

**HAMILTON COUNTY, FLORIDA**

**ANNUAL FINANCIAL REPORT**

For the Year Ended September 30, 2020

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# **HAMILTON COUNTY, FLORIDA**

## **LIST OF PRINCIPAL OFFICIALS**

September 30, 2020

### **Board of County Commissioners**

District I	Beth Burnam
District II	Josh Smith
District III	Robert E. Brown
District IV	Randy Ogburn, Sr.
District V	William Mitchell

### **County Attorney**

Clifford L. Adams

### **Clerk of the Circuit Court**

Greg Godwin

### **Property Appraiser**

David H. Goolsby, Jr.

### **Sheriff**

J. Harrell Reid

### **Supervisor of Elections**

Laura Hutto

### **Tax Collector**

Mary Sue Adams

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**HAMILTON COUNTY, FLORIDA**

**ANNUAL FINANCIAL REPORT**

**T A B L E O F C O N T E N T S**

For the Year Ended September 30, 2020

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**SHERIFF**

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**INDEPENDENT  
AUDITOR'S  
REPORT**

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**KENNETH M. DANIELS**  
CERTIFIED PUBLIC ACCOUNTANT

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**INDEPENDENT AUDITOR'S REPORT**

To the Honorable Board of County Commissioners  
Hamilton County, Florida

**Report on the Financial Statements**

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Hamilton County, Florida, 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.

**Auditor's Responsibility**

My responsibility is to express opinions on these financial statements based on my audit. I conducted my 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 I 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

## **Opinions**

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Hamilton County, Florida, as of September 30, 2020, and the respective changes in financial position, and, where applicable, cash flows 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 in Section I, analysis and budgetary comparison information in Section II pages 44-48, pension trend information on pages 49-52, and OPEB trend information on page 53 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. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

### **Other Information**

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Hamilton County, Florida's basic financial statements. The combining nonmajor fund financial statements, combining agency fund financial statement, and nonmajor budgetary comparison schedules are presented for purposes of additional analysis and are not a required part of the financial statements. The schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and Section 215.97 *Florida Statutes*, and is also not a required part of the basic financial statements.

The combining non-major fund financial statements, combining agency fund financial statement, and schedule of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the combining nonmajor fund financial statements, combining agency fund financial statement, and schedule of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

The nonmajor budgetary comparison schedules have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, I do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, I have also issued my report dated May 28, 2021, on my consideration of the Hamilton County, Florida's internal control over financial reporting and on my 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 my 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 Hamilton County, Florida's internal control over financial reporting and compliance.



Kenneth M. Daniels  
Certified Public Accountant  
May 28, 2021

## **HAMILTON COUNTY, FLORIDA**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS**

For the Fiscal Year Ended September 30, 2020

Our discussion and analysis of Hamilton County, Florida's (the County), financial performance provides an overview of the County's financial activities for the fiscal year ended September 30, 2020. Please read it in conjunction with the County's financial statements, which begin in Section II - page 1.

#### **FINANCIAL HIGHLIGHTS**

With assistance from the Florida Department of Transportation (DOT), the County continues the process of upgrading and improving its roads. Approximately \$500,000 was expended in the fiscal year ending September 30, 2020, on County Road projects. Road projects consisted of the following: SW 90<sup>th</sup> Blvd, Oak Street, NW 104<sup>th</sup> Ave, CR 137.

The County continues to support Rural Health Care with support of approximately \$100,000 to the Rural Health Clinic.

During the 2019-20 fiscal year, the County continued upgrading housing via the federal housing grant. Housing expenditures under the grant totaled \$373,000.

As many businesses and governmental entities, the County suffered financially from the effects of the Coronavirus Disease (Covid-19). In support of the County during the pandemic, federal and state grants in the amounts of approximately \$2 million mitigated many of the financial effects of the pandemic.

#### **USING THIS ANNUAL REPORT**

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities in Section II provide information about the activities of the County as a whole and present a longer – term view of the County's finances.

Fund financial statements start in Section II page 4. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the County's operations in more detail than the government – wide statements by providing information about the County's most significant funds.

The remaining statements provide financial information about activities for which the County acts solely as a trustee or agent for the benefit of those outside of the government.

#### **Reporting the County as a Whole**

Our analysis of the County as a whole begins in Section I - page 3. The Statement of Net Position and the Statement of Activities in Section II pages 1-3 report information about the County as a whole and about its activities. These statements include all assets and liabilities using the accrual basis of accounting. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements also report the County's net position and changes in it. The County's net position, the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources, is one way to measure the County's financial health. Over time, increases or decreases in the County's net position

is an indicator of whether its financial health is improving or deteriorating. Other nonfinancial factors such as changes in the County's property tax base and the condition of the County's capital assets should also be considered in assessing its overall health.

In the Statement of Net Position and the Statement of Activities, the County is divided into two kinds of activities:

- Governmental activities – Most of the County's basic services are reported here, including the finance and administration functions: Clerk of the Circuit Court, Tax Collector, Property Appraiser, Supervisor of Elections; public safety: the Sheriff's Department, emergency medical services, emergency management, volunteer fire departments, and building inspections; economic development; human services; culture and recreation: library services and recreation department. Property taxes, various other taxes, state shared revenues, and state and federal grants finance these activities.
- Business – type activities – The County charges a fee to customers to help it cover all or most of the cost of garbage disposal and water/wastewater services it provides. The County's landfill facility and I75/SR6 water/wastewater utility system are reported under the business-type activities.

### **Reporting the County's Most Significant Funds**

The analysis of the County's major funds begins in Section I, page 5. The fund financial statements begin in Section II page 4 and provide detailed information about the most significant funds not the County as a whole. Some funds are required to be established by State law. However, the Board of County Commissioners establishes other funds to help it control and manage money for particular purposes (Transportation Trust, Local Housing Assistance, and Tourist Development) or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (911 Communications, Emergency Management and CDBG Grant Funds). The County's two kinds of funds, governmental and proprietary, use different accounting approaches.

- *Governmental funds* – Most of the County's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year – end that are available for spending. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short –term view of the County's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. The relationship or differences between governmental activities reported in the Statement of Net Position and the Statement of Activities and governmental funds are described in a reconciliation accompanying the fund financial statements.
- *Proprietary funds* – When the County charges customers for the services it provides, whether to outside customers or to other units of the County, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. The County's enterprise funds, proprietary funds, is the same as the business – type activities reported in the government – wide statements but provide more detail and additional information, such as cash flows.

### **The County as Trustee**

The County is the agent, or fiduciary, for certain payments it receives. All of the County's fiduciary activities are reported in separate Statement of Fiduciary Assets and Liabilities in Section II page 12.



The County excludes these activities from other financial statements because these assets cannot be used to finance its operations. The County is responsible for disbursing the assets reported in these funds.

### The County as a Whole

The County’s governmental Net Position decreased approximately \$800,000. The reduction was largely due to the depreciation increased by the significant road projects completed in the prior year.

The County’s business-type activities Net Position decreased approximately \$530,000. This decrease was, again, largely due to depreciation on the water/wastewater treatment facility.

Overall, the County’s Net Position decreased by approximately \$1.3 million.

Governmental activities current and other assets increased due to increased ad valorem taxes (installation of solar farm in southwest Hamilton County) and Coronavirus Relief Funds.

Long-term liabilities increased in the Governmental Activities by approximately \$2.70 million largely the increase in the County’s pension liability.

A summary of the County’s Net Position follows:

**Table 1  
Net Position  
(In Millions)**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
<b>Statement of Net Position</b>						
Current and other assets	\$ 20.67	\$ 17.73	\$ 2.11	\$ 2.20	\$ 22.78	\$ 19.93
Capital assets	<u>46.19</u>	<u>47.98</u>	<u>4.35</u>	<u>4.71</u>	<u>50.54</u>	<u>52.69</u>
Total assets	66.86	65.71	6.46	6.91	73.32	72.62
Deferred outflows of resources	<u>6.82</u>	<u>6.75</u>	-	-	<u>6.82</u>	<u>6.75</u>
Total assets & deferred outflows of resources	\$ <u>73.68</u>	\$ <u>72.46</u>	\$ <u>6.46</u>	\$ <u>6.91</u>	\$ <u>80.14</u>	\$ <u>79.37</u>
Other liabilities	\$ 1.44	\$ 1.30	\$ 0.05	\$ 0.04	\$ 1.49	\$ 1.34
Long term liabilities	<u>16.54</u>	<u>13.75</u>	<u>2.29</u>	<u>2.22</u>	<u>18.83</u>	<u>15.97</u>
Total liabilities	<u>17.98</u>	<u>15.05</u>	<u>2.34</u>	<u>2.26</u>	<u>20.32</u>	<u>17.31</u>
Deferred inflows of resources	<u>2.71</u>	<u>3.61</u>	-	-	<u>2.71</u>	<u>3.61</u>
Net position:						
Invested in Cap Assets	45.88	47.48	4.35	4.71	50.23	52.19
Restricted	4.88	5.09	-	-	4.88	5.09
Unrestricted	<u>2.23</u>	<u>1.23</u>	<u>(0.23)</u>	<u>(0.06)</u>	<u>2.00</u>	<u>1.17</u>
Total net position	<u>52.99</u>	<u>53.80</u>	<u>4.12</u>	<u>4.65</u>	<u>57.11</u>	<u>58.45</u>
Total liabilities, deferred inflows, and net position	\$ <u>73.68</u>	\$ <u>72.46</u>	\$ <u>6.46</u>	\$ <u>6.91</u>	\$ <u>80.14</u>	\$ <u>79.37</u>

### Governmental Activities

Revenues decreased \$800,000. Significant road projects, largely grant funded, were completed in the prior year (funding exceeded \$4 million). Human services increased due to grants awarded to mitigate the effects of the Coronavirus (see above financial highlights). Economic environment revenues increased due to the ongoing CDBG Housing Grant (revenues exceeding \$370,000). The decrease in grant funding was partially offset by the

ad valorem tax increase, \$1.2 million, largely due to the installation of a solar panel farm of approximately 1,300 acres.

Human services expenditures decreased approximately \$360,000 due to assistance provided for expansion of the local nursing center in the amount of \$316,000 in the prior year.

#### Business-type Activities

Utility revenues (water and sewer charges) increased slightly due to usage at the I75/SR6 exchange. However, landfill revenues decreased due to the prior year's clean-up of debris from Hurricane Michael – reduced tonnage intake.

Landfill expenses decreased due to a change in the Landfill engineer and associated charges (reduced). Water/wastewater expenses increased due to additional chemicals for water treatment.

A summary of the changes in Net Position is below:

**Table 2**  
**Changes in Net Position**  
**(In Millions)**

Statement of Activities	Governmental Activities		Business-type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
<b>Program revenues</b>						
General government	\$ 2.63	\$ 2.93	\$ -	\$ -	\$ 2.63	\$ 2.93
Public safety	1.77	1.59	-	-	1.77	1.59
Physical environment	-	-	-	-	-	-
Transportation	1.90	5.96	-	-	1.90	5.96
Economic environment	0.75	0.44	-	-	0.75	0.44
Human services	2.08	0.20	-	-	2.08	0.20
Culture/recreation	0.46	0.42	-	-	0.46	0.42
Court related	0.38	0.40	-	-	0.38	0.40
Garbage/solid waste	-	-	0.24	0.34	0.24	0.34
Water/wastewater	-	-	0.13	0.15	0.13	0.15
<b>General revenues</b>						
Taxes						
Ad valorem	9.53	8.32	-	-	9.53	8.32
Tourist development	0.03	0.04	-	-	0.03	0.04
Fuel - voted	0.38	0.39	-	-	0.38	0.39
Fuel - local option	2.10	2.16	-	-	2.10	2.16
Discretionary sales	0.96	0.93	-	-	0.96	0.93
Commx services	-	0.01	-	-	-	0.01
Interest	0.04	0.04	-	-	0.04	0.04
Miscellaneous	0.35	0.33	-	-	0.35	0.33
<b>Total revenues</b>	<u>23.36</u>	<u>24.16</u>	<u>0.37</u>	<u>0.49</u>	<u>23.73</u>	<u>24.65</u>
<b>Program expenses</b>						
General government	4.60	4.24	-	-	4.60	4.24
Public safety	10.09	9.53	-	-	10.09	9.53
Physical environment	0.17	0.17	-	-	0.17	0.17
Transportation	5.99	5.92	-	-	5.99	5.92
Economic environment	0.68	0.73	-	-	0.68	0.73
Human services	0.64	1.00	-	-	0.64	1.00
Culture/recreation	1.16	1.10	-	-	1.16	1.10
Court related	0.73	0.73	-	-	0.73	0.73
Interest on long term debt	0.02	0.02	-	-	0.02	0.02
Garbage/solid waste	-	-	0.58	0.68	0.58	0.68
Water/wastewater combination	-	-	0.49	0.43	0.49	0.43
<b>Total expenses</b>	<u>24.08</u>	<u>23.44</u>	<u>1.07</u>	<u>1.11</u>	<u>25.15</u>	<u>24.55</u>

(Table 2 continued)	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Excess (deficiency) before extraordinary and special items and transfers	\$ (0.72)	\$ 0.72	\$ (0.70)	\$ (0.62)	\$ (1.42)	\$ 0.10
Special and extraordinary items and transfers						
Extraordinary item	-	-	-	-	-	-
Special items	0.08	0.26	-	-	0.08	0.26
Transfers	(0.17)	(0.11)	0.17	0.11	-	-
Total special items and transfers	<u>(0.09)</u>	<u>0.15</u>	<u>0.17</u>	<u>0.11</u>	<u>0.08</u>	<u>0.26</u>
Change in net position	(0.81)	0.87	(0.53)	(0.51)	(1.34)	0.36
Beginning net position	<u>53.80</u>	<u>52.93</u>	<u>4.65</u>	<u>5.16</u>	<u>58.45</u>	<u>58.09</u>
Ending net position	<u>\$ 52.99</u>	<u>\$ 53.80</u>	<u>\$ 4.12</u>	<u>\$ 4.65</u>	<u>\$ 57.11</u>	<u>\$ 58.45</u>

### The County's Funds

The County's General Fund's Fund Balance increased approximately \$2.89 million. An increase of approximately \$1.2 million in ad valorem taxes and Corona virus grant assistance of approximately \$2 million were largely responsible. Expenditures increased \$300,000 with payroll and related benefits making up a significant portion of the increase.

The Transportation Trust Fund's fund balance decreased by \$534,000 due to significant equipment purchases in the amount of \$1.9 million.

Overall, the governmental funds' fund balance increased \$2.68 million largely due to the increase in ad valorem taxes and grant assistance indicated above.

The County's Enterprise Funds' Net Position decreased approximately \$530,000, the result of \$375,000 in depreciation of plant and equipment. The landfill required additional funding from the County's General Fund in the amount of \$171,000.

See the detail below.

**TABLE 3  
CHANGES IN GOVERNMENTAL AND MAJOR FUNDS' TOTAL AND  
UNRESERVED FUND BALANCES AND ENTERPRISE FUND NET ASSETS  
(in Millions)**

<u>Governmental Funds</u>	<u>2020</u>	<u>2019</u>	<u>\$ Change</u>	<u>Percent Change</u>
Total fund balances	\$ 19.29	\$ 16.61	\$ 2.68	16.1%
<u>Unreserved Fund Balance</u>				
<u>Major Funds</u>	<u>2020</u>	<u>2019</u>	<u>\$ Change</u>	<u>Percent Change</u>
General	\$ 14.41	\$ 11.51	\$ 2.90	25.2%
Transportation Trust	3.45	3.99	(0.54)	-13.5%
CDBG	-	-	-	0.0%

(Table 3 continued)

Landfill Enterprise Fund				
Change in Net Assets:				
Invested in Capital Assets				
	<u>2020</u>	<u>2019</u>	<u>\$ Change</u>	<u>Percent Change</u>
\$	1.24	\$ 1.30	\$ (0.06)	-4.6%
Unrestricted				
	<u>2020</u>	<u>2019</u>	<u>\$ Change</u>	<u>Percent Change</u>
\$	(0.72)	\$ (0.63)	\$ (0.09)	-14.3%
I75/SR6 Utility Fund				
Change in Net Assets:				
Invested in Capital Assets				
	<u>2020</u>	<u>2019</u>	<u>\$ Change</u>	<u>Percent Change</u>
\$	3.11	\$ 3.41	\$ (0.30)	-8.8%
Unrestricted				
	<u>2020</u>	<u>2019</u>	<u>\$ Change</u>	<u>Percent Change</u>
\$	0.50	\$ 0.57	\$ (0.07)	-12.3%

**GENERAL FUND BUDGETARY HIGHLIGHTS**

Detailed budget reviews by the Board of County Commissioners continued in fiscal year 2019-20 to ensure that the budgeted amounts are realistic and expenditures are incurred as budgeted. Post year-end, budgets were amended to reflect unexpected revenue sources and funding needs.

General Fund’s final budget exceeded the original by approximately \$277,000 due to the recognition of unanticipated receipts largely within the Sheriff’s Office.

Actual receipts and balances exceeded the budgeted by \$4.17 million due to taxes (\$1.26 million greater than budgeted) and budgetary fund balance (\$3.1 million greater than budgeted). The actual amounts expended were \$8.4 million less than the appropriated amounts due to budgeted reserves.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

As indicated in the table below, the County has approximately \$87 million invested in capital assets such as land (including road rights-of-way), buildings, recreation facilities, landfill disposal facilities, roads, bridges, boat ramps, water/waste water facilities, and equipment. The above amount represents an increase of approximately \$1 million over the previous year’s total.

Fiscal year 2020’s major additions included the following (in millions):

County Roads and buildings	\$1.95
Equipment (vehicles, and other)	1.43

**Table 4  
Capital Assets (in Millions)**

	Governmental		Business-type		Totals	
	Activities		Activities			
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Land	\$ 1.74	\$ 1.74	\$ 0.27	\$ 0.27	\$ 2.01	\$ 2.01
Construction in progress	5.31	6.54	-	-	5.31	6.54
Buildings	9.81	9.49	-	-	9.81	9.49
Improvements other than buildings	58.31	56.69	9.75	9.75	68.06	66.44
Equipment, furniture, and vehicles	<u>11.77</u>	<u>11.40</u>	<u>0.92</u>	<u>0.91</u>	<u>12.69</u>	<u>12.31</u>
Totals	<u>\$ 86.94</u>	<u>\$ 85.86</u>	<u>\$ 10.94</u>	<u>\$ 10.93</u>	<u>\$ 97.88</u>	<u>\$ 96.79</u>

Capital asset additions budgeted for fiscal year 2020-21 is approximately \$420,000 (equipment) in the General Fund and \$12.5 million in the Transportation Trust Fund (roads and equipment).

**Debt**

The County increased its outstanding liabilities due to increases to its pension liability under GASB 68 and compensated absences.

**TABLE 5  
OUTSTANDING DEBT AT YEAR-END  
(IN MILLIONS)**

	Governmental		Business-type		Totals	
	Activities		Activities			
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Est. liability for closure	\$ -	\$ -	\$ 2.29	\$ 2.22	\$ 2.29	\$ 2.22
Compensated absences	0.69	0.63	0.02	0.02	0.71	0.65
OPEB liability	0.38	0.21	-	-	0.38	0.21
Capital leases	0.32	0.51	-	-	0.32	0.51
Pension liability	<u>15.61</u>	<u>12.76</u>	<u>-</u>	<u>-</u>	<u>15.61</u>	<u>12.76</u>
Totals	<u>\$ 17.00</u>	<u>\$ 14.11</u>	<u>\$ 2.31</u>	<u>\$ 2.24</u>	<u>\$ 19.31</u>	<u>\$ 16.35</u>

**2020-21 BUDGET AND CURRENTLY KNOWN FACTS**

**2020-21 Budget**

A summary of the County's 2020-21 budget is as follows:

General Fund – The Board of County Commissioners budgeted a cash balance forward of \$9 million and revenues of \$14.5 million. Appropriations total \$24.14 million with budgeted reserves of \$9.6 million.

Transportation Trust Fund – A cash balance forward of \$3.23 million and revenues of \$14.88 million, fund appropriations of \$18.11 million with a budgeted reserve of \$2.8 million.

Enterprise Fund – Tipping fees for landfill waste are budgeted at \$225,000. The State's Consolidated Waste Grant is budgeted at \$90,000.


I75/SR6 Water/Wastewater Fund – utility revenues are budgeted at \$123,000 and expenses of \$264,000.

**Currently Known Facts**

The Board of County Commissioners is actively seeking economic development opportunities for the County.

**CONTACTING THE COUNTY’S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and creditors, with a general overview of the County’s finances and to show the County’s accountability for the money that it receives. If you have questions about this report or need additional financial information, contact the Hamilton County Clerk of Courts Office at 207 NE 1<sup>st</sup> Street, Room 106, Jasper, FL 32052.



Randy Ogburn  
Chairman, Hamilton County Board of County Commissioners



Greg Godwin  
Clerk of the Circuit Court, Hamilton County

**BASIC  
FINANCIAL STATEMENTS**

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**HAMILTON COUNTY, FLORIDA**

**STATEMENT OF NET POSITION**

September 30, 2020

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
<b>Assets</b>			
Cash	\$ 17,877,565	\$ 511,075	\$ 18,388,640
Accounts receivable	525,884	12,194	538,078
Allowance for doubtful accounts	(187,115)	-	(187,115)
Due from other governmental units	2,375,069	61,316	2,436,385
Prepaid item	80,000	-	80,000
<b>Restricted assets</b>			
Cash	-	1,525,193	1,525,193
<b>Capital assets</b>			
Land and construction in progress	7,054,213	267,366	7,321,579
Other capital assets, net of depreciation	<u>39,140,330</u>	<u>4,079,207</u>	<u>43,219,537</u>
Total capital assets	<u>46,194,543</u>	<u>4,346,573</u>	<u>50,541,116</u>
Total assets	<u>66,865,946</u>	<u>6,456,351</u>	<u>73,322,297</u>
<b>Deferred outflows of resources</b>			
OPEB	164,819	-	164,819
Pensions	<u>6,651,596</u>	-	<u>6,651,596</u>
Total deferred outflows of resources	<u>6,816,415</u>	-	<u>6,816,415</u>
Total assets and deferred outflows of resources	<u>\$ 73,682,361</u>	<u>\$ 6,456,351</u>	<u>\$ 80,138,712</u>
<b>Liabilities, deferred inflows of resources, and net position</b>			
<b>Liabilities</b>			
Accounts payable	\$ 969,473	\$ 23,122	\$ 992,595
Due to other governmental units	8,167	-	8,167
Payroll withholding/taxes	900	-	900
Deposits	-	1,600	1,600
Other current liabilities	4,666	-	4,666
<b>Long-term liabilities</b>			
Due within one year			
Compensated absences	194,672	22,493	217,165
Capital leases	262,237	-	262,237
Due within more than one year			
Estimated liability for landfill post-closure	-	2,288,274	2,288,274
Compensated absences	497,633	-	497,633
OPEB liability	375,559	-	375,559
Capital leases	53,235	-	53,235
Pension liability	<u>15,608,302</u>	-	<u>15,608,302</u>
Total liabilities	<u>17,974,844</u>	<u>2,335,489</u>	<u>20,310,333</u>

(Continued)

See notes to financial statements.

Section II - Page 1

# HAMILTON COUNTY, FLORIDA

## STATEMENT OF NET POSITION

September 30, 2020

	Governmental <u>Activities</u>	Business-type <u>Activities</u>	<u>Total</u>
Deferred inflows of resources			
Deferred grant proceeds	\$ 202,122	\$ -	\$ 202,122
OPEB	28,794	-	28,794
Pensions	<u>2,482,924</u>	<u>-</u>	<u>2,482,924</u>
Total deferred inflows of resources	<u>2,713,840</u>	<u>-</u>	<u>2,713,840</u>
Net position			
Invested in capital assets, net of related debt	45,879,072	4,346,573	50,225,645
Restricted			
Transportation	3,453,262	-	3,453,262
Other purposes	1,431,660	-	1,431,660
Unrestricted	<u>2,229,683</u>	<u>(225,711)</u>	<u>2,003,972</u>
Total net position	<u>52,993,677</u>	<u>4,120,862</u>	<u>57,114,539</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 73,682,361</u>	<u>\$ 6,456,351</u>	<u>\$ 80,138,712</u>

HAMILTON COUNTY, FLORIDA

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities							
General government	\$ 4,597,696	\$ 309,539	\$ 2,325,234	\$ -	\$ (1,962,923)	\$ -	\$ (1,962,923)
Public safety	10,088,509	1,220,962	548,147	-	(8,319,400)	-	(8,319,400)
Physical environment	176,658	-	-	-	(176,658)	-	(176,658)
Transportation	5,991,823	17,896	1,393,526	487,596	(4,092,805)	-	(4,092,805)
Economic environment	682,707	-	750,954	-	68,247	-	68,247
Human services	643,080	-	2,083,572	-	1,440,492	-	1,440,492
Culture/recreation	1,168,294	29,840	429,070	-	(709,384)	-	(709,384)
Court related	733,468	304,169	77,282	-	(352,017)	-	(352,017)
Interest on long term debt	16,446	-	-	-	(16,446)	-	(16,446)
Total governmental activities	<u>24,098,681</u>	<u>1,882,406</u>	<u>7,607,785</u>	<u>487,596</u>	<u>(14,120,894)</u>	<u>-</u>	<u>(14,120,894)</u>
Business type activities							
Garbage/solid waste services	578,525	177,010	61,316	-	-	(340,199)	(340,199)
Water/wastewater combination services	496,809	126,124	-	-	-	(370,685)	(370,685)
	<u>1,075,334</u>	<u>303,134</u>	<u>61,316</u>	<u>-</u>	<u>-</u>	<u>(710,884)</u>	<u>(710,884)</u>
Total government	<u>\$ 25,174,015</u>	<u>\$ 2,185,540</u>	<u>\$ 7,669,101</u>	<u>\$ 487,596</u>	<u>(14,120,894)</u>	<u>(710,884)</u>	<u>(14,831,778)</u>
General revenues							
Taxes							
Ad valorem					9,526,878	-	9,526,878
Tourist development					29,762	-	29,762
Fuel - voted					379,415	-	379,415
Fuel - local option					2,102,807	-	2,102,807
Discretionary sales surtax					960,780	-	960,780
Communications services					6,832	-	6,832
Interest earnings					37,839	9,765	47,604
Miscellaneous					352,681	-	352,681
Special items							
Gain (net) on disposal of assets					84,133	-	84,133
Transfers					(171,337)	171,337	-
Total general revenues and transfers					<u>13,309,790</u>	<u>181,102</u>	<u>13,490,892</u>
Change in net position					(811,104)	(529,782)	(1,340,886)
Net position - beginning					<u>53,804,781</u>	<u>4,650,644</u>	<u>58,455,425</u>
Net position - ending					<u>\$ 52,993,677</u>	<u>\$ 4,120,862</u>	<u>\$ 57,114,539</u>

HAMILTON COUNTY, FLORIDA

BALANCE SHEET  
GOVERNMENTAL FUNDS

September 30, 2020

	General Fund	County Transportation Trust Fund	CDBG Housing Construction Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Cash	\$ 12,481,614	\$ 3,776,682	\$ -	\$ 1,613,826	\$ 17,872,122
Accounts receivable	508,163	5,804	-	11,917	525,884
Allowance for doubtful accounts	(187,115)	-	-	-	(187,115)
Interfund receivables	346,198	-	-	4,097	350,295
Due from other governmental units	1,667,741	309,392	358,686	39,249	2,375,068
Prepaid item	<u>80,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>80,000</u>
Total assets and other debits	<u>\$ 14,896,601</u>	<u>\$ 4,091,878</u>	<u>\$ 358,686</u>	<u>\$ 1,669,089</u>	<u>\$ 21,016,254</u>
<b>Liabilities, deferred inflows of resources, and fund balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ 320,580	\$ 595,717	\$ 50,939	\$ 2,239	\$ 969,475
Interfund payables	-	-	307,747	37,105	344,852
Due to other governmental units	384	-	-	7,783	8,167
Compensated absences	152,724	41,949	-	-	194,673
Payroll taxes and other withholding	900	-	-	-	900
Other current liabilities	<u>3,380</u>	<u>950</u>	<u>-</u>	<u>337</u>	<u>4,667</u>
Total liabilities	<u>477,968</u>	<u>638,616</u>	<u>358,686</u>	<u>47,464</u>	<u>1,522,734</u>
<b>Deferred inflows of resources</b>					
Deferred grant proceeds	<u>12,157</u>	<u>-</u>	<u>-</u>	<u>189,965</u>	<u>202,122</u>
<b>Fund balances</b>					
Nonspendable - prepaid item	80,000	-	-	-	80,000
Restricted for:					
Transportation	-	3,453,262	-	-	3,453,262
Other purposes	-	-	-	1,431,660	1,431,660
Unassigned	<u>14,326,476</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,326,476</u>
Total fund balances	<u>14,406,476</u>	<u>3,453,262</u>	<u>-</u>	<u>1,431,660</u>	<u>19,291,398</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 14,896,601</u>	<u>\$ 4,091,878</u>	<u>\$ 358,686</u>	<u>\$ 1,669,089</u>	<u>\$ 21,016,254</u>

**HAMILTON COUNTY, FLORIDA**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION**

September 30, 2020

Total fund balances for governmental funds \$ 19,291,398

Total net assets reported for governmental activities in the statement of net assets is different because of the following:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of the following:

Land	1,743,330
Construction in progress	5,310,883
Buildings	9,811,471
Accumulated depreciation - buildings	(4,156,020)
Improvements other than buildings (infrastructure)	58,313,080
Accumulated depreciation - improvements other than buildings	(28,295,556)
Equipment	11,764,696
Accumulated depreciation - equipment	<u>(8,297,341)</u>
Total capital assets (See note 4.)	<u>46,194,543</u>

The deferred outflows of resources and deferred inflows of resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the governmental funds:

Deferred outflows related to OPEB	164,819
Deferred outflows related to pensions	6,651,596
Deferred inflows related to OPEB	(28,794)
Deferred inflows related to pensions	(2,482,924)

Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities.

