 305,520

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

Required Supplementary Information

Dixie County Clerk of the Circuit Court
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – General Fund
Year Ended September 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental revenues	\$ -	\$ -	\$ 56,633	\$ 56,633
Charges for services	-	-	42,048	42,048
Miscellaneous revenues			28	
Total revenues	-	-	98,709	98,709
Expenditures				
Current:				
General government	325,754	325,754	509,956	(184,202)
Excess of revenues over (under) expenditures	(325,754)	(325,754)	(411,247)	(85,493)
Other financing sources (uses)				
Appropriation from board of county commissioners	325,754	325,754	325,754	-
Reversion to board of county commissioners	-	-	-	-
Total other financing sources (uses)	325,754	325,754	325,754	-
Net change in fund balances	-	-	(85,493)	(85,493)
Fund balances - October 1, 2019	-	-	-	-
Fund balances - September 30, 2020	\$ -	\$ -	\$ (85,493)	\$ (85,493)

Notes to Schedule:

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

Dixie County Clerk of the Circuit Court
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Court Operating Fund
Year Ended September 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental revenue	\$ -	\$ -	\$123,246	\$123,246
Charges for services	-	-	119,222	119,222
Fines and forfeitures	-	-	146,831	146,831
Miscellaneous revenue	-	-	7,513	7,513
Total revenues	-	-	396,812	396,812
Expenditures				
Current:				
Court related	-	-	433,208	(433,208)
Excess of revenues over (under) expenditures	-	-	(36,396)	(36,396)
Fund balances - October 1, 2019	-	-	(49,847)	(49,847)
Fund balances - September 30, 2020	\$ -	\$ -	\$ (86,243)	\$ (86,243)

Notes to Schedule:

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

Dixie County Clerk of the Circuit Court
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Records Modernization Fund
Year Ended September 30, 2020

	<u>Budgeted Amounts</u>			Variance
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>With Final Budget</u>
Revenues				
Charges for services	\$ -	\$ -	\$ 241	\$ 241
Fines and forfeitures	-	-	9,033	9,033
Miscellaneous revenue	-	-	7	7
Total revenues	-	-	9,281	9,281
Expenditures				
Current:				
General government	-	-	3,000	(3,000)
Court related	-	-	12,694	(12,694)
Total expenditures	-	-	15,694	(15,694)
Excess of revenues over (under) expenditures	-	-	(6,413)	(6,413)
Fund balances - October 1, 2019	-	-	93,428	93,428
Fund balances - September 30, 2020	\$ -	\$ -	\$ 87,015	\$ 87,015

Notes to Schedule:

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

Supplementary Information

Dixie County Clerk of the Circuit Court
Combining Statement of Fiduciary Net Position
Agency Funds
Year Ended September 30, 2020

	General Agency Trust Fund	Domestic Relations Fund	Traffic Fund	Court Fund	Registry of Court Fund
Assets					
Cash and equivalents	\$ 527,468	\$ 1,362	\$ 88,100	\$ 2,053	\$ 56,009
Due from other funds	1,899	-	-	-	-
Total assets	529,367	1,362	88,100	2,053	56,009
Liabilities					
Assets held for others	469,643	1,362	61,394	2,053	56,009
Due to other funds	55,828	-	17,114	-	-
Due to other county agencies	3,896	-	9,592	-	-
Total liabilities	529,367	1,362	88,100	2,053	56,009
Net position	\$ -	\$ -	\$ -	\$ -	\$ -

Dixie County Clerk of the Circuit Court
Combining Statement of Fiduciary Net Position
Agency Funds
Year Ended September 30, 2020

	Witness Payroll Fund	Bond Fund	Tax Deed Fund	Total Agency Funds
Assets				
Cash and equivalents	\$ 319	\$ 38,328	\$ 430,042	\$ 1,143,681
Due from other funds	-	-	-	1,899
Total assets	319	38,328	430,042	1,145,580
Liabilities				
Assets held for others	319	38,328	430,042	1,059,150
Due to other funds	-	-	-	72,942
Due to other county agencies	-	-	-	13,488
Total liabilities	319	38,328	430,042	1,145,580
Net position	\$ -	\$ -	\$ -	\$ -

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

MANAGEMENT LETTER

To the Clerk of the Circuit Court
Dixie County, Florida

We have audited the financial statements of the office of the Dixie County Clerk of the Circuit Court (the "Office"), as of and for the year ended September 30, 2020, and have issued our report thereon dated July 26, 2021. That report should be considered in conjunction with this management letter.

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards; and Independent Accountant's Report on examinations conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated July 26, 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. Prior audit findings 2017-003, 2017-008; 2017-009 are repeated in the accompanying schedule of findings.

Financial Management

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

Additional Matters

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

Purpose of this Letter

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

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



POWELL & JONES
Certified Public Accountants
July 26, 2021

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 Clerk of the Circuit Court
Dixie County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of each major fund and the aggregate remaining fund information of the office of the Dixie County Clerk of the Circuit Court (the "Office"), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Office's financial statements, and have issued our report thereon dated July 26, 2021

Internal Control Over Financial Reporting

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

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *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 accompanying schedule of findings as items 2017-008 and 2017-009 to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Office's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings as items 2017-008 and 2017-009.

