



# **Holmes County, Florida**

## **FINANCIAL STATEMENTS**

**September 30, 2020**



	Page
<b>FINANCIAL SECTION</b>	
Independent Auditors' Report .....	1
Management's Discussion and Analysis .....	4
<b>Basic Financial Statements</b>	
Government-wide Financial Statements	
Statement of Net Position .....	13
Statement of Activities .....	15
Fund Financial Statements	
Balance Sheet – Governmental Funds.....	16
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position .....	17
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds .....	18
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	19
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	
General Fund .....	20
County Transportation Trust .....	22
SHIP .....	23
Statement of Fiduciary Net Position – Agency Funds.....	24
Notes to Financial Statements .....	25
<b>Required Supplementary Information</b>	
Schedule of Changes in Net OPEB Liability and Related Ratios .....	59
Schedule of Employer's Proportionate Share of the Net Pension Liability – Florida Retirement System Pension Plan.....	60
Schedule of Employer Contributions – Florida Retirement System Pension Plan.....	61
Schedule of Employer's Proportionate Share of the Net Pension Liability - Health Insurance Subsidy Program.....	62



	Page
Schedule of Employer Contributions – Health Insurance Subsidy Program.....	63
Notes to Required Supplementary Information .....	64
<b>Other Supplementary Information</b>	
Combining Financial Statements	
Description of Nonmajor Governmental Funds .....	65
Combining Balance Sheet – Nonmajor Governmental Funds .....	66
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds .....	68
Description of Fiduciary Funds .....	70
Combining Statement of Fiduciary Net Position - Agency Funds .....	71
<b>REPORTS ON INTERNAL CONTROL AND COMPLIANCE MATTERS</b>	
Independent Auditors’ Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	72
Independent Auditors’ Report on Compliance for Each Major Federal Program and Each Major State Project and on Internal Control Over Compliance Required by Uniform Guidance and Chapter 10.550 Rules of the Auditor General of the State of Florida .....	74
Schedule of Expenditures of Federal Awards and State Financial Assistance.....	76
Notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance .....	79
Schedule of Findings and Questioned Costs .....	81
Independent Accountants’ Report on Examination of Compliance with Specified Florida Statute Sections .....	83
Independent Auditors’ Management Letter.....	84



**FINANCIAL STATEMENTS AND COMPLIANCE REPORTS FOR CONSTITUTIONAL OFFICERS**

Clerk of the Circuit Court .....	86
Property Appraiser .....	121
Supervisor of Elections.....	145
Sheriff .....	169
Tax Collector .....	202

# Holmes County, Florida

## Principal Officers

## Board of County Commissioners

Bobby Sasnett.....District 1  
Brandon Newsom.....District 2  
Phillip Music.....District 3  
Earl Stafford.....District 4  
Clint Erickson.....District 5

### Tax Collector

Harry B. Bell, III

### Sheriff

John Tate

### Property Appraiser

Bryan A. Bell

### Supervisor of Elections

Therisa Meadows

### Clerk of the Circuit Court

Alice Vickers

## **INDEPENDENT AUDITORS' REPORT**

To the Honorable Members of the  
Board of County Commissioners  
Holmes County, Florida

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Holmes County, Florida (the "County"), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

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

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

### ***Auditors' Responsibility***

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County, as of September 30, 2020, and the respective changes in financial position and the budgetary comparison for each major fund 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, on pages 4 through 12, schedule of changes in net OPEB liability and related ratios, Florida Retirement System Pension Plan schedule of employer's proportionate share of net pension liability and schedule of employer contributions, and the Health Insurance Subsidy Program schedule of employer's proportionate share of net pension liability and schedule of employer contributions, on pages 59 through 64, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual nonmajor fund financial statements and combining and individual statement of fiduciary net position are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying 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* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal awards* and Chapter 10.550, *Local Governmental Entity Audits, Rules of the Auditor General* State of Florida, and is not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, combining and individual statement of fiduciary net position 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 our opinion, the combining and individual nonmajor fund financial statements, combining and individual statement of fiduciary net position and the 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.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 29, 2021 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Board's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Board's internal control over financial reporting and compliance.

*Carr, Riggs & Ingram, L.L.C.*

CARR, RIGGS & INGRAM, L.L.C.

Enterprise, Alabama

March 29, 2021

## Holmes County, Florida Management's Discussion and Analysis

As management of Holmes County, Florida (the "County"), we offer readers of the County's financial statements this narrative overview of the financial activities of the County for the fiscal year ended September 30, 2020 compared to September 30, 2019. Our intent is to provide a brief, objective, and easily readable analysis of the County's financial performance for the year and its financial position at September 30, 2020. To obtain a complete picture of the County's financial condition, this document should be read in conjunction with the accompanying financial statements.

### FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at September 30, 2020 by \$55,650,582 (net position).
- Governmental Fund balances increased \$1,840,256 to \$10,848,737.
- The General Fund balance increased \$2,778,294 to \$4,745,461.
- General Fund revenues increased by \$3,096,898 or 25.7%.
- The County's outstanding capital leases and bonded debt decreased \$259,603 or 11.8%.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the basic financial statements. The basic financial statements consist of: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information.

**Government-wide Financial Statements** are designed to provide readers with a broad overview of County finances, in a manner similar to a private-sector business. The *Statement of Net Position* presents information on all of the County's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating. The *Statement of Activities* presents information showing how the government's net position changed during the most recent fiscal year. It focuses on both the gross and net cost of various activities which are provided by general taxes and other revenues. All changes in net position are reported as soon as the underlying event giving rise to the changes occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (for example, uncollected taxes and earned but unused paid time off/vacation leave).

The governmental activities of the County include general government, public safety, physical environment, transportation, economic environment, health and social services, culture/recreation, and other community services.

## Holmes County, Florida Management's Discussion and Analysis

The government-wide financial statements include not only the County itself (known as the primary government) but also the Holmes County Development Commission, which is a legally separate component unit. The Development Commission was formed to assist with sound planning, development, and economic growth of the County. The financial statements also include a blended component unit, the Holmes County Tourist Development Council. The Tourist Development Council was formed to promote and advertise tourism, enhance, clean up or restore inland lakes and rivers and repair and maintain fishing piers, support special events within the local communities of the county, and provide for additional historical or heritage opportunities as a means of attracting additional tourists.

**The government-wide financial statements can be found on pages 13-15.**

**Fund Financial Statements** are groupings of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into either governmental or fiduciary funds.

**Governmental funds** are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflow and outflow of expendable resources*, as well as on *balances of expendable resources* available at the end of the fiscal year. This is similar to the manner in which the budget is developed. Such information may be useful in evaluating a government's near-term financing requirements.

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

The County maintains 17 individual governmental funds. Information is presented separately in the governmental fund balance sheet and statement of revenues, expenditures, and changes in fund balance for the general fund, county transportation fund and SHIP fund, which are considered major funds. Data from the other 14 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements in the supplementary information section.

The County adopts an annual appropriated budget for each of its major governmental funds and most non-major funds. A budgetary comparison statement has been provided for the major funds to demonstrate budgetary compliance in the basic financial statements.

**The governmental funds financial statements can be found on pages 16-24.**

## Holmes County, Florida Management's Discussion and Analysis

Notes to Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 25 of this report.

### GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The County's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$55,650,582 at September 30, 2020, an increase of \$1,769,725. This increase was primarily due to the Coronavirus Aid, Relief and Economic Security Act (the "Cares Act") funds which reimbursed the County's Public Safety payroll from March through September.

#### Holmes County's Net Position – Governmental Activities

<i>As of September 30,</i>	<b>2020</b>	2019
<b>Assets</b>		
Current and other assets	\$ 15,301,628	\$ 11,516,402
Capital assets, net	<b>58,744,939</b>	57,252,657
<b>Total assets</b>	<b>74,046,567</b>	68,769,059
<b>Deferred Outflows of Resources</b>	<b>4,542,239</b>	4,489,241
<b>Liabilities</b>		
Long-term liabilities outstanding	17,394,739	15,588,548
Other liabilities	<b>4,700,102</b>	2,787,705
<b>Total liabilities</b>	<b>22,094,841</b>	18,376,250
<b>Deferred Inflows of Resources</b>	<b>843,383</b>	1,001,193
<b>Net Position</b>		
Net investment in capital assets	56,797,318	55,045,433
Restricted	6,605,863	7,419,405
Unrestricted (deficit)	<b>(7,752,599)</b>	(8,583,981)
<b>Total net position</b>	<b>\$ 55,650,582</b>	\$ 53,880,857

At September 30, 2020, \$56,797,318 of the County's net position reflect its investment in capital assets (e.g. land, buildings, infrastructure, and equipment) less any related outstanding debt used to acquire those assets. This percentage reflects a 3.18% increase of net investment in capital assets from the prior year. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be

## Holmes County, Florida Management's Discussion and Analysis

used to liquidate these liabilities. An additional 11.87% or \$6,605,863 of the County's net position represents resources that are dedicated or subject to restrictions on how they may be used. Unrestricted net deficit of \$7,752,599 reflects a \$831,382 decrease. \$14,581,407 of the deficit is due to the under-funded pension liability.