All liabilities - both current and long-term - are reported in the statement of net assets.

Balances at September 30, 2020, are as follows:

Capital leases - current	(262,236)
Compensated absences - long-term	(497,633)
Capital leases - long-term	(53,231)
OPEB liability - long-term	(375,559)
Pension liability - long-term	<u>(15,608,302)</u>
Total long-term debt	<u>(16,796,961)</u>
Total net assets of governmental activities	<u>\$ 52,993,677</u>

HAMILTON COUNTY, FLORIDA

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

For the Year Ended September 30, 2020

	General Fund	County Transportation Trust Fund	CDBG Housing Construction Fund	Other Governmental Funds	Total Governmental Funds
Revenues					
Taxes	\$ 10,455,261	\$ 2,482,222	\$ -	\$ 29,762	\$ 12,967,245
Licenses and permits	82,173	-	-	-	82,173
Intergovernmental revenues	4,913,957	1,881,122	373,266	643,403	7,811,748
Charges for services	1,288,649	17,896	-	376,665	1,683,210
Fines and forfeitures	11,402	-	-	238,183	249,585
Interest	34,919	1,439	-	1,481	37,839
Miscellaneous	<u>527,342</u>	<u>439</u>	<u>-</u>	<u>15,200</u>	<u>542,981</u>
Total revenues	<u>17,313,703</u>	<u>4,383,118</u>	<u>373,266</u>	<u>1,304,694</u>	<u>23,374,781</u>
Expenditures					
Current					
General government	3,836,767	-	-	7,800	3,844,567
Public safety	8,140,803	-	-	399,229	8,540,032
Physical environment	176,658	-	-	-	176,658
Transportation	114,969	2,476,439	-	-	2,591,408
Economic environment	-	-	373,266	151,966	525,232
Human services	636,887	-	-	-	636,887
Culture/recreation	1,054,902	-	-	-	1,054,902
Court related	271,820	-	-	461,648	733,468
Capital outlay	419,591	1,904,231	-	6,595	2,330,417
Debt service					
Principal	37,781	151,460	-	-	189,241
Interest	<u>4,800</u>	<u>11,646</u>	<u>-</u>	<u>-</u>	<u>16,446</u>
Total expenditures	<u>14,694,978</u>	<u>4,543,776</u>	<u>373,266</u>	<u>1,027,238</u>	<u>20,639,258</u>
Excess (deficiency) of revenues over expenditures	<u>2,618,725</u>	<u>(160,658)</u>	<u>-</u>	<u>277,456</u>	<u>2,735,523</u>

(Continued)

See notes to financial statements.

HAMILTON COUNTY, FLORIDA

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

For the Year Ended September 30, 2020

	General Fund	County Transportation Trust Fund	CDBG Housing Construction Fund	Other Governmental Funds	Total Governmental Funds
Other financing sources (uses)					
Interfund transfers in	\$ 511,695	\$ -	\$ -	\$ 65,750	\$ 577,445
Interfund transfers out	<u>(237,087)</u>	<u>(493,269)</u>	<u>-</u>	<u>(18,426)</u>	<u>(748,782)</u>
Total other financing sources (uses)	<u>274,608</u>	<u>(493,269)</u>	<u>-</u>	<u>47,324</u>	<u>(171,337)</u>
Special and extraordinary items					
Special item					
Sale of assets	<u>-</u>	<u>120,000</u>	<u>-</u>	<u>-</u>	<u>120,000</u>
Net change in fund balances	2,893,333	(533,927)	-	324,780	2,684,186
Fund balances at beginning of year	<u>11,513,143</u>	<u>3,987,189</u>	<u>-</u>	<u>1,106,880</u>	<u>16,607,212</u>
Fund balances at end of year	<u>\$ 14,406,476</u>	<u>\$ 3,453,262</u>	<u>\$ -</u>	<u>\$ 1,431,660</u>	<u>\$ 19,291,398</u>

HAMILTON COUNTY, FLORIDA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2020

Net change in fund balances - total governmental funds \$ 2,684,186

Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Expenses are reduced by the capital outlay and increased by the current period's depreciation.

Capital outlay 2,330,417  
Depreciation (4,081,927)

Governmental funds do not recognize gain or (loss) on the disposal of capital assets; however, in statement of activities the gain/(loss) amount is computed and reported as a special item if material

Loss on disposal of capital assets (35,867)

Governmental funds report principal reductions as expenditures. However, in the statement of activities the expenditure is eliminated. The payment reduces long-term liabilities in the statement of net assets.

Principal reductions 189,242

Pension costs are recorded in the statement of activities under the accrual basis of accounting; however, the expenditure is not recorded in the governmental funds until paid. The change in the contributions verses the expense is:

FRS Pension/HIS Expense (1,838,455)

In governmental funds, the long-term portion of accrued annual leave and future employee benefits that will likely be paid in the future are not recorded under the modified accrual basis of accounting.

However, in the statement of net assets, the adjustment is made to salaries or the OPEB liability based on the increase or (decrease) in the liability.

OPEB benefits (14,207)

Adjustment to accrued annual leave (44,493)

Change in net position of governmental activities \$ (811,104)



**HAMILTON COUNTY, FLORIDA**

**STATEMENT OF NET POSITION  
PROPRIETARY FUNDS**

September 30, 2020

	<u>Landfill Enterprise</u>	<u>I75/SR6 Utility</u>	<u>Total</u>
<b>Assets</b>			
Current assets			
Cash	\$ 1,175	\$ 509,900	\$ 511,075
Accounts receivable	8,028	4,166	12,194
Due from other governments	<u>61,316</u>	<u>-</u>	<u>61,316</u>
Total current assets	<u>70,519</u>	<u>514,066</u>	<u>584,585</u>
Noncurrent assets			
Restricted assets - expendable			
Cash	<u>1,525,193</u>	<u>-</u>	<u>1,525,193</u>
Capital assets			
Land	110,391	156,975	267,366
Buildings and improvements	3,882,537	-	3,882,537
Infrastructure	-	5,864,482	5,864,482
Equipment	901,657	24,364	926,021
Accumulated depreciation	<u>(3,658,724)</u>	<u>(2,935,109)</u>	<u>(6,593,833)</u>
Net capital assets	<u>1,235,861</u>	<u>3,110,712</u>	<u>4,346,573</u>
Total noncurrent assets	<u>2,761,054</u>	<u>3,110,712</u>	<u>5,871,766</u>
Total assets	<u>\$ 2,831,573</u>	<u>\$ 3,624,778</u>	<u>\$ 6,456,351</u>
<b>Liabilities</b>			
Current liabilities			
Accounts payable	\$ 8,540	\$ 14,582	\$ 23,122
Compensated absences	22,493	-	22,493
Deposits	<u>-</u>	<u>1,600</u>	<u>1,600</u>
Total current liabilities	31,033	16,182	47,215
Noncurrent liabilities			
Estimated liability for landfill post-closure	<u>2,288,274</u>	<u>-</u>	<u>2,288,274</u>
Total liabilities	<u>2,319,307</u>	<u>16,182</u>	<u>2,335,489</u>
<b>Net position</b>			
Invested in capital assets, net of related debt	1,235,861	3,110,712	4,346,573
Unrestricted	<u>(723,595)</u>	<u>497,884</u>	<u>(225,711)</u>
Total net position	<u>512,266</u>	<u>3,608,596</u>	<u>4,120,862</u>
Total liabilities and net position	<u>\$ 2,831,573</u>	<u>\$ 3,624,778</u>	<u>\$ 6,456,351</u>

**HAMILTON COUNTY, FLORIDA**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS**

For the Year Ended September 30, 2020

	<u>Landfill Enterprise</u>	<u>I75/SR6 Utility</u>	<u>Total</u>
<b>Operating Revenues</b>			
<b>Physical environment</b>			
Garbage/solid waste revenue	\$ 177,010	\$ -	\$ 177,010
Service charges - water utility	-	50,228	50,228
Service charges - sewer/wastewater utility	-	75,896	75,896
Sales of scrap	<u>-</u>	<u>-</u>	<u>-</u>
Total operating revenues	<u>177,010</u>	<u>126,124</u>	<u>303,134</u>
<b>Operating Expenses</b>			
<b>Garbage/solid waste services</b>			
Personal services	245,712	-	245,712
Operating expenses	<u>332,813</u>	<u>-</u>	<u>332,813</u>
Total garbage and solid waste services	<u>578,525</u>	<u>-</u>	<u>578,525</u>
<b>Water-sewer Combination Services</b>			
Operating expenses	<u>-</u>	<u>496,809</u>	<u>496,809</u>
Total operating expenses	<u>578,525</u>	<u>496,809</u>	<u>1,075,334</u>
Operating income (loss)	<u>(401,515)</u>	<u>(370,685)</u>	<u>(772,200)</u>
<b>Nonoperating revenues (expenses)</b>			
<b>Intergovernmental revenue</b>			
Small County Consolidated Grant	61,316	-	61,316
Interest revenue	<u>9,530</u>	<u>235</u>	<u>9,765</u>
Total nonoperating revenues (expenses)	<u>70,846</u>	<u>235</u>	<u>71,081</u>
Income (loss) before transfers	(330,669)	(370,450)	(701,119)
<b>Transfers in</b>			
General Fund	<u>171,337</u>	<u>-</u>	<u>171,337</u>
Change in net position	(159,332)	(370,450)	(529,782)
Net position - beginning	<u>671,598</u>	<u>3,979,046</u>	<u>4,650,644</u>
Net position - ending	<u>\$ 512,266</u>	<u>\$ 3,608,596</u>	<u>\$ 4,120,862</u>

**HAMILTON COUNTY, FLORIDA**

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS**

For the Year Ended September 30, 2020

	Landfill <u>Enterprise</u>	I75/SR6 <u>Utility</u>	<u>Total</u>
Cash flows from operating activities			
Cash received from customers	\$ 182,007	\$ 124,362	\$ 306,369
Cash paid to employees/employee benefits	(246,632)	-	(246,632)
Cash paid to suppliers/others	<u>(187,672)</u>	<u>(192,266)</u>	<u>(379,938)</u>
Net cash provided (used) by operating activities	<u>(252,297)</u>	<u>(67,904)</u>	<u>(320,201)</u>
Cash flows from non-capital financing activities			
State grants received	90,909	-	90,909
Interfund transfers	<u>171,337</u>	-	<u>171,337</u>
Cash provided by non-capital financing activities	<u>262,246</u>	-	<u>262,246</u>
Cash flows from capital and related financing activities			
Purchase of equipment	<u>(9,949)</u>	-	<u>(9,949)</u>
Cash flows from investing activities			
Purchases of certificates of deposit	(25,254)	-	(25,254)
Interest received	<u>9,530</u>	<u>235</u>	<u>9,765</u>
Cash provided (used) by investing activities	<u>(15,724)</u>	<u>235</u>	<u>(15,489)</u>
Net increase (decrease) in cash and cash equivalents	(15,724)	(67,669)	(83,393)
Cash and cash equivalents, beginning	<u>16,899</u>	<u>577,569</u>	<u>594,468</u>
Cash and cash equivalents, ending (see below)	<u>\$ 1,175</u>	<u>\$ 509,900</u>	<u>\$ 511,075</u>
Reconciliation of operating income (loss) to net cash provided by operating activities			
Operating income (loss)	<u>\$ (401,515)</u>	<u>\$ (370,685)</u>	<u>\$ (772,200)</u>
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:			
Depreciation	78,767	295,918	374,685
(Increase) decrease in current assets			
Accounts receivable	4,997	(1,962)	3,035
Increase (decrease) in current liabilities			
Accounts payable	(3,077)	8,625	5,548
Accrued compensated absences	(920)	-	(920)
Customer deposits	-	200	200
Landfill closure liability	<u>69,451</u>	-	<u>69,451</u>
Total adjustments	<u>149,218</u>	<u>302,781</u>	<u>451,999</u>
Net cash provided (used) by operating activities	<u>\$ (252,297)</u>	<u>\$ (67,904)</u>	<u>\$ (320,201)</u>
Cash per statement of net position			
Cash operating	\$ 1,175	\$ 509,900	\$ 511,075
Cash restricted	<u>1,525,193</u>	-	<u>1,525,193</u>
Total cash per statement of net position	1,526,368	509,900	2,036,268
Less: Certificate of deposit	<u>(1,525,193)</u>	-	<u>(1,525,193)</u>
Cash per the statement of cash flows	<u>\$ 1,175</u>	<u>\$ 509,900</u>	<u>\$ 511,075</u>
Noncash transactions	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**HAMILTON COUNTY, FLORIDA**

**STATEMENT OF FIDUCIARY NET POSITION  
AGENCY FUNDS**

September 30, 2020

	<u>Agency Funds</u>
Assets	
Cash	\$ 939,827
Due from others	<u>431</u>
Total assets	<u>940,258</u>
Liabilities	
Interfund payables	5,443
Due to other govt. units	469,546
Other current liabilities	
Due to others	<u>465,269</u>
Total liabilities	<u>940,258</u>
Net position	<u>\$ -</u>

**HAMILTON COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**

September 30, 2020

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

Hamilton County, Florida (the "County") is a political subdivision of the State of Florida created under Article VIII, Section 1 of the State Constitution. It is governed by an elected Board of County Commissioners (the "Board"), which is governed by state statutes and regulations, and ordinances adopted by the Board. In addition, there are five Constitutional Officers who are separately elected, which include the Clerk of the Circuit Court, Sheriff, Tax Collector, Property Appraiser, and the Supervisor of Elections. Pursuant to *Florida Statutes*, the Clerk of the Circuit Court for the County serves as clerk and accountant to the Board of County Commissioners.

The Board currently has budgetary control, but not administrative control, over the activities for the other Constitutional Officers, some of whom have the authority and responsibility for collecting revenues within their areas of jurisdiction and expending as allowed or remitting such collections to the Board.

In accordance with GASB Statement No. 14, 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. However, the following entities were created by a special act of the Legislature and local ordinances and are not independent of the Board of County Commissioners: Comprehensive Planning Board and Construction Licensing Board.

**B. Basis of Presentation, Basis of Accounting**

Government-wide Statements: The statement of net position and the statement of activities display information about the primary government (the County). These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities.

These statements distinguish between the *governmental* and *business-type activities* of the County.

Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. The County's governmental activities include all services except the landfill and I75/SR6 utility funds which are considered business-type activities. Business-type activities are financed in whole or in part by fees charged to external parties.

In the government-wide statement of net position, both the government and business-type activities columns are presented on a consolidated basis by column and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. In this statement, the County's net position is reported in three parts: invested in capital assets, net of related debt; restricted net position; and unrestricted net position.

The statement of activities presents a comparison, reporting the gross and net costs, between direct expenses and program revenues for the different business-type activities of the County and for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. There are no indirect expense allocations and, therefore, none have been reversed for the statement of activities.

In the statement of activities, program revenues include (1) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the County's funds, including its fiduciary funds and focus on the determination of financial position and changes in financial position rather than upon net income. Separate statements for each fund category-*governmental, proprietary, and fiduciary*-are presented.

The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

The focus of the proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector.

The County reports the following major governmental funds:

General Fund: This is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Transportation Trust Fund: The purpose of this fund is to account for those revenues restricted under *Florida Statutes* Chapters 206 and 207 (local option, ninth-cent, constitutional, county, alternative, and special & motor fuel taxes) for transportation purposes and the related expenditures.

CDBG Housing Construction Fund: This fund accounts for all expenditures made via the CDBG Housing Assistance Grant funded by the Florida Department of Economic Opportunity.

The County reports the following major enterprise funds:

Solid Waste Fund: This fund accounts for the operation, maintenance, and development of the County's landfill.

I75/SR6 Utility Fund: This fund accounts for the operation, maintenance, and development of the County's water/wastewater utilities located at the I75/SR6 interchange.

The County reports the following fund type:

Agency Funds: These funds account for monies held on behalf of other governments that use the County as a depository; property taxes collected on behalf on other governments; and surety bonds and performance deposits.

### **Measurement Focus, Basis of Accounting**

Government-wide, Proprietary, and Fiduciary Financial Statements:

The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations.

On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements:

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available.

The County considers all revenues reported in the governmental funds to be available if they are collected within six months after the end of the current fiscal period, except for property taxes, for which the period is sixty days. Property taxes, sales taxes, franchise taxes, licenses, intergovernmental revenues and interest are considered to be susceptible to accrual.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured.

General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Restricted and unrestricted resources:

The County funds certain programs using a combination of restricted and unrestricted resources. Thus, when certain expenses are incurred, there are both restricted and unrestricted resources available to finance the program. It is the County's policy to first apply restricted resources to such programs, followed by unrestricted resources.

### **C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance**

#### Cash and cash equivalents

For the statement of cash flows, cash includes amounts in demand deposits, short-term money market investment accounts, and, when applicable, deposits in the Local Government Surplus Funds Trust Fund, which are not subject to withdrawal restrictions.

#### Inventories

The costs of governmental and proprietary fund-type inventories are recorded as expenditures when purchased rather than when consumed. Actual inventories on hand at year-end would not be material to the financial statements.

#### Capital Assets

Purchased or constructed capital assets with an original cost of \$5,000 or more are reported at cost or estimated historical cost. Donated fixed assets are recorded at their estimated fair market value at the date of donation. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs for repairs and maintenance are expensed as incurred. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset</u>	<u>Years</u>
Buildings and improvements	15-70
Improvements other than buildings	15-30
Infrastructure – roads	20
Vehicles	5
Equipment	5-7

GASB 34 required the County to report and depreciate new infrastructure assets effective with the beginning of the 2003 fiscal year. Infrastructure assets include roads, bridges, underground pipe, boat ramps, etc. These infrastructure assets are, and likely will continue to be, the largest asset class of the County.

#### Pensions

In the government-wide statement of net position, liabilities are recognized for the County's proportionate share of each pension plan's net pension liability. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about the fiduciary net position of the Florida Retirement System (FRS) defined benefit plan and the Health Insurance Subsidy (HIS) defined benefit plan and additions to/deductions from the FRS's and the HIS's fiduciary net position have been determined on the same basis as they are reported by the FRS and the HIS plans. For this purpose, benefit payments (including



refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

The County's retirement plans and related amounts are described in a subsequent note.

#### Other post-employment benefits (OPEB)

*Florida Statutes* 112.0801 requires that "any state agency, county, municipality, special district, community college, or district school board that provides life, health, accident, hospitalization, or annuity insurance, or all of any kinds of such insurance, for its officers and employees and their dependents upon a group insurance plan or self-insurance plan shall allow all former personnel who retired before October 1, 1987, as well as those who retire on or after such date, and their eligible dependents, the option of continuing to participate in the group insurance plan or self-insurance plan. Retirees and their eligible dependents shall be offered the same health and hospitalization insurance coverage as is offered to active employees at a premium cost of no more than the premium cost applicable to active employees. For retired employees and their eligible dependents, the cost of continued participation may be paid by the employer or by the retired employees."

As a result of the above, the County incurs an implicit cost in the provision of its health care to employees. This cost is recognized as an OPEB liability/expense.

The County's OPEB amounts are reported in a subsequent note.

#### Long-term Liabilities

Long-term obligations that will be financed from resources to be received in the future by governmental funds are reported as liabilities in the government-wide statement of net position. In the governmental fund financial statements, long-term obligations are not recognized as liabilities until due.

Changes in long-term liabilities for the current year are reported in a subsequent note.

#### Compensated Absences

The County accrues unpaid vacation and sick leave when earned (or estimated to be earned) by the employee. The noncurrent portion (the amount estimated to be used in subsequent fiscal years) for governmental funds is maintained separately and represents a reconciling item between the fund and government wide presentations.

A summary of the County's policy with regards to compensated absences is as follows: full time employees are granted vacation benefits in varying amounts ranging from twelve to twenty days per year depending on length of service. Sick leave accrues to full-time, permanent employees at a rate of one day per month. Generally, after one year of service, employees are entitled to a percentage of their sick leave and accrued vacation subject to limitation.

The maximum amount of vacation leave that may be carried over annually is 240 hours. Employees who accumulate amounts in excess of the 240 hours must take time off or forfeit it. The County allows unlimited accumulation of sick leave.

#### Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has two items that qualify for reporting in this category. The deferred outflows of resources related to pensions and OPEB are discussed in a subsequent note.

In addition to liabilities, the governmental funds balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

The County has one type of this item, which arises under the modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source: grant proceeds. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

The deferred inflows of resources related to pensions and OPEB are reported at the government-wide financial statements are discussed in a subsequent note.

#### Net Position Flow Assumption

The County periodically funds outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. To calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

The County's policy considers restricted net position to have been depleted before unrestricted net position is applied.

#### Fund Balance Flow Assumptions

The County may fund outlays for a particular purpose from both restricted and unrestricted resources (unassigned fund balance). To compute the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the County's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

#### Interfund Activity

Interfund activity is reported as loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon

consolidation in the government-wide financial statements. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses.

Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces the related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

#### Governmental Funds - Fund Balances

GASB has issued Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions (GASB 54) to provide a more structured classification of fund balance and to improve the usefulness of fund balance reporting to the users of the County's financial statements. The reporting standard establishes a hierarchy for fund balance classifications and the constraints imposed on the users of those resources.

The County does not have a policy regarding the commitment or assignment of fund balances. As a result, the County does not report any committed fund balance. In accordance with GASB 54, the County reports the amount of the fund balance needed to eliminate expected expenditures over expected revenues in the subsequent year budget as assigned fund balance of the general fund, if applicable.

When restricted, assigned, and unassigned funds are available for use, the County's procedures are to use the restricted funds first, followed by the assigned funds, and then the unassigned funds.

#### Property Tax Calendar

All real and tangible personal property taxes are due and payable on November 1, of each year or as soon thereafter as the assessment roll is certified by the Property Appraiser. The Tax Collector mails to each property owner on the assessment roll a notice of taxes levied by the various governmental entities in the County. Taxes may be paid upon receipt of such notice with discounts at the rate of four percent (4%) if paid in the month of November, three percent (3%) if paid in the month of December, two percent (2%) if paid in the month of January, and one percent (1%) if paid in the month of February. Taxes paid during the month of March are without discount.

All unpaid taxes on real and tangible personal property become delinquent on April 1, of the year following the year in which taxes were assessed. Procedures for collecting delinquent taxes, including applicable tax certificate sales, tax deed sales and tangible personal property seizure and sales are provided for by the *Laws of Florida*. Collections of county, municipal and independent taxing district taxes and remittances are accounted for in the Tax Collector's office. No material amounts of unpaid taxes were due at year-end.

#### Restricted Assets

The Enterprise Fund is required by Florida law to establish and maintain prescribed amounts of resources (consisting of deposits with First Federal Savings Bank of Florida) that can only be used to pay for post closure expenses and closure costs of its landfill. At September 30, 2020, the County had deposits of \$1,525,193 restricted for this purpose.

#### Estimates

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

## Revenues

Substantially, all governmental fund revenues are accrued. Subsidies and grants to the proprietary fund, which finance either capital or current operations, are reported as non-operating revenue based on GASBS No. 33. In applying GASBS No. 33 to grant revenues, the provider recognizes liabilities and expenses and the recipient recognizes receivables and revenue when the applicable eligibility requirements, including time requirements, are met. Resources transmitted before the eligibility requirements are met are reported as deferred outflows by the provider and deferred inflows by the recipient.

### D. Restricted Net position

The government-wide statement of net position reports \$4,884,922 of restricted net position, none of which is restricted by enabling legislation.

## NOTE 2. DEPOSITS AND INVESTMENTS

**Deposits with Financial Institutions** - The County's cash at September 30, 2020, consists of legally authorized demand deposits in institutions, which are certified as Qualified Public Depositories under the Florida Public Deposits Act. Therefore, the County's deposits at September 30, 2020, are insured through the Federal Deposit Insurance Corporation and Bureau of Collateral Management, Florida Department of Financial Services.

**Investments** - Pursuant to Section 218.415(17), *Florida Statutes*, the County, without deposit and investment policies, is authorized to invest surplus public funds in:

- (a) The Local Government Surplus Funds Trust Fund, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act, as provided in *Florida Statutes* 163.01.
- (b) Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency.
- (c) Interest-bearing time deposits or savings accounts in qualified public depositories, as defined in s. 280.02
- (d) Direct obligations of the U.S. Treasury.

During the year ended September 30, 2020, the County complied with the above requirements.