The Office's Response to Findings

The Office's response to the findings identified in our audit is described in its accompanying letter of response. The Office's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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



POWELL & JONES
Certified Public Accountants
July 26, 2021

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

To the Clerk of the Circuit Court
Dixie County, Florida


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

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

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

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



POWELL & JONES
Certified Public Accountants
July 26, 2021

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

The Honorable Melissa Long
Clerk of the Circuit Court
Dixie County, Florida

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

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

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

Our examination disclosed material noncompliance with the aforementioned requirements, described in the accompanying schedule of findings as items 2017-009 and 2017-010, applicable to the Office during the year ended September 30, 2020. These conditions were considered in determining the nature, timing, and extent of audit tests applied in our audit of the 2020 financial statements, and this report does not affect our report dated July 26, 2021 on those financial statements.

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



POWELL & JONES
Certified Public Accountants
July 26, 2021

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

The Honorable Melissa Long
Clerk of the Circuit Court
Dixie County, Florida

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

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

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

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



POWELL & JONES
Certified Public Accountants
July 26, 2021

**Dixie County Clerk of the Circuit Court
Schedule of Findings
Year Ended September 30, 2020**

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

**Dixie County Clerk of the Circuit Court
Schedule of Findings
Year Ended September 30, 2020**

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

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

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

Current Status – This finding was substantially corrected during the ensuing year.

2017-004

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

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

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

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

Recommendation – This finding was corrected during the ensuing year and all prior funds owed the State and other agencies were remitted.

2017-006

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

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

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

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

Recommendation – The Office should cross-train finance staff to perform bank reconciliations and should date when the reconciliation was performed. The finance

**Dixie County Clerk of the Circuit Court
Schedule of Findings
Year Ended September 30, 2020**

director or Clerk should review the bank reconciliations and document with a signature and date that they were reviewed.

Current status – This finding was substantially corrected during the ensuing year.

2017-008

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

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

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

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

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

Current year status – During the current year ended September 30, 2020, the Clerk General Fund had a negative fund balance of (\$85,493) at year end. This fund is required to have a \$0 fund balance at each year end.

2017-009

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

Condition – The Office did not complete the FY17-19 EC Reports correctly. Jury expenditures were “double counted” in certain months and other expenditures that should have been accrued and recorded on the EC Report were not.

Cause – The finance staff were not adequately trained or experienced to properly complete this report. Additionally, a documented review was not taking place in which the report is reconciled to the accounting records prior to submission.

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

Recommendation – The Office should train employees to complete the EC Report correctly. It should also implement a review (with signature and date) to document that the reviewer was able to reconcile the report to the accounting records each month.

**Dixie County Clerk of the Circuit Court
Schedule of Findings
Year Ended September 30, 2020**

Current year status – At September 30, 2020 the Court Operating Fund had a deficit fund balance of (\$86,243). This fund is required to have a \$0 fund balance at year end.

2017-010

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

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

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

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

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

Current year status – This finding was substantially corrected during the ensuing year.



Clerk of the Circuit Courts Dixie County
Barbara Higginbotham

September 27, 2021

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

IN RE: RESPONSE TO AUDIT OF THE DIXIE COUNTY CLERK OF THE CIRCUIT COURT FOR THE FISCAL PERIOD ENDING
SEPTEMBER 30, 2020.

Dear Ms. Norman:

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

Please note that I took office on January 5, 2021, and these responses are to the best of my knowledge.

**SCHEDULE OF FINDINGS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020
DIXIE COUNTY CLERK OF THE CIRCUIT COURT**

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

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

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

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

Effect – The risk of misstatement or fraud is enhanced.

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

Current Status— This finding was substantially corrected during the ensuing year.

Response- Our office is continuing to monitor and ensure that duties are segregated as much as possible considering the size of our office.

- 2017-002 (Reported in the preceding audit report as item 2017-002.)
- Criteria** – The internal control environment should include adequate segregation of duties within the financial reporting IT systems.
- Condition** — Within the accounting IT system, employees in the finance department have access to: 1) both initiate and approve journal entries; and 2) both change employee pay rates and process payroll.
- Cause** – In a small office, the staffing levels are not sufficient for adequate segregation of duties in the IT systems.
- Effect** – The risk of fraud and management override of controls are enhanced.
- Recommendation** — Where possible, the Office should restrict access to IT systems or functions or should provide compensating controls.
- Current Status**— This finding was substantially improved during the ensuing year.
- Response**- Our office is continuing to monitor and ensure that duties are segregated using roles in our IT system and requiring approval processes, as possible.
- 2017-003 (Reported in the preceding audit reports as items 2017-003 and 2016-003.)
- Criteria** – Cash on deposit should be reconciled to the bank balance.
- Condition** — The Office’s subsidiary ledgers for its Registry Fund, Cash Bonds Fund and the Tax Deed Fund were improved during the year but still do not reconcile to the amount of cash on deposit in the bank.
- Cause** – The responsible personnel did not perform accurate or timely reconciliations, resulting in large unreconciled differences.
- Effect** – This condition can lead to improper distribution of funds held in agency.
- Recommendation** — The Office should continue its efforts to identify funds held in custodial capacity and consult with legal counsel as to the disposition of any unidentified funds.
- Current Status** – This finding was substantially corrected during the ensuing year.
- Response**- Our office is continuing to improve our reconciliation processes.
- 2017-004
- Criteria** – Court collections should be remitted timely to the FDOR and court revenues should be recognized in the proper accounting period.
- Condition** — The Office did not remit court collections to the FDOR timely nor were the related court revenues recognized in the proper accounting period.
- Cause** – The finance officer was on medical leave for several weeks and the remaining finance staff had not been sufficiently cross-trained to perform the court collection remittance and revenue posting.
- Effect** – This condition can lead to material noncompliance with the Florida Statutes and improper revenue recognition.
- Recommendation** — This finding was corrected during the ensuing year and all prior funds owed the State and other agencies were remitted.