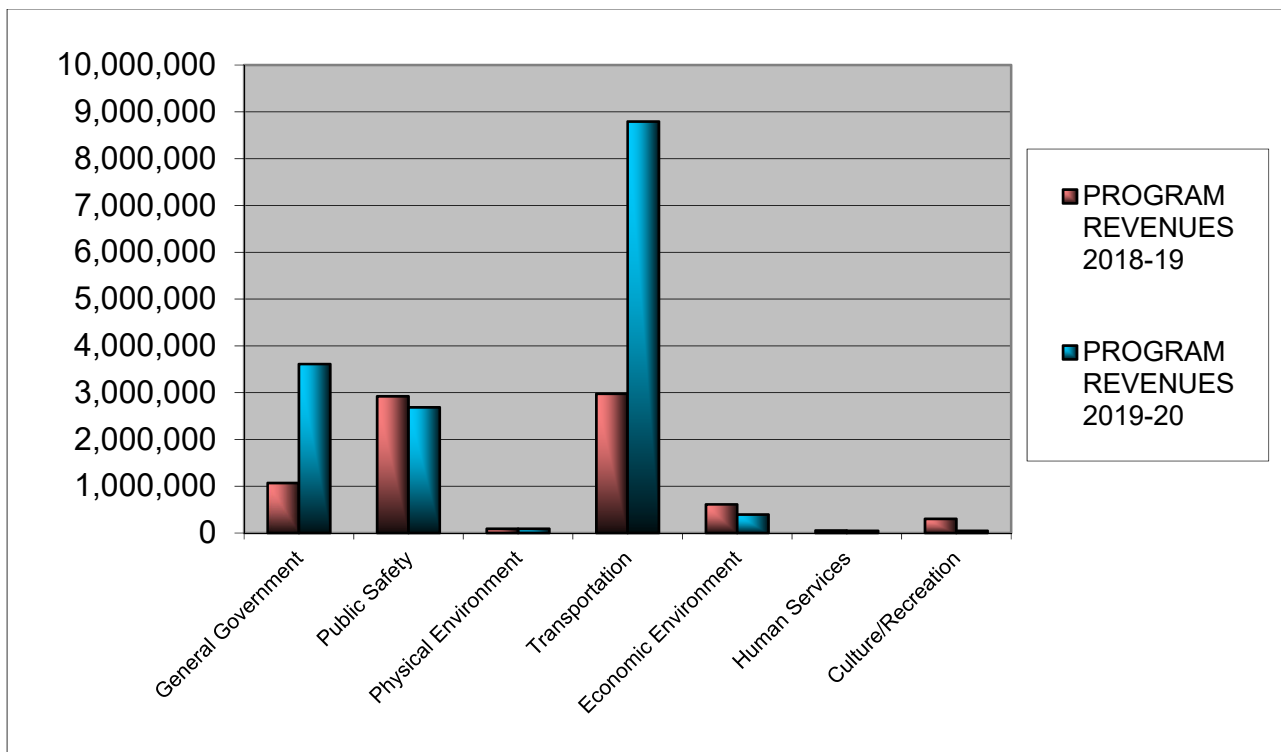
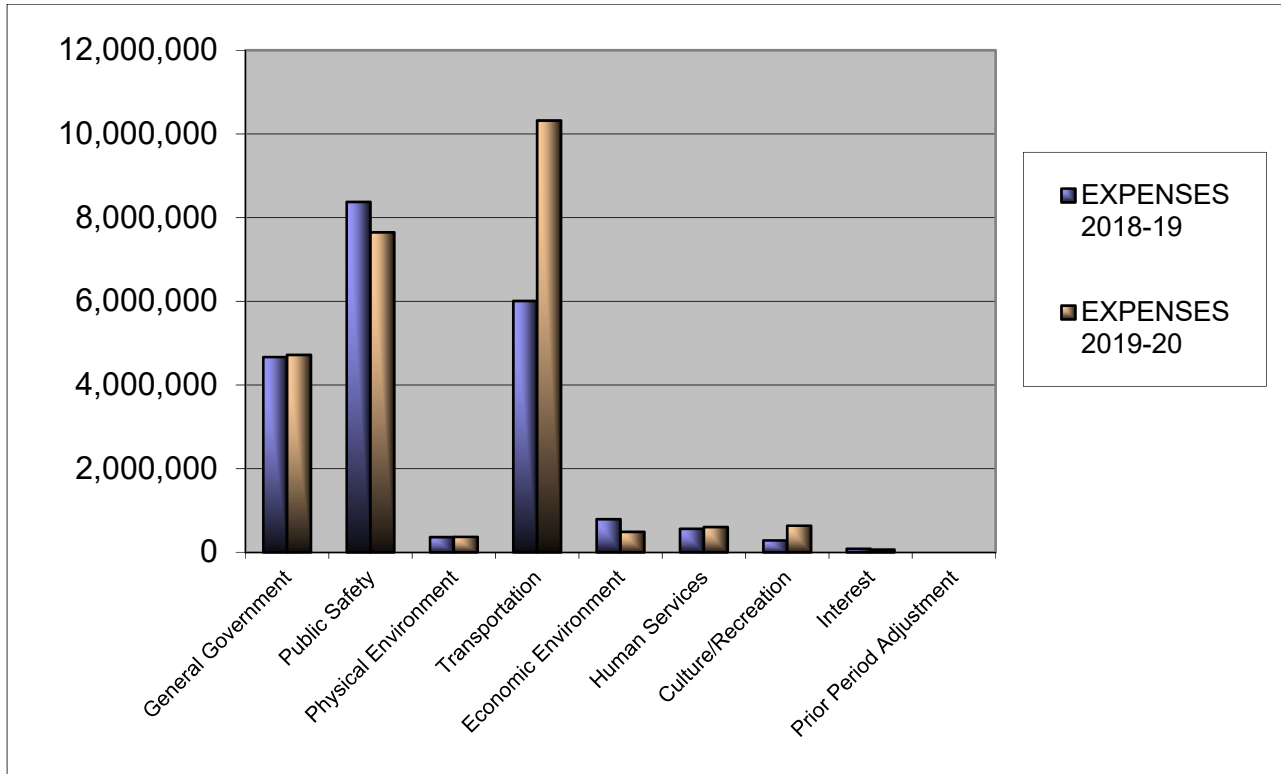
**Governmental Activities** increased the County's net position by \$1,769,725 compared to a decrease of \$1,872,999 in the prior year.

### Holmes County's Changes in Net Position – Governmental Activities

<i>Fiscal year ended September 30,</i>	<b>2020</b>	<b>2019</b>
<b>Revenues:</b>		
Program revenues:		
Charges for services	\$ 2,240,491	\$ 2,327,903
Operating grants and contributions	4,228,184	2,398,190
Capital grants and contributions	9,201,810	3,295,706
General revenues:		
Property taxes	4,242,760	4,171,018
Other taxes	6,002,211	6,108,924
Other	704,168	956,611
<b>Total revenues</b>	<b>26,619,624</b>	<b>19,258,352</b>
<b>Expenses:</b>		
General government	4,718,749	4,667,541
Public safety	7,649,373	8,376,090
Physical environment	368,685	361,891
Transportation	10,321,242	6,007,417
Economic environment	489,783	789,746
Human services	602,112	560,175
Culture/Recreation	635,779	284,462
Interest	64,176	84,029
<b>Total expenses</b>	<b>24,849,899</b>	<b>21,131,351</b>
<b>Change in net position</b>	<b>1,769,725</b>	<b>(1,872,999)</b>
<b>Total net position – beginning</b>	<b>53,880,857</b>	<b>55,753,856</b>
<b>Net position - ending</b>	<b>\$ 55,650,582</b>	<b>\$ 53,880,857</b>

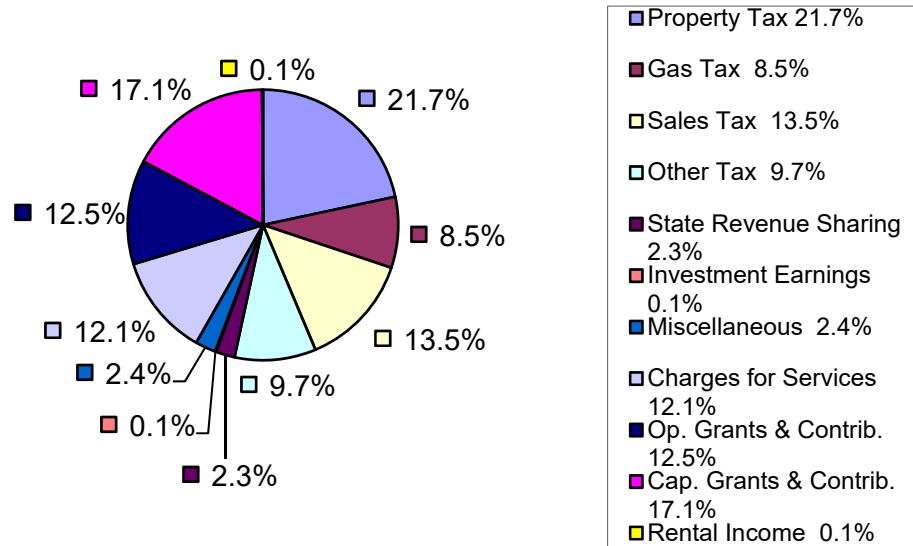
# Holmes County, Florida Management's Discussion and Analysis

## Expenses and Program Revenue-Governmental Activities

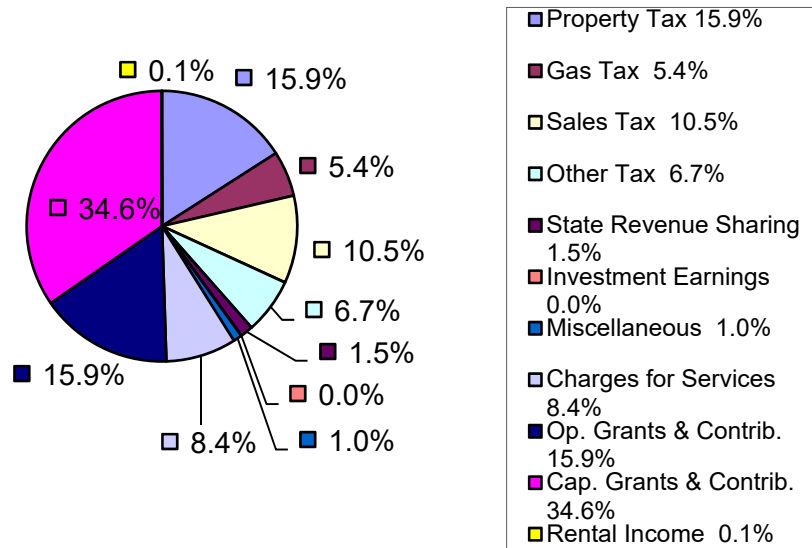


## Holmes County, Florida Management's Discussion and Analysis

### Revenue By Source-Government Activities FY 2019



### Revenue By Source-Government Activities FY 2020



# Holmes County, Florida Management's Discussion and Analysis

## FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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

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

Fund balances, as detailed in Note 1 to the financial statements, are classified as nonspendable, restricted, committed, assigned and unassigned, based on the "relative strength of the constraints that control how specific amounts can be spent."