The County's cash deposits/investments at September 30, 2020, consisted of the following:

<u>Deposits/investments</u>	<u>Balance</u>
Board of County Commissioners (BCC)	\$ 18,771,417
Clerk of Circuit Court	828,304
Property Appraiser	875,009
Sheriff	225,503
Supervisor of Elections	132,843
Tax Collector	15,141
Total deposits	<u>\$ 20,848,217</u>

**NOTE 3. RECEIVABLES**

Accounts receivable at September 30, 2020, consists of the following:

<u>Activity</u>	<u>Miscellaneous Amounts</u>	<u>Billed Accounts</u>	<u>Totals</u>
Governmental			
General	\$ 103,414	\$ 404,749	\$ 508,163
Special Revenue	17,721	-	17,721
Business-type			
Enterprise	<u>-</u>	<u>12,194</u>	<u>12,194</u>
Totals	<u>\$ 121,135</u>	<u>\$ 416,943</u>	<u>\$ 538,078</u>

An allowance for doubtful accounts relating to Emergency Medical Billings is as follows:

EMS Patient Billings	\$ 404,749
Allowance for doubtful accounts	<u>(187,115)</u>
Net EMS receivables	<u>\$ 217,634</u>

Due from other government units at September 30, 2020, consists of the following:

<u>Activity</u>	<u>State of Florida</u>
Governmental	
General	\$ 1,667,742
Special Revenue	707,327
Business - type	
Landfill Enterprise	<u>61,316</u>
Total governmental and Business - type	<u>\$ 2,436,385</u>

**NOTE 4. CAPITAL ASSETS**

	Balance <u>10/1/2019</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>9/30/2020</u>
<b>Governmental activities</b>				
Capital assets not being depreciated				
Land	\$ 1,743,330	\$ -	\$ -	\$ 1,743,330
Construction in progress	<u>6,540,079</u>	<u>720,042</u>	<u>1,949,238</u>	<u>5,310,883</u>
Total capital assets not being depreciated	<u>8,283,409</u>	<u>720,042</u>	<u>1,949,238</u>	<u>7,054,213</u>
Capital assets being depreciated				
Buildings and improvements	9,487,695	323,776	-	9,811,471
Improvements other than buildings	56,687,617	1,625,462	-	58,313,079
Machinery, furniture, equipment, and vehicles				-
Board of County Commissioners	8,816,930	1,439,069	1,050,059	9,205,940
Sheriff (See Note 5.)	<u>2,587,611</u>	<u>354,187</u>	<u>383,042</u>	<u>2,558,756</u>
Total capital assets being depreciated	<u>77,579,853</u>	<u>3,742,494</u>	<u>1,433,101</u>	<u>79,889,246</u>
Less accumulated depreciation for:				
Buildings and improvements	4,003,537	152,483	-	4,156,020
Improvements other than buildings	25,502,362	2,793,194	-	28,295,556
Machinery, furniture, equipment, and vehicles				
Board of County Commissioners	6,194,314	945,264	1,050,059	6,089,519
Sheriff	<u>2,181,128</u>	<u>190,986</u>	<u>164,293</u>	<u>2,207,821</u>
Total accumulated depreciation	<u>37,881,341</u>	<u>4,081,927</u>	<u>1,214,352</u>	<u>40,748,916</u>
Total capital assets being depreciated net	<u>39,698,512</u>	<u>(339,433)</u>	<u>218,749</u>	<u>39,140,330</u>
Governmental activity capital assets, net	<u>\$ 47,981,921</u>	<u>\$ 380,609</u>	<u>\$ 2,167,987</u>	<u>\$ 46,194,543</u>
	Balance <u>10/1/2019</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>9/30/2020</u>
<b>Business-type activities</b>				
Capital assets not being depreciated				
Land	\$ 267,366	\$ -	\$ -	\$ 267,366
Capital assets being depreciated				
Buildings and landfill improvements	3,882,537	-	-	3,882,537
Water/wastewater plant	5,864,482	-	-	5,864,482
Equipment	<u>916,072</u>	<u>9,949</u>	<u>-</u>	<u>926,021</u>
Total capital assets being depreciated	<u>10,663,091</u>	<u>9,949</u>	<u>-</u>	<u>10,673,040</u>
Less accumulated depreciation for				
Buildings and improvements	2,670,692	75,930	-	2,746,622
Water/wastewater plant	2,637,786	293,224	-	2,931,010
Machinery, equipment, furniture, and vehicles	<u>910,670</u>	<u>5,531</u>	<u>-</u>	<u>916,201</u>
Total accumulated depreciation	<u>6,219,148</u>	<u>374,685</u>	<u>-</u>	<u>6,593,833</u>
Total capital assets being depreciated, net	<u>4,443,943</u>	<u>(364,736)</u>	<u>-</u>	<u>4,079,207</u>
Total business-type assets, net	<u>\$ 4,711,309</u>	<u>\$ (364,736)</u>	<u>\$ -</u>	<u>\$ 4,346,573</u>

(Note 4 continued)

Depreciation expense was charged to functions as follows:

**Governmental activities**

Function

General Government

Legislative	\$ 9,383
Executive	554
Financial & administrative	32,537
Other general government	<u>86,253</u>

Total general government

128,727

Public safety

Law enforcement	118,758
Fire control	159,299
Corrections	62,304
Protective inspections	404
Emergency and disaster relief	51,608
Ambulance and rescue services	<u>71,080</u>

Total public safety

463,453

Transportation

Road and street	<u>3,327,655</u>
-----------------	------------------

Economic environment

Industry development	44,615
Veterans' Services	<u>13,507</u>

Total economic environment

58,122

Human services

Health	4,716
Public assistance	<u>1,476</u>

Total human services

6,192

Culture/recreation

Libraries	16,661
Parks and recreation	76,578
Cultural services	<u>4,539</u>

Total culture/recreation

97,778

Totals

\$ 4,081,927

**Business-type activities**

Function

Physical environment

Garbage/solid waste control services	\$ 78,767
Water/sewer combination services	<u>295,918</u>

Total physical environment

\$ 374,685

## NOTE 5. LONG-TERM OBLIGATIONS

### CAPITAL LEASES

The County leases equipment with a historical cost and accumulated depreciation of \$514,999 and \$301,925, respectively. The amounts are included in the County's capital asset depreciation. Information on the County's capital leases is as follows:

#### Governmental Activities

- A. The Board has an installment payment agreement with Ring Investments, LLC for the purchase of a Caterpillar 120M2 road grader. The agreement requires five payments of \$21,113 and a final payment of \$120,000. The payments include interest of 3.20%.
- B. The Board has an installment payment agreement with Ring Investments, LLC for the purchase of a Caterpillar 120M2 road grader with scarifier. The agreement requires five payments of \$21,993 and a final payment of \$125,000. The payments include interest of 3.20%.
- C. The Board has an installment payment agreement with Leasing 2, Inc., for the purchase of a Chevrolet 3500HD Chassis remount of a Frazer Ambulance. The agreement requires five payments of \$28,515. The payments include interest of 4.72%.

The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at September 30, 2020:

<u>Year Ending</u> <u>September 30,</u>	<u>Governmental</u> <u>Activities</u>
2021	\$ 273,515
2022	28,515
2023	28,515
2024	-
2025	-
Total minimum lease payments	330,545
Less: amount representing interest	<u>(15,073)</u>
Present value of future minimum lease payments	<u>\$ 315,472</u>



## Changes in Long-Term Obligations

During the year ended September 30, 2020, the following changes occurred in the County's long-term obligations:

Governmental Activities <u>Long-term Obligations</u>	Balance			Balance		Amounts Due Within <u>One Year</u>
	October 1,	<u>Additions</u>	<u>Deletions</u>	September 30,		
	<u>2019</u>			<u>2020</u>		
Capital leases	\$ 504,713	\$ -	\$ 189,241	\$ 315,472	\$ 262,237	
Compensated absences	630,405	552,238	490,338	692,305	194,672	
OPEB liability	214,226	161,333	-	375,559	-	
Net pension liability	12,762,464	2,845,838	-	15,608,302	-	
Totals	<u>\$ 14,111,808</u>	<u>\$ 3,559,409</u>	<u>\$ 679,579</u>	<u>\$ 16,991,638</u>	<u>\$ 456,909</u>	

Business-type <u>Obligations</u>	Balance			Balance		Amounts Due Within <u>One Year</u>
	October 1,	<u>Additions</u>	<u>Deletions</u>	September 30,		
	<u>2019</u>			<u>2020</u>		
Estimated liability for landfill closure	\$ 2,218,823	\$ 69,451	\$ -	\$ 2,288,274	\$ -	
Compensated absences	23,413	18,360	19,280	22,493	22,493	
	<u>\$ 2,242,236</u>	<u>\$ 87,811</u>	<u>\$ 19,280</u>	<u>\$ 2,310,767</u>	<u>\$ 22,493</u>	

## NOTE 6. INTERFUND ACTIVITIES

Interfund receivable and payables at September 30, 2020, were as follows:

<u>Major Funds</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General	\$ 346,198	\$ -
Transportation Trust	-	-
CDBG	-	307,747
Total major funds	<u>346,198</u>	<u>307,747</u>
<u>Nonmajor Funds</u>		
Fine and Forfeiture (BCC)	4,097	-
Emergency Management Fund	-	-
911 Communications Fund	-	37,105
Fine and Forfeiture (Clerk)	-	-
Total nonmajor funds	<u>4,097</u>	<u>37,105</u>
<u>Agency Funds</u>	-	5,443
Total all funds	<u>\$ 350,295</u>	<u>\$ 350,295</u>

Year-end interfund receivables and payables represent year end budget excesses, amounts owed for grant receipts between funds, fees, and short-term loans. All balances are expected to be paid in the next fiscal year.

Interfund transfers made during the year ended September 30, 2020, were as follows:

<u>Major Funds</u>	<u>Interfund Transfer In</u>	<u>Interfund Transfers Out</u>
General	\$ 511,695	\$ 237,087
Transportation Trust	-	493,269
Landfill Enterprise	<u>171,337</u>	<u>-</u>
Total major funds	<u>683,032</u>	<u>730,356</u>
<u>Nonmajor Funds</u>		
Fine and Forfeiture (BCC)	-	18,426
Emergency Management	<u>65,750</u>	<u>-</u>
Total nonmajor funds	<u>65,750</u>	<u>18,426</u>
Total all funds	<u>\$ 748,782</u>	<u>\$ 748,782</u>

The above transfers are budgetary transfers used to support the programs/functions within the various funds.

**NOTE 7. INTERFUND ELIMINATIONS**

The following interfund eliminations were made in the combined Countywide General Fund:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
HCBC	\$ 546,238	\$ 93,923
Clerk of Courts	-	102,830
Property Appraiser	-	132,843
Sheriff	-	133,283
Supervisor of Elections	-	2,984
Tax Collector	<u>-</u>	<u>80,375</u>
Totals	<u>\$ 546,238</u>	<u>\$ 546,238</u>

	<u>Interfund Transfers out</u>	<u>Interfund Transfers in</u>
HCBC	\$ 7,167,700	\$ 14,066
Clerk of Courts	-	472,360
Property Appraiser	-	754,536
Sheriff	-	5,575,176
Supervisor of Elections	<u>-</u>	<u>351,562</u>
Totals	<u>\$ 7,167,700</u>	<u>\$ 7,167,700</u>

## **NOTE 8. LANDFILL CLOSURE AND POSTCLOSURE COST**

State and federal laws and regulations require the County to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure.

Although closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used as of each fiscal year end.

At September 30, 2020, \$2,288,274 is reported as the landfill closure and post-closure care liability based on 100% of the Landfill's North and South Cells' capacity having been used at September 30, 2020, and recognition of \$330,798 in closure costs (37.43% of capacity filled) and \$272,976 post-closure costs of the County's Class III cell.

For the South Cell (North Cell is no longer required to escrow funds for next year's expenses), the amount of \$1,684,500 represents the total cumulative liability including an annual adjustment for inflation – no additional amounts remain to be recognized except for annual inflation adjustments.

For the Class III Cell, closure costs of \$552,903 and post-closure costs of \$484,971 are yet to be recognized. The estimated remaining life of the Class III landfill is thirty-two years. The estimated amounts are based on what it would cost to perform all closure and annual post-closure care in 2020. Actual costs of post-closure care and closure may be higher because of inflation, changes in technology, or changes in regulations.

The County is required by state and federal laws and regulations to make annual contributions to an escrow account to finance closure. The County is in compliance with these requirements, and at September 30, 2020, restricted deposits of \$1,525,193 were held for this purpose. The deposits are reported as restricted assets on the Proprietary Funds' Statement of Net position.

The County expects future inflation costs to be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional post closure care requirements are determined (because of changes in technology or applicable laws and regulations, for example), these costs may need to be covered by charges to future landfill users or from other future County revenues.

## **NOTE 9. FUND BALANCE REPORTING**

GASB has issued Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions (GASB 54) to provide a more structured classification of fund balance and to improve the usefulness of fund balance reporting to the users of the County's financial statements. The reporting standard establishes a hierarchy for fund balance classifications and the constraints imposed on the uses of those resources.

GASB 54 provides for two major types of fund balances for governmental funds, which are nonspendable and spendable. Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and the principal of permanent or endowment funds. The County does not report inventory in its governmental funds; however, it does record prepaid items when applicable.

In addition to the nonspendable fund balance, GASB 54 has provided a hierarchy of spendable fund balances, based on spending constraints:

Restricted – Fund balances that are constrained by external parties, constitutional provisions, or enabling legislation.

Committed – Fund balances that contain self-imposed constraints of the government from its highest level of decision-making authority.

Assigned – Fund balances that contain self-imposed constraints of the government to be used for a particular purpose. This category includes any remaining positive amounts, for governmental funds other than the General Fund, not classified as nonspendable, restricted, or committed.

Unassigned – Fund balance of the general fund that is not constrained for any particular purpose.

The County has classified its fund balances with the following hierarchy:

#### Nonspendable

The County recorded a prepayment in its General Fund. As a result, it had an amount considered not available for future appropriations and, therefore, is classified as non-spendable.

#### Spendable

The County has classified the spendable fund balance as restricted, assigned, and unassigned. The County does not have a policy regarding the commitment of assignment of fund balances. As such, the County does not report any committed fund balance. When restricted, assigned, and unassigned funds are available for use, the County’s procedures are to use the restricted funds first, followed by the assigned funds, and then the unassigned funds.

At September 30, 2020, the unassigned general fund balance was \$14,406,476 or ninety-seven percent of the General Fund’s total expenditures.

A summary of the fund balances at September 30, 2020, is as follows:

Description	General Fund	Transportation Trust Fund	Other Governmental Funds	Total Governmental Funds	Restriction/Purpose
Fund balances:					
Nonspendable					
Prepaid item	\$ 80,000	\$ -	\$ -	\$ 80,000	GASBS No. 54
Restricted for:					
Transportation	-	3,453,262	-	3,453,262	Florida Statutes Chapters 206 and 207
Other purposes:					
Fine & Forfeiture	-	-	325,899	325,899	Florida Statutes 938.15, 932.704, 775.083
SHIP	-	-	300,921	300,921	Florida Statutes 420.9072
Tourist Development	-	-	58,224	58,224	Florida Statutes 125.0104
Public Record Modernization	-	-	31,441	31,441	Florida Statutes 28.24
Inmate Welfare	-	-	71,301	71,301	Florida Statutes 951.23
911 Communications	-	-	643,874	643,874	Florida Statutes 365.172
Unassigned	<u>14,326,476</u>	<u>-</u>	<u>-</u>	<u>14,326,476</u>	-
Total fund balance	<u>\$ 14,406,476</u>	<u>\$ 3,453,262</u>	<u>\$ 1,431,660</u>	<u>\$ 19,291,398</u>	

## **NOTE 10. CONTINGENT LIABILITIES**

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

The County is defendant in various pending or threatened litigation. Although the outcome of these lawsuits is not presently determinable, in the opinion of the County Attorney the resolution of these matters will not have a material adverse effect on the financial condition of the County.

## **NOTE 11. RISK MANAGEMENT**

The County participates in various public entity risk pools for certain of its insurance coverage. Under these insurance risk pools; the County pays annual premiums to the pools for its insurance coverage. The agreements for formation of the pools provide that the pools will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of specific amounts.

The County continues to carry commercial insurance for other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

The pooling agreements allow for the pools to make additional assessments to make the pools self-sustaining. It is not possible to estimate the amount of such additional assessments, which might have to be paid by the County.

## **NOTE 12. FLORIDA RETIREMENT SYSTEM (FRS) - DEFINED BENEFIT PENSION PLAN**

### **General Information**

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

Essentially all regular employees of the County are eligible to enroll as members of the State-administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature.

The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of the two cost-sharing, multiple-employer defined benefit plans

and other nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' Web site.

The County's pension expense, FRS \$1,741,951 and HIS \$96,503 totaled \$1,838,454, for the fiscal year ended September 30, 2020.

### **FRS Pension Plan:**

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

*Regular Class* – Members of the FRS who do not qualify for membership in the other classes.

*Elected County Officers Class* – Members who hold specified elective offices in local government.

*Senior Management Service Class (SMSC)* – Members in senior management level positions.

*Special Risk Class* – Members who are employed as law enforcement officers and meet the criteria to qualify for this class.

*Special Risk Administrative Support Class* – Former Special Risk Class members who are transferred or reassigned to nonspecial risk law enforcement, firefighting, emergency medical care, or correctional administrative support positions within an FRS special risk-employing agency.

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

All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service except for members classified as special risk that are eligible for normal retirement benefits at age 60 or at any age after 30 years of service.

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

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS participating employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months.

During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

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

<b><u>Class, Initial Enrollment, and Retirement Age/Years of Service</u></b>	<b><u>% Value</u></b>
<b><i>Regular Class members initially enrolled before July 1, 2011</i></b>	
Retirement up to age 62 or up to 30 years of service	1.60
Retirement at age 63 or with 31 years of service	1.63
Retirement at age 64 or with 32 years of service	1.65
Retirement at age 65 or with 33 or more years of service	1.68
<b><i>Regular Class members initially enrolled on or after July 1, 2011</i></b>	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement at age 66 or with 34 years of service	1.63
Retirement at age 67 or with 35 years of service	1.65
Retirement at age 68 or with 36 or more years of service	1.68
<b><i>Elected County Officers</i></b>	3.00
<b><i>Senior Management Service Class</i></b>	2.00
<b><i>Special Risk Regular</i></b>	
Service from December 1, 1970, through September 30, 1974	2.00
Service on and after October 1, 1974	3.00

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3 percent per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment.

The annual cost-of-living adjustment is a proportion of 3 percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3 percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

Contributions: The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the 2019-20 fiscal year were as follows:

Class	Percent of Gross Salary		Total Contribution Rate
	Employee	Employer (1)	
FRS, Regular	3.00%	6.75%	9.75%
FRS, Elected County Officers	3.00%	47.10%	50.10%
FRS, Senior Management Service	3.00%	23.69%	26.69%
FRS, Special Risk Regular	3.00%	23.76%	26.76%
FRS, Special Risk Administrative	3.00%	36.87%	39.87%
DROP - Applicable to member from all of the above classes	0.00%	12.94%	12.94%

Notes

1. Rates include the normal cost and unfunded liability contributions but do not include the 1.66 percent contribution for the Retiree Health Insurance Subsidy and the fee of 0.06 percent for administration of the FRS Investment Plan and provision of educational tools for both plans.

The County's contributions, including employee contributions, to the Plan totaled \$998,350 for the fiscal year ended September 30, 2020, and were as follows:

	FRS		
	Employer	Employee	Total
Board of County Commissioners	\$ 304,212	\$ 70,839	\$ 375,051
Clerk of Courts	87,156	12,700	99,856
Property Appraiser	38,846	3,989	42,835
Sheriff	342,411	46,361	388,772
Supervisor of Elections	51,961	4,521	56,482
Tax Collector	31,575	3,780	35,355
	<u>\$ 856,160</u>	<u>\$ 142,190</u>	<u>\$ 998,350</u>

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At September 30, 2020, the County reported a liability of \$13,008,665 for its proportionate share of the Plan's net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020. The County's proportionate share of the net pension liability was based on the County's 2019-20 fiscal year contributions relative to the 2019-20 fiscal year contributions of all participating members. At June 30, 2020, the County's proportionate shares and increases(decreases) from its proportionate shares measured as of June 30, 2019, were as follows:

Hamilton County	6/30/2019	6/30/2020	Increase/(Decrease)
Board of County Commissioners	0.010355581%	0.010510455%	0.000154874%
Clerk of the Circuit Court	0.003038806%	0.003038052%	-0.000000754%
Property Appraiser	0.115747000%	0.001132660%	-0.114614340%
Sheriff	0.012997413%	0.012874596%	-0.000122817%
Supervisor of Elections	0.001601053%	0.001519413%	-0.000081640%
Tax Collector	0.000949445%	0.000945570%	-0.000003875%

For the fiscal year ended September 30, 2020, the County recognized pension expense of \$1,741,951. In addition, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:



FRS <u>Description</u>	<u>Deferred outflows of resources</u>	<u>Deferred inflows of resources</u>
Difference between expected and actual experience	\$ (544,202)	\$ (747,326)
Changes in assumptions	2,653,742	554,824
Investments	2,305,314	2,053,707
Employer specific changes in proportion	406,436	412,437
County FRS contributions subsequent to the measurement date	<u>1,338,936</u>	<u>-</u>
<b>Total</b>	<b><u>\$ 6,160,226</u></b>	<b><u>\$ 2,273,642</u></b>

The deferred outflows of resources related to pensions, totaling \$267,849, resulting from County contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Hamilton County	Fiscal year ending September 30,						
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>Thereafter</u>	
Board of County Commissioners	\$ 6,688	\$ 6,688	\$ 6,688	\$ 6,688	\$ 6,019	\$ -	-
Clerk of Courts	(33)	(33)	(33)	(33)	(29)	-	-
Property Appraiser	(1,066)	(1,066)	(1,066)	(1,066)	(959)	-	-
Sheriff	(5,303)	(5,303)	(5,303)	(5,303)	(4,773)	-	-
Supervisor of Elections	(3,525)	(3,525)	(3,525)	(3,525)	(3,173)	-	-
Tax Collector	(167)	(167)	(167)	(167)	(151)	-	-

Actuarial Assumptions: The total pension liability in the June 30, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40 percent
Salary increases	3.25 percent, average, including inflation
Investment rate of return	6.80 percent

Mortality rates were based on the PUB-2010 base table, projected generationally with Scale MP-2018.

The actuarial assumptions used were developed as of a June 30, 2020, measurement date and are based on an actuarial valuation date of July 1, 2020. Valuations are performed annually.

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

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.00%	2.20%	2.20%	1.20%
Fixed income	19.00%	3.00%	2.90%	3.50%
Global equity	54.20%	8.00%	6.70%	17.10%
Real estate	10.30%	6.40%	5.80%	11.70%
Private equity	11.10%	10.80%	8.10%	25.70%
Strategic investments	4.40%	5.50%	5.30%	6.90%
Assumed inflation - mean			2.40%	1.70%

Note 1. As outlined in the FRS Pension Plan's investment policy available from Funds We Manage on the SBA's website at [www.sbafla.com](http://www.sbafla.com).

**Discount Rate:** The discount rate used to measure the total pension liability was 6.80 percent. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

**Sensitivity of the County's Proportionate Share of the Net Position Liability to Changes in the Discount Rate:** The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 6.80 percent, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.80 percent) or 1 percentage-point higher (7.80 percent) than the current rate:

	1% Decrease <u>5.80%</u>	Current Discount <u>6.80%</u>	1% Increase <u>7.80%</u>
County's proportionate share of the net pension liability	<u>\$ 20,772,236</u>	<u>\$ 13,008,665</u>	<u>\$ 6,523,845</u>

**Pension Plan Fiduciary Net Position:** Detailed information about the Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report.

**Payables to the Pension Plan:** At September 30, 2020, the County and Constitutional Officers reported no amounts owed for contributions to the Plan required for the fiscal year ended September 30, 2020.

## HIS Pension Plan

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

**Benefits Provided:** For the fiscal year ended June 30, 2020, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions: The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2020, the contribution rate was 1.66 percent of payroll pursuant to section 112.363, Florida Statutes. The County contributed 100 percent of its statutorily required contributions for the current and preceding 3 years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The County's contributions to the HIS Plan totaled \$122,811 for the fiscal year ended September 30, 2020, and were as follows:

Hamilton County, FL	HIS		
	FRS	Inv	Total
Board of County Commissioners	\$ 42,425	\$ 10,234	\$ 52,659
Clerk of Courts	7,875	2,387	10,261
Property Appraiser	6,015	163	6,178
Sheriff	35,059	11,800	46,859
Supervisor of Elections	2,502	-	2,502
Tax Collector	3,794	559	4,353
<b>Total HIS contributions</b>	<b>\$ 97,669</b>	<b>\$ 25,142</b>	<b>\$ 122,811</b>

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At September 30, 2020, the County reported a net pension liability of \$2,599,637 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The County's proportionate share of the net pension liability was based on the County's 2019-20 fiscal year contributions relative to the June 30, 2020, fiscal year contributions of all participating members.

At June 30, 2020, the County's proportionate shares and increases/decreases from its proportionate shares measured as of June 30, 2019, were as follows:

Hamilton County	6/30/2019	6/30/2020	Increase/(Decrease)
Board of County Commissioners	0.009060171%	0.009014485%	(0.00000046)
Clerk of the Circuit Court	0.001702510%	0.001800113%	0.00000098
Property Appraiser	0.001084530%	0.001060883%	(0.00000024)
Sheriff	0.008396222%	0.008245822%	(0.00000150)
Supervisor of Elections	0.000419363%	0.000417597%	(0.00000002)
Tax Collector	0.000765440%	0.000752437%	(0.00000013)

For the fiscal year ended September 30, 2020, the County recognized pension expense of \$96,503. In addition, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Hamilton County	<u>6/30/2019</u>	<u>6/30/2020</u>	<u>Increase/(Decrease)</u>
Board of County Commissioners	0.009060171%	0.009014485%	(0.00000046)
Clerk of the Circuit Court	0.001702510%	0.001800113%	0.00000098
Property Appraiser	0.001084530%	0.001060883%	(0.00000024)
Sheriff	0.008396222%	0.008245822%	(0.00000150)
Supervisor of Elections	0.000419363%	0.000417597%	(0.00000002)
Tax Collector	0.000765440%	0.000752437%	(0.00000013)

The deferred outflows of resources, totaling \$31,911 was related to pensions resulting from County contributions to the HIS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Hamilton County	Fiscal year ending September 30,						
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>Thereafter</u>	
Clerk of the Circuit Court	\$ 1,181	\$ 1,181	\$ 1,181	\$ 1,181	\$ 1,181	\$ 1,417	
Board of County Commissioners	(678)	(678)	(678)	(678)	(678)	(813)	
Property Appraiser	(351)	(351)	(351)	(351)	(351)	(421)	
Tax Collector	(193)	(193)	(193)	(193)	(193)	(231)	
Sheriff	1,250	1,250	1,250	1,250	250	-	
Supervisor of Elections	(26)	(26)	(26)	(26)	(31)	-	

Actuarial Assumptions The total pension liability in the June 30, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40 percent
Salary Increases	3.25 percent, average, including inflation
Municipal Bond Rate	2.21 percent

Mortality rates were based on the Generational RP-2000 with Projected Scale BB.

The actuarial assumptions used in the June 30, 2020, actuarial valuation was developed as of a June 30, 2020, measurement date, based on an actuarial of June 30, 2019. HIS plan valuations occur on a biennial basis.

Discount Rate The discount rate used to measure the total pension liability was 2.21 percent. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 2.21 percent, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (1.21 percent) or 1 percentage-point higher (3.21 percent) than the current rate:

	1% Decrease <u>1.21%</u>	Current Discount <u>2.21%</u>	1% Increase <u>3.21%</u>
County's proportionate share of the net pension liability	<u>\$ 3,005,064.35</u>	<u>\$ 2,599,637</u>	<u>\$ 2,267,795.90</u>

Pension Plan Fiduciary Net Position Detailed information about the HIS Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report.

Payables to the Pension Plan at September 30, 2020, the County reported a payable of \$0 for the outstanding amount of contributions to the HIS Plan required for the fiscal year ended September 30, 2020.

### **FRS – Defined Contribution Pension Plan**

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

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. County employees participating in DROP are not eligible to participate in the Investment Plan.

Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature.

The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices.

Costs of administering plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.04 percent of payroll and by forfeited benefits of plan members. Allocations to the investment member's accounts during the 2019-20 fiscal year were as follows:

<u>Class</u>	<u>Contributions</u>		
	<u>Employee</u>	<u>Employer</u>	<u>Total</u>
FRS, Regular	3.00%	3.30%	6.30%
FRs, Elected County Officers	3.00%	8.34%	11.34%
FRS, Senior Management Service	3.00%	4.67%	7.67%

For all membership classes, employees are immediately vested in their own contributions and are vested after 1 year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds.

Nonvested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over their account. If the employee does not return within the 5-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2020, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the County.

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

The County's Investment Plan pension expense totaled \$297,627 for the fiscal year ended September 30, 2020, and was as follows:

Hamilton County, FL	Inv			
	<u>Retirement</u>	<u>HIS</u>	<u>PEORP</u>	<u>Total</u>
Board of County Commissioners	\$ 101,174	\$ 10,234	\$ 370	\$ 111,777
Clerk of Courts	21,545	2,387	86	24,018
Property Appraiser	701	163	6	870
Sheriff	145,756	11,800	427	157,982
Supervisor of Elections	-	-	-	-
Tax Collector	2,400	559	20	2,979
Total HIS contributions	<u>\$ 271,576</u>	<u>\$ 25,142</u>	<u>\$ 909</u>	<u>\$ 297,627</u>

**NOTE 13. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**

**General Information**

Plan description

Hamilton County, Florida, sponsors and administers the single-employer OPEB unfunded plan. The plan covers 160 active employees, four inactive employees and beneficiaries currently receiving benefits, and no inactive employees entitled to and not yet receiving benefits. The County's retirees' contribution requirement is an amount determined periodically by the County equal to one hundred percent of the applicable health insurance premium charged by the insurance carrier. There are no minimum required employer contributions. No assets are accumulated in a trust that meets the criteria in GASB No. 75, paragraph 4 to pay for related benefits.

Benefits provided

Benefits are provided to regular, full-time employees of the County. Benefits provided are post-retirement medical benefits. The plan provides for post-retirement medical coverage to eligible employees under the same fully-insured plan that covers active employees. No explicit subsidy is provided to retirees. *Florida Statutes* 112.0801 requires the County to offer retirees health insurance on the same basis as employees provided that the retiree pays the full premium for the relevant coverage. There were no changes in benefit terms from the prior measurement date.