Response- Every effort is being made to ensure that remittances to FDOR are submitted in a timely manner.

2017-006

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

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

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

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

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

Current status – This finding was substantially corrected during the ensuing year.

Response- Our office continues to make every effort to complete all bank reconciliations and approvals in a timely manner.

2017-008

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

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

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

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

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

Current year status – During the current year ended September 30, 2020, the Clerk General Fund had a negative fund balance of (\$85,493) at year end. This fund is required to have a \$0 fund balance at each year end.

Response- Current administration went in office on January 5, 2021. Since taking office, we have been working diligently to ensure proper monitoring of expenditures and budgets. Per State law, we have requested a budget amendment and additional funding from the Dixie County Board of County Commissioners.

2017-009

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

Condition – The Office did not complete the FY17-19 EC Reports correctly. Jury expenditures were “double counted” in certain months and other expenditures that should have been accrued and recorded on the EC Report were not.

Cause – The finance staff were not adequately trained or experienced to properly complete this

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

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

Recommendation — The Office should train employees to complete the EC Report correctly. It should also implement a review (with signature and date) to document that the reviewer was able to reconcile the report to the accounting records each month.

Current year status – At September 30, 2020 the Court Operating Fund had a deficit fund balance of (\$86,243). This fund is required to have a \$0 fund balance at year end.

Response- Current administration went in office on January 5, 2021. Since taking office, we have been working diligently to ensure proper monitoring of expenditures and budgets. Per State law, we have requested a budget amendment and additional funding from the Dixie County Board of County Commissioners.

2017-010

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

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

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

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

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

Current year status – This finding was substantially corrected during the ensuing year.

Response- Every effort is being made to ensure timely submission of reports per the deadlines specified by the Florida Statutes.

Respectfully submitted,



Barbara Higginbotham

Clerk of Court of Dixie County, Florida

**Dixie County
Property Appraiser**

Audit Report

September 30, 2020

**Dixie County Property Appraiser
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Year Ended September 30, 2020**

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Powell & Jones
Certified Public Accountants

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admin@powellandjonescpa.com

INDEPENDENT AUDITOR'S REPORT

The Honorable Robert Lee
Property Appraiser
Dixie County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the office of the Dixie County Property Appraiser (the "Office") as of and for the year ended September 30, 2020 and the related notes to the financial statements, which collectively comprise the Office's special purpose financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Office as of September 30, 2020, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

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

Other Matters

Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 1, 2021, on our consideration of the Office's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Officer's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Office's internal control over financial reporting and compliance.



POWELL & JONES
Certified Public Accountants
July 1, 2021

**Dixie County Property Appraiser
Balance Sheet – Governmental Funds
Year Ended September 30, 2020**

	General Fund
Assets	
Cash and equivalents	\$ 181,438
Total assets	181,438
 Liabilities and fund balance	
Liabilities:	
Accounts payable and accrued liabilities	62,911
Due to other county agencies	118,527
Total Liabilities	181,438
Fund Balance	-
Total liabilities and fund balance	\$ 181,438

See accompanying notes.

Dixie County Property Appraiser
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
Year Ended September 30, 2020

	General Fund
<hr/>	
Revenues	
Charges for services	\$ 17,407
Miscellaneous revenue	94
<hr/>	
Total Revenues	17,501
Expenditures	
Current:	
General government services	867,511
<hr/>	
Total expenditures	867,511
<hr/>	
Deficit of revenues under expenditures	(850,010)
Other financing sources	
Appropriation from Board of County Commissioners	850,010
<hr/>	
Total other financing sources	850,010
<hr/>	
Net change in fund balance	-
Fund Balance - October 1, 2019	-
<hr/>	
Fund Balance - September 30, 2020	\$ -
<hr/>	

See accompanying notes.

**Dixie County Property Appraiser
Notes to Financial Statements
Year Ended September 30, 2020**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

The Property Appraiser is an elected constitutional officer, whose office is established by Article VIII of the Constitution of the State of Florida and is governed by various provisions of state law.

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

Basis of Presentation

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

Fund Accounting

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

The Office reports the following major governmental fund:

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

**Dixie County Property Appraiser
Notes to Financial Statements
Year Ended September 30, 2020**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance

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

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

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

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

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

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

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

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

Measurement Focus/Basis of Accounting

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

**Dixie County Property Appraiser
Notes to Financial Statements
Year Ended September 30, 2020**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Capital Assets and Long-Term Liabilities

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

Cash and Equivalents

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

Use of Estimates

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

NOTE 2 – CONTINGENCIES

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

Required Supplementary Information

**Dixie County Property Appraiser
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – General Fund
Year Ended September 30, 2020**

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Amended		
Revenues				
Charges for services	\$ 16,599	16599	\$ 17,407	\$ 808
Miscellaneous revenue	-	-	94	94
Total Revenues	16,599	16,599	17,501	902
Expenditures				
Current:				
General government services	866,609	866,609	867,511	(902)
Total expenditures	866,609	866,609	867,511	(902)
Excess of revenues over expenditures	(850,010)	(850,010)	(850,010)	-
Other financing sources				
Appropriation from Board of County Commissioners	850,010	850,010	850,010	-
Total other financing sources	850,010	850,010	850,010	-
Net change in fund balance	-	-	-	-
Fund Balance - October 1, 2019	-	-	-	-
Fund Balance - September 30, 2020	\$ -	\$ -	\$ -	\$ -

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

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

MANAGEMENT LETTER

The Honorable Robert Lee
Property Appraiser
Dixie County, Florida

We have audited the financial statements of the office of the Dixie County Property Appraiser (the "Office"), as of and for the year ended September 30, 2020, and have issued our report thereon dated July 1, 2021. That report should be considered in conjunction with this management letter.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida and require that certain items be addressed in this letter.