The County's governmental funds reported combined ending fund balances of \$10,848,737, a \$1,840,256 increase from the prior year. There were no unassigned balances at September 30, 2020. Fund balances were nonspendable, restricted, committed or assigned to indicate that they are either restricted in what they can be used for or have been designated for particular purposes and therefore not available for spending.

The general fund is the chief operating fund of the County. At September 30, 2020, \$4,745,461 of the general fund was restricted or assigned to reflect budget commitments and judicially controlled funds, an increase of \$2,778,294 or 14.23% over the prior year.

The transportation trust fund accounts for motor fuel taxes and various grant funds designated to finance road and bridge construction and maintenance. The use of this fund is restricted by state statute or the grantor for these designated purposes. The fund had a balance of \$4,489,235 at fiscal year-end. This was a decrease of \$978,483 and was due to decreased gas taxes and intergovernmental revenue as well as increased road improvement activity.

The SHIP fund accounts for activity related to a state grant to improve housing. The use of this fund is restricted by the grant agreement for these designated purposes. For fiscal year 2020, the County expended \$312,587 for program services which is a decrease of \$121,748 from fiscal year 2019.

### **Major Fund Information**

	General Fund	County Transportation Trust	SHIP
<b>Fiscal Year 2020</b>			
Revenues and other sources	\$ 15,251,317	\$ 10,793,864	\$ 312,587
Expenditures and other uses	12,473,023	11,772,347	312,587
 Increase (decrease) in fund balance	 \$ 2,778,294	 \$ (978,483)	 \$ -

**Holmes County, Florida**  
**Management's Discussion and Analysis**

	General Fund	County Transportation Trust	SHIP
<b>Fiscal Year 2019</b>			
Revenues and other sources	\$ 12,288,439	\$ 5,730,272	\$ 434,335
Expenditures and other uses	12,171,469	6,154,402	434,335
Increase (decrease) in fund balance	\$ 116,970	\$ (424,130)	\$ -

**GENERAL FUND BUDGETARY HIGHLIGHTS**

Budget and actual information for the major governmental funds is presented as part of the basic financial statements, beginning on page 20. The County adopted four Supplemental Budgets and amended the budget eight times during the year. The supplemental budget and amendments generally were to adjust for actual beginning balances and carryovers after closing the prior fiscal year, new grant sources, equipment auction proceeds and line item adjustments within departments.

The difference between the original and amended general fund budgeted expenditures was an increase of \$2,838,632 or 24.61%, with estimated revenues increasing by the same amount primarily from surplus equipment sales, inter-fund transfers and the CARES Act funds.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

The County's investment in capital assets for its governmental activities was \$58,744,939 at September 30, 2020 compared to \$57,252,657 for the prior year (net of accumulated depreciation).

This investment in capital assets includes land, buildings, equipment, infrastructure, and construction in progress, net of depreciation.

**Capital Assets, Net of Depreciation**

<i>September 30,</i>	<b>2020</b>	<b>2019</b>
Land	\$ 5,939,431	\$ 5,939,431
Construction in progress	1,982,620	872,462
Buildings	10,447,342	10,368,232
Infrastructure	65,928,281	63,974,145
Equipment	11,438,172	11,024,474
Less: Accumulated Depreciation	(36,990,907)	(34,926,087)
Total	\$ 58,744,939	\$ 57,252,657

Additional information on the County's capital assets can be found in Note 2 beginning on page 42.

## Holmes County, Florida Management's Discussion and Analysis

### ***Long-Term Debt***

The County had a total bonded debt of \$1,882,652 at fiscal year end, a reduction of \$169,392 from the prior year. Total outstanding bonded debt is for series 2012 public improvement revenue bonds to finance the cost of the acquisition and construction of improvements to the County Jail and County Library.

### **Long-Term Debt – Governmental Activities**

<i>September 30,</i>	<b>2020</b>	<b>2019</b>
Series 2012 Revenue bonds	\$ 1,882,652	\$ 2,052,044
Capital leases	64,969	155,180
<b>Total</b>	<b>\$ 1,947,621</b>	<b>\$ 2,207,224</b>

Additional information on the County's debt can be found in Note 2 beginning on page 44.

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

- \* The unemployment rate for the County at fiscal year-end 2020 increased from 3.2% to 3.9%.
- \* The ad valorem tax millage rate is 9.4916 mills for the 2020-21 fiscal year.

### ***Request For Information***

This financial report is designed to provide a general overview of the Holmes County Board of County Commissioners. Questions concerning any information provided in this report or requests for additional information should be addressed to the office of the Clerk of the Circuit Court at 201 North Oklahoma Street, Bonifay, Florida 32425.

## Holmes County, Florida Statement of Net Position

	Primary Government Governmental Activities	Component Unit Development Commission
<i>September 30, 2020</i>		
<b>Assets</b>		
Cash and cash equivalents	\$ 12,005,665	\$ 183,496
Investments	-	1,055,679
Receivables, net	143,012	61,578
Prepaid items	17,700	-
Due from other governments	2,961,231	50,000
Inventory	95,993	-
Restricted assets		
Cash and cash equivalents	78,027	-
Investments	-	1,140,000
Land and other nondepreciable assets	7,922,051	1,224,996
Capital assets	50,822,888	999,355
<b>Total assets</b>	<b>74,046,567</b>	<b>4,715,104</b>
<b>Deferred Outflows of Resources</b>		
Deferred outflows related to pension liability	4,468,631	-
Deferred outflows related to post-employment benefits	73,608	-
<b>Total deferred outflows of resources</b>	<b>4,542,239</b>	<b>-</b>
<b>Liabilities</b>		
Accounts payable	1,654,783	152,352
Accrued liabilities	203,496	1,237
Unearned revenue	2,269,354	-
Due to other governments	307,558	4,203
Unearned rent	-	11,314
Accrued interest payable	19,352	-
Non-current liabilities		
Due within one year	245,559	-
Due in more than one year	2,204,827	-
Notes payable	-	1,140,000
Net pension liability	14,581,407	-
Other post-employment benefit obligation	608,505	-
<b>Total liabilities</b>	<b>22,094,841</b>	<b>1,309,106</b>
<b>Deferred Inflows of Resources</b>		
Deferred inflows related to pension liability	776,953	-
Deferred inflows related to post-employment benefits	66,430	-
<b>Total deferred inflows of resources</b>	<b>843,383</b>	<b>-</b>

-Continued-

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

**Holmes County, Florida**  
**Statement of Net Position (Continued)**

	Primary Government	Component Unit
<i>September 30, 2020</i>	Governmental Activities	Development Commission
<b>Net Position</b>		
Net investment in capital assets	56,797,318	1,084,351
Restricted for		
Debt service	78,027	-
Capital projects	641,499	-
General government	1,270,094	-
Transportation	4,393,242	-
Public safety	223,001	-
Unrestricted (deficit)	(7,752,599)	2,321,647
Total net position	\$ 55,650,582	\$ 3,405,998

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

## Holmes County, Florida Statement of Activities

*For the year ended September 30, 2020*

			Program
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions
<b>Primary Government</b>			
Governmental Activities			
General government	\$ 4,718,749	\$ 785,861	\$ 2,803,218
Public safety	7,649,373	1,446,741	851,204
Physical environment	368,685	-	90,908
Transportation	10,321,242	-	-
Economic environment	489,783	-	394,340
Human services	602,112	7,889	40,538
Culture and recreation	635,779	-	47,976
Interest	64,176	-	-
<b>Total primary government</b>	<b>\$ 24,849,899</b>	<b>\$ 2,240,491</b>	<b>\$ 4,228,184</b>
<b>Component Unit</b>			
Holmes County Development Commission	\$ 234,370	\$ -	\$ -
<b>General Revenues</b>			
Taxes			
Property taxes			
Sales taxes			
Gasoline taxes			
Other taxes			
State revenue sharing			
Rental income			
Investment earnings			
Miscellaneous			
<b>Total general revenues</b>			
Change in net position			
Net position, beginning of year			
Net position, end of year			