## Total OPEB Liability

The County's total OPEB liability of \$375,559, was measured as of September 30, 2020, and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs: The total OPEB liability in the September 30, 2020, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	2.14% per annum: this rate was used to discount all future benefit payments and is based on the return on the S&P Municipal Bond 20-year High Grade Index as of the measurement date.
Salary increases	3.00% per annum
Cost of living increases	Retiree contributions, health insurance premiums, and the implied subsidy have been assumed to increase in accordance with the healthcare cost trend rates.
Healthcare cost trend rates	Increases in healthcare costs are assumed to be 7.00% for the 2019/20 fiscal year graded down by 0.50% per year to 5.00% for the 2023/24 and later fiscal years.
Age related morbidity	Insurance premiums are assumed to increase with each year of age in accordance with the rates set forth in the Society of Actuaries report "Health Care Costs - From Birth to Death" prepared by Dale H. Yamamoto (June 2013). Rates set forth in Chart 2 (Group Costs by Age for 2009-10) were used to develop the morbidity rates prior to age 65 and the rates set forth in Table 4 (Development of Plan Specific Medicare Age Curve) were used to develop the morbidity rates after age 65.
Implied subsidy	Because the insurance carrier charges the same monthly rate for health insurance regardless of age, an implied monthly subsidy has been assumed for the 2019/20 fiscal year based on the age-related morbidity assumption and, for other fiscal years, the implied subsidy was increased in accordance with the healthcare cost trend rates. The implied subsidy is assumed to disappear at age 65.
Mortality basis	Sex-distinct rates set forth in the PUB-2010 Mortality Table (without income adjustments) for general and public safety employees, with full generational improvements in mortality using Scale MP-2017
Retirement	For general employees, retirement is assumed to occur at age 62. For firefighters and police officers, retirement is assumed to occur at age 55.
Other decrements	Assumed employment termination is based on the Scale 155 table; assumed disability is based on the Wyatt 1985 Disability Study (Class 1 for general employees and Class 4 for firefighters and police officers).
Covered election	50% of eligible employees are assumed to elect medical coverage upon retirement or disability, with one-third of electing retirees also covering their spouse.
Spouses and dependents COBRA	Husbands are assumed to be three years older than wives; retirees are not assumed to have any dependent children. Future healthcare coverage provided solely pursuant to COBRA was not included in the OPEB valuation; because the COBRA premium is determined periodically based on plan experience, the COBRA premium to be paid by the participant is assumed to fully cover the cost of providing healthcare coverage during the relevant period.
Changes	Since the prior measurement date, the discount rate was decreased from 3.58% per annum to 2.14% per annum, and the monthly implied subsidy at age 62 for the 2019-20 fiscal year for the retiree and his spouse was decreased from \$698.75 and \$591.25, respectively, to \$650 and \$575, respectively.

**Net OPEB liability at September 30, 2020:**

Total OPEB liability *	\$	375,559
Less fiduciary net position		<u>-</u>
Net OPEB liability **	\$	<u>375,559</u>

\* rolled forward from October 1, 2019

\*\* recognized as follows:

Long-term obligations governmental activities	\$	<u>375,559</u>
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**OPEB expense for Year Ending September 30, 2020**

Service cost	\$	13,646
Other recognized changes in net pension		
Expected interest growth		4,666
Investment gain/loss		-
Demographic gain/loss		10,051
Employee contributions		-
Benefit payments & refunds		(19,755)
Administrative expenses		-
Changes in benefit terms		-
Assumption changes		<u>5,599</u>
OPEB expense *	\$	<u>14,207</u>

\* expense recognized as follows:

Statement of Activities - governmental	\$	<u>14,207</u>
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**Deferred Inflows of Resources and Deferred Outflows of Resources Related to OPEB**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Balance as of September 30, 2019	\$ 21,413	\$ 32,514
Change due to:		
Amortization payments	(19,370)	(3,720)
Investment gain/loss	-	-
Demographic gain/loss	132,478	-
Assumption changes	<u>30,298</u>	<u>-</u>
Total change	<u>143,406</u>	<u>(3,720)</u>
Balance as of September 30, 2020	<u>\$ 164,819</u>	<u>\$ 28,794</u>

**Balance Equation**

Net OPEB liability as of September 30, 2019	\$	214,226
Plus OPEB expense for the year ending September 30, 2020		14,207
Minus employer contribution for the year ending September 30, 2020		-
Plus change in balance of deferred outflows of resources		143,406
Minus change in balance of deferred inflows of resources		<u>3,720</u>
Net OPEB liability as of September 30, 2020	\$	<u>375,559</u>



<b>Changes in the net OPEB liability</b>	<b>Total OPEB Liability</b>	<b>Fiduciary Net Position</b>	<b>Net OPEB Liability</b>
Balance as of September 30, 2019	\$ 214,226	\$ -	\$ 214,226
Change due to:			
Service cost	13,646	-	13,646
Expected interest growth	4,666	-	4,666
Unexpected investment income	-	-	-
Demographic experience	132,478	-	132,478
Employer contributions	-	-	-
Employee contributions	-	-	-
Benefit payments & refunds	(19,755)	-	(19,755)
Administrative expenses	-	-	-
Changes in benefit terms	30,298	-	30,298
Assumption changes	-	-	-
Balance as of September 30, 2020	<u>\$ 375,559</u>	<u>\$ -</u>	<u>\$ 375,559</u>

**Comparison of net OPEB liability using alternative discount rates**

	<u>Discount Rate minus 1.00%</u>	<u>2.14% Discount Rate</u>	<u>Discount Rate plus 1.00%</u>
Total OPEB liability	\$ 435,479	\$ 375,559	\$ 327,127
Less fiduciary net position	-	-	-
Net OPEB liability	<u>\$ 435,479</u>	<u>\$ 375,559</u>	<u>\$ 327,127</u>

**Comparison of net OPEB liability using alternative healthcare cost trend rates**

	<u>Trend rates minus 1.00%</u>	<u>7.00% graded down to 5.00%</u>	<u>Trend rates plus 1.00%</u>
Total OPEB liability	\$ 321,426	\$ 375,559	\$ 442,392
Less fiduciary net position	-	-	-
Net OPEB liability	<u>\$ 321,426</u>	<u>\$ 375,559</u>	<u>\$ 442,392</u>

**NOTE 14. ECONOMIC DEPENDENCY**

Hamilton County, Florida receives a significant portion of revenues, both directly and indirectly from Nutrien (White Springs Phosphate). If this taxpayer ceased operations, or otherwise did not pay various taxes and fees, the financial condition of Hamilton County, Florida, could be adversely affected.

**NOTE 15. COMMITMENTS**

At September 30, 2020, the County had the following construction related commitments:

<u>Administrative &amp; Engineering Services</u>	<u>Project</u>	<u>Contract Amount</u>	<u>Paid through September 30, 2020</u>	<u>Remaining Balance</u>
Eisman & Russo CEI Services	SW 55th Dr	\$ 88,705	\$ 58,551	\$ 30,154
North Florida Professional Services, Inc.	SW 90th Blvd	186,300	167,670	18,630
North Florida Professional Services, Inc.	Oak Street Improvements	68,020	23,807	44,213

**NOTE 16. CURRENT/FUTURE ACCOUNTING PRONOUNCEMENTS**

Due to the Covid-19 Virus, the Governmental Accounting Standards Board (GASB) postponed the effective dates of upcoming pronouncements via the issuance of GASB 95 *Postponement of the Effective Dates of Certain Authoritative Guidance*. The extensions range from twelve to eighteen months. The extended dates are as follows (effective fiscal year indicated):

Statement 84 and Implementation Guide 2019-2—reporting periods beginning after December 15, 2019: FY 2020-21

Statement 87 and Implementation Guide 2019-3—fiscal years beginning after June 15, 2021, and all reporting periods thereafter: FY 2021-22

Statement 89—reporting periods beginning after December 15, 2020: FY 2021-22

Statement 90—reporting periods beginning after December 15, 2019: FY 2020-21

Statement 91—reporting periods beginning after December 15, 2021: FY 2022-23

Statement 92, paragraphs 6 and 7—fiscal years beginning after June 15, 2021: FY 2021-22

Statement 92, paragraphs 8, 9, and 12—reporting periods beginning after June 15, 2021: FY 2021-22

Statement 92, paragraph 10—government acquisitions occurring in reporting periods beginning after June 15, 2021: FY 2021-22

Statement 93, paragraphs 13 and 14—fiscal years beginning after June 15, 2021, and all reporting periods thereafter: FY 2021-22

The County is evaluating the effects that these statements will have on its financial statements for the year ending September 30, 2021, and beyond.

#### **NOTE 17. SUBSEQUENT EVENTS**

County management has evaluated subsequent events through the date of the audit report – May 28, 2021, and reports the following:

##### **Economic Development**

For future development, the County contributed \$100,000 towards the purchase of parcel 7347-000 located at 2047 Hamilton Ave Jennings, FL 32053 by the Hamilton County Development Authority.

##### **Construction Contracts**

The County awarded the following contract on 10-20-20:

<u>Contractor</u>	<u>Project</u>	<u>Description</u>	<u>Amount</u>
Anderson Columbia	CR 137	Paving Construction	\$ 3,047,614

##### **Significant purchases**

The County purchased the following property:

<u>Location</u>	<u>Purpose</u>	<u>Closing Date</u>	<u>Amount</u>
910 North US Highway 41	Animal Control	3/12/2021	\$ 85,000

##### **Economic Development Agreements**

###### **Green Point Research, LLC**

The County has a Development Agreement with Green Point Research, LLC in the amount of \$1,500,000.

The amount is to be paid in three installments as follows:

	<u>Installment</u>
1. Upon the verification of the site acquisition and installation of hemp drying equipment	\$ 500,000
2. Upon proof that the Site is fully operational	500,000
3. Upon the one-year anniversary of the Company's achievement of fulltime employment of at least twenty employees	500,000

All amounts require proof that the incentive requirements have been met.

**Southland Wood Recycling, LLC**

The County has a Development Agreement with Southland Wood Recycling, LLC and provides the following:

1. Payment of \$100,000 upon the Certificate of Occupancy of the sawmill located in the Genoa Industrial Park
2. If the Company remains in business for five years and employees at least twenty-five fulltime employees, the County will reimburse the Company an amount equal to ninety percent of all county taxes. Under the same aforementioned conditions, the County will reimburse an amount equal to fifty percent of all county taxes for years six through ten.

The reimbursement applies only to County taxes.

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**REQUIRED SUPPLEMENTARY  
INFORMATION**

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**HAMILTON COUNTY, FLORIDA**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**

For the Year Ended September 30, 2020

	Original <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Budgetary fund balance	\$ 8,404,104	\$ 8,404,104	\$ 11,513,143	\$ 3,109,039
Estimated receipts				
Taxes	9,197,067	9,197,067	10,455,261	1,258,194
Licenses and permits	65,625	65,625	82,173	16,548
Intergovernmental revenues	3,235,434	3,235,434	4,913,957	1,678,523
Charges for services	1,538,103	1,538,103	1,288,649	(249,454)
Judgments, fines, and forfeits	7,802	7,802	11,401	3,599
Miscellaneous revenues	110,425	388,057	562,262	174,205
Other sources	<u>507,335</u>	<u>507,335</u>	<u>511,695</u>	<u>4,360</u>
Total estimated receipts and balances	<u>23,065,895</u>	<u>23,343,527</u>	<u>29,338,541</u>	<u>5,995,014</u>
Appropriations				
General government	4,308,764	4,308,764	3,964,171	344,593
Public safety	8,261,804	8,576,817	8,459,956	116,861
Physical environment	184,179	184,179	176,658	7,521
Economic environment	99,036	99,036	114,969	(15,933)
Human services	987,899	987,899	636,887	351,012
Culture/recreation	1,036,218	1,036,218	1,070,517	(34,299)
Other uses	7,855,654	7,837,228	237,087	7,600,141
Court related	<u>332,341</u>	<u>313,386</u>	<u>271,820</u>	<u>41,566</u>
Total appropriations	<u>23,065,895</u>	<u>23,343,527</u>	<u>14,932,065</u>	<u>8,411,462</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,406,476</u>	<u>\$ 14,406,476</u>

**HAMILTON COUNTY, FLORIDA**

**BUDGETARY COMPARISON SCHEDULE  
COUNTY TRANSPORTATION TRUST FUND**

For the Year Ended September 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Budgetary fund balance	\$ 7,085,344	\$ 7,085,344	\$ 3,987,189	\$ (3,098,155)
Estimated receipts				
Taxes	2,390,051	2,390,051	2,482,222	92,171
Intergovernmental revenue	7,858,371	7,858,371	1,881,122	(5,977,249)
Charges for services	9,400	9,400	17,896	8,496
Miscellaneous revenues	133,000	133,000	121,878	(11,122)
Other financing sources	<u>250,000</u>	<u>250,000</u>	-	<u>(250,000)</u>
Total estimated receipts and balances	<u>17,726,166</u>	<u>17,726,166</u>	<u>8,490,307</u>	<u>(9,235,859)</u>
Appropriations				
Transportation				
Roads and bridges				
Personal services	1,988,340	1,988,340	1,971,817	16,523
Operating expenditures	643,890	643,890	491,738	152,152
Capital outlay	7,202,068	7,202,068	1,904,231	5,297,837
Debt service	212,172	212,172	163,106	49,066
Grants & Aids	12,884	12,884	12,884	-
Other uses	<u>493,269</u>	<u>493,269</u>	<u>493,269</u>	<u>-</u>
Total transportation	10,552,623	10,552,623	5,037,045	5,515,578
Reserves				
Reserve for contingencies	<u>7,173,543</u>	<u>7,173,543</u>	-	<u>7,173,543</u>
Total appropriations	<u>17,726,166</u>	<u>17,726,166</u>	<u>5,037,045</u>	<u>12,689,121</u>
Budgetary fund balance at year end	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,453,262</u>	<u>\$ 3,453,262</u>



**HAMILTON COUNTY, FLORIDA**

**BUDGETARY COMPARISON SCHEDULE  
CDBG HOUSING CONSTRUCTION FUND**

For the Year Ended September 30, 2020

	Original <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>	Variance with Final Budget Positive <u>(Negative)</u>
Budgetary fund balance	\$ -	\$ -	\$ -	\$ -
Estimated receipts				
Intergovernmental revenue				
Federal grants				
Federal housing	682,101	682,101	373,266	(308,835)
Other financing sources				
Interfund transfer in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>682,101</u>	<u>682,101</u>	<u>373,266</u>	<u>(308,835)</u>
 Appropriations				
Economic environment				
Housing and urban development				
Operating expenditures	87,000	87,000	43,740	43,260
Grants and aids	<u>595,101</u>	<u>595,101</u>	<u>329,526</u>	<u>265,575</u>
Total housing and urban development	<u>682,101</u>	<u>682,101</u>	<u>373,266</u>	<u>308,835</u>
Other financing sources (uses)				
Interfund transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total appropriations	<u>682,101</u>	<u>682,101</u>	<u>373,266</u>	<u>308,835</u>
Budgetary fund balance at year end	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

## HAMILTON COUNTY, FLORIDA

### NOTES TO BUDGETARY COMPARISON SCHEDULES

September 30, 2020

#### **NOTE 1. LEGAL COMPLIANCE - BUDGETS**

The County uses the following procedures in establishing the budgetary data reflected in the budgetary comparison schedules.

1. Prior to July 15, the Clerk of the Circuit Court, the Budget Officer, submits to the Board of County Commissioners a tentative budget for the fiscal year commencing October 1.
2. Public hearings are conducted by the Board of County Commissioners to obtain taxpayer comments.
3. Prior to September 30, the Board of County Commissioners legally enacts the budget through passage of a resolution.
4. The Board of County Commissioners is authorized to amend fixed appropriations by motion to the extent that appropriations do not exceed the total approved budget of the fund; or appropriate for the special purpose intended, reserves or unanticipated receipts. Appropriations lapse at year end. No supplemental appropriations were necessary during the year. One amendment was made post year-end.
5. Formal budgetary integration is employed as a management control device in all governmental funds.
6. The legally amended budgetary data presented in the accompanying financial statements for the fiscal year ending September 30, 2020, are shown on the County's budgetary basis of accounting. Notes to the major fund budgetary comparison schedules reconcile GAAP basis revenues and expenditures to the budgeted amounts.
7. The County's annual operating budget serves as legal authorization for expenditures and the proposed means of financing them. For the Board of County Commissioners, the legal level of budgetary control is the fund level. Budgetary information is integrated into the accounting system and appropriations are controlled at the account level within each fund for management control purposes.

For the Constitutional Officers, the legal level of budgetary control is the object level code. The Board of County Commissioners approves the operating budgets of the Clerk of the Circuit Court, Sheriff, Tax Collector, Supervisor of Elections, and Property Appraiser during the budgetary process. However, the Tax Collector and Property Appraiser's budgets are also subject to approval by the Florida Department of Revenue.

**NOTE 2. EXPLANATION OF DIFFERENCES BETWEEN BUDGETARY INFLOWS AND OUTFLOWS AND GAAP REVENUES AND EXPENDITURES**

	General Fund	County Transportation Trust Fund
Sources/inflows of resources		
Financial statement major funds		
Actual amount (budgetary basis) of the estimated receipts and balances from the budgetary comparison schedules	\$ 29,338,541	\$ 9,023,054
Adjustments		
Budgetary fund balance is an amount available for appropriation but is not considered a revenue for GAAP reporting	(11,513,143)	(4,519,936)
The sale of fixed assets proceeds are available for appropriation but are considered Special Items for GAAP reporting	-	(120,000)
Transfers in are available for appropriation but are not revenues for GAAP reporting	<u>(511,695)</u>	<u>-</u>
Total revenues reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 17,313,703</u>	<u>\$ 4,383,118</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total appropriations" from the budgetary comparison schedules	\$ 14,932,065	\$ 5,037,045
Transfers out are appropriations for budgeting purposes but are not expenditures for GAAP reporting	<u>(237,087)</u>	<u>(493,269)</u>
Total expenditures reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 14,694,978</u>	<u>\$ 4,543,776</u>

**HAMILTON COUNTY, FL**  
**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (FRS)**  
**Last 10 Fiscal Years\***

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Hamilton County, Florida's proportion of the net pension liability (asset)							
Board of County Commissioners	0.010510%	0.010356%	0.010367%	0.010518%	0.010512%	0.010343%	0.010106%
Clerk of Courts	0.003038%	0.003039%	0.003087%	0.003234%	0.003138%	0.003311%	0.002595%
Property Appraiser	0.113266%	0.115735%	0.001097%	0.001076%	0.001118%	0.001124%	0.001218%
Sheriff	0.012875%	0.012997%	0.012478%	0.012668%	0.013374%	0.012594%	0.013073%
Supervisor of Elections	0.001519%	0.001601%	0.001592%	0.000855%	0.000442%	0.000438%	0.000473%
Tax Collector	<u>0.000946%</u>	<u>0.000949%</u>	<u>0.000951%</u>	<u>0.001891%</u>	<u>0.002175%</u>	<u>0.002238%</u>	<u>0.001883%</u>
Total Hamilton County, Florida's proportion of the net pension liability (asset)	<u>0.142154%</u>	<u>0.144677%</u>	<u>0.029571%</u>	<u>0.030242%</u>	<u>0.030759%</u>	<u>0.030047%</u>	<u>0.029348%</u>
Hamilton County, Florida's proportionate share of the net pension liability (asset)							
Board of County Commissioners	\$ 4,552,616	\$ 3,566,318	\$ 3,119,528	\$ 3,111,042	\$ 2,654,379	\$ 1,335,887	\$ 616,604
Clerk of Courts	1,316,737	1,046,522	929,682	956,635	792,307	427,621	154,336
Property Appraiser	490,912	398,574	330,330	318,297	282,419	145,132	74,307
Sheriff	5,580,040	4,473,075	3,758,339	3,746,971	3,376,832	1,626,735	797,620
Supervisor of Elections	658,536	551,380	479,521	252,984	111,606	56,602	28,862
Tax Collector	<u>409,824</u>	<u>326,976</u>	<u>286,339</u>	<u>559,409</u>	<u>549,078</u>	<u>289,024</u>	<u>114,919</u>
Total Hamilton County, Florida's proportionate share of the net pension liability (asset)	<u>\$ 13,008,665</u>	<u>\$ 10,362,845</u>	<u>\$ 8,903,739</u>	<u>\$ 8,945,338</u>	<u>\$ 7,766,621</u>	<u>\$ 3,881,001</u>	<u>\$ 1,786,648</u>
Hamilton County, Florida's covered-employee payroll							
Board of County Commissioners	\$ 3,172,205	\$ 3,054,243	\$ 2,874,047	\$ 2,868,004	\$ 2,755,213	\$ 2,479,332	\$ 2,365,929
Clerk of Courts	618,153	592,483	554,936	563,159	537,991	546,589	574,229
Property Appraiser	372,143	363,828	338,606	348,671	328,070	321,473	321,325
Sheriff	2,822,802	2,953,120	2,683,182	2,834,688	2,646,264	2,775,732	2,683,352
Supervisor of Elections	150,713	140,632	135,878	138,603	118,771	111,594	110,701
Tax Collector	<u>262,223</u>	<u>257,418</u>	<u>252,234</u>	<u>245,318</u>	<u>241,082</u>	<u>236,843</u>	<u>236,695</u>
Total Hamilton County, Florida's covered-employee payroll	<u>\$ 7,398,239</u>	<u>\$ 7,361,724</u>	<u>\$ 6,838,883</u>	<u>\$ 6,998,443</u>	<u>\$ 6,627,391</u>	<u>\$ 6,471,563</u>	<u>\$ 6,292,231</u>
Hamilton County, Florida's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	175.83%	140.77%	130.19%	127.82%	117.19%	59.97%	28.39%
Plan fiduciary net position as a percentage of the total pension liability	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%	96.09%

\* Information is presented for those years available

Notes to Schedule

Note 1. Measurement Date

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

Note 2. Covered Employees

Covered employee payroll includes defined benefit plan actives, investment plan members, and members in DROP.

**HAMILTON COUNTY, FL**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS (FRS)**  
**Last 10 Fiscal Years\***

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution							
Board of County Commissioners	\$ 458,414	\$ 423,580	\$ 377,002	\$ 301,339	\$ 285,252	\$ 271,033	\$ 253,693
Clerk of Courts	119,048	111,979	102,576	85,654	79,641	83,273	65,886
Property Appraiser	45,731	42,427	40,612	26,686	27,597	27,671	27,812
Sheriff	535,452	491,022	459,208	379,805	350,577	355,910	351,889
Supervisor of Elections	54,462	52,567	49,012	31,712	10,350	10,776	10,882
Tax Collector	<u>38,349</u>	<u>35,382</u>	<u>33,048</u>	<u>43,458</u>	<u>54,365</u>	<u>55,629</u>	<u>47,008</u>
Total Hamilton County, Florida, contractually required contribution	<u>1,251,456</u>	<u>1,156,957</u>	<u>1,061,457</u>	<u>868,654</u>	<u>807,782</u>	<u>804,292</u>	<u>757,170</u>
Contributions in relation to the contractually required contribution							
Board of County Commissioners	458,414	423,580	377,002	301,339	285,252	271,033	253,693
Clerk of Courts	119,048	111,979	102,576	85,654	79,641	83,273	65,886
Property Appraiser	45,731	42,427	40,612	26,686	27,597	27,671	27,812
Sheriff	535,452	491,022	459,208	379,805	350,577	355,910	351,889
Supervisor of Elections	54,462	52,567	49,012	31,712	10,350	10,776	10,882
Tax Collector	<u>38,349</u>	<u>35,382</u>	<u>33,048</u>	<u>43,458</u>	<u>54,365</u>	<u>55,629</u>	<u>47,008</u>
Total Hamilton County, Florida, contractually required contribution	<u>1,251,456</u>	<u>1,156,957</u>	<u>1,061,457</u>	<u>868,654</u>	<u>807,782</u>	<u>804,292</u>	<u>757,170</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Hamilton County, Florida's covered-employee payroll	<u>\$ 7,398,239</u>	<u>\$ 7,361,724</u>	<u>\$ 6,838,883</u>	<u>\$ 6,998,443</u>	<u>\$ 6,627,391</u>	<u>\$ 6,471,563</u>	<u>\$ 6,292,231</u>
Contributions as a percentage of covered-employee payroll	16.92%	15.72%	15.52%	12.41%	12.19%	12.43%	12.03%

\* Information is presented for those years available

Note 1. Covered Employees

Covered employee payroll includes defined benefit plan actives, investment plan members, and members in DROP.

**HAMILTON COUNTY, FL**  
**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (HIS)**  
**Last 10 Fiscal Years\***

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Hamilton County, Florida's proportion of the net pension liability (asset)							
Board of County Commissioners	0.009014%	0.009060%	0.008765%	0.008546%	0.008443%	0.008105%	0.008030%
Clerk of Courts	0.001800%	0.001721%	0.001702%	0.001819%	0.001735%	0.001837%	0.001929%
Property Appraiser	0.001061%	0.001085%	0.000981%	0.001046%	0.001058%	0.001059%	0.001073%
Sheriff	0.008246%	0.008396%	0.008309%	0.008413%	0.008869%	0.009033%	0.008869%
Supervisor of Elections	0.000418%	0.000419%	0.000411%	0.000291%	0.000371%	0.000371%	0.000362%
Tax Collector	<u>0.000752%</u>	<u>0.000765%</u>	<u>0.000767%</u>	<u>0.000766%</u>	<u>0.000778%</u>	<u>0.000781%</u>	<u>0.000789%</u>
Total Hamilton County, Florida's proportion of the net pension liability (asset)	<u>0.021291%</u>	<u>0.021446%</u>	<u>0.020935%</u>	<u>0.020882%</u>	<u>0.021253%</u>	<u>0.021186%</u>	<u>0.021052%</u>
Hamilton County, Florida's proportionate share of the net pension liability (asset)							
Board of County Commissioners	\$ 1,100,654	\$ 1,013,742	\$ 927,667	\$ 913,810	\$ 983,995	\$ 826,570	\$ 750,791
Clerk of Courts	219,791	192,508	180,147	194,501	202,204	187,364	180,320
Property Appraiser	129,532	121,348	103,849	111,796	123,274	108,015	100,367
Sheriff	1,006,801	939,453	879,486	899,592	1,033,669	921,252	829,254
Supervisor of Elections	50,988	46,923	43,464	43,203	43,203	37,803	33,870
Tax Collector	<u>91,871</u>	<u>85,645</u>	<u>81,177</u>	<u>81,936</u>	<u>90,614</u>	<u>79,605</u>	<u>73,809</u>
Total Hamilton County, Florida's proportionate share of the net pension liability (asset)	<u>\$ 2,599,637</u>	<u>\$ 2,399,619</u>	<u>\$ 2,215,790</u>	<u>\$ 2,244,838</u>	<u>\$ 2,476,959</u>	<u>\$ 2,160,609</u>	<u>\$ 1,968,410</u>
Hamilton County, Florida's covered-employee payroll							
Board of County Commissioners	\$ 3,172,205	\$ 3,054,243	\$ 2,874,047	\$ 2,868,004	\$ 2,755,213	\$ 2,479,332	\$ 2,365,929
Clerk of Courts	618,153	592,483	554,936	563,159	537,991	546,589	574,229
Property Appraiser	372,143	363,828	338,606	348,671	328,070	321,473	321,325
Sheriff	2,822,802	2,953,120	2,683,182	2,834,688	2,646,264	2,775,732	2,683,352
Supervisor of Elections	150,713	140,632	135,878	138,603	118,771	111,594	110,701
Tax Collector	<u>262,223</u>	<u>257,418</u>	<u>252,234</u>	<u>245,318</u>	<u>241,082</u>	<u>236,843</u>	<u>236,695</u>
Total Hamilton County, Florida's covered-employee payroll	<u>\$ 7,398,239</u>	<u>\$ 7,361,724</u>	<u>\$ 6,838,883</u>	<u>\$ 6,998,443</u>	<u>\$ 6,627,391</u>	<u>\$ 6,471,563</u>	<u>\$ 6,292,231</u>
Hamilton County, Florida's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	35.14%	32.60%	32.40%	32.08%	37.37%	33.39%	31.28%
Plan fiduciary net position as a percentage of the total pension liability	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%	0.99%

\* Information is presented for those years available

Notes to Schedule

Note 1. Measurement Date

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

Note 2. Covered Employees

Covered employee payroll includes defined benefit plan actives, investment plan members, and members in DROP.