Prior Audit Findings

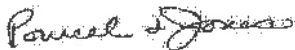
The Rules of the Auditor General require that we comment as to whether or not corrective actions have been taken to address findings and recommendations made in the preceding audit. If the audit findings in the preceding audit are uncorrected, we are required to identify those findings that were also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

Other Matters

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

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

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



POWELL & JONES
Certified Public Accountants
July 1, 2021

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

The Honorable Robert Lee
Property Appraiser
Dixie County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the office of the Dixie County Property Appraiser (the "Office"), as of and for the year ended September 30, 2020 and the related notes to the financial statements, which collectively comprise the Office's special purpose financial statements, and have issued our report thereon dated July 1, 2021.

Internal Control Over Financial Reporting

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

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

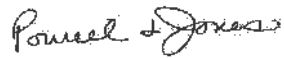
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

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

Purpose of this Report

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



POWELL & JONES
Certified Public Accountants
July 1, 2021

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

The Honorable Robert Lee
Property Appraiser
Dixie County, Florida

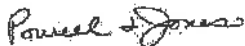
We have examined the office of the Dixie County Property Appraiser's (the "Office") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the period October 1, 2019, to September 30, 2020. Management is responsible for the Office's compliance with the specified requirements. Our responsibility is to express an opinion on the Office's compliance with the specified requirements based on our examination.

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

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

In our opinion, the Office complied, in all material respects, with the aforementioned requirements during the period October 1, 2019 to 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.



POWELL & JONES
Certified Public Accountants
July 1, 2021

**Dixie County
Sheriff's Office**

Audit Report

September 30, 2020

**Dixie County Sheriff
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Year Ended September 30, 2020**

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INDEPENDENT AUDITORS' REPORT

The Honorable Dewey Hatcher
Sheriff
Dixie County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the office of the Dixie County Sheriff (the "Office") as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Office's special purpose financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the major fund and the aggregate remaining fund information of the Office as of September 30, 2020, and the respective changes in financial position, where applicable, thereof for the year then ended in accordance with accounting principles generally accepted in the United State of America.

Emphasis of Matters

Special Purpose Financial Statements

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

Other Matters

Required Supplementary Information

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

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

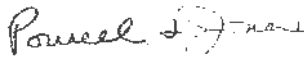
Other information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Office's special purpose financial statements. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the special purpose financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the special purpose financial statements. The information has been subjected to the auditing procedures applied in the audit of the special purpose financial statements and certain additional procedures, including comparing and reconciling such

information directly to the underlying accounting and other records used to prepare the special purpose financial statements or to the special purpose financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the special purpose financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 15, 2021 on our consideration of the Office's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Office's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Office's internal control over financial reporting and compliance.



Lake City, Florida
May 15, 2021

**Dixie County Sheriff
Balance Sheet - Governmental Funds
Year Ended September 30, 2020**

	General Fund	Inmate Welfare Fund	Total Governmental Funds
Assets			
Cash and equivalents	\$ 55,792	\$ 130,393	\$ 186,185
Accounts receivable	-	-	-
Due from other governments	244,734	-	244,734
Total assets	\$ 300,526	\$ 130,393	\$ 430,919
Liabilities and fund balances			
Liabilities:			
Accrued liabilities	\$ 37,672	\$ -	\$ 37,672
Due to other county agencies	262,853	-	262,853
Total liabilities	300,525	-	300,525
Fund balances:			
Assigned for inmate benefits	-	130,393	130,393
Unassigned	-	-	-
Total fund balances	-	130,393	130,393
Total liabilities and fund balances	\$ 300,525	\$ 130,393	\$ 430,918

See accompanying notes.

Dixie County Sheriff
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended September 30, 2020

	General Fund	Inmate Welfare Fund	Total Governmental Funds
Revenues			
Intergovernmental revenue	\$ 363,430	\$ -	\$ 363,430
Miscellaneous revenue	618	92,870	93,488
Total revenues	364,048	92,870	456,918
Expenditures			
Current:			
Public safety	5,008,976	67,030	5,076,006
Human services	99,474	-	99,474
Court related	335,906	-	335,906
Debt service:			
Principal	135,392	-	135,392
Interest	11,270	-	11,270
Total expenditures	5,591,018	67,030	5,658,048
Excess of revenues over (under) expenditures	(5,226,970)	25,840	(5,201,130)
Other financing sources (uses)			
Capital lease	-	-	-
Appropriation from board of county commissioners	5,578,207	-	5,578,207
Reversion to board of county commissioners	(255,518)	-	(255,518)
Total other financing sources (uses)	5,322,689	-	5,322,689
Net change in fund balances	95,719	25,840	121,559
Fund balances - October 1, 2019	(95,719)	104,553	8,834
Fund balances - September 30, 2020	\$ -	\$ 130,393	\$ 130,393

See accompanying notes.