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

Revenues	Net (Expense) Revenue and Changes in Net Position	
	Primary	Component
	Government	Unit
	Governmental Activities	Development Commission
Capital		
Grants and		
Contributions		
\$ 21,476	\$ (1,108,194)	\$ -
387,017	(4,964,411)	-
-	(277,777)	-
8,793,317	(1,527,925)	-
-	(95,443)	-
-	(553,685)	-
-	(587,803)	-
-	(64,176)	-
<u>\$ 9,201,810</u>	<u>(9,179,414)</u>	<u>-</u>
<u>\$ 55,595</u>	<u>-</u>	<u>(178,775)</u>
	4,242,760	-
	2,787,704	-
	1,444,267	-
	1,770,240	-
	401,787	-
	14,879	49,797
	11,975	156,382
	275,527	3,266
	<u>10,949,139</u>	<u>209,445</u>
	1,769,725	30,670
	<u>53,880,857</u>	<u>3,375,328</u>
	<u>\$ 55,650,582</u>	<u>\$ 3,405,998</u>

**Holmes County, Florida**  
**Balance Sheet - Governmental Funds**

<i>September 30, 2020</i>	County Transportation		
	General Fund	Trust	SHIP
<b>Assets</b>			
Cash and cash equivalents	\$ 3,421,857	\$ 5,630,089	\$ 1,432,138
Accounts receivable	121,143	6,431	-
Due from other governments	2,240,172	398,171	-
Due from other funds	243,030	43,746	-
Inventory	-	95,993	-
Restricted assets:			
Cash and cash equivalents	-	-	-
<b>Total assets</b>	<b>\$ 6,026,202</b>	<b>\$ 6,174,430</b>	<b>\$ 1,432,138</b>
<b>Liabilities</b>			
Accounts payable	\$ 800,033	\$ 790,790	\$ 247
Accrued liabilities	105,100	79,164	-
Unearned revenue	26,045	781,259	1,431,891
Due to other governments	305,890	1,668	-
Due to other funds	43,673	32,314	-
<b>Total liabilities</b>	<b>1,280,741</b>	<b>1,685,195</b>	<b>1,432,138</b>
<b>Fund Balances</b>			
Nonspendable	-	95,993	-
Restricted	635,463	4,393,242	-
Assigned	4,109,998	-	-
<b>Total fund balances</b>	<b>4,745,461</b>	<b>4,489,235</b>	<b>-</b>
<b>Total liabilities and fund balances</b>	<b>\$ 6,026,202</b>	<b>\$ 6,174,430</b>	<b>\$ 1,432,138</b>

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

Other Governmental Funds	Total Governmental Funds
\$ 1,521,581	\$ 12,005,665
15,438	143,012
322,888	2,961,231
-	286,776
-	95,993
78,027	78,027
<u>\$ 1,937,934</u>	<u>\$ 15,570,704</u>
\$ 63,713	\$ 1,654,783
19,232	203,496
30,159	2,269,354
-	307,558
210,789	286,776
323,893	4,721,967
-	95,993
1,577,158	6,605,863
36,883	4,146,881
1,614,041	10,848,737
<u>\$ 1,937,934</u>	<u>\$ 15,570,704</u>

THIS PAGE INTENTIONALLY LEFT BLANK

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

*September 30, 2020*

---

Total fund balances - governmental funds	\$	10,848,737
--	----	------------

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

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.

Governmental capital assets, net		58,744,939
----------------------------------	--	------------

Prepaid items are recorded as an expenditure in governmental funds when paid rather than as an asset

		17,700
--	--	--------

Long-term liabilities, including total OPEB liability, net pension liability and compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds.

Deferred outflows related to post-employment benefits	73,608	
Deferred inflows related to post-employment benefits	(66,430)	
Deferred outflows related to pension liabilities	4,468,631	
Deferred inflows related to pension liabilities	(776,953)	
Net pension liabilities	(14,581,407)	
Other post-employment benefit obligation	(608,505)	
Accrued interest	(19,352)	
Long-term liabilities	(2,450,386)	(13,960,794)

---

Net position of governmental activities	\$	55,650,582
---	----	------------

---

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

**Holmes County, Florida**  
**Statement of Revenues, Expenditures and Changes in Fund Balances -**  
**Governmental Funds**

		County Transportation Trust
<i>For the year ended September 30, 2020</i>	General Fund	
<b>Revenues</b>		
Taxes	\$ 8,800,704	\$ 1,444,267
Licenses and permits	178,963	-
Intergovernmental	4,717,758	8,293,317
Charges for services	1,167,837	-
Fines and forfeitures	13,902	-
Investment earnings	25	11,942
Miscellaneous revenue	271,564	25,393
<b>Total revenues</b>	<b>15,150,753</b>	<b>9,774,919</b>
<b>Expenditures</b>		
Current		
General government	3,177,190	-
Public safety	5,776,817	-
Economic environment	129,817	-
Physical environment	285,777	-
Human services	504,869	-
Culture and recreation	598,642	-
Transportation	500	8,131,607
Capital outlay	765,126	3,554,435
Debt service	71,704	24,214
<b>Total expenditures</b>	<b>11,310,442</b>	<b>11,710,256</b>
Excess (deficiency) of revenues over (under) expenditures	3,840,311	(1,935,337)
<b>Other Financing Sources (Uses)</b>		
Proceeds from sale of capital assets	18,656	85,060
Transfers in	81,908	933,885
Transfers out	(1,162,581)	(62,091)
Reversion to State of Florida	-	-
<b>Net other financing sources (uses)</b>	<b>(1,062,017)</b>	<b>956,854</b>
<b>Net change in fund balances</b>	<b>2,778,294</b>	<b>(978,483)</b>
Fund balances, beginning	1,967,167	5,467,718
<b>Fund balances, ending</b>	<b>\$ 4,745,461</b>	<b>\$ 4,489,235</b>

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

	SHIP	Other Governmental Funds	Total Governmental Funds
\$	-	\$ -	\$ 10,244,971
	-	-	178,963
	312,587	508,119	13,831,781
	-	554,212	1,722,049
	-	325,072	338,974
	-	9	11,976
	-	30,818	327,775
	312,587	1,418,230	26,656,489
	-	622,465	3,799,655
	-	493,619	6,270,436
	312,587	-	442,404
	-	-	285,777
	-	48,685	553,554
	-	83,291	681,933
	-	-	8,132,107
	-	84,861	4,404,422
	-	228,687	324,605
	312,587	1,561,608	24,894,893
	-	(143,378)	1,761,596
	-	-	103,716
	-	228,696	1,244,489
	-	(19,817)	(1,244,489)
	-	(25,056)	(25,056)
	-	183,823	78,660
	-	40,445	1,840,256
	-	1,573,596	9,008,481
\$	-	\$ 1,614,041	\$ 10,848,737

**Holmes County, Florida**

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

*For the year ended September 30, 2020*

---

Net change in fund balances - total governmental funds	\$ 1,840,256
--	--------------

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

Capital outlay, reported as expenditures in governmental funds, are shown as capital assets in the Statement of Net Position.	4,406,717
---	-----------

Donated capital assets do not use current financial resources and are not reported in the governmental funds.	5,524
---	-------

Depreciation expense on governmental capital assets is included in the governmental activities in the Statement of Activities.	(2,794,751)
--	-------------

In the statement of activities, the gain or loss on the disposal of capital assets is reported. Whereas in the governmental funds, total proceeds from disposals are reported. Thus, the change in net position differs from the change in fund balance by the net book value of the disposed capital assets.	(125,208)
---	-----------

Repayment of note principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	259,603
--	---------

Changes in deferred outflows and deferred inflows related to pension liability and net pension liability do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.	(1,778,767)
--	-------------

Other postemployment benefit obligations reported in the statement of activities does not require the use of current financial resources and therefore, are not reported as an expenditure in governmental funds.	(45,689)
---	----------

Compensated absences, accrued interest and prepaid items reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	2,040
--	-------

---

Change in net position of governmental activities	\$ 1,769,725
---	--------------

---

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

**Holmes County, Florida**  
**General Fund**

**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**

	Budgeted Amounts			Variance
<i>For the year ended September 30, 2020</i>	Original Budget	Final Budget	Actual	with Final Budget
<b>Revenues</b>				
Taxes	\$ 8,467,287	\$ 8,467,287	\$ 8,800,704	\$ 333,417
Licenses and permits	117,896	117,896	178,963	61,067
Intergovernmental	888,181	3,816,447	4,717,758	901,311
Charges for services	1,173,275	1,173,275	1,167,837	(5,438)
Fines and forfeitures	41,257	41,257	13,902	(27,355)
Investment earnings	20	20	25	5
Miscellaneous	215,326	173,691	271,564	97,873
<b>Total revenues</b>	<b>10,903,242</b>	<b>13,789,873</b>	<b>15,150,753</b>	<b>1,360,880</b>
<b>Expenditures</b>				
Current				
General government	3,687,154	3,780,306	3,177,190	603,116
Public safety	5,696,980	5,785,756	5,776,817	8,939
Economic environment	208,569	208,664	129,817	78,847
Physical environment	360,882	352,093	285,777	66,316
Human services	694,891	716,641	504,869	211,772
Culture and recreation	220,700	2,975,314	598,642	2,376,672
Transportation	500	500	500	-
Capital outlay	663,509	552,543	765,126	(212,583)
Debt service	-	-	71,704	(71,704)
<b>Total expenditures</b>	<b>11,533,185</b>	<b>14,371,817</b>	<b>11,310,442</b>	<b>3,061,375</b>
<b>Excess of revenues over expenditures</b>	<b>(629,943)</b>	<b>(581,944)</b>	<b>3,840,311</b>	<b>4,422,255</b>
<b>Other Financing Sources</b>				
Proceeds from sale of capital assets	-	-	18,656	18,656
Transfers in	-	-	81,908	81,908
Transfers out	(1,114,582)	(1,162,581)	(1,162,581)	-
<b>Total other financing sources</b>	<b>(1,114,582)</b>	<b>(1,162,581)</b>	<b>(1,062,017)</b>	<b>100,564</b>
<b>Net change in fund balance</b>	<b>(1,744,525)</b>	<b>(1,744,525)</b>	<b>2,778,294</b>	<b>4,522,819</b>
<b>Fund balance, beginning</b>	<b>1,744,525</b>	<b>1,744,525</b>	<b>1,967,167</b>	<b>222,642</b>
<b>Fund balance, ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,745,461</b>	<b>\$ 4,745,461</b>