**HAMILTON COUNTY, FL**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS (HIS)**  
**Last 10 Fiscal Years\***

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution							
Board of County Commissioners	\$ 52,659	\$ 50,701	\$ 47,709	\$ 46,315	\$ 45,107	\$ 31,240	\$ 28,391
Clerk of Courts	10,261	9,836	9,212	9,348	8,931	6,887	6,891
Property Appraiser	6,178	6,040	5,324	5,335	5,446	4,051	3,856
Sheriff	46,858	49,022	44,541	45,264	43,928	34,974	32,200
Supervisor of Elections	2,502	2,335	2,256	1,685	1,864	1,406	1,328
Tax Collector	<u>4,353</u>	<u>4,273</u>	<u>4,187</u>	<u>4,072</u>	<u>4,002</u>	<u>2,984</u>	<u>2,840</u>
Total Hamilton County, Florida, contractually required contribution	<u>122,811</u>	<u>122,207</u>	<u>113,229</u>	<u>112,020</u>	<u>109,278</u>	<u>81,542</u>	<u>75,506</u>
Contributions in relation to the contractually required contribution							
Board of County Commissioners	52,659	50,701	47,709	46,315	45,107	31,240	28,391
Clerk of Courts	10,261	9,836	9,212	9,348	8,931	6,887	6,891
Property Appraiser	6,178	6,040	5,324	5,335	5,446	4,051	3,856
Sheriff	46,858	49,022	44,541	45,264	43,928	34,974	32,200
Supervisor of Elections	2,502	2,335	2,256	1,685	1,864	1,406	1,328
Tax Collector	<u>4,353</u>	<u>4,273</u>	<u>4,187</u>	<u>4,072</u>	<u>4,002</u>	<u>2,984</u>	<u>2,840</u>
Total Hamilton County, Florida, contractually required contribution	<u>122,811</u>	<u>122,207</u>	<u>113,229</u>	<u>112,020</u>	<u>109,278</u>	<u>81,542</u>	<u>75,506</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Hamilton County, Florida's covered-employee payroll	<u>\$ 7,398,239</u>	<u>\$ 7,361,724</u>	<u>\$ 6,838,883</u>	<u>\$ 6,998,443</u>	<u>\$ 6,627,391</u>	<u>\$ 6,471,563</u>	<u>\$ 6,292,231</u>
Contributions as a percentage of covered-employee payroll	1.66%	1.66%	1.66%	1.60%	1.65%	1.26%	1.20%

\* Information is presented for those years available

Note 1. Covered Employees

Covered employee payroll includes defined benefit plan actives, investment plan members, and members in DROP.

**HAMILTON COUNTY, FLORIDA**  
**SCHEDULES OF OPEB LIABILITY AND COVERED PAYROLL**  
**LAST TEN FISCAL YEARS \***

<u>Measurement Date</u>	<u>Total OPEB Liability</u>	<u>Fiduciary Net Position</u>	<u>Net OPEB Liability</u>	<u>Funded Percentage</u>	<u>Covered Payroll</u>	<u>Net OPEB Liability as a % of Covered Payroll</u>
9/30/2020	\$ 375,559	\$ -	\$ 375,559	\$ -	\$ 6,251,424	6.01%
9/30/2019	214,226	-	214,226	-	5,936,404	3.61%
9/30/2018	234,081	-	234,081	-	5,670,706	4.13%
9/30/2017	234,170	-	234,170	-	5,670,706	4.13%

\* Information is presented for those years available

**HAMILTON COUNTY, FLORIDA**  
**SCHEDULES CHANGES IN THE NET OPEB LIABILITY BY SOURCE**  
**LAST TEN FISCAL YEARS \***

<u>Fiscal Year</u>	<u>Service Cost</u>	<u>Expected</u>	<u>Unexpected</u>	<u>Demographic Experience</u>	<u>Employer Contribution</u>	<u>Employee Contribution</u>	<u>Benefit Payments &amp; Refunds</u>	<u>Administrative Expenses</u>	<u>Changes in</u>	
		<u>Interest Growth</u>	<u>Investment Income</u>						<u>Benefit Terms</u>	<u>Assumption Changes</u>
2019-20	\$ 13,646	\$ 4,666	\$ -	\$ 132,478	\$ -	0.00%	\$ (19,755)	\$ -	\$ -	\$ 30,298
2018-19	11,358	8,305	-	(36,234)	-	0.00%	(27,147)	-	-	23,863
2017-18	8,313	8,521	-	-	-	0.00%	(16,923)	-	-	-

Note 1. Amortization Period

The amortization period for demographic experience and assumption changes was 9.74 years for the 2018-19 fiscal year and 9.62 years for the 2019-20 fiscal year.

\* Information is presented for those years available



# **SUPPLEMENTARY INFORMATION**

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HAMILTON COUNTY, FLORIDA

COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS

September 30, 2020

	Fine & Forfeiture	Local Housing (SHIP) Fund	Tourist Development	Public Records Modernization	Clerk's Fine & Forfeiture	Sheriff's Emerg. Mgt.	Sheriff's Inmate Welfare	Sheriff's 911 Commx	Total Nonmajor Special Revenue Funds
<b>Assets</b>									
Cash	\$ 321,802	\$ 466,934	\$ 46,190	\$ 31,441	\$ 9,864	\$ -	\$ 69,721	\$ 667,874	\$ 1,613,826
Accounts receivable	-	-	10,000	-	-	-	1,917	-	11,917
Interfund receivables	4,097	-	-	-	-	-	-	-	4,097
Due from other governmental units	-	-	2,144	-	-	37,105	-	-	39,249
<b>Total assets</b>	<b>\$ 325,899</b>	<b>\$ 466,934</b>	<b>\$ 58,334</b>	<b>\$ 31,441</b>	<b>\$ 9,864</b>	<b>\$ 37,105</b>	<b>\$ 71,638</b>	<b>\$ 667,874</b>	<b>\$ 1,669,089</b>
<b>Liabilities and fund balances</b>									
<b>Liabilities</b>									
Accounts payable	\$ -	\$ 48	\$ 110	\$ -	\$ 2,081	\$ -	\$ -	\$ -	\$ 2,239
Interfund payables	-	-	-	-	-	37,105	-	-	37,105
Due to other governmental units	-	-	-	-	7,783	-	-	-	7,783
Other current liabilities	-	-	-	-	-	-	337	-	337
<b>Total liabilities</b>	<b>-</b>	<b>48</b>	<b>110</b>	<b>-</b>	<b>9,864</b>	<b>37,105</b>	<b>337</b>	<b>-</b>	<b>47,464</b>
<b>Deferred inflows of resources</b>									
Deferred grant proceeds	-	165,965	-	-	-	-	-	24,000	189,965
<b>Fund balances</b>									
Restricted for:									
Other purposes	325,899	300,921	58,224	31,441	-	-	71,301	643,874	1,431,660
<b>Total liabilities and fund balance</b>	<b>\$ 325,899</b>	<b>\$ 466,934</b>	<b>\$ 58,334</b>	<b>\$ 31,441</b>	<b>\$ 9,864</b>	<b>\$ 37,105</b>	<b>\$ 71,638</b>	<b>\$ 667,874</b>	<b>\$ 1,669,089</b>

HAMILTON COUNTY, FLORIDA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS

For the Year Ended September 30, 2020

	<u>Fine &amp; Forfeiture</u>	<u>Local Housing (SHIP) Fund</u>	<u>Tourist Development</u>	<u>Public Records Modernization</u>	<u>Clerk's Fine &amp; Forfeiture</u>	<u>Sheriff's Emerg. Mgt.</u>	<u>Sheriff's Inmate Welfare</u>	<u>Sheriff's 911 Commx</u>	<u>Total Nonmajor Special Revenue Funds</u>
Revenues									
Taxes	\$ -	\$ -	\$ 29,762	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29,762
Intergovernmental revenues	-	359,035	-	-	77,282	150,244	-	56,842	643,403
Charges for services	-	-	-	17,042	175,703	-	50,214	133,706	376,665
Fines and forfeitures	29,643	-	-	-	208,308	-	232	-	238,183
Interest	356	146	18	-	99	-	78	784	1,481
Miscellaneous	<u>713</u>	<u>3,566</u>	<u>10,665</u>	<u>-</u>	<u>256</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,200</u>
Total revenues	<u>30,712</u>	<u>362,747</u>	<u>40,445</u>	<u>17,042</u>	<u>461,648</u>	<u>150,244</u>	<u>50,524</u>	<u>191,332</u>	<u>1,304,694</u>
Expenditures									
Current									
General government	-	-	-	7,800	-	-	-	-	7,800
Public safety	4,608	-	-	-	-	209,399	29,287	155,935	399,229
Economic environment	-	127,871	24,095	-	-	-	-	-	151,966
Court related	-	-	-	-	461,648	-	-	-	461,648
Capital outlay	-	-	-	-	-	6,595	-	-	6,595
Debt service									
Principal	-	-	-	-	-	-	-	-	-
Interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>4,608</u>	<u>127,871</u>	<u>24,095</u>	<u>7,800</u>	<u>461,648</u>	<u>215,994</u>	<u>29,287</u>	<u>155,935</u>	<u>1,027,238</u>

(Continued)  
See notes to financial statements.

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS**

For the Year Ended September 30, 2020

	Fine & Forfeiture	Local Housing (SHIP) Fund	Tourist Development	Public Records Modernization	Clerk's Fine & Forfeiture	Sheriff's Emerg. Mgt.	Sheriff's Inmate Welfare	Sheriff's 911 Commx	Total Nonmajor Special Revenue Funds
Excess (deficiency) of revenues over expenditures	<u>\$ 26,104</u>	<u>\$ 234,876</u>	<u>\$ 16,350</u>	<u>\$ 9,242</u>	<u>\$ -</u>	<u>\$ (65,750)</u>	<u>\$ 21,237</u>	<u>\$ 35,397</u>	<u>\$ 277,456</u>
Other financing sources (uses)									
Interfund transfers in	-	-	-	-	-	65,750	-	-	65,750
Interfund transfers out	-	-	-	-	-	-	-	-	-
Transfers out to Constitutional Officers	<u>(18,426)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(18,426)</u>
Total other financing sources (uses)	<u>(18,426)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>65,750</u>	<u>-</u>	<u>-</u>	<u>47,324</u>
Net change in fund balances	7,678	234,876	16,350	9,242	-	-	21,237	35,397	324,780
Fund balances at beginning of year	<u>318,221</u>	<u>66,045</u>	<u>41,874</u>	<u>22,199</u>	<u>-</u>	<u>-</u>	<u>50,064</u>	<u>608,477</u>	<u>1,106,880</u>
Fund balances at end of year	<u>\$ 325,899</u>	<u>\$ 300,921</u>	<u>\$ 58,224</u>	<u>\$ 31,441</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 71,301</u>	<u>\$ 643,874</u>	<u>\$ 1,431,660</u>

HAMILTON COUNTY, FLORIDA

COMBINING STATEMENT OF FIDUCIARY NET POSITION  
AGENCY FUNDS

September 30, 2020

	<u>Registry of Courts</u>	<u>Bond Estreatures</u>	<u>Clerk's Trust</u>	<u>Inmate Trust</u>	<u>Tax Collector's Trust</u>	<u>Totals</u>
Assets						
Cash	\$ 355,327	\$ 26,673	\$ 408,334	\$ 3,346	\$ 146,147	\$ 939,827
Due from others	-	-	-	-	431	431
Total assets	<u>355,327</u>	<u>26,673</u>	<u>408,334</u>	<u>3,346</u>	<u>146,578</u>	<u>940,258</u>
Liabilities						
Interfund payables	-	-	4,425	-	1,018	5,443
Due to other govt. units	-	-	336,898	-	132,648	469,546
Other current liabilities						
Due to others	<u>355,327</u>	<u>26,673</u>	<u>67,011</u>	<u>3,346</u>	<u>12,912</u>	<u>465,269</u>
Total liabilities	<u>355,327</u>	<u>26,673</u>	<u>408,334</u>	<u>3,346</u>	<u>146,578</u>	<u>940,258</u>
Net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**HAMILTON COUNTY, FLORIDA**

**BUDGETARY COMPARISON SCHEDULE  
FINE AND FORFEITURE FUND**

For the Year Ended September 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Budgetary/actual fund balance	\$ 325,014	\$ 325,014	\$ 318,221	\$ (6,793)
Estimated receipts				
Fines and forfeits				
Judgments and fines	39,000	39,000	8,219	(30,781)
Other fines and/or forfeits	-	-	21,424	21,424
Miscellaneous revenues				
Interest	1,000	1,000	356	(644)
Miscellaneous	<u>-</u>	<u>-</u>	<u>713</u>	<u>713</u>
Total estimated receipts and balances	<u>365,014</u>	<u>365,014</u>	<u>348,933</u>	<u>(16,081)</u>
Appropriations				
Public safety				
Emergency services				
Operating expenditures	-	-	4,608	(4,608)
Other financing uses				
Interfund transfers out	-	-	18,426	(18,426)
Reserves	<u>365,014</u>	<u>365,014</u>	<u>-</u>	<u>365,014</u>
Total appropriations	<u>365,014</u>	<u>365,014</u>	<u>23,034</u>	<u>341,980</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 325,899</u>	<u>\$ 325,899</u>

HAMILTON COUNTY, FLORIDA

BUDGETARY COMPARISON SCHEDULE  
 LOCAL HOUSING ASSISTANCE (SHIP) TRUST FUND

For the Year Ended September 30, 2020

	Original <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>	Variance with Final Budget Positive <u>(Negative)</u>
Budgetary fund balance	\$ 156,690	\$ 156,690	\$ 66,045	\$ (90,645)
Estimated receipts				
Intergovernmental revenue				
Federal Grants	-	-	9,035	9,035
Local Housing Assistance Program	350,000	350,000	350,000	-
Miscellaneous revenues				
Interest	400	400	146	(254)
Miscellaneous	-	-	3,566	3,566
Other financing sources				
Interfund transfer in	-	-	-	-
Total estimated receipts and balances	<u>507,090</u>	<u>507,090</u>	<u>428,792</u>	<u>(78,298)</u>
Appropriations				
Economic environment				
Housing and urban development				
Operating expenditures	<u>507,090</u>	<u>507,090</u>	<u>127,871</u>	<u>379,219</u>
Other financing uses				
Interfund transfers out	-	-	-	-
Total appropriations	<u>507,090</u>	<u>507,090</u>	<u>127,871</u>	<u>379,219</u>
Budgetary fund balance at year end	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 300,921</u>	<u>\$ 300,921</u>



**HAMILTON COUNTY, FLORIDA**

**BUDGETARY COMPARISON SCHEDULE  
TOURIST DEVELOPMENT FUND**

For the Year Ended September 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Budgetary fund balance	\$ 31,392	\$ 31,392	\$ 41,874	\$ 10,482
Estimated receipts				
Taxes				
Local option tourist development tax	40,000	40,000	29,762	(10,238)
Miscellaneous revenues				
Interest	48	48	18	(30)
Other miscellaneous revenues	<u>-</u>	<u>-</u>	<u>10,665</u>	<u>10,665</u>
Total estimated receipts and balances	<u>71,440</u>	<u>71,440</u>	<u>82,319</u>	<u>10,879</u>
Appropriations				
Economic environment				
Industry development				
Personal services	21,909	21,909	11,194	10,715
Operating expenditures	40,771	40,771	12,901	27,870
Capital outlay	-	-	-	-
Grants and aids	-	-	-	-
Other uses (reserves)	<u>8,760</u>	<u>8,760</u>	<u>-</u>	<u>8,760</u>
Total industry development	<u>71,440</u>	<u>71,440</u>	<u>24,095</u>	<u>38,585</u>
Budgetary fund balance at year end	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 58,224</u>	<u>\$ 49,464</u>

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# **COMPLIANCE SECTION**

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**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***

To the Honorable Board of County Commissioners  
Hamilton County, Florida

I 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 Standard* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Hamilton County, Florida, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Hamilton County, Florida's basic financial statements, and have issued my report thereon dated May 28, 2021.

**Internal Control Over Financial Reporting**

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

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

My 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 my audit I did not identify any deficiencies in internal control that I 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 Hamilton County, Florida's financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my 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 my 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.



Kenneth M. Daniels  
Certified Public Accountant  
May 28, 2021

HAMILTON COUNTY, FLORIDA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

For the Year Ended September 30, 2020

Federal/State Agency Pass through Entity Federal Program/State Project	CFDA / CSFA Number	Grant/Contract Number	Award Amount	Beginning Balance 10/1/2019	Revenue	Expenditures	Transfers to Subrecipients	Deferred Balance 9/30/2020
<b>Federal Financial Assistance</b>								
Department of Justice								
Florida Department of Law Enforcement Edward Byrne Memorial Justice Assistance Grant	16.738	2020-JAGC-HAMI-1-Y5-145	\$ 52,194	\$ -	\$ 48,831	\$ 48,831	\$ -	\$ -
Department of Homeland Security								
Florida Division of Emergency Management Disaster Grants - Public Assistance	97.036	Z0201	537,204	-	7,728	7,728	-	-
Department of Health and Human Services								
Provider Relief Fund	93.498	-	24,797	-	24,797	24,797	-	-
Department of Treasury								
Florida Division of Emergency Management Coronavirus Relief Fund	21.019	Y2312	2,409,913	-	1,984,437	1,984,437	-	-
Florida Housing Finance Corporation Coronavirus Relief Fund	21.019	057-2020	175,000	-	9,035	9,035	-	165,965
Total Coronavirus Relief Fund		Total 21.019	2,584,913	-	1,993,472	1,993,472	-	165,965
Department of Housing and Urban Development								
Florida Department of Economic Opportunity Community Development Block Grant	14.228	19DB-ON-03-34-01-H09/H2373	700,000	-	373,266	373,266	-	-
Department of Homeland Security								
Florida Division of Emergency Management Emergency Management Performance Grants	97.042	G0048	43,779	-	23,990	23,990	-	-
Emergency Management Performance Grants	97.042	G0197	8,066	-	8,066	8,066	-	-
Total Emergency Management Performance Grants		Total 97.042	51,845	-	32,056	32,056	-	-
United States Department of Health and Human Services								
Florida Department of Revenue Child Support Enforcement	93.563	COC24	74,338	-	74,338	74,338	-	-
Election Assistance Commission								
Florida Department of State Help America Vote Act	90.401	2019-2020-001	55,294	6,338	45,009	39,191	-	12,156
<b>Total federal assistance</b>			<u>4,080,585</u>	<u>6,338</u>	<u>2,599,497</u>	<u>2,593,679</u>	<u>-</u>	<u>178,121</u>
<b>State Financial Assistance</b>								
Executive Office of the Governor								
Division of Emergency Management								
Emergency Management Programs	31.063	A0046	105,806	-	89,148	89,148	-	-
Emergency Management Programs	31.063	A0140	105,806	-	29,039	29,039	-	-
Total Emergency Management Programs		Total 31.063	211,612	-	118,187	118,187	-	-
Department of Financial Services								
Volunteer Firefighter Grant Assistance Program	43.006	-	108,300	-	108,300	108,300	-	-

(Continued)  
See notes to schedule.

HAMILTON COUNTY, FLORIDA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

For the Year Ended September 30, 2020

Federal/State Agency Pass through Entity Federal Program/State Project	CFDA / CSFA Number	Grant/Contract Number	Award Amount	Beginning Balance 10/1/2019	Revenue	Expenditures	Transfers to Subrecipients	Ending Balance 9/30/2020
Florida Department of Transportation								
Small County Road Assistance Program	55.016	435585-2-54-01/G1D52	\$ 3,750,000	\$ -	\$ 262,500	\$ 262,500	\$ -	\$ -
Small County Outreach Program	55.009	438172-1-54-01/G1261	3,450,000	-	174,382	174,382	-	-
Small County Outreach Program	55.009	440007-1-54-01/GOT76	600,000	-	34,497	34,497	-	-
Small County Outreach Program	55.009	436455-1-54-01/GOR47	420,000	-	16,217	16,217	-	-
Total Small County Outreach Program		Total 55.009	4,470,000	-	225,096	225,096	-	-
Florida Housing Finance Corporation								
State Housing Initiatives Partnership (SHIP) Program	40.901	-	350,000	-	350,000	127,871	-	-
Florida Department of Management Services								
Wireless 911 Emergency Telephone System	72.001	19-10-09	56,843	-	56,843	56,843	-	-
Florida Department of Highway Safety and Motor Vehicles								
Florida Arts License Plates Project	76.041	-	55	-	55	55	-	-
Florida Department of Environmental Protection								
Small County Consolidated Grants	37.012	SC013	61,316	-	61,316	61,316	-	-
Florida Department of State and Secretary of State								
State Aid to Libraries	45.030	0L146	268,371	-	268,371	268,371	-	-
<b>Total state financial assistance</b>			9,276,497	-	1,450,668	1,228,539	-	-
<b>Total financial assistance</b>			\$ 13,357,082	\$ 6,338	\$ 4,050,165	\$ 3,822,218	\$ -	\$ 178,121

Notes to Schedule:

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards and state financial assistance includes the federal and state grant award activity for Hamilton County, Florida, under the programs of the federal government and State of Florida for the year ended September 30, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.550, *Rules of the Auditor General*. Because the Schedule presents only a selected portion of the operations of Hamilton County, Florida, it is not intended to and does not present the financial position, changes in net assets/position, or cash flows of Hamilton County, Florida.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting for all governmental funds and accrual for the enterprise funds. Such expenditures are recognized following the cost principles contained in the Uniform Guidance (federal programs) wherein, certain types of expenditures are not allowable or are limited as to reimbursement. When applicable, negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures/expenses in prior years.

Note 3. Indirect Cost Rate

Hamilton County, Florida, did not elect to use the 10-percent de minimus indirect cost rate allowed under the Uniform Guidance.

Note 4. Noncash Assistance

Hamilton County, Florida, expended no federal awards or state projects in the form of noncash assistance, insurance, loans, or loan guarantees.



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

To the Honorable Board of County Commissioners  
Hamilton County, Florida

**Report on Compliance for Each Major Federal Program and State Project**

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

**Management's Responsibility**

Management is responsible for compliance with the requirements of federal and state statutes, regulations, and the terms and conditions of its federal awards and state projects applicable to its federal programs and state projects.

**Auditor's Responsibility**

My responsibility is to express an opinion on compliance for each of Hamilton County, Florida's major federal programs and state projects based on my audit of the types of compliance requirements referred to above. I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*; and Chapter 10.550 *Rules of the Auditor General*. Those standards, the *Uniform Guidance*, and Chapter 10.550 *Rules of the Auditor General* require that I 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 or state project occurred. An audit includes examining, on a test basis, evidence about Hamilton County, Florida's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances.

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

## Opinion on Each Major Federal Program and State Project

In my opinion, Hamilton 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 and state projects for the year ended September 30, 2020.

## Report on Internal Control Over Compliance

Management of Hamilton 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 my audit of compliance, I considered Hamilton 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 and state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and state project and to test and report on internal control over compliance in accordance with the *Uniform Guidance* and Chapter 10.550 *Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of Hamilton 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 or state project on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or state project will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

My 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. I did not identify any deficiencies in internal control over compliance that I 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 my testing of internal control over compliance and the results of that testing based on the requirements of the *Uniform Guidance*, and Chapter 10.550 *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.



Kenneth M. Daniels  
Certified Public Accountant  
May 28, 2021

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS -  
FEDERAL PROGRAMS AND STATE PROJECTS**

For the Year Ended September 30, 2020

**SUMMARY OF AUDITOR'S RESULTS**

<b><u>Financial Statements</u></b>	
Type of auditor's report issued:	Unmodified
Internal control over financial reporting: Material weakness(es) identified? Significant deficiency(ies) identified?	No None reported
Noncompliance material to financial statements noted?	No
<b><u>Federal Awards and State Projects</u></b>	
Internal control over major programs/projects: Material weakness(es) identified? Significant deficiency(ies) identified?	No None reported
Type of auditor's report issued on compliance for major programs/projects:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with CFR 200.516(a) or Chapter 10.557?	No
Identification of major programs/projects: <b>Federal Program</b> Coronavirus Relief Fund <b>State Projects</b> State of Florida, Department of Transportation Small County Road Assistance Program Small County Outreach Program State Housing Initiatives Partnership (SHIP) Program	Federal CFDA No. 21.019  State CSFA No. 55.016 55.009 40.901
Dollar threshold used to distinguish between Type A and Type B programs – federal programs: Type A and Type B programs – state projects:	\$750,000 \$368,562
Auditee qualified as low-risk pursuant to the Uniform Guidance (not applicable for State projects)	Yes
Findings – Financial Statements Finding Number None Findings and Questioned Costs – Major Federal Programs and State Projects Finding Number None	Finding -  Finding -

## **Other Issues**

### **Summary Schedule of Prior Year Audit Findings**

No Summary Schedule of Prior Audit Findings - Federal Programs and State Projects is required because there were no findings relating to federal programs or state projects required to be reported under the *Uniform Guidance* or *Rules of the Auditor General 10.557* in the prior year.

### **Corrective Action Plan**

No Corrective Action Plan is required because there are no findings relating to federal programs or state projects required to be reported under the *Uniform Guidance* or *Rules of the Auditor General 10.557* in the current year.

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**INDEPENDENT ACCOUNTANT'S REPORT**

To the Honorable Board of County Commissioners  
Hamilton County, Florida

I have examined Hamilton County, Florida's compliance with *Florida Statutes* 218.415 during the period October 1, 2019, to September 30, 2020. Management of Hamilton County is responsible for the County's compliance with the specified requirements. My responsibility is to express an opinion on Hamilton County, Florida's compliance based on my examination.

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

My examination does not provide a legal determination on Hamilton County, Florida's compliance with the specified requirements.

In my opinion, Hamilton County, Florida, complied in all material respects, with the specified requirements indicated above during the period October 1, 2019, to September 30, 2020.



Kenneth M. Daniels  
Certified Public Accountant  
May 28, 2021

**KENNETH M. DANIELS**  
**CERTIFIED PUBLIC ACCOUNTANT**

107 2nd Ave S.E.  
Jasper, FL 32052

Phone 386-792-1906  
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kmdcpa@windstream.net

**INDEPENDENT ACCOUNTANT'S REPORT**

To the Honorable Board of County Commissioners  
Hamilton County, Florida

I have examined Hamilton County, Florida's compliance with *Florida Statutes* 365.172(10) and 365.173(2)(d) October 1, 2019, to September 30, 2020. Management of Hamilton County is responsible for the County's compliance with the specified requirements. My responsibility is to express an opinion on Hamilton County, Florida's compliance based on my examination.

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

My examination does not provide a legal determination on Hamilton County, Florida's compliance with the specified requirements.

In my opinion, Hamilton County, Florida, complied in all material respects, with the specified requirements indicated above during the period October 1, 2019, to September 30, 2020.



Kenneth M. Daniels  
Certified Public Accountant  
May 28, 2021

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**MANAGEMENT LETTER**

To the Honorable Board of County Commissioners  
Hamilton County, Florida

**Report on the Financial Statements**

I have audited the financial statements of Hamilton County, Florida, as of and for the fiscal year ended September 30, 2020, and have issued my report thereon dated May 28, 2021.

**Auditor's Responsibility**

I conducted my 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, the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, (Uniform Guidance) and Chapter 10.550 *Rules of the Auditor General*.

**Other Reporting Requirements**

I have issued my Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance; and Independent Accountant's Reports 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 and schedule, which is dated May 28, 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 I determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.

All prior year audit findings were cleared.

There were no current year audit findings.

## **Official Title and Legal Authority**

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. See Note 1. The Hamilton County, Florida's financial statements included no component units.

## **Financial Condition and Management**

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

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), *Rules of the Auditor General*, I applied financial condition assessment procedures. It is management's responsibility to monitor Hamilton County's financial condition, and my financial condition assessment was based in part on representations made by management and the review of financial information provided by same. The financial condition assessment was performed as of September 30, 2020.

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

## **Special District Component Units**

Section 10.554(1)(i)5.c., *Rules of the Auditor General*, requires, if appropriate, that I communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit, within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), *Florida Statutes*. In connection with my audit, I did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b) *Florida Statutes*. (I determined that there were no applicable special district component units and, therefore, nothing to report.)

## **Additional Matters**

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



**Purpose of this Letter**

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

A handwritten signature in black ink, appearing to read "Ken M Daniels". The signature is written in a cursive, flowing style.

Kenneth M. Daniels  
Certified Public Accountant  
May 28, 2021

**KENNETH M. DANIELS**  
**CERTIFIED PUBLIC ACCOUNTANT**

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**INDEPENDENT AUDITOR'S REPORT**

Honorable Clerk of the Circuit Court  
Hamilton County, Florida

**Report on the Financial Statements**

I have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the Hamilton County Clerk of the Circuit Court, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Hamilton County Clerk of the Circuit Court'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 the financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

My responsibility is to express opinions on these financial statements based on my audit. I conducted my 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 I 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

### **Opinions**

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

### **Emphasis of Matter**

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

### **Other Matters**

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the budgetary comparison information in Section III pages 12-16 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. I 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 my inquiries, the financial statements, and other knowledge I obtained during my audit of the financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

### **Supplementary Information**

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Hamilton County Clerk of the Circuit Court's financial statements. The

Combining Statement of Fiduciary Net Position – Agency Funds is presented for purposes of additional analysis and is not a required part of the financial statements. The Combining Statement of Fiduciary Net Position – Agency Funds is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such 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 my opinion, the Combining Statement of Fiduciary Net Position – Agency Funds 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*, I have also issued my report dated May 28, 2021, on my consideration of the Hamilton County Clerk of the Circuit Court's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters included under the heading 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*. The purpose of that report is to describe the scope of my 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 Hamilton County Clerk of the Circuit Court's internal control over financial reporting and compliance.