Dixie County Sheriff
Statement of Fiduciary Net Position
Year Ended September 30, 2020

	Agency Funds
<hr/>	
Assets	
Cash and equivalents	\$ 64,043
<hr/>	
Liabilities	
Assets held for others	54,409
Due to other county agencies	9,634
<hr/>	
Total liabilities	64,043
<hr/>	
Net position	\$ -
<hr/>	

See accompanying notes.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

The Sheriff is an elected constitutional officer, whose office is established by Article VIII of the Constitution of the State of Florida and is governed by various provisions of state law.

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

Basis of Presentation

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

Fund Accounting

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

The Office reports the following major governmental funds:

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

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

The Office also reports the following fiduciary funds:

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance

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

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

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

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

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

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

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

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

Measurement Focus/Basis of Accounting

All governmental funds are accounted for on a current, financial resources measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets.

Their reported fund balance (net current assets) is considered a measure of "available spendable resources." Their operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets and accordingly, are said to present a summary of sources and uses of "available spendable resources" during a period.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

Cash and Equivalents

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

Capital Assets and Long-Term Liabilities

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

Use of Estimates

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

NOTE 2 – RISK MANAGEMENT

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

Required Supplementary Information

Dixie County Sheriff
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual – General Fund
Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance
	Original	Final		With Final Budget
Revenues				
Intergovernmental revenue	\$ -	\$ -	\$ 363,430	\$ 363,430
Miscellaneous revenue	-	-	618	618
Total revenues	-	-	364,048	364,048
Expenditures				
Current:				
Public safety	5,108,325	5,108,325	5,008,976	99,349
Human services	141,648	141,648	99,474	42,174
Court related	376,208	376,208	335,906	40,302
Debt service:				
Principal	135,392	135,392	135,392	-
Interest	11,270	11,270	11,270	-
Total expenditures	5,772,843	5,772,843	5,591,018	181,825
Excess of revenues over (under) expenditures	(5,772,843)	(5,772,843)	(5,226,970)	545,873
Other financing sources (uses)				
Appropriation from board of county commissioners	5,772,843	5,772,843	5,578,207	(194,636)
Reversion to board of county commissioners	-	-	(255,518)	(255,518)
Total other financing sources (uses)	5,772,843	5,772,843	5,322,689	(450,154)
Net change in fund balances	-	-	95,719	95,719
Fund balances - October 1, 2019	-	-	(95,719)	(95,719)
Fund balances - September 30, 2020	\$ -	\$ -	\$ -	\$ -

Notes to Schedule:

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

Supplementary Information

Dixie County Sheriff
Combining Statement of Fiduciary Net Position
Agency Funds
Year Ended September 30, 2020

	Individual Deposits Fund	Cash Bonds Fund	Inmate Trust Fund	Total Agency Funds
Assets				
Cash and equivalents	\$ 9,634	\$ 991	\$ 53,418	\$ 64,043
Liabilities				
Assets held for others	-	991	53,418	54,409
Due to other county agencies	9,634	-	-	9,634
Total liabilities	9,634	991	53,418	64,043
Net position	\$ -	\$ -	\$ -	\$ -

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

MANAGEMENT LETTER

The Honorable Dewey Hatcher
Sheriff
Dixie County, Florida

We have audited the financial statements of the office of the Dixie County Sheriff (the "Office"), as of and for the year ended September 30, 2020, and have issued our report thereon dated May 15, 2021. That report should be considered in conjunction with this management letter.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida and require that certain items be addressed in this letter.

Prior Audit Findings

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

Current Year Audit Findings

2020-01 Fuel Purchasing System - The Office purchases fuel for vehicles from vendors who utilize an automated fuel accountability system that tracks individual vehicle purchases and provides the Office monthly, detailed reports of fuel purchasing activity. From our review of selected reports, we found that the Sheriff's Office staff did not utilize those reports for fuel purchase accountability. We also noted that some employees did not properly enter odometer readings when making purchases which were necessary to validate the accountability system. We recommend that procedures be implemented which properly track fuel purchases, utilizing the vendor accountability reports or other accountability measures.

2020-02 Credit Card Accountability - From our audit of selected credit card statements, we found that documentation was not submitted nor retained for all credit card purchase. For proper accountability, all purchase receipts should be remitted to the Finance Office and those receipts fully reconciled to all purchases on the monthly credit card statements.

2020-03 Equipment inventory - From our audit procedures we found that the Office did not maintain a formal equipment inventory system and had no record of performing an annual inventory of vehicles and equipment. Such procedures are required by Rule Chapter 691-73, *Florida Administrative Code*. We recommend that the Office implement procedures to comply with this law.

2020-04 Inmate Welfare Fund - The Office maintains an Inmate Welfare Fund as provided by Section 951.23, *Florida Administrative Code*. Although the Fund is properly administered and in compliance with

this law, formal accounting records were not maintained for this Fund. For proper accountability, we recommend that formal accounting records be maintained for this Fund by utilizing QuickBooks or a similar basic accounting system.

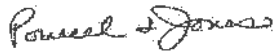
2020-05 Inmate Trust Fund – The Office maintains an Inmate Trust Fund to secure and provide accountability of inmate funds, individually deposited in the Trust Fund. Financial records including bank reconciliations for the Fund are maintained by Stewart Commissary Sales, which provides the automated commissary system utilized by the inmates. We found however, that the monthly financial reports generated by the vendor are neither received, reviewed nor signed off on by Office financial personnel. We recommend that appropriate procedures be implemented to correct this finding.