-Continued-

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

**Holmes County, Florida**  
**General Fund**

**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual (Continued)**

	Budgeted Amounts				Variance with Final Budget
<i>For the year ended September 30, 2020</i>	Original Budget	Final Budget		Actual	
<b>Reconciliation of GAAP to Budgetary Basis</b>					
GAAP basis revenues	\$ 10,903,242	\$ 13,789,873	\$ 15,150,753	\$ 1,360,880	
Non-budgeted revenues					
Intergovernmental	-	-	(424,380)	(424,380)	
Miscellaneous	-	-	(90,356)	(90,356)	
Budgetary basis revenues	\$ 10,903,242	\$ 13,789,873	\$ 14,636,017	\$ 846,144	
<b>Reconciliation of GAAP to Budgetary Basis</b>					
GAAP basis expenditures	\$ 11,533,185	\$ 14,371,817	\$ 11,310,442	\$ 3,061,375	
Non-budgeted expenditures					
Public safety	-	-	(472,645)	472,645	
Capital outlay	-	-	(42,091)	42,091	
Budgetary basis expenditures	\$ 11,533,185	\$ 14,371,817	\$ 10,795,706	\$ 3,576,111	

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

**Holmes County, Florida**  
**County Transportation Trust Special Revenue Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**

	<u>Budgeted Amounts</u>			Variance
<i>For the year ended September 30, 2020</i>	Original Budget	Final Budget	Actual	with Final Budget
<b>Revenues</b>				
Taxes	\$ 1,566,992	\$ 1,566,992	\$ 1,444,267	\$ (122,725)
Intergovernmental	8,500,000	8,500,000	8,293,317	(206,683)
Investment earnings	19,931	19,931	11,942	(7,989)
Miscellaneous	14,279	14,279	25,393	11,114
<b>Total revenues</b>	<b>10,101,202</b>	<b>10,101,202</b>	<b>9,774,919</b>	<b>(326,283)</b>
<b>Expenditures</b>				
Transportation	13,030,357	13,170,354	8,131,607	5,038,747
Capital outlay	4,247,089	3,918,601	3,554,435	364,166
Debt Service	26,543	26,543	24,214	2,329
<b>Total expenditures</b>	<b>17,303,989</b>	<b>17,115,498</b>	<b>11,710,256</b>	<b>5,405,242</b>
Excess (deficiency) of revenues over (under) expenditures	(7,202,787)	(7,014,296)	(1,935,337)	5,078,959
<b>Other Financing Sources</b>				
Proceeds from sale of capital assets	-	-	85,060	85,060
Transfers in	885,886	885,886	933,885	47,999
Transfers out	-	(188,491)	(62,091)	126,400
<b>Total other financing sources</b>	<b>885,886</b>	<b>697,395</b>	<b>956,854</b>	<b>259,459</b>
<b>Net change in fund balance</b>	<b>(6,316,901)</b>	<b>(6,316,901)</b>	<b>(978,483)</b>	<b>5,338,418</b>
<b>Fund balance, beginning</b>	<b>6,316,901</b>	<b>6,316,901</b>	<b>5,467,718</b>	<b>(849,183)</b>
<b>Fund balance, ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,489,235</b>	<b>\$ 4,489,235</b>

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

**Holmes County, Florida**  
**SHIP Special Revenue Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**

	Budgeted Amounts				Variance
	Original	Final			with Final
<i>For the year ended September 30, 2020</i>	Budget	Budget	Actual		Budget
<b>Revenues</b>					
Intergovernmental	\$ 350,000	\$ 1,110,000	\$ 312,587	\$	(797,413)
<b>Expenditures</b>					
Current					
Economic environment	966,585	1,726,585	312,587		1,413,998
Excess (deficiency) of revenues over (under) expenditures	(616,585)	(616,585)	-		616,585
Fund balance, beginning	616,585	616,585	-		(616,585)
Fund balance, ending	\$ -	\$ -	\$ -	\$	(616,585)

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

**Holmes County, Florida**  
**Statement of Fiduciary Net Position**

<i>September 30, 2020</i>	Agency Funds
<b>Assets</b>	
Cash and cash equivalents	\$ 308,285
Receivables	37
<b>Total assets</b>	<b>\$ 308,322</b>
<b>Liabilities</b>	
Due to other governments	\$ 62,512
Due to individuals	228,559
Deposits	17,251
<b>Total liabilities</b>	<b>\$ 308,322</b>

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

## **Holmes County, Florida**

### **Notes to Financial Statements**

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

#### **Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### ***Reporting Entity***

The County is a political subdivision of the State of Florida (the "State") created pursuant to Article VIII of the State Constitution with its geographical boundaries established in Florida Statutes Chapter 7.30. It is guided by an elected Board of County Commissioners (the "Board") which is governed by state statutes. In addition to the members of the Board, there are five elected Constitutional Officers: Tax Collector, Property Appraiser, Clerk of the Circuit Court, Sheriff, and Supervisor of Elections. The operations of the County as a whole, including the constitutional officers, have been combined in these financial statements.

The financial reporting entity consists of the County and its component unit, which is a legally separate organization for which the County is financially accountable. The County is financially accountable for legally separate organizations if County officials appoint a voting majority of an organization's governing body and either the County is able to impose its will on the organization, or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burden on the County. The County may also be financially accountable for organizations that are fiscally dependent on the County if there is a potential for the organization to provide specific financial benefits to the County or impose specific financial burdens on the County, regardless of whether the organizations have separate elected governing boards, governing boards appointed by higher levels of government, or jointly appointed boards.

A discretely presented component unit is reported in a separate column in the financial statements to emphasize it is legally separate from the government. Blended component units, although legally separate entities, are, in substance, part of the government's operations and so data from these units are combined with that of the primary government. Component units of Holmes County are noted below.

##### ***Discretely Presented Component Unit***

The Holmes County Development Commission (the "Development Commission") was created by an act of the Florida Legislature (LF 61-2270; HB 1593) on July 1, 1962 for the purpose of "performing such acts as shall be necessary for the sound planning for and development of Holmes County". The Development Commission has a September 30 year end and consists of a single proprietary fund. Complete financial statements of the Development Commission can be obtained from the Development Commission at 106 East Byrd Avenue, Bonifay, Florida 32425.

## Holmes County, Florida Notes to Financial Statements

### Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### ***Blended Component Unit***

The Tourist Development Council was created by a resolution of the County pursuant to Florida Statute 125.0104(4) (Resolution No. 04-10) on August 25, 2004 for the purpose of enabling the County to “promote and advertise tourism, enhance, clean up or restore inland lakes and rivers and repair and maintain fishing piers, support special events within the local communities of the County, and provide for additional historical or heritage opportunities as a means of attracting additional tourists”. The Tourist Development Council activity is reported within the General Fund of the County.

#### ***Government-Wide and Fund Financial Statements***

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

Separate financial statements are provided for governmental funds, proprietary fund and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

#### ***Measurement Focus, Basis of Accounting, and Financial Statement Presentation***

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

## Holmes County, Florida Notes to Financial Statements

### **Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the County.

#### ***Government-Wide Financial Statements***

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds. Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As discussed earlier, the County has one discretely presented component unit. While the Development Commission is considered to be a major component unit, it is nevertheless shown in separate column in the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Fund Financial Statements***

The fund financial statements provide information about the County's funds, including its fiduciary funds and blended component units. Separate statements for each fund category—governmental and fiduciary—are presented. The emphasis of fund financial statements is on major governmental, each displayed in a separate column. All remaining governmental are aggregated and reported as nonmajor funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The County reports the following major governmental funds:

The *General Fund* accounts for resources devoted to financing the general services that the County performs for its citizens. General tax revenues and other sources of revenue used to finance the fundamental operations of the County are included in this fund. The fund is charged with all costs of operating the government for which a separate fund has not been established.

*County Transportation Trust* accounts for motor fuel taxes and various grant funds designated to finance highway and road construction and maintenance.

*SHIP* accounts for state grant to improve housing.

The County also reports the following fiduciary fund type:

*Agency Funds* account for assets held by the County in a trustee capacity or as an agent for individuals, other governmental units and/or funds. Agency funds are custodial in nature and do not involve measurement of results of operations. These funds are accounted for on an accrual basis of accounting.

***Budgetary Information***

***Budgetary Basis of Accounting***

Annual budgets for governmental fund types that are legally required to prepare an annual budget are adopted on a basis of accounting that differs from GAAP. The major differences are recognition of unanticipated activity; capital assets and related debt activity, grant and intergovernmental revenues and related expenditures. The financial statements present budget information for only the major funds and all appropriations lapse at year-end.