Kenneth M. Daniels  
Certified Public Accountant  
May 28, 2021

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# **FINANCIAL STATEMENTS**

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

**BALANCE SHEET  
GOVERNMENTAL FUNDS**

September 30, 2020

	<u>General Fund</u>	<u>Public Records Modernization Trust Fund</u>	<u>Fine &amp; Forfeiture Fund</u>	<u>Total Governmental Funds</u>
<b>Assets</b>				
Cash	\$ 1,090	\$ 31,441	\$ 9,864	\$ 42,395
Accounts receivable	647	-	-	647
Interfund receivables				
Due from Clerk's General Fund	-	-	-	-
Due from other governmental units				
Due from HCBCC	93,923	-	-	93,923
State of Florida	<u>8,970</u>	<u>-</u>	<u>-</u>	<u>8,970</u>
<b>Total assets</b>	<u><u>\$ 104,630</u></u>	<u><u>\$ 31,441</u></u>	<u><u>\$ 9,864</u></u>	<u><u>\$ 145,935</u></u>
<b>Liabilities and fund balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 1,645	\$ -	\$ 2,081	\$ 3,726
Interfund payables				
Due to Clerk's Fine and Forfeiture				
Due to other governmental units				
Due to HCBCC - General Fund	102,830	-	-	102,830
Due to State of Florida	-	-	7,783	7,783
Other current liabilities	<u>155</u>	<u>-</u>	<u>-</u>	<u>155</u>
<b>Total liabilities</b>	<u><u>104,630</u></u>	<u><u>-</u></u>	<u><u>9,864</u></u>	<u><u>114,494</u></u>
<b>Fund balances</b>				
Restricted - public records modernization	<u>-</u>	<u>31,441</u>	<u>-</u>	<u>31,441</u>
<b>Total liabilities and fund balances</b>	<u><u>\$ 104,630</u></u>	<u><u>\$ 31,441</u></u>	<u><u>\$ 9,864</u></u>	<u><u>\$ 145,935</u></u>



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

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

For the Year Ended September 30, 2020

	<u>General Fund</u>	<u>Public Records Modernization Trust Fund</u>	<u>Fine &amp; Forfeiture Fund</u>	<u>Total Governmental Funds</u>
<b>Revenues</b>				
<b>Intergovernmental revenue</b>				
Federal grant	\$ 74,338	\$ -	\$ -	\$ 74,338
Article V Trust Fund	-	-	77,282	77,282
Other local grant	-	-	-	-
<b>Charges for services</b>				
General government	36,251	17,042	-	53,293
Court related	-	-	175,703	175,703
<b>Fines and forfeits</b>				
Fines	-	-	208,308	208,308
<b>Miscellaneous</b>				
Interest	-	-	99	99
Other miscellaneous	33,536	-	256	33,792
<b>Total revenues</b>	<u>144,125</u>	<u>17,042</u>	<u>461,648</u>	<u>622,815</u>
<b>Expenditures</b>				
<b>Current</b>				
<b>General government</b>				
<b>Financial and administrative</b>				
Personal services	467,227	-	-	467,227
Operating expenditures	40,660	-	-	40,660
<b>Other general governmental services</b>				
Personal services	59,987	-	-	59,987
Operating expenditures	48,611	7,800	-	56,411
<b>Court related expenditures</b>				
<b>General administration</b>				
<b>Clerk of Court administration (604)</b>				
Personal services	-	-	115,877	115,877
Operating expenditures	-	-	7,668	7,668
<b>Jury management (608)</b>				
Personal services	-	-	4,091	4,091
Operating expenditures	-	-	1,917	1,917
<b>Circuit Court - Criminal (614)</b>				
<b>Clerk of Court</b>				
Personal services	-	-	63,855	63,855
Operating expenditures	-	-	3,265	3,265
<b>Expert Witness Fees</b>				
Operating expenditures	-	-	614	614
<b>Circuit Court - Civil</b>				
<b>Clerk of Court</b>				
Personal services	-	-	24,116	24,116
Operating expenditures	-	-	1,370	1,370
<b>Circuit Court - Family</b>				
<b>Clerk of Court</b>				
Personal services	-	-	41,804	41,804
Operating expenditures	-	-	1,977	1,977
<b>Circuit Court - Juvenile</b>				
<b>Clerk of Court</b>				
Personal services	-	-	35,990	35,990
Operating expenditures	-	-	1,710	1,710

(Continued)

See notes to financial statements.

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

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

For the Year Ended September 30, 2020

	General <u>Fund</u>	Public Records Modernization <u>Trust Fund</u>	Fine & Forfeiture <u>Fund</u>	Total Governmental <u>Funds</u>
Expenditures - Court related (continued)				
Circuit Court - Probate				
Clerk of Court				
Personal services	\$ -	\$ -	\$ 6,978	\$ 6,978
Operating expenditures	-	-	402	402
County Court - Criminal				
Clerk of Court				
Personal services	-	-	40,631	40,631
Operating expenditures	-	-	1,841	1,841
County Court - Civil				
Clerk of Court				
Personal services	-	-	27,248	27,248
Operating expenditures	-	-	1,456	1,456
County Court - Traffic				
Clerk of Court				
Personal services	-	-	74,889	74,889
Operating expenditures	-	-	3,949	3,949
Capital outlay				
General government				
Financial and administrative	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>616,485</u>	<u>7,800</u>	<u>461,648</u>	<u>1,085,933</u>
Excess (deficiency) of revenues				
over expenditures	<u>(472,360)</u>	<u>9,242</u>	<u>-</u>	<u>(463,118)</u>
Other financing sources in (out)				
Interfund transfer HCBCC	472,360	-	-	472,360
Interfund transfer Clerk's F&F	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net other financing sources in (out)	<u>472,360</u>	<u>-</u>	<u>-</u>	<u>472,360</u>
Net change in fund balances	-	9,242	-	9,242
Fund balances at beginning of year	<u>-</u>	<u>22,199</u>	<u>-</u>	<u>22,199</u>
Fund balances at end of year	<u>\$ -</u>	<u>\$ 31,441</u>	<u>\$ -</u>	<u>\$ 31,441</u>

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

**STATEMENT OF FIDUCIARY NET POSITION  
AGENCY FUNDS**

September 30, 2020

Assets		
Cash		<u>\$ 790,334</u>
Liabilities and net position		
Due to other governmental units		
HCBCC	4,425	
State of Florida	334,582	
Municipalities	1,325	
Hamilton County School Board	991	
Due to others		
Deposits	355,200	
Due to individuals/others	67,011	
Interest payable	127	
Cash bond liability	<u>26,673</u>	
Total liabilities		<u>790,334</u>
Net position		<u><u>\$ -</u></u>

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

**NOTES TO FINANCIAL STATEMENTS**

September 30, 2020

**NOTE 1. THE REPORTING ENTITY**

Hamilton County is a political subdivision of the State of Florida and, accordingly, is subject to restrictions imposed by the Florida Constitution and Statutes, as well as by its own ordinances. The County is governed by a board of five elected County Commissioners. Additionally, five elected Constitutional Officers operate certain functions of county government in a fiduciary capacity. These officers are the Clerk of the Circuit Court, Property Appraiser, Sheriff, Supervisor of Elections and Tax Collector. The duties of these individual officers and the laws regulating the operations of their offices are detailed in the Florida Constitution and Statutes.

The Clerk of the Circuit Court is an integral part of Hamilton County, the primary government for financial reporting purposes.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A summary of the Clerk's significant accounting policies is presented to assist the reader in understanding and interpreting the accompanying financial statements.

All references relate to the notes of the basic financial statements in Section II.

**A. Basis of Presentation**

**Fund Financial Statements:** The fund financial statements provide information about the Clerk's funds, including its fiduciary funds. Separate statements for each fund category – governmental and fiduciary – are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds, if any, are aggregated and reported as nonmajor funds.

The Clerk reports the following major funds:

General Fund - This is the Clerk's primary operating fund. It accounts for all financial resources not required to be accounted for in another fund.

Public Records Modernization Fund – This fund accounts for specific revenue sources, which are legally restricted, under *Florida Statutes* 28.2222, to expenditures “for modernizing and improving the storage of, and public access to, public records.”

Fine and Forfeiture Fund – In accordance with *Florida Statutes* 142.01, the Clerk of the Circuit Court established this fund to assist in the accounting of court-related functions.

The Clerk reports the following fund types:

Agency Funds – These funds account for monies (fines, forfeits, bonds, child support payments, tax deed proceeds, court-ordered deposits) received, held, and disbursed to other governmental units and individuals.

The following Agency Funds are maintained:

Child Support Fund  
Registry of Court  
Bond Estreatures Fund  
Trust Fund

## **B. Measurement Focus and Basis of Accounting**

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Clerk considers all revenues reported in the governmental funds to be available if the revenues are collected within 60 days after year-end. Governmental payments, fees, and interest are susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

Under terms of grant agreements, the Clerk funds certain programs by a combination of specific cost reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the Clerk's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenues.

## **C. Deposits**

See Note 2 at Section II.

In accordance with GASB 34, \$4,425 of cash held in the Clerk's Agency funds was reclassified from interfund payables into cash at the government-wide financial statements.

## **D. Receivables/Due from other governments**

At September 30, 2020, the Clerk was owed the following amounts:

<u>Fund</u>	State of <u>Florida</u>	<u>Description</u>
General	\$ 8,970	Child Support Enforcement Grant

## **E. Inventories**

It is the policy of the Clerk of the Circuit court to record the acquisition of supplies as expenditures at the time of purchase. The amount of supplies on hand at any one time would be a nominal amount and considered to be immaterial.

## **F. Capital Assets**

The Clerk of the Circuit Court reports purchased assets at cost. Donated fixed assets are recorded at their estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add value to the asset or materially extend the assets' lives are not capitalized. The Clerk's fixed asset purchases, in excess of \$5,000, are capitalized and reported at the county wide financial statement level. For estimated lives and detailed depreciation information, see Note 4 Section II.

## **G. Due to Other Governments**

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

At September 30, 2020, this balance was \$7,783 and is reported in the Clerk's Fine and Forfeiture Fund.

## **H. Compensated Absences**

Compensated absences are absences for which employees will be paid, such as vacation and sick leave. The Clerk of the Circuit Court follows the County's policy with regards to annual and sick leave. Full-time, permanent employees are granted vacation benefits in varying amounts ranging from twelve to twenty days per year depending on length of service. Sick leave accrues to full-time, permanent employees at a rate of one day per month. Generally, after one year of service, employees are entitled to a percentage of their sick leave and accrued vacation subject to limitation. The maximum amount of vacation leave that may be carried over annually is 240 hours. Employees who accumulate amounts in excess of the 240 hours must take the time off or forfeit it. The Clerk (County) allows unlimited accumulation of sick leave.

In the governmental funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as an expenditure and fund liability in the Board of County Commissioner's fund that will pay for them. The remainder of the compensated absences is reported as a long-term liability at the county wide financial statement level. See Note 5 Section II.

**NOTE 2. FLORIDA RETIREMENT SYSTEM (FRS) - DEFINED BENEFIT PENSION PLAN**

See Note 12 at Section II.

**NOTE 3. INTERFUND BALANCES AND TRANSFERS**

Amounts owed by and transfers from the Hamilton County Board of County Commissioners at September 30, 2020, into the Clerk's General Fund are as follows:

Interfund balances and Activity:

Due from Hamilton County BCC	<u>\$ 93,923</u>	Budgetary balance
Due to Hamilton County BCC	<u>\$ 102,830</u>	short-term funding
Budgetary transfers from BCC General Fund	<u>\$ 472,360</u>	Budgeted transfers

**REQUIRED SUPPLEMENTARY  
INFORMATION**



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

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

For the Year Ended September 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<b>Revenues</b>				
Intergovernmental revenue				
Federal grant	\$ 160,000	\$ 160,000	\$ 74,338	\$ (85,662)
Local government grant	-	-	-	-
Charges for services				
General government	35,000	35,000	36,251	1,251
Miscellaneous				
Interest	300	300	-	(300)
Other miscellaneous	<u>14,000</u>	<u>14,000</u>	<u>33,536</u>	<u>19,536</u>
Total revenues	<u>209,300</u>	<u>209,300</u>	<u>144,125</u>	<u>(65,175)</u>
<b>Expenditures</b>				
General government				
Financial and administrative				
Personal services	401,406	401,406	467,227	(65,821)
Operating expenditures	43,465	43,465	40,660	2,805
Capital outlay	<u>6,015</u>	<u>6,015</u>	<u>-</u>	<u>6,015</u>
Total financial and administrative	<u>450,886</u>	<u>450,886</u>	<u>507,887</u>	<u>(57,001)</u>
Other general government services				
Personal services	55,216	55,216	59,987	(4,771)
Operating expenditures	31,635	31,635	48,611	(16,976)
Capital outlay	-	-	-	-
Other uses	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>50,000</u>
Total financial and administrative	<u>136,851</u>	<u>136,851</u>	<u>108,598</u>	<u>28,253</u>
Total expenditures	<u>587,737</u>	<u>587,737</u>	<u>616,485</u>	<u>(28,748)</u>
Excess (deficiency) of revenues over expenditures				
	<u>(378,437)</u>	<u>(378,437)</u>	<u>(472,360)</u>	<u>(93,923)</u>
Other financing sources (uses)				
Interfund transfer in - HCBCC	378,437	378,437	472,360	93,923
Interfund transfer out - Clerk's F&F	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>378,437</u>	<u>378,437</u>	<u>472,360</u>	<u>93,923</u>
Net change in fund balance				
	-	-	-	-
Fund balances at beginning of year				
	-	-	-	-
Fund balances at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

**BUDGETARY COMPARISON SCHEDULE - PUBLIC RECORDS  
MODERNIZATION TRUST FUND**

For the Year Ended September 30, 2020

	<u>Budgeted Amounts</u>			<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>			
Budgetary fund balance, beginning	\$ -	\$ -		\$ 22,199	\$ 22,199
Resources (inflows)					
Charges for services					
General government	<u>17,000</u>	<u>17,000</u>		<u>17,042</u>	<u>42</u>
Total amounts available for appropriation	<u>\$ 17,000</u>	<u>\$ 17,000</u>		<u>\$ 39,241</u>	<u>\$ 22,241</u>
Charges to appropriations (outflows)					
General government					
Operating expenditures	\$ 17,000	\$ 17,000		\$ 7,800	\$ 9,200
Other uses	<u>-</u>	<u>-</u>		<u>-</u>	<u>-</u>
Total general government	17,000	17,000		7,800	9,200
Budgeted/ending reserves	<u>-</u>	<u>-</u>		<u>31,441</u>	<u>(31,441)</u>
Total appropriations and reserves	<u>\$ 17,000</u>	<u>\$ 17,000</u>		<u>\$ 39,241</u>	<u>\$ (22,241)</u>

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

**BUDGETARY COMPARISON SCHEDULE - FINE AND FORFEITURE FUND**

For the Year Ended September 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental revenue				
Article V Trust Fund	\$ 74,413	\$ 74,413	\$ 77,282	\$ 2,869
Charges for services				
Court related	237,100	237,100	175,703	(61,397)
Judgments, fines, and forfeits				
Fines	201,095	201,095	208,308	7,213
Miscellaneous				
Interest	1,000	1,000	99	(901)
Other miscellaneous	-	-	256	256
Total revenues	<u>513,608</u>	<u>513,608</u>	<u>461,648</u>	<u>(51,960)</u>
Expenditures				
Court related expenditures				
General administration				
Clerk of Court administration				
Personal services	168,874	168,874	115,877	52,997
Operating expenditures	3,578	3,578	7,668	(4,090)
Jury management				
Personal services	3,944	3,944	4,091	(147)
Operating expenditures	10,743	10,743	1,917	8,826
Circuit Court - Criminal				
Clerk of Court				
Personal services	63,581	63,581	63,855	(274)
Operating expenditures	1,952	1,952	3,265	(1,313)
Expert Witness Fees				
Operating expenditures	-	-	614	(614)
Circuit Court - Civil				
Clerk of Court				
Personal services	24,088	24,088	24,116	(28)
Operating expenditures	685	685	1,370	(685)
Circuit Court - Family				
Clerk of Court				
Personal services	41,698	41,698	41,804	(106)
Operating expenditures	1,193	1,193	1,977	(784)
Circuit Court - Juvenile				
Clerk of Court				
Personal services	36,959	36,959	35,990	969
Operating expenditures	1,122	1,122	1,710	(588)
Circuit Court - Probate				
Clerk of Court				
Personal services	7,066	7,066	6,978	88
Operating expenditures	202	202	402	(200)

(Continued)

See notes to budgetary comparison schedule. Section III – Page 14

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

**BUDGETARY COMPARISON SCHEDULE - FINE AND FORFEITURE FUND**

For the Year Ended September 30, 2020

Expenditures - Court related (continued)	Budgeted Amounts		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
County Court - Criminal				
Clerk of Court				
Personal services	\$ 40,600	\$ 40,600	\$ 40,631	\$ (31)
Operating expenditures	1,172	1,172	1,840	(668)
County Court - Civil				
Clerk of Court				
Personal services	27,724	27,724	27,248	476
Operating expenditures	888	888	1,457	(569)
County Court - Traffic				
Clerk of Court				
Personal services	75,052	75,052	74,889	163
Operating expenditures	2,487	2,487	3,949	(1,462)
Total expenditures	513,608	513,608	461,648	51,960
Excess (deficiency) of revenues over expenditures	-	-	-	-
Other financing sources (uses)				
Interfund transfer in	-	-	-	-
Net change in fund balance	-	-	-	-
Fund balances at beginning of year	-	-	-	-
Fund balances at end of year	\$ -	\$ -	\$ -	\$ -

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

**NOTES TO BUDGETARY COMPARISON SCHEDULES**

September 30, 2020

**NOTE 1. BUDGET**

The Clerk of the Circuit Court in accordance with *Florida Statutes* Chapters 28.36, 129.03, and 218.35 adopts budgets for all governmental funds. All annual appropriations lapse at fiscal year-end.

Per *Florida Statutes* 218.35(2), “The clerk of the circuit court, functioning in his or her capacity as clerk of the circuit and county courts and as clerk of the board of county commissioners, shall prepare his or her budget in two parts:

- (a) The budget for funds necessary to perform court-related functions as provided in s. 28.36.
- (b) The budget relating to the requirements of the clerk as clerk of the board of county commissioners, county auditor, and custodian or treasurer of all county funds and other county-related duties, which shall be annually prepared and submitted to the board of county commissioners pursuant to s. 129.03(2), for each fiscal year. . .”

The appropriated budget is prepared by fund, function, department, and object code. For the non-court related departments, the legal level of budgetary control is the object code level. Transfers of appropriations between object codes for non-court related departments require the approval of the Hamilton County Board of County Commissioners.

For the Fine & Forfeiture and Public Records Modernization Funds (court-related), the fund level is the legal level of budgetary control.

The Clerk of the Circuit Court made no supplemental budgetary appropriations post year end for any of the funds indicated above.

**NOTE 2. EXPLANATION OF DIFFERENCES BETWEEN BUDGETARY INFLOWS AND GAAP REVENUES**

		Public Records Modernization Fund
Sources/inflows of resources		
Financial statement major funds		
Total amounts available for appropriation	\$	39,241
Adjustments		
Budgetary fund balances are available for appropriation but are not considered revenue for GAAP reporting		<u>(22,199)</u>
Total revenues reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	\$	<u>17,042</u>

**NOTE 3. EXPENDITURES IN EXCESS OF APPROPRIATIONS**

The Clerk’s General Fund’s expenditures exceeded its appropriations at the legal level of budgetary control. The budget was exceeded by total expenditures.

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# **SUPPLEMENTARY INFORMATION**



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

**COMBINING STATEMENT OF FIDUCIARY NET POSITION  
AGENCY FUNDS**

September 30, 2020

	Agency Funds				<u>Totals</u>
	<u>Registry of Courts</u>	<u>Bond Estreatures</u>	<u>Clerk's Trust</u>	<u>Child Support</u>	
Assets					
Cash	<u>\$ 355,327</u>	<u>\$ 26,673</u>	<u>\$ 408,334</u>	<u>\$ -</u>	<u>\$ 790,334</u>
Liabilities and net position					
Due to other governmental units					
HCBC	-	-	4,425	-	4,425
State of Florida	-	-	334,582	-	334,582
Municipalities	-	-	1,325	-	1,325
Hamilton County School Board	-	-	991	-	991
Due to others					
Deposits	355,200	-	-	-	355,200
Due to individuals/others	-	-	67,011	-	67,011
Interest payable	127	-	-	-	127
Cash bond liability	<u>-</u>	<u>26,673</u>	<u>-</u>	<u>-</u>	<u>26,673</u>
Total liabilities	<u>355,327</u>	<u>26,673</u>	<u>408,334</u>	<u>-</u>	<u>790,334</u>
Net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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# **COMPLIANCE SECTION**

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**CERTIFIED PUBLIC ACCOUNTANT**

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**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***

To the Honorable Clerk of the Circuit Court  
Hamilton County, Florida

I 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 Hamilton County Clerk of the Circuit Court, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Hamilton County Clerk of the Circuit Court's financial statements, and have issued my report thereon dated May 28, 2021.

**Internal Control Over Financial Reporting**

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

My 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 my audit I did not identify any deficiencies in internal control that I 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 Hamilton County Clerk of the Circuit Court's financial statements are free from material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my 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 my 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.



Kenneth M. Daniels  
Certified Public Accountant  
May 28, 2021

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**INDEPENDENT ACCOUNTANT'S REPORT**

Honorable Clerk of the Circuit Court  
Hamilton County, Florida

I have examined the Hamilton County Clerk of the Circuit Court's compliance with *Florida Statutes* 218.415 during the period October 1, 2019, to September 30, 2020. Management of the Hamilton County Clerk of the Circuit Court is responsible for the Clerk of the Circuit Court's compliance with the specified requirements. My responsibility is to express an opinion on the Hamilton County Clerk of the Circuit Court's compliance based on my examination.

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

My examination does not provide a legal determination on Hamilton County Clerk of the Circuit Court's compliance with the specified requirements.

In my opinion, the Hamilton County Clerk of the Circuit Court complied in all material respects, with the specified requirements indicated above during the period October 1, 2019, to September 30, 2020.



Kenneth M. Daniels  
Certified Public Accountant  
May 28, 2021



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**INDEPENDENT ACCOUNTANT'S REPORT**

Honorable Clerk of the Circuit Court  
Hamilton County, Florida

I have examined the Hamilton County Clerk of the Circuit Court's compliance with *Florida Statutes* 28.35 and 28.36 during the period October 1, 2019, to September 30, 2020. Management of the Hamilton County Clerk of the Circuit Court is responsible for the Clerk of the Circuit Court's compliance with the specified requirements. My responsibility is to express an opinion on the Hamilton County Clerk of the Circuit Court's compliance based on my examination.

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

My examination does not provide a legal determination on Hamilton County Clerk of the Circuit Court's compliance with the specified requirements.

In my opinion, the Hamilton County Clerk of the Circuit Court complied in all material respects, with the specified requirements indicated above during the period October 1, 2019, to September 30, 2020.



Kenneth M. Daniels  
Certified Public Accountant  
May 28, 2021

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**INDEPENDENT ACCOUNTANT'S REPORT**

Honorable Clerk of the Circuit Court  
Hamilton County, Florida

I have examined the Hamilton County Clerk of the Circuit Court's compliance with *Florida Statutes* 61.181 during the period October 1, 2019, to September 30, 2020. Management of the Hamilton County Clerk of the Circuit is responsible for the Clerk of the Circuit Court's compliance with the specified requirements. My responsibility is to express an opinion on the Hamilton County Clerk of the Circuit Court's compliance based on my examination.

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

My examination does not provide a legal determination on the Hamilton County Clerk of the Circuit Court's compliance with the specified requirements.

In my opinion, the Hamilton County Clerk of the Circuit Court complied in all material respects, with the specified requirements indicated above during the period October 1, 2019, to September 30, 2020.



Kenneth M. Daniels  
Certified Public Accountant  
May 28, 2021

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**MANAGEMENT LETTER**

To the Honorable Clerk of the Circuit Court  
Hamilton County, Florida

**Report on the Financial Statements**

I have audited the financial statements of the Hamilton County Clerk of the Circuit Court, as of and for the fiscal year ended September 30, 2020, and have issued my report thereon dated May 28, 2021.

**Auditor's Responsibility**

I conducted my 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**

I have issued my Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's 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, which are dated May 28, 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 I determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no recommendations made in the preceding or current annual financial audit report.

**Official Title and Legal Authority**

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

disclosed in this management letter, unless disclosed in the notes to the financial statements. See Note 1 in Section II. The Hamilton County Clerk of the Circuit Court's financial statements included no component units.

### **Financial Management**

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

### **Additional Matters**

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

### **Purpose of this Letter**

The 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 Hamilton County Clerk of the Circuit Court, Board of County Commissioners, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.



Kenneth M. Daniels  
Certified Public Accountant  
May 28, 2021

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**INDEPENDENT AUDITOR'S REPORT**

Honorable Property Appraiser  
Hamilton County, Florida

**Report on the Financial Statements**

I have audited the accompanying financial statements of the major fund of the Hamilton County Property Appraiser, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Hamilton County Property Appraiser'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 the financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

My responsibility is to express opinions on these financial statements based on my audit. I conducted my 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 I 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, I 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.

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

### **Opinions**

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

### **Emphasis of Matter**

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

### **Other Matters**

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the budgetary comparison information in Section IV pages 9-10 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. I 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 my inquiries, the financial statements, and other knowledge I obtained during my audit of the financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, I have also issued my report dated May 28, 2021, on my consideration of the Hamilton County Property Appraiser's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters included under the heading Independent Auditor's

Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards. The purpose of that report is to describe the scope of my 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 Hamilton County Property Appraiser's internal control over financial reporting and compliance.

A handwritten signature in black ink, appearing to read "Kenneth M. Daniels". The signature is written in a cursive style with a large initial "K" and "D".

Kenneth M. Daniels  
Certified Public Accountant  
May 28, 2021

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# **FINANCIAL STATEMENTS**

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**HAMILTON COUNTY, FLORIDA  
PROPERTY APPRAISER**

**BALANCE SHEET  
GOVERNMENTAL FUNDS**

September 30, 2020

	<u>General Fund</u>
Assets	
Cash	<u>\$          132,843</u>
Liabilities and fund balance	
Liabilities	
Due to other governmental units	
Hamilton County Board of County Commissioners	\$          132,843
Fund balance - unassigned	<u>                          -</u>
Total liabilities and fund balance	<u>\$          132,843</u>

**HAMILTON COUNTY, FLORIDA  
PROPERTY APPRAISER**

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

For the Year Ended September 30, 2020

	<u>General Fund</u>
Expenditures	
Current	
General government services	
Financial and administrative	
Personal services	\$ 520,226
Operating expenditures	234,310
Capital outlay	
General government services	
Financial and administrative	-
Total expenditures	<u>754,536</u>
Excess (deficiency) of revenues over expenditures	(754,536)
Other financing sources	
Interfund transfers in - HCBCC	<u>754,536</u>
Net change in fund balance	-
Fund balance at beginning of year	-
Fund balance at end of year	<u>\$ -</u>

**HAMILTON COUNTY, FLORIDA  
PROPERTY APPRAISER**

**NOTES TO FINANCIAL STATEMENTS**

September 30, 2020

**NOTE 1. THE REPORTING ENTITY**

Hamilton County is a political subdivision of the State of Florida incorporated under the authority of Article VIII, Section 1, of the State Constitution and, accordingly, is subject to restrictions imposed by the Florida Constitution and Statutes, as well as by its own ordinances. A board of five elected County Commissioners governs the County. Additionally, five elected Constitutional Officers operate certain functions of county government in a fiduciary capacity. These officers are the Clerk of the Circuit Court, Property Appraiser, Sheriff, Supervisor of Elections, and Tax Collector. The duties of these individual officers and the laws regulating the operations of their offices are also detailed in the Florida Constitution and Statutes.

The Property Appraiser is an integral part of Hamilton County, the primary government for financial reporting purposes.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A summary of the Property Appraiser's significant accounting policies is presented to assist the reader in understanding and interpreting the accompanying financial statements.

All references relate to the notes of the basic financial statements in Section II.

**A. Basis of Presentation**

Fund Financial Statements: The fund financial statements provide information about the Property Appraiser's funds, including its fiduciary fund. Separate statements for each fund category – governmental and fiduciary – are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds, if any, are aggregated and reported as nonmajor funds.

The Property Appraiser reports the following major fund:

General Fund - This is the Property Appraiser's primary operating fund. It accounts for all financial resources not required to be accounted for in another fund.