Other Matters

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

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

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



POWELL & JONES
Certified Public Accountants
May 15, 2021

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

The Honorable Dewey Hatcher
Sheriff
Dixie County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of each major fund and the aggregate remaining fund information of the office of the Dixie County Sheriff (the "Office"), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Office's special purpose financial statements, and have issued our report thereon dated May 15, 2021.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

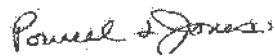
As part of obtaining reasonable assurance about whether the Office's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

The Office's Response to Findings

The Office's response to the findings identified in our audit is described in its accompanying letter of response. The Office's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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



POWELL & JONES
Certified Public Accountants
May 15, 2021

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

The Honorable Dewey Hatcher
Sheriff
Dixie County, Florida

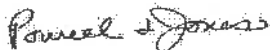
We have examined the office of the Dixie County Sheriff's (the "Office") compliance with the requirements of Section 218.415, Florida Statutes, Local Government Investment Policies, for the period October 1, 2018 to September 30, 2020. Management is responsible for the Office's compliance with those specified requirements. Our responsibility is to express an opinion on the Office's compliance with the specified requirements based on our examination.

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

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

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



POWELL & JONES
Certified Public Accountants
May 15, 2021

DIXIE COUNTY SHERIFF
Schedule of Findings
Year Ended September 30, 2020

- 2017-001 (Reported in preceding audit reports as items 2016-001 and 2015-001.)
- Criteria** – The internal control environment should include adequate segregation of duties within significant processes.
- Condition** – Certain employees who record cash transactions in the accounting records also have access to cash collections and perform bank reconciliations. As a result of this lack of separation of duties, the possibility exists that intentional or unintentional errors could occur without being promptly detected.
- Cause** – The staffing levels at the office are not sufficient for adequate segregation of duties.
- Effect** – The risk of errors and fraudulent activities is prevalent.
- Recommendation** – To the extent possible, given the availability of personnel, steps should be taken to separate employee duties so that no one individual has access to both physical assets and the related accounting records, or to all phases of a transaction.
- 2017-002 (Reported in preceding audit reports as items 2016-003 and 2015-003.)
- Criteria** – The internal control environment should include procedures to detect errors to the accounting records and a means to correct them in a timely manner.
- Condition** – As part of the audit process, we proposed material adjustments to the Office’s financial statements. It was also necessary for us to assist in the preparation of the Office’s financial statements.
- Cause** – The staff at the Office lack the skills, knowledge or experience to perform those functions.
- Effect** – Management agreed with our proposed adjustments to present the financial statements in accordance with generally accepted accounting principles and the auditors assisted with the preparation of the Office’s financial statements.
- Recommendation** – We recommend that you consider and evaluate the cost and benefits of improving internal controls relative to the financial reporting process.

DIXIE COUNTY SHERIFF
Schedule of Findings
Year Ended September 30, 2020

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

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

Condition – The Office did not post cash receipts and disbursements of the General Fund in a timely manner and provided a trial balance for audit when it was requested in a timely manner during the year. Consequently, the Office was not able to generate reports for management in a timely fashion resulting in expenditures exceeding the budget by \$111,237. Additionally, the Office did not provide a timely trial balance for audit for 2014, 2015, 2016, or 2017.

Cause - The bookkeeper did not post cash receipts and disbursements of the General Fund in a timely manner during the year.

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

Recommendation – The Office should evaluate the underlying reasons for the condition and take the necessary steps to ensure timely reporting to management and to the external auditors. The Office should evaluate the cost/benefit of outsourcing the record-keeping function to someone with suitable skills, knowledge, or experience to accurately and timely record the Office's financial transactions and integrate the budget in the accounting system so as to provide a mechanism to monitor budgetary compliance.

Sheriff



DARBY BUTLER · DIXIE COUNTY

MEMBER OF FLORIDA SHERIFFS ASSOCIATION

Box 470 · CROSS CITY, FLORIDA 32628-0470

(352) 498-1220 · FAX (352) 498-1226

September 15, 2021

To: Powell & Jones
Certified Public Accountants

Audit Response:

Regarding 2017-001 and 2017-002, the Sheriff's Office is implementing several measures to alleviate issues noted in audit. As is mentioned, the Sheriff's Office is a small rural agency with limited staff. However, the Sheriff's Office is making several adjustments to improve segregation of duties to include:

- There have been some personnel changes that will enhance segregation of duties
- Supervisory review of monthly transactions
- Bookkeeper no longer signs checks - Sheriff or Major signs checks
- Bookkeeper no longer prepares *and* submits bank deposits – Bookkeeper prepares deposits. Another employee submits the deposits
- We are moving toward purchasing new accounting software

2020-03 Equipment Inventory-

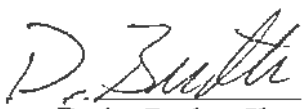
Will implement accurate inventory records keeping of any item/equipment greater than \$5000.00

2020-04 Inmate Welfare Fund-

Will purchase QuickBooks program that will be dedicated to records keeping of the Inmate Welfare Fund.

2020-05 Inmate Trust Fund-

Will request that Stewart Commissary Sales send monthly reports to the jail bookkeeper.



Darby Butler, Sheriff



Rhonda Cannon, Chief Financial Officer

**Dixie County
Supervisor of Elections**

Audit Report

September 30, 2020

**Dixie County Supervisor of Elections
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Powell & Jones
Certified Public Accountants

Richard C. Powell, Jr., CPA
Marian Jones Powell, CPA

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the office of the Dixie County Supervisor of Elections (the "Office") as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Office's special purpose financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Florida Institute of Certified Public Accountants • American Institute of Certified Public Accountants

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Office as of September 30, 2019, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

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

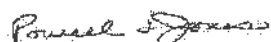
Other Matters

Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 3, 2020, on our consideration of the Office's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Office's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Office's internal control over financial reporting and compliance.