*Board of County Commissioners* – Pursuant to Chapter 129, Florida Statutes, General Budget Policies, the following procedures are followed by the Board in establishing, adopting and maintaining the operating budget:

Prior to August 15, the Clerk of the Circuit Court, as ex-officio Clerk of the Board, submits to the Board a tentative budget for the fiscal year commencing the following October 1.

## Holmes County, Florida Notes to Financial Statements

### Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxpayers are informed of the proposed budget and tentative millage rates through legal advertising. Public hearings are held to elicit taxpayer comments.

Prior to September 30, the budget is legally adopted through passage of a resolution for the fiscal year beginning October 1.

The Board, at any time within a fiscal year, may amend a budget for that year as follows:

Appropriations for expenditures in any fund may be decreased and other appropriations in the same fund correspondingly increased by motion recorded in the minutes, provided that the total of the appropriations of the fund are not changed. The Board, however, has established procedures by which the designated budget officer and heads of departments may authorize certain interdepartmental budget amendments, provided that the total appropriations of the department are not changed.

Florida Statute 129, Section 7, as amended in 1978, provides that only expenditures in excess of total fund budgets are unlawful. However, because the Board acts on all budget changes between departments, the lower of fund or department becomes the level of control.

Appropriations from the reserve for contingencies may be made to increase the appropriation for any particular expenditure in the same fund, or to create an appropriation in the fund for any lawful purpose, but no expenditures shall be charged directly to the reserve for contingencies.

A receipt of a nature or from a source not anticipated in the budget and received for a particular purpose, including but not limited to grants, donations, gifts, or reimbursements for damages, may, by resolution of the Board recorded in its minutes, be appropriated and expended for that purpose, in addition to the appropriations and expenditures provided for in the budget. Such receipts and appropriations shall be added to the budget of the proper fund.

Supplemental appropriations funded from sources not described above require public hearings and action by the Board in the same manner as adopting the original budget.

#### *Excess of Expenditures over Appropriations*

For the year ended September 30, 2020, expenditures exceeded appropriations within the capital outlay and debt service function of the General Fund by \$212,583 and \$71,704, respectively. The excess was funded with unanticipated revenues in excess of budgeted revenues. During fiscal year 2020, there were general fund supplemental budget appropriations of \$2,886,631 or 26.47% of the original budget. The following items represent the major additional appropriations:

#### **General Fund**

Various federal and state grants	\$ 2,886,631
----------------------------------	--------------

## Holmes County, Florida Notes to Financial Statements

### **Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Clerk of the Court* – Florida Statutes Chapter 218.35 and 218.36 governs the preparation, adoption and administration of the Clerk of the Circuit Court's (the "Clerk") annual budget. The Clerk establishes an annual balanced budget which clearly reflects the revenues available to the office and the functions for which money is to be expended. The budgeted revenues and expenditures in the accompanying financial statements reflect all amendments approved by the Board. The budget is prepared on a basis consistent with GAAP.

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

The budget relating to the state court system (Circuit and County) is filed with the Florida Clerk of Courts Operations Corporation; and

The budget approved by the Board for funds necessary to perform those duties of Clerk of the Board of County Commissioners, County Auditor, and Custodian or Treasurer of all county funds and other county-related duties.

The fees generated by the various non-court departments of the Clerk of Circuit Court are used to pay operating expenditures of that department. All excess fees are remitted to the Board at year-end.

*Sheriff* – Florida Statutes Chapter 30.49 and 129.03 govern the preparation, adoption and administration of the Sheriff's annual budget. By June 1 each year, the Sheriff shall certify to the Board a proposed budget of expenditures for carrying out the duties of his office for the ensuing fiscal year. No later than August 1 of each year, the Board shall approve the Sheriff's budget.

*Tax Collector and Property Appraiser* – Florida Statutes Chapter 195.087 govern the preparation, adoption and administration of the budgets of the Tax Collector and Property Appraiser. On or before a legally designated date each year, the Tax Collector and the Property Appraiser shall submit to the Florida Department of Revenue a budget for the ensuing fiscal year. A copy of such budget shall be furnished at the same time to the Board. Final approval of the budgets is given by the Florida Department of Revenue.

*Supervisor of Elections* – The Supervisor of Elections works in cooperation with the Board to establish an annual budget for the office. Florida Statutes Chapter 129.201 and 129.03 govern the preparation, adoption and administration of the annual budget. The Supervisor of Elections' budget is funded from the Board's General Fund.

### ***Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position***

#### ***Cash and Cash Equivalents***

Cash and cash equivalents represent cash on hand as well as demand deposits and certificates of deposit with original maturities of three months or less. This policy applies to the primary government and its component unit.

## Holmes County, Florida Notes to Financial Statements

### **Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### *Receivables*

The County records accounts receivable for various taxes, fees and services. For ambulance service fees, uncollectible allowance has been recorded based on contractual and historical experience. All other receivables are considered collectible and, as such, no allowance for uncollectibles is reported, see Note 2.

#### *Interfund Activities and Transactions*

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

#### *Inventories and Prepaid Items*

The County uses the consumption method to account for inventory with cost determined by the first-in, first-out method. Inventory is comprised primarily by equipment parts and bulk fuel reported in the Transportation Trust Fund.

Certain payments to vendors reflect cost applicable to future accounting periods and are recorded as prepaid items in the government-wide statements. At the fund level, expenditures are recognized when the available finance resource is expended.

#### *Restricted Assets*

Restricted assets are cash and investments restricted as to their use to comply with state and federal closure and post closure landfill requirements and bond covenants of the 2012 revenue bonds. The Development Commission has pledged and restricted investments against an outstanding line of credit.

#### *Capital Assets*

Capital assets, which include property, plant, equipment and infrastructure assets (e.g. roads, bridges, streets and sidewalks, and similar items) are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an individual cost of more than \$1,000 and an estimated useful life in excess of one year. Additions to capital assets are recorded at cost at the time of purchase. Donated capital assets are recorded at acquisition value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Capital assets inventory is maintained as required by Florida Statute 274 and Florida Administrative Code Sections 69(i)-73.002 and 69(i)-73.006.

**Holmes County, Florida**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Depreciation has been provided using the straight-line method. The estimated useful lives of the various classes of depreciable capital assets are as follows:

Asset	Years
Buildings	25 - 40
Building improvements	7 - 25
System infrastructure	20 - 40
Vehicles	5 - 10
Equipment	5 - 10
Improvements other than buildings	20 - 30

*Deferred Outflows/Inflows of Resources*

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County had deferred outflows at year end related to various actuarial assumption changes and valuations related to the County's portion of the Florida Retirement System Pension Plan and Retiree Health Insurance Subsidy Program annual valuations and retirement contribution payments made by the County after the valuation date of the Florida Retirement System's latest valuation but before the end of the County's fiscal year. In addition, the County had deferred outflows at year-end related to their other postemployment benefit plan (OPEB).

In addition to liabilities, the statement of net position will sometimes report 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 and so will not be recognized as an inflow of resources (revenue) until that time. The only such item at year end consists of various actuarial assumption changes and valuations related to the County's portion of the Florida Retirement System Pension Plan and Retiree Health Insurance Subsidy Program annual valuations. These amounts are recognized as inflows of resources in the period that they become available.

*Compensated Absences*

It is the County's policy to allow employees to accumulate unused paid time off. For the fiscal year ended September 30, 2020 for all governmental fund types, the liability relating to such vested unused paid time off to the extent of certain maximum hours is recorded in the accompanying government-wide financial statements. Expenditures for compensated absences in governmental funds are those paid during the current fiscal year and the amount unpaid at the end of the reporting period that normally would be liquidated with expendable available financial resources. Accumulated paid time off is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

## Holmes County, Florida Notes to Financial Statements

### **Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### *Long-term Liabilities*

In the government-wide financial statements, long-term debt and other long-term liabilities are reported as liabilities in the Statement of Net Position. In fund financial statements, the face amount of debt issued is reported as other financing sources.

#### *Lease Obligations*

Capital lease obligations are stated at the original fair market value of leased assets capitalized, less payments since the inception of the lease, discounted at the implicit rate of interest in the lease. In the year an asset is acquired by capital lease, the expenditure for the asset and the offsetting amount of the financing source are reflected in the fund financial statements in the statement of revenues, expenditures and changes in fund balances. Capital lease obligations of governmental activities in the government-wide financial statements and the cost of assets acquired are reflected in the accounts of those funds.

#### *Categories and Classification of Net Position And Fund Equity*

*Net position flow assumption and fund balance flow assumption* - The authority to establish, modify or rescind a committed or assigned fund balance rests with the Board and these actions are accomplished through an adopted resolution. When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed. When expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it is the County's policy to use committed funds first, then assigned, and finally unassigned.

*Net position* on the government-wide financial statements is required to be classified for accounting and reporting purposes into the following net position categories:

*Net investment in capital assets* – Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets. Any significant unspent proceeds at year-end related to capital assets are reported as restricted funds.

*Restricted* – Constraints imposed on net position by external creditors, grantors, contributors, laws or regulations of other governments, or law through constitutional provision or enabling legislation.

*Unrestricted* – Net position that is not subject to externally imposed stipulations. Unrestricted net position may be designated for specific purposes by action of the Board.

*Fund Equity* is reported in the fund financial statements as either nonspendable or spendable in the following classifications:

## Holmes County, Florida Notes to Financial Statements

### Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

*Committed fund balance* – The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Board. The Board is the highest level of decision-making authority for the County that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

*Assigned fund balance* – Amounts in the assigned fund balance classification are intended to be used by the County for specific purposes but do not meet the criteria to be classified as committed. The governing council (Board) has by resolution authorized the finance director to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

*Unassigned fund balance* – Unassigned fund balance is the residual classification.