**B. Measurement Focus and Basis of Accounting**

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this

method, revenues are recognized when measurable and available. The Property Appraiser considers all revenues reported in the governmental funds to be available if the revenues are collected within 60 days after year-end. Governmental payments, fees, and interest are susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

Under terms of grant agreements, the Property Appraiser funds certain programs by a combination of specific cost reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the Property Appraiser's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenues.

### **C. Deposits**

See Note 2 at Section II.

### **D. Inventories**

It is the policy of the Property Appraiser to record the acquisition of supplies as expenditures at the time of purchase. The amount of supplies on hand at any one time would be a nominal amount and considered to be immaterial.

### **E. Capital Assets**

The Property Appraiser reports purchased assets at cost. Donated fixed assets are recorded at their estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add value to the asset or materially extend the assets' lives are not capitalized. The Property Appraiser's capital asset purchases, in excess of \$5,000, are capitalized and reported at the county wide financial statement level. The useful lives of the County's depreciable assets are indicated in the government-wide notes to the financial statements. See Note 4 at Section II.

### **F. Compensated Absences**

Compensated absences are absences for which employees will be paid, such as vacation and sick leave. The Property Appraiser follows the County's policy with regards to annual and sick leave. Full-time, permanent employees are granted vacation benefits in varying amounts ranging from twelve to twenty days per year depending on length of service. Sick leave accrues to full-time, permanent employees at a rate of one day per month. Generally, after one year of service, employees are entitled to a percentage of their sick leave and accrued vacation subject to limitations. The maximum amount of vacation leave that may be carried over annually is 240 hours. Employees who accumulate amounts in excess of the 240 hours must take the time off or forfeit it. The Property Appraiser (County) allows unlimited accumulation of sick leave.

In the governmental funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as expenditure and fund liability in the Board of County Commissioner's fund that will pay for them. The remainder of the compensated absences is reported as a long-term liability at the county wide financial statement level. See Note 5 Section II.

**NOTE 2. FLORIDA RETIRMENT SYSTEM (FRS) - DEFINED BENEFIT PENSION PLAN**

See Note 12 at Section II.

**NOTE 3. INTERFUND ACTIVITY**

Transfers from the Hamilton County Board of County Commissioners at September 30, 2019, were as follows:

\$754,536      Budgetary transfers

The Property Appraiser returned \$132,843 in excess budget transfers post year end. The amount was due to the Board of County Commissioners at September 30, 2020.

**NOTE 4. COMMITMENTS**

At September 30, 2020, the Property Appraiser has the following agreement with the Government Software Assurance Corporation: the purchase of a Computer Assisted Mass Appraisal (CAMA) System Software License and associated professional services. The licenses are as follows: real estate appraisal, personal property appraisal, sales ratios, tax roll processing, hearing management (Value Adjustment Board), table maintenance, and user security. Professional services include the following: data conversion, project management, integration, reporting, training, and maintenance.

Project fees are to be paid quarterly in the amount of \$25,051 (eight quarterly payments totaling \$200,406) until completion. Data conversion began in October 2019 and the go-live efforts began in June 2020.

At September 30, 2020, \$100,203 had been paid of the total indicated above.

Maintenance fees for the system will be billed quarterly at \$8,312 for an annual amount of \$33,249.

Hosting services will be billed quarterly as \$7,800 or \$31,200 annually.

Licenses for use will be granted to the Property Appraiser once full payment is made.

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**REQUIRED SUPPLEMENTARY  
INFORMATION**

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**HAMILTON COUNTY, FLORIDA  
PROPERTY APPRAISER**

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

For the Year Ended September 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues				
Charges for services				
County officer fees	\$ -	\$ -	\$ -	\$ -
Expenditures				
General Government Services				
Personal services	530,405	530,405	520,226	10,179
Operating expenditures	304,493	304,493	234,310	70,183
Capital Outlay	-	-	-	-
Other uses	<u>34,000</u>	<u>34,000</u>	-	<u>34,000</u>
Total expenditures	<u>868,898</u>	<u>868,898</u>	<u>754,536</u>	<u>114,362</u>
Excess (deficiency) of revenues over expenditures	<u>(868,898)</u>	<u>(868,898)</u>	<u>(754,536)</u>	<u>114,362</u>
Other financing sources (uses)				
Transfers from HCBCC General Fund	<u>868,898</u>	<u>868,898</u>	<u>754,536</u>	<u>(114,362)</u>
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**HAMILTON COUNTY, FLORIDA  
PROPERTY APPRAISER**

**NOTES TO BUDGETARY COMPARISON SCHEDULE**

September 30, 2020

**NOTE 1. BUDGET**

The Property Appraiser in accordance with *Florida Statutes* Chapter 195 adopts a budget for all governmental funds. All annual appropriations lapse at fiscal year-end.

Per *Florida Statutes* Chapter 195.087, “On or before June 1 of each year, every property appraiser, regardless of the form of county government, shall submit to the Department of Revenue a budget for the operation of the property appraiser's office for the ensuing fiscal year beginning October 1. The property appraiser shall submit his or her budget in the manner and form required by the department. A copy of such budget shall be furnished at the same time to the board of county commissioners. The department shall, upon proper notice to the county commission and property appraiser, review the budget request and may amend or change the budget request as it deems necessary, in order that the budget be neither inadequate nor excessive. On or before July 15, the department shall notify the property appraiser and the board of county commissioners of its tentative budget amendments and changes. Prior to August 15, the property appraiser and the board of county commissioners may submit additional information or testimony to the department respecting the budget. On or before August 15, the department shall make its final budget amendments or changes to the budget and shall provide notice thereof to the property appraiser and board of county commissioners.”

The appropriated budget is prepared by fund, function, department, and object code. Transfers of appropriations between object codes require the approval of the Florida Department of Revenue.

The legal level of budgetary control is the object code level.

The Property Appraiser made no supplemental budgetary amendments between object level codes during the year ended September 30, 2020.

Details of Hamilton County’s property tax calendar are disclosed at Note 1.C. in Section II.

# **COMPLIANCE SECTION**

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**KENNETH M. DANIELS**  
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**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**

To the Honorable Property Appraiser  
Hamilton County, Florida

I 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 Hamilton County Property Appraiser, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Hamilton County Property Appraiser's financial statements, and have issued my report thereon dated May 28, 2021.

**Internal Control Over Financial Reporting**

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

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

My 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 my audit I did not identify any deficiencies in internal control that I 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 Hamilton County Property Appraiser's financial statements are free from material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my 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 my 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.



Kenneth M. Daniels  
Certified Public Accountant  
May 28, 2021



**KENNETH M. DANIELS**  
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**INDEPENDENT ACCOUNTANT'S REPORT**

Honorable Property Appraiser  
Hamilton County, Florida

I have examined the Hamilton County Property Appraiser's compliance with *Florida Statutes* 218.415 during the period October 1, 2019, to September 30, 2020. Management of the Hamilton County Property Appraiser is responsible for the Property Appraiser's compliance with the specified requirements. My responsibility is to express an opinion on Hamilton County Property Appraiser's compliance based on my examination.

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

My examination does not provide a legal determination on Hamilton County Property Appraiser's compliance with the specified requirements.

In my opinion, the Hamilton County Property Appraiser complied in all material respects, with the specified requirements indicated above during the period October 1, 2019, to September 30, 2020.



Kenneth M. Daniels  
Certified Public Accountant  
May 28, 2021

**KENNETH M. DANIELS**  
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**MANAGEMENT LETTER**

The Honorable Property Appraiser  
Hamilton County, Florida

**Report on the Financial Statements**

I have audited the financial statements of the Hamilton County Property Appraiser, as of and for the fiscal year ended September 30, 2020, and have issued my report thereon dated May 28, 2021.

**Auditor's Responsibility**

I conducted my 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**

I have issued my Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* 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 May 28, 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 I 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 findings and recommendations made in the preceding or current annual financial audit report.

**Official Title and Legal Authority**

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

disclosed in this management letter, unless disclosed in the notes to the financial statements. See Note 1 in Section II. The Hamilton County Property Appraiser's financial statements included no component units.

### **Financial Management**

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

### **Additional Matters**

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

### **Purpose of this Letter**

The 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 Board of County Commissioners, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.



Kenneth M. Daniels  
Certified Public Accountant  
May 28, 2021

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**INDEPENDENT AUDITOR'S REPORT**

Honorable Sheriff  
Hamilton County, Florida

**Report on the Financial Statements**

I have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the Hamilton County Sheriff, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Hamilton County Sheriff'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 the financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

My responsibility is to express opinions on these financial statements based on my audit. I conducted my 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 I 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, I 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.

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

### **Opinions**

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

### **Emphasis of Matter**

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

### **Other Matters**

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the budgetary comparison information in Section V pages 12-17 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. I 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 my inquiries, the financial statements, and other knowledge I obtained during my audit of the financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

### **Supplementary Information**

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Hamilton County Sheriff's financial statements. The Combining Statement of Fiduciary Net Position – Agency Funds is presented for purposes of additional

analysis and is not a required part of the financial statements. The Combining Statement of Fiduciary Net Position – Agency Funds is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such 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 my opinion, the Combining Statement of Fiduciary Net Position – Agency Funds 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*, I have also issued my report dated May 28, 2021, on my consideration of the Hamilton County Sheriff's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters included under the heading Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. The purpose of that report is to describe the scope of my 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 Hamilton County Sheriff's internal control over financial reporting and compliance.



Kenneth M. Daniels  
Certified Public Accountant  
May 28, 2021

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# **FINANCIAL STATEMENTS**



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**HAMILTON COUNTY, FLORIDA  
SHERIFF**

**BALANCE SHEET  
GOVERNMENTAL FUNDS**

September 30, 2020

	<u>General Fund</u>	<u>Emergency Management Fund</u>	<u>Inmate Welfare Fund</u>	<u>911 Communications Fund</u>	<u>Total Governmental Funds</u>
<b>Assets</b>					
<b>Current assets</b>					
Cash	\$ 134,068	\$ -	\$ 69,721	\$ 667,874	\$ 871,663
Accounts receivable	29,104	-	1,917	-	31,021
Interfund receivables	35,055	-	-	-	35,055
Due from other governmental units					
State of Florida	-	37,105	-	-	37,105
Prepaid items	<u>80,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>80,000</u>
<b>Total assets</b>	<u><u>\$ 278,227</u></u>	<u><u>\$ 37,105</u></u>	<u><u>\$ 71,638</u></u>	<u><u>\$ 667,874</u></u>	<u><u>\$ 1,054,844</u></u>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
<b>Current liabilities</b>					
Accounts payable	\$ 144,944	\$ -	\$ -	\$ -	\$ 144,944
Payroll withholding	-	-	-	-	-
Interfund payables	-	35,055	-	-	35,055
Due to other governmental units					
HCBCC - General Fund	133,283	2,050	-	-	135,333
Other current liabilities	<u>-</u>	<u>-</u>	<u>337</u>	<u>-</u>	<u>337</u>
<b>Total liabilities</b>	<u><u>278,227</u></u>	<u><u>37,105</u></u>	<u><u>337</u></u>	<u><u>-</u></u>	<u><u>315,669</u></u>
<b>Deferred inflows of resources</b>					
Deferred grant proceeds	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,000</u>	<u>24,000</u>
<b>Fund balances</b>					
<b>Restricted for:</b>					
Other purposes	<u>-</u>	<u>-</u>	<u>71,301</u>	<u>643,874</u>	<u>715,175</u>
<b>Total liabilities, deferred inflows, and fund balances</b>	<u><u>\$ 278,227</u></u>	<u><u>\$ 37,105</u></u>	<u><u>\$ 71,638</u></u>	<u><u>\$ 667,874</u></u>	<u><u>\$ 1,054,844</u></u>

**HAMILTON COUNTY, FLORIDA  
SHERIFF**

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

For the Year Ended September 30, 2020

	General Fund	Emergency Management Fund	Inmate Welfare Fund	911 Communications Fund	Total Governmental Funds
<b>Revenues</b>					
Intergovernmental	\$ -	\$ 150,244	\$ -	\$ 56,842	\$ 207,086
Charges for services	-	-	50,214	133,706	183,920
Fines and forfeits	-	-	232	-	232
Interest	-	-	78	784	862
Miscellaneous revenues	<u>277,633</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>277,633</u>
<b>Total revenues</b>	<u>277,633</u>	<u>150,244</u>	<u>50,524</u>	<u>191,332</u>	<u>669,733</u>
<b>Expenditures</b>					
<b>Current</b>					
<b>Public safety</b>					
<b>Law enforcement</b>					
Personal services	1,900,985	-	-	-	1,900,985
Operating expenditures	610,485	-	-	-	610,485
<b>Corrections</b>					
Personal services	1,885,644	-	-	-	1,885,644
Operating expenditures	770,212	-	29,287	-	799,499
<b>Emergency services</b>					
<b>Emergency management</b>					
Personal services	-	123,085	-	-	123,085
Operating expenditures	-	53,113	-	-	53,113
<b>911 Mapping</b>					
Personal services	-	27,832	-	-	27,832
Operating expenditures	-	5,369	-	-	5,369
<b>Emergency communications</b>					
Personal services	503,823	-	-	-	503,823
Operating expenditures	18,973	-	-	155,935	174,908
<b>Courts - General Operations</b>					
<b>Courthouse security</b>					
Personal services	14,245	-	-	-	14,245
Operating expenditures	2,157	-	-	-	2,157
<b>Capital outlay</b>					
<b>Public safety</b>					
<b>Law enforcement</b>					
Capital outlay	160,896	-	-	-	160,896
<b>Corrections</b>					
Capital outlay	3,815	-	-	-	3,815

(Continued)

See notes to financial statements.

**HAMILTON COUNTY, FLORIDA  
SHERIFF**

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

For the Year Ended September 30, 2020

	<u>General Fund</u>	<u>Emergency Management Fund</u>	<u>Inmate Welfare Fund</u>	<u>911 Communications Fund</u>	<u>Total Governmental Funds</u>
Expenditures (continued)					
Emergency services					
Emergency Management					
Capital outlay	\$ -	\$ 6,595	\$ -	\$ -	\$ 6,595
Emergency commx					
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>5,871,235</u>	<u>215,994</u>	<u>29,287</u>	<u>155,935</u>	<u>6,272,451</u>
Excess (deficiency) of revenues over expenditures	(5,593,602)	(65,750)	21,237	35,397	(5,602,718)
Other financing sources (uses)					
Transfers - Sheriff Operating	-	-	-	-	-
Transfers in HCBC	<u>5,593,602</u>	<u>65,750</u>	<u>-</u>	<u>-</u>	<u>5,659,352</u>
Total other financing sources (uses)	<u>5,593,602</u>	<u>65,750</u>	<u>-</u>	<u>-</u>	<u>5,659,352</u>
Net change in fund balances	-	-	21,237	35,397	56,634
Fund balances at beginning of year	<u>-</u>	<u>-</u>	<u>50,064</u>	<u>608,477</u>	<u>658,541</u>
Fund balances at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 71,301</u>	<u>\$ 643,874</u>	<u>\$ 715,175</u>

**HAMILTON COUNTY, FLORIDA  
SHERIFF**

**STATEMENT OF FIDUCIARY NET POSITION  
AGENCY FUNDS**

September 30, 2020

	<u>Agency Funds</u>
Assets	
Cash	\$ 3,346
Due from others	<u>-</u>
Total assets	<u>3,346</u>
Liabilities	
Other current liabilities	
Due to individuals/others	<u>3,346</u>
Total liabilities	<u>3,346</u>
Net position	<u>\$ -</u>

**HAMILTON COUNTY, FLORIDA  
SHERIFF**

**NOTES TO FINANCIAL STATEMENTS**

September 30, 2020

**NOTE 1. THE REPORTING ENTITY**

Hamilton County is a political subdivision of the State of Florida incorporated under the authority of Article VIII, Section 1, of the State Constitution and, accordingly, is subject to restrictions imposed by the Florida Constitution and Statutes, as well as by its own ordinances. A board of five elected County Commissioners governs the County. Additionally, five elected Constitutional Officers operate certain functions of county government in a fiduciary capacity. These officers are the Clerk of the Circuit Court, Property Appraiser, Sheriff, Supervisor of Elections and Tax Collector. The duties of these individual officers and the laws regulating the operations of their offices are also detailed in the Florida Constitution and Statutes.

The Sheriff is an integral part of Hamilton County, the primary government for financial reporting.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A summary of the Sheriff's significant accounting policies is presented to assist the reader in understanding and interpreting the accompanying financial statements.

All references relate to the notes of the basic financial statements in Section II.

**A. Basis of Presentation**

**Fund Financial Statements:** The fund financial statements provide information about the Sheriff's funds, including its fiduciary fund. Separate statements for each fund category – governmental and fiduciary – are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds, if any, are aggregated and reported as nonmajor funds.

The Sheriff reports the following major funds:

General Fund - This is the Sheriff's primary operating fund. It accounts for all financial resources not required to be accounted for in another fund.

Inmate Welfare Fund – This fund accounts for inmate commissary profits and phone commissions, which are used for prisoner benefits.

911 Communications Fund – This fund accounts for the 911 Communications revenues (fees and grants) and associated expenditures.

Emergency Management Fund – This fund accounts for the Emergency Management Grant Funds received as well as transfers from the Board of County Commissioners and the associated expenditures.

The Sheriff reports the following fund types:

Agency Fund – This fund accounts for monies (bonds, work release funds, inmate housing receipts, civil process charges) received, held, and disbursed to other governmental units and individuals.

The Sheriff maintains the following Agency Funds:

- Bond Trust Fund
- Inmate Trust Fund

**B. Measurement Focus and Basis of Accounting**

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Sheriff considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Governmental payments, charges for services, fees, and interest are susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under terms of grant agreements, the Sheriff funds certain programs by a combination of specific cost reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the Sheriff’s policy to first apply cost-reimbursement grant resources to such programs, followed by general revenues.

**C. Deposits**

See Note 2 at Section II.

**D. Receivables/Due from other governments**

At September 30, 2020, the Sheriff was owed the following amounts:

	General Fund	Emergency Management Fund	Inmate Welfare Fund	911 Communications Fund	Total
Accounts receivable - miscellaneous	\$ 29,104	\$ -	\$ 1,917	\$ -	\$ 31,021
State of Florida - grant payments	<u>-</u>	<u>37,105</u>	<u>-</u>	<u>-</u>	<u>37,105</u>
Totals	<u>\$ 29,104</u>	<u>\$ 37,105</u>	<u>\$ 1,917</u>	<u>\$ -</u>	<u>\$ 68,126</u>

**E. Prepaid items**

Prepaid items consist of fuel purchased in advance by the Sheriff and not consumed by fiscal year end. The balance at September 30, 2020, was \$80,000.

**F. Inventories**

It is the policy of the Sheriff to record the acquisition of supplies as expenditures at the time of purchase. The amount of supplies on hand at any one time would be a nominal amount and considered to be immaterial.

## **G. Capital Assets**

The Sheriff reports purchased assets at cost. Donated fixed assets are recorded at their estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add value to the asset or materially extend the assets' lives are not capitalized. The Sheriff's fixed asset purchases, in excess of \$1,000, are capitalized and reported at the county wide financial statement level. Details of the Sheriff's capital assets (equipment) including estimated useful lives are at Note 4 in Section II.

## **H. Compensated Absences**

Compensated absences are absences for which employees will be paid, such as vacation and sick leave. The Sheriff's policies regarding annual and sick leave are as follows: full-time, permanent employees are granted vacation benefits in varying amounts ranging from five to twenty days per year depending on length of service. The maximum annual carry over of annual leave is 240 hours. Sick leave accrues to full-time, permanent employees at a rate of one day per month (four (4) hours biweekly) without limitation. Upon ten years of creditable and continuous service or retirement, employees are paid for unused sick leave at a rate of one hour for every two hours of unused sick leave.

In the governmental funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as an expenditure and fund liability in the Board of County Commissioner's fund that will pay for them. The remainder of the compensated absences is reported as a long-term liability at the county wide financial statement level. See Note 5 Section II.

### **NOTE 2. FLORIDA RETIREMENT SYSTEM (FRS) – DEFINED BENEFIT PLAN**

See Note 12 at Section II.

### **NOTE 3. CONTINGENT LIABILITIES**

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

The Sheriff from time to time is defendant in various pending or threatened litigation. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Sheriff's counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the Sheriff.

### **NOTE 4. RISK MANAGEMENT**

The Sheriff participates in the Florida Sheriff's Self Insurance Fund for liability and official bonding coverages. Under this insurance risk pool, the Sheriff pays annual premiums to the pool for its insurance coverages. The agreements for formation of the pool provide that the pool will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of specific amounts.

The Sheriff continues to carry commercial insurance for other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.



The pooling agreements allow for the pools to make additional assessments to make the pools self-sustaining. It is not possible to estimate the amount of such additional assessments, which might have to be paid by the Sheriff.

**NOTE 5. INTERFUND BALANCES AND ACTIVITY**

Interfund balances in the Sheriff’s special purpose financial statements and are as follows:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>	<u>Purpose</u>
Major Funds			
Sheriff’s General Fund	\$ 35,055	\$ -	Interfund loan to fund grant expenditures
Emergency Management Fund	<u>-</u>	<u>35,055</u>	Interfund loan to fund grant expenditures
Totals	<u>\$ 35,055</u>	<u>\$ 35,055</u>	

During the year ended September 30, 2020, the Hamilton County Board of County Commissioners made budgetary transfers of \$5,593,602 to the Sheriff’s General Fund and \$65,750 to the Emergency Management Fund for grant match and 911 Mapping.

The interfund payables/receivables indicated above were the result of short-term loans until grant funds are received.

**NOTE 6. COMMITMENTS**

The Sheriff has entered into the following agreements:

Food Service

The Sheriff has an agreement with Eagle Food Service, Inc., for the food services at the Hamilton County Jail. In March 2018, the Sheriff renewed the agreement. The agreement remains in effect until September 30, 2020, and can be renewed for four, one year periods.

Inmate Telephone Services

The Sheriff has an agreement with Inmate Calling Solutions, LLC, for inmate telephone services at the Hamilton County Jail. The agreement provides a commission of forty-three percent of the gross completed, accepted call revenue. The agreement automatically renewed for two year periods beginning in May 2014 (unless notice is given).

Inmate Medical Care

The Sheriff has a Transfer and Service Agreement with Notami Hospitals of Florida, Inc. d/b/a Lake City Medical Center. The agreement automatically renews annually unless terminated by either party. The Medical Center agrees to provide medical services at a discount of fifty-four percent of gross charges.

**REQUIRED SUPPLEMENTARY  
INFORMATION**

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**HAMILTON COUNTY, FLORIDA  
SHERIFF**

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

For the Year Ended September 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Miscellaneous revenues	-	277,632	277,633	1
Total revenues	<u>-</u>	<u>277,632</u>	<u>277,633</u>	<u>1</u>
Expenditures				
Public safety				
Law enforcement				
Personal services	1,987,363	1,905,985	1,900,985	5,000
Operating expenditures	519,947	644,485	610,485	34,000
Capital outlay	30,000	170,896	160,896	10,000
Grants and aids	-	-	-	-
Other uses	10,000	-	-	-
Total law enforcement	<u>2,547,310</u>	<u>2,721,366</u>	<u>2,672,366</u>	<u>49,000</u>
Corrections				
Personal services	1,931,382	1,885,644	1,885,644	-
Operating expenditures	508,553	780,002	770,212	9,790
Capital outlay	-	15,000	3,815	11,185
Other uses	10,000	-	-	-
Total corrections	<u>2,449,935</u>	<u>2,680,646</u>	<u>2,659,671</u>	<u>20,975</u>
Emergency communications				
Personal services	592,849	503,822	503,823	(1)
Operating expenditures	19,200	20,973	18,973	2,000
Capital outlay	2,500	-	-	-
Total emergency communications	<u>614,549</u>	<u>524,795</u>	<u>522,796</u>	<u>1,999</u>
Total public safety	<u>5,611,794</u>	<u>5,926,807</u>	<u>5,854,833</u>	<u>71,974</u>
Courts - General Operations				
Courthouse security				
Personal services	35,608	14,246	14,245	1
Operating expenditures	1,750	4,157	2,157	2,000
Capital outlay	-	-	-	-
Total courthouse security	<u>37,358</u>	<u>18,403</u>	<u>16,402</u>	<u>2,001</u>
Total expenditures	<u>5,649,152</u>	<u>5,945,210</u>	<u>5,871,235</u>	<u>73,975</u>

(Continued)

See notes to budgetary comparison schedule. Section V - Page 12

**HAMILTON COUNTY, FLORIDA  
SHERIFF**

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

For the Year Ended September 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Excess (deficiency) of revenues over expenditures	\$ (5,649,152)	\$ (5,667,578)	\$ (5,593,602)	\$ 73,976
Other financing sources (uses)				
Interfund transfers - Emerg Mgt.	-	-	-	-
Interfund transfers - HCBCC	<u>5,649,152</u>	<u>5,667,578</u>	<u>5,593,602</u>	<u>(73,976)</u>
Total other financing sources	<u>5,649,152</u>	<u>5,667,578</u>	<u>5,593,602</u>	<u>(73,976)</u>
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**HAMILTON COUNTY, FLORIDA  
SHERIFF**

**BUDGETARY COMPARISON SCHEDULE - INMATE WELFARE FUND**

For the Year Ended September 30, 2020

	<u>Budgeted Amounts</u>			<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>			
Budgetary fund balance, beginning	\$ 25,000	\$ 10,000	\$ 50,064	\$ 40,064	
Revenues (inflows)					
Charges for services	26,500	50,214	50,214	-	
Fines and forfeits	-	232	232	-	
Interest	100	78	78	-	
Miscellaneous revenues	-	-	-	-	
Total amounts available for appropriation	51,600	60,524	100,588	40,064	
Charges to appropriation (outflows)					
Corrections					
Operating expenditures	31,100	29,288	29,287	1	
Capital outlay	10,000	-	-	-	
Grants and aids	500	-	-	-	
Other uses	10,000	31,236	-	31,236	
Total charges to appropriations	51,600	60,524	29,287	31,237	
Budgeted reserves	-	-	-	-	
Total appropriations and reserves	51,600	60,524	29,287	31,237	
Budgetary fund balance, ending	\$ -	\$ -	\$ 71,301	\$ 71,301	

**HAMILTON COUNTY, FLORIDA  
SHERIFF**

**BUDGETARY COMPARISON SCHEDULE - 911 COMMUNICATIONS**

For the Year Ended September 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Budgetary fund balance, beginning	\$ 200,000	\$ 200,010	\$ 608,477	\$ 408,467
Resources (inflows)				
Intergovernmental	44,250	56,842	56,842	-
Charges for services	46,760	133,705	133,706	1
Interest	<u>2,500</u>	<u>784</u>	<u>784</u>	<u>-</u>
Total amounts available for appropriation	<u>293,510</u>	<u>391,341</u>	<u>799,809</u>	<u>408,468</u>
Charges to appropriations (outflows)				
Emergency communications				
Operating expenditures	65,500	255,935	155,935	100,000
Capital outlay	28,000	103,150	-	103,150
Other uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total charges to appropriations	<u>93,500</u>	<u>359,085</u>	<u>155,935</u>	<u>203,150</u>
Budgeted reserves	<u>200,010</u>	<u>32,256</u>	<u>-</u>	<u>(32,256)</u>
Total appropriations and reserves	<u>293,510</u>	<u>391,341</u>	<u>155,935</u>	<u>235,406</u>
Budgetary fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 643,874</u>	<u>\$ 643,874</u>

**HAMILTON COUNTY, FLORIDA  
SHERIFF**

**BUDGETARY COMPARISON SCHEDULE - EMERGENCY MANAGEMENT FUND**

For the Year Ended September 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 149,289	\$ 150,244	\$ 150,244	\$ -
Miscellaneous	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total amounts available for appropriation	<u>149,289</u>	<u>150,244</u>	<u>150,244</u>	<u>-</u>
Expenditures				
Emergency services				
Emergency management				
Personal services	122,479	123,186	123,085	101
Operating expenditures	44,381	53,762	53,113	649
Capital outlay	<u>9,629</u>	<u>6,896</u>	<u>6,595</u>	<u>301</u>
Total emergency management	<u>176,489</u>	<u>183,844</u>	<u>182,793</u>	<u>1,051</u>
911 Mapping				
Personal services	34,100	27,832	27,832	-
Operating expenditures	4,000	5,368	5,369	(1)
Capital outlay	<u>2,500</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Total 911 mapping	<u>40,600</u>	<u>34,200</u>	<u>33,201</u>	<u>999</u>
Total expenditures	<u>217,089</u>	<u>218,044</u>	<u>215,994</u>	<u>2,050</u>
Excess (deficiency) of revenues over expenditures	<u>(67,800)</u>	<u>(67,800)</u>	<u>(65,750)</u>	<u>2,050</u>
Other financing sources				
Interfund transfer in - HCBCC	67,800	67,800	65,750	(2,050)
Interfund transfer out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources	<u>67,800</u>	<u>67,800</u>	<u>65,750</u>	<u>(2,050)</u>
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



**HAMILTON COUNTY, FLORIDA  
SHERIFF**

**NOTES TO BUDGETARY COMPARISON SCHEDULES**

September 30, 2020

**NOTE 1. BUDGET**

The Sheriff, in accordance with *Florida Statutes* Chapter 30.49, adopts budgets for all governmental funds. All annual appropriations lapse at fiscal year-end.