Powell & Jones CPAs
Lake City, Florida
July 15, 2021

Dixie County Supervisor of Elections
Balance Sheet – Governmental Funds
Year Ended September 30, 2020

	General Fund
<hr/>	
Assets	
Cash and equivalents	\$ 49,038
<hr/>	
Liabilities and fund balance	
Liabilities:	
Accounts payable and accrued liabilities	\$ 13,003
Due to other county agencies	17,680
<hr/>	
Total liabilities	30,683
Fund balance:	
Restricted – election grants	18,355
<hr/>	
Total liabilities and fund balance	\$ 49,038
<hr/>	

See accompanying notes.

**Dixie County Supervisor of Elections
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
Year Ended September 30, 2020**

	General Fund
<hr/>	
Revenues	
Intergovernmental revenue	\$ 21,835
Miscellaneous revenue	8,402
<hr/>	
Total revenues	30,237
Expenditures	
Current:	
General government services	356,160
<hr/>	
Excess of revenues under expenditures	(325,923)
Other financing sources (uses)	
Appropriation from board of county commissioners	340,707
Reversion to board of county commissioners	(16,231)
<hr/>	
Total other financing sources (uses)	324,476
<hr/>	
Net change in fund balance	(1,447)
Fund balance - October 1, 2019	19,802
<hr/>	
Fund balance - September 30, 2020	\$ 18,355
<hr/>	

See accompanying notes.

**Dixie County Supervisor of Elections
Notes to Financial Statements
Year Ended September 30, 2020**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

The Supervisor of Elections is an elected constitutional officer, whose office is established by Article VIII of the Constitution of the State of Florida and is governed by various provisions of state law.

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

Basis of Presentation

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

Fund Accounting

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

The Office reports the following major governmental fund:

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

Fund Balance

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

**Dixie County Supervisor of Elections
Notes to Financial Statements
Year Ended September 30, 2020**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

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

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

Measurement Focus/Basis of Accounting

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

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

**Dixie County Supervisor of Elections
Notes to Financial Statements
Year Ended September 30, 2020**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Capital Assets and Long-Term Liabilities

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

Cash and Equivalents

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

Restricted Fund Balance

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

Use of Estimates

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

NOTE 2 – COMMITMENTS AND CONTINGENCIES

On September 1, 2017, Dixie County entered into an agreement with Dominion Voting Systems for voting system services, software licenses, and related services through December 31, 2025. The first of eight annual payments of \$47,936 was made in May, 2019. Equal amounts due annually thereafter, through December 31, 2025 are subject to annual increases based upon changes in the Consumer Price Index. One payment was made in the 2020 fiscal year leaving five payments to be made.

Required Supplementary Information

**Dixie County Supervisor of Elections
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual – General Fund
Year Ended September 30, 2020**

	Budgeted Amounts		Actual	Variance
	Original	Final		With Final Budget
Revenues				
Intergovernmental revenue	\$ -	\$ -	\$ 21,835	\$ 21,835
Miscellaneous revenue	-	-	8,402	8,402
Total revenues	-	-	30,237	30,237
Expenditures				
Current:				
General government services	340,707	340,707	356,160	(15,453)
Excess of revenues over (under) expenditures	(340,707)	(340,707)	(325,923)	14,784
Other financing sources (uses)				
Appropriation from board of county commissioners	340,707	340,707	340,707	-
Special appropriation from board of county commissioners	-	-	-	-
Reversion to board of county commissioners	-	-	(16,231)	(16,231)
Total other financing sources (uses)	340,707	340,707	324,476	(16,231)
Net change in fund balances	-	-	(1,447)	(1,447)
Fund balance - October 1, 2019	-	-	19,802	19,802
Fund balance - September 30, 2020	\$ -	\$ -	\$ 18,355	\$ 18,355

Notes to Schedule:

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

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

MANAGEMENT LETTER

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

We have audited the financial statements of the office of the Supervisor of Elections (the "Office"), Dixie County, Florida, as of and for the year ended September 30, 2020, and have issued our report thereon dated September 3, 2020. That report should be considered in conjunction with this management letter.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards; and Independent Accountant's Report on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated July 15, 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. There were no uncorrected audit findings from the prior year.

Financial Management

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

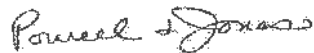
Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the

Purpose of this Letter

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

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

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

Powell & Jones CPAs
Lake City, Florida
July 15, 2021

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the office of the Dixie County Supervisor of Elections (the "Office"), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Office's special purpose financial statements, and have issued our report thereon dated July 15, 2020.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

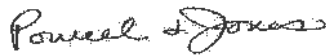
As part of obtaining reasonable assurance about whether the Office's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no

The Office's Response to Findings

The Office's response to the findings identified in our audit is described in its accompanying letter of response. The Office's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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



Powell & Jones CPAs
Lake City, Florida
July 15, 2021

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

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

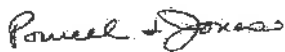
We have examined the office of the Dixie County Supervisor of Elections' (the "Office") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2020. Management is responsible for the Office's compliance with the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

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

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

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



Powell & Jones CPAs
Lake City, Florida
July 15, 2021

Dixie County Tax Collector

Audit Report

September 30, 2020

**Dixie County Tax Collector
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Independent Accountant's Report on Compliance with
 Section 218.415, Florida Statutes 212

INDEPENDENT AUDITOR'S REPORT

The Honorable Michelle F. Cannon
Tax Collector
Dixie County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the major fund and the aggregate remaining fund information of the office of the Dixie County Tax Collector (the "Office") as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Office's special purpose financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the major fund and the aggregate remaining fund information of the Office as of September 30, 2020, and the respective changes in financial position, where applicable, thereof for

the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

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

Other Matters

Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 27, 2021 on our consideration of the Office's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Office's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Office's internal control over financial reporting and compliance.