### ***Revenues and Expenditures/Expenses***

#### ***Property Taxes***

Property taxes in the County are levied by the Board. The millage levies are determined on the basis of estimates of revenue needs and the total taxable valuations within the jurisdiction of the Board. No aggregate ad valorem tax millage in excess of 10 mills on the dollar is levied against property of the County as specified in Florida Statute 200.071.

Each year, the total taxable valuation is established by the Property Appraiser and the list of property assessments is submitted to the State Department of Revenue for approval. Taxes, assessed as of January 1 of each year, are due and payable on November 1 of each year or as soon thereafter as the assessment roll is opened for collection. Pursuant to Florida Law, all owners of property have the responsibility of ascertaining the amount due and paying it before April 1 of the year following the year in which the tax was assessed.

## Holmes County, Florida Notes to Financial Statements

### Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2020 Property tax calendar:

Lien date	- January 1, 2019
Levy date	- November 1, 2019
Tax bills mailed	- November 1, 2019
Collection dates	- November 30, 2019: 4% discount - Through January 2, 2020: 3% discount - Through January 31, 2020: 2% discount - Through February 28, 2020: 1% discount
Delinquent date	- April 1, 2020
Tax sale	- 2019 delinquent property taxes - on or before June 1, 2020

#### ***Pensions***

The County participates in The Florida Retirement System (the "System"). The System's financial statements are prepared using the economic resources measurement focus and accrual basis of accounting. Contributions are recognized as revenues when earned, pursuant to the plan requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. Expenses are recognized when the corresponding liability is incurred regardless of when the payment is made. Investments are reported at fair value. Financial statements are prepared in accordance with requirements of the GASB. Under these requirements, the Plan is considered a component unit of the State of Florida and is included in the State's Comprehensive Annual Financial Report.

#### ***Other Postemployment Benefits ("OPEB")***

In addition to the pension benefit noted above, the County offers certain OPEB. For purposes of measuring total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, the economic resources measurement focus and full accrual basis of accounting are utilized. Benefit payments are recognized when due and payable in accordance with the benefit terms.

#### ***Management Estimates and Assumptions***

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

## Holmes County, Florida Notes to Financial Statements

### Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### ***Subsequent Events***

Management has evaluated subsequent events through the date that the financial statements were available to be issued March 29, 2021 and determined there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these consolidated financial statements.

#### ***Recently Issued and Implemented Accounting Pronouncements***

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

#### ***Pronouncements Issued But Not yet Effective***

The GASB has issued statements that will become effective in future years. These statements are as follows:

In January 2017, the GASB issued Statement No. 84 (GASB 84), *Fiduciary Activities*. GASB 84 establishes specific criteria for identifying fiduciary activities and the requirements for financial statement reporting. The focus of the criteria is on whether a government is controlling the assets of the fiduciary activity and the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. GASB 84 describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. In addition, recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred which compels the government to disburse fiduciary resources should also be reported. GASB 84 will be effective for the fiscal years beginning after December 15, 2019.

In June 2017, the GASB issued Statement No. 87 (GASB 87), *Leases*. The objective of GASB 87 is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. GASB 87 increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of GASB 87 are effective for reporting periods beginning after June 15, 2021.

## Holmes County, Florida Notes to Financial Statements

### Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In June 2018, the GASB issued Statement No. 89 (GASB 89), *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objectives of GASB 89 are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. The requirements of GASB 89 are effective for reporting periods beginning after December 15, 2020.

In August 2018, the GASB issued Statement No. 90 (GASB 90), *Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61*. The primary objectives of GASB 90 are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. The requirements of this statement are effective for reporting periods beginning after December 15, 2019. The requirements should be applied retroactively, except for the provisions related to (1) reporting a majority equity interest in a component unit and (2) reporting a component unit if the government acquires a 100 percent equity interest. Those provisions should be applied on a prospective basis.

In May 2019, the GASB issued Statement No. 91 (GASB 91), *Conduit Debt Obligations*. The primary objectives of GASB 91 are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. GASB 91 achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of GASB 91 are effective for reporting periods beginning after December 15, 2021.

In January 2020, the GASB issued Statement No. 92 (GASB 92), *Omnibus 2020*. The objectives of GASB 92 are to enhance the comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The requirements of GASB 92 are effective for reporting periods beginning after June 15, 2021.

## Holmes County, Florida Notes to Financial Statements

### Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In March 2020, the GASB issued Statement No. 93 (GASB 93), *Replacement of Interbank Offered Rates*. The purpose of GASB 93 is to address accounting and financial reporting implications that result from the replacement of interbank offered rate (IBOR) – most notably, the London Interbank Offered Rate (LIBOR). GASB 93 achieves this objective by (1) providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment, (2) clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate, (3) clarifying that the uncertainty related to the continued availability of IBORs does not, by itself, affect the assessment of whether the occurrence of a hedged expected transaction is probable, (4) removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap, (5) identifying a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of the interest rate swap, and (6) clarifying the definition of reference rate, as it is used in Statement 53, as amended. The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021.

In March 2020, the GASB issued Statement No. 94 (GASB 94), *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of GASB 94 is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in GASB 94, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in GASB 94 as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. GASB 94 also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in GASB 94, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. GASB 94 is effective for fiscal years beginning after June 15, 2022.

In May 2020, the GASB issued Statement No. 96 (GASB 96), *Subscription-Based Information Technology Arrangements*. GASB 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). GASB 96 (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. GASB 96 is effective for fiscal years beginning after June 15, 2022.

## Holmes County, Florida Notes to Financial Statements

### **Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

In June 2020, the GASB issued Statement No. 97 (GASB 97), *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. The primary objectives of GASB 97 are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution OPEB plans, and employee benefit plans other than pension or OPEB plans as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans that meet the definition of a pension plan and for benefits provided through those plans. The requirements for GASB 97 are effective for reporting periods beginning after June 15, 2021.

The County is evaluating the requirements of the above statements and the impact on reporting.

### **Note 2: DETAILED NOTES ON ALL FUNDS**

#### ***Deposits and Investments***

##### ***Custodial Credit Risk***

The County maintains its deposits only with qualified public depositories as defined in Chapter 280, Florida Statutes. The provisions of this statute generally require public funds to be deposited in a bank or savings association designated by the State Chief Financial Officer as a "Qualified Public Depository". All qualified public depositories must maintain deposit insurance. They also must place with or in the name of the Chief Financial Officer of the State of Florida, collateral in the amount of the greater of the average daily balance of public deposits multiplied by the average monthly balance of public deposits or 125 percent of the average daily balance of public deposits greater than capital. Collateral requirements may be increased according to statute if specified conditions exist. Eligible collateral includes federal, federally-guaranteed, state and local government obligations and corporate bonds. In the event of default by a qualified public depository excess losses over insurance and collateral will be recovered through assessments to all qualified public depositories of the same type as the depository in default. Under this method, the County's deposits are considered fully insured.

##### ***Development Commission***

The Commission's investment program is established in accordance with the Commission's investment policy, pertinent bond resolutions and Section 218.45, Florida Statutes, which allows the Commission to invest in the Florida State Board of Administration intergovernmental investment pool or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act of 1969, direct obligations of the United States Government, obligations of the different agencies of the Federal Government, registered money market funds, and accounts of state qualified public depositories.

## Holmes County, Florida Notes to Financial Statements

### Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

*Interest rate risk* – Interest rate risk is the possibility that interest rates will rise and reduce the fair value of an investment. The Commission's investment policy limits interest rate risk by requiring that an attempt be made to match investment maturities with known cash needs and anticipated cash flow requirements. In addition, investments of current operating funds are required to have maturities of no longer than twelve months. The Commission's investment policy places no limit on the maturity of investments.

The Development Commission's investments at September 30, 2020 were comprised of the following, reported at fair value:

	Fair Value	Maturities (in years)			Level
		Less than 1	1 - 5	More than 5	
U.S. Government and agency securities	\$ 325,139	\$ -	\$ 93,115	\$ 232,024	L1
Corporate bonds	1,002,097	180,902	288,335	532,860	L2
Mortgage-backed securities	512,363	-	3,207	509,156	L2
	1,839,599	<u>\$ 180,902</u>	<u>\$ 384,657</u>	<u>\$ 1,274,040</u>	
Common stock	356,080				
<b>Total investments</b>	<b>\$ 2,195,679</b>				

*Fair Value Measurement* - GASB Statement No. 72, *Fair Value Measurement and Application*, enhances comparability of governmental financial statements by requiring fair value measurement for certain assets and liabilities using a consistent definition and accepted valuation techniques. The standard establishes a hierarchy of inputs used to measure fair value that prioritizes inputs in to three categories – Level 1, Level 2, and Level 3 inputs – considering the relative reliability of inputs. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of fair value hierarchy are as follows:

Level 1 (L1): Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the County has the ability to access.

Level 2 (L2): Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 (L3): Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

**Holmes County, Florida**  
**Notes to Financial Statements**

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following table sets forth by level, within the fair value hierarchy, the Commission's assets at fair value as of September 30, 2020:

	Level 1	Level 2	Level 3	Total
U.S. Government and agency securities	\$ 325,139	\$ -	\$ -	\$ 325,139
Corporate bonds	-	1,002,097	-	1,002,097
Mortgage-backed securities	-	512,363	-	512,363
Common stock	356,080	-	-	356,080
<b>Total investments at fair value</b>	<b>\$ 681,219</b>	<b>\$ 1,514,460</b>	<b>\$ -</b>	<b>\$ 2,195,679</b>

***Receivables***

Accounts receivable consists primarily of ambulance billings with a balance of \$850,409 and an allowance for uncollectible accounts of \$734,824, net \$115,585. All other receivables totaling \$27,427 are considered collectible and no allowance for uncollectibles on those accounts is deemed necessary.