On or before June 1, the Sheriff submits requests for appropriations to the Hamilton County Board of County Commissioners. The County Commissioners conduct public hearings on the proposed budget after July 1, but prior to September 30. On or before September 30, the Sheriff's budget, within the County's annual comprehensive budget, is adopted by the County Commissioners.

The appropriated budget is prepared by fund, function, department, and object classification. Transfers of appropriations between object classifications require the approval of the Hamilton County Board of County Commissioners. The legal level of budgetary control is the object classification. The Sheriff made one supplemental budgetary appropriation.

**NOTE 2. EXPLANATION OF DIFFERENCES BETWEEN BUDGETARY INFLOWS AND GAAP REVENUES**

	Inmate Welfare <u>Fund</u>	911 Communications <u>Fund</u>
Sources/inflows of resources		
Financial statement major funds		
Total amounts available for appropriation	\$ 100,588	\$ 799,809
Adjustments		
Budgetary fund balances are available for appropriation but are not considered revenue for GAAP reporting	(50,064)	(608,477)
Total revenues reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	\$ 50,524	\$ 191,332

**SUPPLEMENTARY  
INFORMATION**

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**HAMILTON COUNTY, FLORIDA  
SHERIFF**

**COMBINING STATEMENT OF FIDUCIARY NET POSITION  
AGENCY FUNDS**

September 30, 2020

	Agency Funds		<u>Totals</u>
	<u>Bond Trust</u>	<u>Inmate Trust</u>	
Assets			
Cash	\$ -	\$ 3,346	\$ 3,346
Due from others	-	-	-
Total assets	-	3,346	3,346
Liabilities			
Other current liabilities			
Due to individuals/others	-	3,346	3,346
Total liabilities	-	3,346	3,346
Net position	\$ -	\$ -	\$ -

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# **COMPLIANCE SECTION**

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**KENNETH M. DANIELS**  
**CERTIFIED PUBLIC ACCOUNTANT**

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**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***

To the Honorable Sheriff  
Hamilton County, Florida

I 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 Hamilton County Sheriff, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Hamilton County Sheriff's financial statements, and have issued my report thereon dated May 28, 2021.

**Internal Control Over Financial Reporting**

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

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

My 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 my audit I did not identify any deficiencies in internal control that I 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 Hamilton County Sheriff's financial statements are free from material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my 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 my 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.



Kenneth M. Daniels  
Certified Public Accountant  
May 28, 2021

**KENNETH M. DANIELS**  
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**INDEPENDENT ACCOUNTANT'S REPORT**

Honorable Sheriff  
Hamilton County, Florida

I have examined the Hamilton County Sheriff's compliance with *Florida Statutes* 218.415 during the period October 1, 2019, to September 30, 2020. Management of the Hamilton County Sheriff is responsible for the Sheriff's compliance with the specified requirements. My responsibility is to express an opinion on Hamilton County Sheriff's compliance based on my examination.

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

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

In my opinion, the Hamilton County Sheriff complied in all material respects, with the specified requirements indicated above during the period October 1, 2019, to September 30, 2020.



Kenneth M. Daniels  
Certified Public Accountant  
May 28, 2021

**KENNETH M. DANIELS**  
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**MANAGEMENT LETTER**

To the Honorable Sheriff  
Hamilton County, Florida

**Report on the Financial Statements**

I have audited the financial statements of the Hamilton County Sheriff, as of and for the fiscal year ended September 30, 2020, and have issued my report thereon dated May 28, 2021.

**Auditor's Responsibility**

I conducted my 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**

I have issued my Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards 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 May 28, 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 I 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 findings and recommendations made in the preceding or current annual financial audit report.

**Official Title and Legal Authority**

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. See Note 1 in Section II. The Hamilton County Sheriff's financial statements included no component units.

## **Financial Management**

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

## **Additional Matters**

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

## **Purpose of this Letter**

The 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 Hamilton County Sheriff, Board of County Commissioners, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.



Kenneth M. Daniels  
Certified Public Accountant  
May 28, 2021

**KENNETH M. DANIELS**  
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**INDEPENDENT AUDITOR'S REPORT**

Honorable Supervisor of Elections  
Hamilton County, Florida

**Report on the Financial Statements**

I have audited the accompanying financial statements of the major fund of the Hamilton County Supervisor of Elections, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Hamilton County Supervisor of Elections' 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 the financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

My responsibility is to express opinions on these financial statements based on my audit. I conducted my 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 I 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, I 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.

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

### **Opinions**

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

### **Emphasis of Matter**

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

### **Other Matters**

#### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the budgetary comparison information in Section VI pages 9-10 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. I 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 my inquiries, the financial statements, and other knowledge I obtained during my audit of the financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

#### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, I have also issued my report dated May 28, 2021, on my consideration of the Hamilton County Supervisor of Elections' internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations,

contracts, grant agreements and other matters included under the heading Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. The purpose of that report is to describe the scope of my 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 Hamilton County Supervisor of Elections' internal control over financial reporting and compliance.

A handwritten signature in black ink, appearing to read "Ken M Daniels", written in a cursive style.

Kenneth M. Daniels  
Certified Public Accountant  
May 28, 2021

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# **FINANCIAL STATEMENTS**

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**HAMILTON COUNTY, FLORIDA  
SUPERVISOR OF ELECTIONS**

**BALANCE SHEET  
GOVERNMENTAL FUNDS**

September 30, 2020

	<u>General Fund</u>
Assets	
Cash	<u>\$ 15,141</u>
Liabilities, deferred inflows of resources, and fund balance	
Accounts payable	\$ -
Due to other governmental units	
Hamilton County Board of County Commissioners (HCBCC)	<u>2,984</u>
Total liabilities	<u>2,984</u>
Deferred inflows of resources	
Deferred voter grant	<u>12,157</u>
Fund balance	
Unassigned	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 15,141</u>

**HAMILTON COUNTY, FLORIDA  
SUPERVISOR OF ELECTIONS**

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

For the Year Ended September 30, 2020

	<u>General Fund</u>
Revenues	
Federal grants	
General government - voter education	\$ <u>39,191</u>
Expenditures	
Current	
General government services	
Financial and administrative	
Personal services	256,224
Operating expenditures	120,462
Capital outlay	
General government services	
Financial and administrative	<u>-</u>
Total expenditures	<u>376,686</u>
Excess (deficiency) of revenues over expenditures	(337,495)
Other financing sources	
Interfund transfers in - HCBCC	351,561
Interfund transfers (out) - HCBCC	<u>(14,066)</u>
Total other financing sources	<u>337,495</u>
Net change in fund balance	-
Fund balance at beginning of year	<u>-</u>
Fund balance at end of year	<u>\$ -</u>

**HAMILTON COUNTY, FLORIDA  
SUPERVISOR OF ELECTIONS**

**NOTES TO FINANCIAL STATEMENTS**

September 30, 2020

**NOTE 1. THE REPORTING ENTITY**

Hamilton County is a political subdivision of the State of Florida incorporated under the authority of Article VIII, Section 1, of the State Constitution and, accordingly, is subject to restrictions imposed by the Florida Constitution and Statutes, as well as by its own ordinances. A board of five elected County Commissioners governs the County. Additionally, five elected Constitutional Officers operate certain functions of county government in a fiduciary capacity. These officers are the Clerk of the Circuit Court, Property Appraiser, Sheriff, Supervisor of Elections, and Tax Collector. The duties of these individual officers and the laws regulating the operations of their offices are also detailed in the Florida Constitution and Statutes.

The Supervisor of Elections is an integral part of Hamilton County, the primary government for financial reporting purposes.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A summary of the Supervisor of Elections' significant accounting policies is presented to assist the reader in understanding and interpreting the accompanying financial statements.

All references relate to the notes of the basic financial statements in Section II.

**A. Basis of Presentation**

Fund Financial Statements: The fund financial statements provide information about the Supervisor's general fund.

The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds, if any, are aggregated and reported as nonmajor funds.

The Supervisor reports the following major fund:

General Fund - This is the Supervisor's primary operating fund. It accounts for all financial resources not required to be accounted for in another fund.

**B. Measurement Focus and Basis of Accounting**

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Supervisor considers all revenues reported in the governmental funds to be available if the revenues are collected within

60 days after year-end. Governmental payments, fees, and interest are susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

Under terms of grant agreements, the Supervisor funds certain programs by a combination of specific cost reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the Supervisor's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenues.

### **C. Deposits**

See Note 2 at Section II.

### **D. Inventories**

It is the policy of the Supervisor of Elections to record the acquisition of supplies as expenditures at the time of purchase. The amount of supplies on hand at any one time would be a nominal amount and considered to be immaterial.

### **E. Capital Assets**

The Supervisor of Elections reports purchased assets at cost. Donated fixed assets are recorded at their estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add value to the asset or materially extend the assets' lives are not capitalized. The Supervisor's fixed asset purchases in excess of \$5,000 are capitalized and reported at the county wide financial statement level. The useful lives of the County's depreciable assets are indicated in the government-wide notes to the financial statements. See Note 4 at Section II.

### **F. Compensated Absences**

Compensated absences are absences for which employees will be paid, such as vacation and sick leave. The Supervisor of Elections follows the County's policy with regards to annual and sick leave. Full-time, permanent employees are granted vacation benefits in varying amounts ranging from twelve to twenty days per year depending on length of service.

Sick leave accrues to full-time, permanent employees at a rate of one day per month. Generally, after one year of service, employees are entitled to a percentage of their sick leave and accrued vacation subject to limitation. The maximum amount of vacation leave that may be carried over annually is 240 hours. Employees who accumulate amounts in excess of the 240 hours must take the time off or forfeit it. The County allows unlimited accumulation of sick leave.

In the governmental funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as expenditure and fund liability in the Board of County Commissioner's fund that will pay for them. The remainder of the compensated

absences is reported as a long-term liability at the county wide financial statement level. See Note 5 at Section II.

**NOTE 2. FLORIDA RETIREMENT SYSTEM (FRS) – DEFINED BENEFIT PLAN**

See Note 12 at Section II.

**NOTE 3. DEFERRED INFLOWS OF RESOURCES**

The Supervisor's balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element reflects an increase in net assets that applies to a future period. The deferred inflow of resources is for revenue (voters' grant) that is not considered available at September 30, 2020, due to the prepayment of the amount prior to being earned.

The deferred inflow of resources amount at September 30, 2020, was \$12,157.

See Note 1.C. in Section II for the County's (Supervisor's) grant revenue recognition policy.

**NOTE 4. INTERFUND TRANSFERS**

Transfers were made from the Hamilton County Board of County Commissioners' General Fund into the Supervisor of Elections' General Fund in the amount of \$351,561. The budgeted transfers were made in accordance with *Florida Statutes* 129.201.

Post year-end, the Supervisor returned excess budget transfers in the amount of \$2,984 to the Board of County Commissioners. The excess was owed at September 30, 2020.

The Supervisor of Elections' transferred \$14,066 to the Hamilton County Board of County Commissioners' General Fund for payment to Nationwide Capital LLC for the purchase of Digital Image Scanners with plastic ballot boxes and 4GB jump drives.

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**REQUIRED SUPPLEMENTARY  
INFORMATION**

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**HAMILTON COUNTY, FLORIDA  
SUPERVISOR OF ELECTIONS**

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

For the Year Ended September 30, 2020

	Budgeted Amounts		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Federal grants				
General government - voter education	\$ -	\$ -	\$ 39,191	\$ 39,191
Expenditures				
General Government Services				
Personal services	270,724	259,088	256,224	2,864
Operating expenditures	83,822	96,958	120,462	(23,504)
Capital outlay	-	-	-	-
Other uses	<u>1,500</u>	<u>-</u>	<u>14,066</u>	<u>(14,066)</u>
Total expenditures	<u>356,046</u>	<u>356,046</u>	<u>390,752</u>	<u>(34,706)</u>
Excess (deficiency) of revenues over expenditures	<u>(356,046)</u>	<u>(356,046)</u>	<u>(351,561)</u>	<u>4,485</u>
Other financing sources (uses)				
Interfund transfers - HCBCC	356,046	356,046	351,561	(4,485)
Interfund transfers - HCBCC	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>356,046</u>	<u>356,046</u>	<u>351,561</u>	<u>(4,485)</u>
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**HAMILTON COUNTY, FLORIDA  
SUPERVISOR OF ELECTIONS**

**NOTES TO BUDGETARY COMPARISON SCHEDULE**

September 30, 2020

**NOTE 1. Budget**

The Supervisor of Elections in accordance with *Florida Statutes* Chapter 129.201 adopts budgets for all governmental funds. All annual appropriations lapse at fiscal year-end.

On or before June 1, the Supervisor of Elections submits requests for appropriations to the Hamilton County Board of County Commissioners. The County Commissioners conduct public hearings on the proposed budget after July 1, but prior to September 30. On or before September 30, the Supervisor of Elections' budget, within the County's annual comprehensive budget, is adopted by the County Commissioners.

The appropriated budget is prepared by fund, function, department, and object classification. Transfers of appropriations between object classifications require the approval of the Hamilton County Board of County Commissioners.

The legal level of budgetary control is the object level classification. The Supervisor of Elections made one supplemental budgetary appropriation for the year ended September 30, 2020.

**NOTE 2. Budget Over-expenditure**

Contrary to the legal level of budgetary control (the object level), the Supervisor over-expended operating expenditures and other uses in the amounts of \$23,504 and \$14,066 respectively.

# **COMPLIANCE SECTION**

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**KENNETH M. DANIELS**  
CERTIFIED PUBLIC ACCOUNTANT

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**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**

To the Honorable Supervisor of Elections  
Hamilton County, Florida

I 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 Hamilton County Supervisor of Elections, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Hamilton County Supervisor of Elections' financial statements, and have issued my report thereon dated May 28, 2021.

**Internal Control Over Financial Reporting**

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

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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.

My 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 my audit I did not identify any deficiencies in internal control that I 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 Hamilton County Supervisor of Elections' financial statements are free from material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my 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 my 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.



Kenneth M. Daniels  
Certified Public Accountant  
May 28, 2021



**KENNETH M. DANIELS**  
**CERTIFIED PUBLIC ACCOUNTANT**

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Jasper, FL 32052

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**INDEPENDENT ACCOUNTANT'S REPORT**

Honorable Supervisor of Elections  
Hamilton County, Florida

I have examined the Hamilton County Supervisor of Elections' compliance with *Florida Statutes* 218.415 during the period October 1, 2019, to September 30, 2020. Management of the Hamilton County Supervisor of Elections is responsible for the Supervisor of Elections' compliance with the specified requirements. My responsibility is to express an opinion on Hamilton County Supervisor of Elections' compliance based on my examination.

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

My examination does not provide a legal determination on Hamilton County Supervisor of Elections' compliance with the specified requirements.

In my opinion, the Hamilton County Supervisor of Elections complied in all material respects, with the specified requirements indicated above during the period October 1, 2019, to September 30, 2020.



Kenneth M. Daniels  
Certified Public Accountant  
May 28, 2021

**KENNETH M. DANIELS**  
CERTIFIED PUBLIC ACCOUNTANT

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**MANAGEMENT LETTER**

The Honorable Supervisor of Elections  
Hamilton County, Florida

**Report on the Financial Statements**

I have audited the financial statements of the Hamilton County Supervisor of Elections, as of and for the fiscal year ended September 30, 2020, and have issued my report thereon dated May 28, 2021.

**Auditor's Responsibility**

I conducted my 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**

I have issued my Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards 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 May 28, 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 I 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 findings and recommendations made in the preceding or current annual financial audit report.

**Official Title and Legal Authority**

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

disclosed in this management letter, unless disclosed in the notes to the financial statements. See Note 1 in Section II. The Hamilton County Supervisor of Elections' financial statements included no component units.

### **Financial Management**

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

### **Additional Matters**

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

### **Purpose of this Letter**

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



Kenneth M. Daniels  
Certified Public Accountant  
May 28, 2021

**KENNETH M. DANIELS**  
CERTIFIED PUBLIC ACCOUNTANT

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**INDEPENDENT AUDITOR'S REPORT**

Honorable Tax Collector  
Hamilton County, Florida

**Report on the Financial Statements**

I have audited the accompanying financial statements of the major fund and the aggregate remaining fund information of the Hamilton County Tax Collector, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Hamilton County Tax Collector's financial statements, as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

My responsibility is to express opinions on these financial statements based on my audit. I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

### **Opinions**

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

### **Emphasis of Matter**

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

### **Other Matters**

#### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the budgetary comparison information in Section VII pages 10-11 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. I 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 my inquiries, the financial statements, and other knowledge I obtained during my audit of the financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

#### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, I have also issued my report dated May 28, 2021, on my consideration of the Hamilton County Tax Collector's internal control over financial

reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters included under the heading Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. The purpose of that report is to describe the scope of my 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 Hamilton County Tax Collector's internal control over financial reporting and compliance.



Kenneth M. Daniels  
Certified Public Accountant  
May 28, 2021

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# **FINANCIAL STATEMENTS**



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**HAMILTON COUNTY, FLORIDA  
TAX COLLECTOR**

**BALANCE SHEET  
GOVERNMENTAL FUNDS**

September 30, 2020

	<u>General Fund</u>
Assets	
Cash	<u>\$          80,374</u>
Liabilities and fund balance	
Liabilities	
Due to other governmental units	
Hamilton County Board of County Commissioners (HCBCC)	\$          80,374
Fund balance - unassigned	<u>                  -</u>
Total liabilities and fund balance	<u>\$          80,374</u>

**HAMILTON COUNTY, FLORIDA  
TAX COLLECTOR**

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

For the Year Ended September 30, 2020

	<u>General Fund</u>
Revenues	
Charges for services	
General government	\$ 443,461
Miscellaneous revenues	
Interest	<u>167</u>
Total revenues	<u>443,628</u>
 Expenditures	
Current	
General government services	
Financial and administrative	
Personal services	370,437
Operating expenditures	73,191
Capital outlay	
General government services	
Financial and administrative	<u>-</u>
Total expenditures	<u>443,628</u>
 Excess (deficiency) of revenues over expenditures	 -
 Other financing sources	
Interfund transfers in (out) - HCBCC	<u>-</u>
 Net change in fund balance	 -
 Fund balance at beginning of year	 <u>-</u>
Fund balance at end of year	<u><u>\$ -</u></u>

**HAMILTON COUNTY, FLORIDA  
TAX COLLECTOR**

**STATEMENT OF FIDUCIARY NET POSITION  
AGENCY FUND**

September 30, 2020

<b>Assets</b>	<u>Balance</u>
Cash	\$ 146,147
Due from individuals	<u>431</u>
Total assets	<u>146,578</u>
<b>Liabilities</b>	
Due to other governments:	
Hamilton County Board of County Commissioners	1,018
Others	128,650
State of Florida	3,765
Other current liabilities	
Interest payable	233
Due to individuals	<u>12,912</u>
Total liabilities	<u>146,578</u>
Net position	<u>\$ -</u>

**HAMILTON COUNTY, FLORIDA  
TAX COLLECTOR**

**NOTES TO FINANCIAL STATEMENTS**

September 30, 2020

**NOTE 1. THE REPORTING ENTITY**

Hamilton County is a political subdivision of the State of Florida incorporated under the authority of Article VIII, Section 1 of the State Constitution and, accordingly, is subject to restrictions imposed by the Florida Constitution and Statutes, as well as by its own ordinances.

The County is governed by a board of five elected County Commissioners. Additionally, five elected Constitutional Officers operate certain functions of county government in a fiduciary capacity. These officers are the Clerk of the Circuit Court, Property Appraiser, Sheriff, Supervisor of Elections, and Tax Collector. The duties of these individual officers and the laws regulating the operations of their offices are also detailed in the Florida Constitution and Statutes.

The Tax Collector is an integral part of Hamilton County, the primary government for financial reporting purposes.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A summary of the Tax Collector's significant accounting policies is presented to assist the reader in understanding and interpreting the accompanying financial statements.

All references relate to the notes of the basic financial statements in Section II.

**A. Basis of Presentation**

**Fund Financial Statements:** The fund financial statements provide information about the Tax Collector's funds, including its fiduciary fund. Separate statements for each fund category – governmental and fiduciary – are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds, if any, are aggregated and reported as nonmajor funds.

The Tax Collector reports the following major fund:

General Fund - This is the Tax Collector's primary operating fund. It accounts for all financial resources not required to be accounted for in another fund.

The Tax Collector reports the following fund types:

Agency Fund – This fund accounts for monies (including fees) received, held, and disbursed to other governmental units and individuals.

## **B. Measurement Focus and Basis of Accounting**

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Tax Collector considers all revenues reported in the governmental funds to be available if the revenues are collected within 60 days after year-end. Governmental payments, fees, and interest are susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under terms of grant agreements, when applicable, the Tax Collector funds certain programs by a combination of specific cost reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the Tax Collector's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenues.

## **C. Deposits**

See Note 2 at Section II.

In accordance with GASB 34, \$1,018 of the Tax Collector's Trust Fund's cash was reclassified into the County's at the County-wide Financial Statement Level.

## **D. Inventories**

It is the policy of the Tax Collector to record the acquisition of supplies as expenditures at the time of purchase. The amount of supplies on hand at any one time would be a nominal amount and considered immaterial.

## **E. Capital Assets**

The Tax Collector reports purchased assets at cost. Donated fixed assets are recorded at their estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add value to the asset or materially extend the assets' lives are not capitalized. The Tax Collector's fixed asset purchases in excess of \$5,000 are capitalized and reported at the county wide financial statement level. The useful lives of the County's depreciable assets are indicated in the government-wide notes to the financial statements. See Note 4 at Section II.

## **F. Compensated Absences**

Compensated absences are absences for which employees will be paid, such as vacation and sick leave. The Tax Collector's policies regarding annual and sick leave are as follows: full-time, permanent employees are granted vacation benefits in varying amounts ranging from five to twenty days per year depending on length of service. Sick leave accrues to full-time, permanent employees at a rate of one day per month with a maximum accrual of sixty days. Upon termination in good standing or retirement, employees are paid for unused sick leave at a rate of one - half day for each day of unused sick leave. Employees may also convert sick leave in excess of the sixty-day maximum to annual leave at the conversion rate of three sick days to one day of annual leave.

In the governmental funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as expenditure and fund liability in the Board of County Commissioner's fund that will pay for them. The remainder of the compensated absences is reported as a long-term liability at the county wide financial statement level. See Note 5 in Section II.

### **NOTE 2. INTERFUND TRANSFERS**

Transfers were made from the Hamilton County Board of County Commissioners' General Fund into the Tax Collector's General Fund in the amount of \$54,425. The budgeted transfers were made in accordance with *Florida Statutes* 145.141. The Tax Collector, due to the fees collected in the Office, returned all amounts to the Board of County Commissioners. The Office required no additional transfers for the year ending September 30, 2020.

Post year-end, the Tax Collector returned \$80,374, in excess fees earned by the Office to the Board of County Commissioners. The amount was owed at September 30, 2020.

### **NOTE 3. FLORIDA RETIREMENT SYSTEM (FRS) – DEFINED BENEFIT PLAN**

See Note 12 at Section II.

**REQUIRED SUPPLEMENTARY  
INFORMATION**



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**HAMILTON COUNTY, FLORIDA  
TAX COLLECTOR**

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

For the Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
Revenues				
Charges for services	\$ 423,198	\$ 423,198	\$ 443,461	\$ 20,263
Miscellaneous revenues				
Interest	-	-	167	167
Total revenues	423,198	423,198	443,628	20,430
Expenditures				
General government services				
Personal services	366,672	366,672	370,437	(3,765)
Operating expenditures	110,951	110,951	73,191	37,760
Capital outlay	-	-	-	-
Total expenditures	477,623	477,623	443,628	33,995
Excess (deficiency) of revenues over expenditures	(54,425)	(54,425)	-	54,425
Other financing sources				
Interfund transfers in (out) - HCBCC	54,425	54,425	-	(54,425)
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ -	\$ -

**HAMILTON COUNTY, FLORIDA  
TAX COLLECTOR**

**NOTES TO BUDGETARY COMPARISON SCHEDULE**

September 30, 2020

**NOTE 1. BUDGET**

The Tax Collector in accordance with *Florida Statutes* Chapter 195.087 adopts a budget for all governmental funds. All annual appropriations lapse at fiscal year-end.

Per Chapter 195.087(2), “On or before August 1 of each year, each tax collector, regardless of the form of county government, shall submit to the Department of Revenue a budget for the operation of the tax collector's office for the ensuing fiscal year, in the manner and form prescribed by the department. A copy of such budget shall be furnished at the same time to the board of county commissioners. The department shall examine the budget and, if it is found adequate to carry on the work of the tax collector, shall approve the budget and certify it back to the tax collector. If the department finds the budget inadequate or excessive, it shall return such budget to the tax collector, together with its ruling thereon. The tax collector shall revise the budget as required and resubmit it to the department. After the final approval of the budget by the department, there shall be no reduction or increase by any officer, board, or commission without the approval of the department. However, all moneys received by tax collectors in complying with chapter 119 shall be accounted for in the same manner as provided for in s. 218.36, for moneys received as county fees and commissions, and any such moneys may be used and expended in the same manner and to the same extent as funds budgeted for the office and no budget amendment shall be required. . . .”

The appropriated budget is prepared by fund, function, department, and object code. Transfers of appropriations between object codes require the approval of the Florida Department of Revenue. The legal level of budgetary control is the object code level.

The Tax Collector made no supplemental budgetary appropriations during the year ended September 30, 2020.

Details of Hamilton County’s property tax calendar are disclosed at Note 1.C. in Section II.

**NOTE 2. EXPENDITURES IN EXCESS OF APPROPRIATIONS**

The Tax Collector’s General Fund’s personal services expenditures exceeded its appropriations at the legal level of budgetary control; however, the budget was not exceeded in total.

# **COMPLIANCE SECTION**

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**KENNETH M. DANIELS**  
CERTIFIED PUBLIC ACCOUNTANT

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**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**

To the Honorable Tax Collector  
Hamilton County, Florida

I 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 Hamilton County Tax Collector, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Hamilton County Tax Collector's financial statements, and have issued my report thereon dated May 28, 2021.

**Internal Control Over Financial Reporting**

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

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

My 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 my audit I did not identify any deficiencies in internal control that I 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 Hamilton County Tax Collector's financial statements are free from material misstatement, 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 my audit, and accordingly, I do not express such an opinion. The results of my 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 my 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.



Kenneth M. Daniels  
Certified Public Accountant  
May 28, 2021

**KENNETH M. DANIELS**  
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**INDEPENDENT ACCOUNTANT'S REPORT**

Honorable Tax Collector  
Hamilton County, Florida

I have examined the Hamilton County Tax Collector's compliance with *Florida Statutes* 218.415 during the period October 1, 2019, to September 30, 2020. Management of the Hamilton County Tax Collector is responsible for the Tax Collector's compliance with the specified requirements. My responsibility is to express an opinion on the Hamilton County Tax Collector's compliance with the specified requirements above based on my examination.

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

My examination does not provide a legal determination on Hamilton County Tax Collector's compliance with the specified requirements.

In my opinion, the Hamilton County Tax Collector complied in all material respects, with the specified requirements indicated above during the period October 1, 2019, to September 30, 2020.



Kenneth M. Daniels  
Certified Public Accountant  
May 28, 2021



**KENNETH M. DANIELS**  
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**MANAGEMENT LETTER**

To the Honorable Tax Collector  
Hamilton County, Florida

**Report on the Financial Statements**

I have audited the financial statements of the Hamilton County Tax Collector, as of and for the fiscal year ended September 30, 2020, and have issued my report thereon dated May 28, 2021.

**Auditor's Responsibility**

I conducted my 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**

I have issued my Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* 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 May 28, 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 I 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 findings and recommendations made in the preceding or current annual financial audit report.

**Official Title and Legal Authority**

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

Note 1 in Section II. The Hamilton County Tax Collector's financial statements included no component units.

### **Financial Management**

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

### **Additional Matters**

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

### **Purpose of this Letter**

The 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 Hamilton County Tax Collector, Board of County Commissioners, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.



Kenneth M. Daniels  
Certified Public Accountant  
May 28, 2021