POWELL & JONES
Certified Public Accountants
Lake City, Florida
August 27, 2021

**Dixie County Tax Collector
Balance Sheet – Governmental Funds
Year Ended September 30, 2020**

		General Fund
Assets		
Cash and equivalents	\$	81,095
<hr/>		
Liabilities and fund balance		
Liabilities:		
Accounts payable and accrued liabilities		79,546
Due to other county agencies		1,549
<hr/>		
Total liabilities		81,095
<hr/>		
Fund balance		-
<hr/>		
Total liabilities and fund balance	\$	81,095
<hr/>		

See accompanying notes.

Dixie County Tax Collector
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
Year ended September 30, 2020

	General Fund
Revenues	
Miscellaneous revenue	\$ 29
Expenditures	
Current:	
General government services	667,963
Excess of revenues under expenditures	(667,934)
Other financing sources (uses)	
Appropriation from board of county commissioners	667,934
Reversion to board of county commissioners	-
Total other financing sources (uses)	667,934
Net change in fund balance	-
Fund balance - beginning of year	-
Fund balance - end of year	\$ -

See accompanying notes.

**Dixie County Tax Collector
Statement of Fiduciary Net Position
Year Ended September 30, 2020**

		Agency Fund
<hr/>		
Assets		
Cash and equivalents	\$	331,018
Accounts receivable		1,029
<hr/>		
Total assets		332,047
<hr/>		
Liabilities		
Assets held for others		271,447
Due to other county agencies		60,600
<hr/>		
Total liabilities		332,047
<hr/>		
Net position	\$	-
<hr/>		

See accompanying notes.

Dixie County Tax Collector
Notes to Financial Statements
Year Ended September 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

The Tax Collector is an elected constitutional officer, whose office is established by Article VIII of the Constitution of the State of Florida and is governed by various provisions of state law.

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

Basis of Presentation

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

Fund Accounting

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

The Office reports the following major governmental fund:

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

The Office also reports the following fiduciary funds:

Agency Fund – the Agency Fund is used to account for assets held in a custodial capacity.

Fund Balance

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

**Dixie County Tax Collector
Notes to Financial Statements
Year Ended September 30, 2020**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

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

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

Measurement Focus/Basis of Accounting

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

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

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

**Dixie County Tax Collector
Notes to Financial Statements
Year Ended September 30, 2020**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Capital Assets and Long-Term Liabilities

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

Cash and Equivalents

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

Use of Estimates

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

Required Supplementary Information

Dixie County Tax Collector
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – General Fund
Year ended September 30, 2020

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Miscellaneous revenue	\$ -	\$ -	\$ 29	\$ 29
Expenditures				
Current:				
General government services	667,934	667,934	667,963	(29)
Excess of revenues over (under) expenditures	(667,934)	(667,934)	(667,934)	-
Other financing sources (uses)				
Appropriation from board of county commissioners	667,934	667,934	667,934	-
Total other financing sources (uses)	667,934	667,934	667,934	-
Net change in fund balances	-	-	-	-
Fund balances - beginning of year	-	-	-	-
Fund balances - end of year	\$ -	\$ -	\$ -	\$ -

Notes to Schedule:

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

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

MANAGEMENT LETTER

The Honorable Michelle F. Cannon
Tax Collector
Dixie County, Florida

We have audited the financial statements of the office of the Dixie County Tax Collector (the "Office"), as of and for the year ended September 30, 2020, and have issued our report thereon dated August 27, 2021. That report should be considered in conjunction with this management letter.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida and require that certain items be addressed in this letter.

Prior Audit Findings

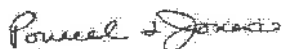
The Rules of the Auditor General require that we comment as to whether or not corrective actions have been taken to address findings and recommendations made in the preceding audit. There were no unresolved prior audit findings.

Other Matters

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

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

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



POWELL & JONES
Certified Public Accountants
Lake City, Florida
August 27, 2021

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

The Honorable Michelle F Cannon
Tax Collector
Dixie County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the major fund and the aggregate remaining fund information of the office of the Dixie County Tax Collector (the "Office"), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Office's special purpose financial statements, and have issued our report thereon dated August 27, 2021.

Internal Control Over Financial Reporting

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

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

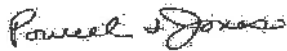
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies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

Compliance and Other Matters

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

Purpose of this Report

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



POWELL & JONES
Certified Public Accountants
Lake City, Florida
August 27, 2021

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

The Honorable Michelle F. Cannon
Tax Collector
Dixie County, Florida

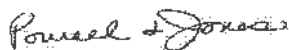
We have examined the office of the Dixie County Tax Collector's (the "Office") compliance with the specified requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the period October 1, 2019 to September 30, 2020. Management is responsible for the Office's compliance with those specified requirements. Our responsibility is to express an opinion on the Office's compliance with the specified requirements based on our examination.

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

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

In our opinion, the Office complied, in all material respects, with the aforementioned requirements during the period October 1, 2019 to 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.



POWELL & JONES
Certified Public Accountants
Lake City, Florida
August 27, 2021