***Due from Other Governments***

Due from Other Governments of \$2,961,231 is comprised of various grant reimbursements, revenue sharing and taxes collected for the County by the State.

***Interfund Balances***

Due to/from other funds consists of the following:

Receivable Fund	Payable Fund	Amount
General fund	Nonmajor governmental fund	\$ 210,716
General fund	Transportation fund	32,314
Transportation fund	Nonmajor governmental fund	73
Transportation fund	General fund	43,673
<b>Total</b>		<b>\$ 286,776</b>

All amounts due will be paid within one year of the financial statement date.

**Holmes County, Florida**  
**Notes to Financial Statements**

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

***Interfund Transfers***

Transfers to/from other funds consist of the following:

Transfer from	Transfer to	Amount
(1) Nonmajor governmental funds	General Fund	\$ 19,817
(2) General Fund	Nonmajor governmental funds	228,696
(3) General Fund	Transportation Trust	933,885
(4) Transportation Trust	General Fund	62,091
Total		\$ 1,244,489

- (1) reimburse for eligible expenditures
- (2) annual debt service requirements and budgeted appropriations
- (3) budgeted appropriations
- (4) budgeted infrastructure expenditures

***Capital Assets***

Capital assets activity for the fiscal year is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
<b>Governmental Activities</b>					
Capital assets, not being depreciated					
Land	\$ 5,939,431	\$ -	\$ -	\$ -	\$ 5,939,431
Construction in progress	872,462	3,064,294	-	(1,954,136)	1,982,620
Capital assets, not being depreciated	6,811,893	3,064,294	-	(1,954,136)	7,922,051
Capital assets, being depreciated					
Buildings	10,368,232	129,445	50,335	-	10,447,342
Infrastructure	63,974,145	-	-	1,954,136	65,928,281
Machinery and equipment	11,024,474	1,218,502	804,804	-	11,438,172
Capital assets, being depreciated	85,366,851	1,347,947	855,139	1,954,136	87,813,795

**Holmes County, Florida**  
**Notes to Financial Statements**

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Less accumulated depreciation for					
Buildings	5,149,157	289,762	14,891	-	5,424,028
Infrastructure	23,360,464	1,566,727	-	-	24,927,191
Machinery and equipment	6,416,466	938,262	715,040	-	6,639,688
<b>Total accumulated depreciation</b>	<b>34,926,087</b>	<b>2,794,751</b>	<b>729,931</b>	<b>-</b>	<b>36,990,907</b>
<b>Total capital assets being depreciated, net</b>	<b>50,440,764</b>	<b>(1,446,804)</b>	<b>125,208</b>	<b>1,954,136</b>	<b>50,822,888</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 57,252,657</b>	<b>\$ 1,617,490</b>	<b>\$ 125,208</b>	<b>\$ -</b>	<b>\$ 58,744,939</b>

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

**Governmental Activities**

General government	\$ 282,314
Public safety	409,576
Physical environment	4,212
Transportation	2,056,879
Economic environment	1,024
Human services	17,650
Culture and recreation	23,096
<b>Total</b>	<b>\$ 2,794,751</b>

The Development Commission's capital assets are as follows:

Capital assets not depreciated:

Land	\$ 1,224,996
------	--------------

Capital assets depreciated:

Building and improvements	1,022,969
---------------------------	-----------

Less: accumulated depreciation	(23,614)
--------------------------------	----------

<b>Total depreciable capital assets, net</b>	<b>999,355</b>
--	----------------

<b>Total capital assets, net</b>	<b>\$ 2,224,351</b>
----------------------------------	---------------------

**Holmes County, Florida**  
**Notes to Financial Statements**

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

***Unearned Revenue***

Revenue received under contracts with governmental agencies which are unearned until expended are as follows:

Arthropod grant	\$ 27,413
Federal Interdiction funds	2,746
Federal Election grant	18,582
SHIP	1,431,891
FEMA grant	788,722
<b>Total</b>	<b>\$ 2,269,354</b>

***Long-Term Debt and Liabilities***

The following is a summary of changes in long-term debt for the year ended September 30, 2020:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Capital leases from direct borrowings	\$ 155,180	\$ -	\$ 90,211	\$ 64,969	\$ 20,856
Series 2012 revenue bonds	2,052,044	-	169,392	1,882,652	174,426
Compensated absences	486,279	380,638	364,152	502,765	50,277
<b>Total</b>	<b>\$ 2,693,503</b>	<b>\$ 380,638</b>	<b>\$ 623,745</b>	<b>\$ 2,450,386</b>	<b>\$ 245,559</b>

Governmental activities, claims, obligations and compensated absences are generally liquidated by the general fund.

***Capital Leases from Direct Borrowings***

The County has entered into various agreements as lessee for financing the acquisition of equipment. These leases qualify as capital leases for accounting purposes (title transfers at the end of the lease term). The following is an analysis of equipment leased under capital leases.

	Capital Assets
Machinery and equipment	\$ 108,063
Less: accumulated depreciation	(15,309)
<b>Net leased machinery and equipment</b>	<b>\$ 92,754</b>

**Holmes County, Florida**  
**Notes to Financial Statements**

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

Future lease debt service is as follows:

Fiscal Year Ending September 30,	Long-Term Debt
2021	\$ 23,318
2022	23,318
2023	23,318
Total minimum lease payments	69,954
Less: amount representing interest	(4,985)
<u>Present value of future minimum lease payments</u>	<u>\$ 64,969</u>

**Revenue Bonds**

*Public Improvement Refunding Revenue Bonds Series 2012* - The County issued revenue bonds on December 21, 2012, to provide funds to finance the cost of refunding the outstanding Public Improvement Refunding Revenue Bond, Series 2011, to fund the reserve for the bonds and to pay certain expenses related to the issuance and sale of the bonds. The interest rate on the bonds is 2.95%. Interest and principal is payable semiannually on June 1 and December 1. The original issue was for \$3,025,479 with principal payments beginning December 1, 2013 through December 1, 2029. The bonds were secured by a lien and pledge of the County's Guaranteed Entitlement and Half-Cent Sales tax. For the current year, principal and interest and revenue from the pledge sources were \$228,687 and \$898,822, respectively. Annual principal and interest payments on the bond are expected to require an estimated 25% of the pledged revenues. The outstanding principal payment installments of the bonds may be prepaid in whole prior to their respective payment date, at the option of the County, at any time, at the price of par and accrued interest to the prepayment date, plus a premium equal to 1% of the principal payment installments to be prepaid.

The following table sets forth the annual debt service requirements on the Series 2012 Public Improvement Refunding Bonds:

Year Ending September 30,	Principal	Interest	Total
2021	\$ 174,426	\$ 52,546	\$ 226,972
2022	179,609	47,312	226,921
2023	185,127	41,922	227,049
2024	190,442	36,371	226,813
2025	196,102	30,656	226,758
2026 - 2030	956,946	62,554	1,019,500
	<u>\$ 1,882,652</u>	<u>\$ 271,361</u>	<u>\$ 2,154,013</u>

## Holmes County, Florida Notes to Financial Statements

### Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

#### ***Development Commission***

The Commission has a note payable of \$1,140,000 from Regions Bank maturing July 20, 2030. The total amount of the loan is due July 20, 2030 and the loan is secured by investments held in a Regions Trust account. The current rate of interest is 3.35% and interest payments are due quarterly.

#### ***Net Position and Fund Balances***

##### *Net Position Restricted by Enabling Legislation*

The government-wide Statement of Net Position reports \$6,605,863 of restricted net position, of which \$6,078,415 was restricted by enabling legislation.

##### *Governmental Fund Balances*

Fund balance is comprised of the following:

#### **Nonspendable Fund Balance**

County Transportation Trust  
Inventory

\$ 95,993

#### **Restricted Fund Balances**

General Fund

Debt service	\$	228,696
Grants		2,857
Tourist development		303,887
Code enforcement		100,023

Total general fund	\$	635,463
--------------------	----	---------

County Transportation Trust

Transportation		4,393,242
----------------	--	-----------

Nonmajor governmental funds

Child support enforcement		497,167
Law enforcement		44
Public safety		223,136
Court operations		113,114
Judicial facilities		326,372
Court innovations		177,394
Domestic violence		85,464
Florida arts		80
Drivers education		43,469

**Holmes County, Florida**  
**Notes to Financial Statements**

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

Criminal justice education	3,295	
Boater improvement	6,720	
Special investigations	2,088	
Crime prevention	18,708	
Debt service	78,027	
Court technology	2,080	
<hr/>		
Total nonmajor governmental funds		1,577,158
<hr/>		
Total restricted fund balance		\$ 6,605,863
<hr/>		
<b>Assigned Fund Balance</b>		
General Fund		
EMPG grant match	\$ 10,000	
Capital projects	607,217	
2021 budget appropriations	3,492,781	
<hr/>		
Total general fund		\$ 4,109,998
 Nonmajor governmental funds		
Mosquito control	34,379	
Culture and recreation – library	1,997	
Public safety	507	
<hr/>		
Total nonmajor government funds		36,883
<hr/>		
Total assigned fund balances		\$ 4,146,881
<hr/>		

**Note 3: RETIREMENT PLANS**

***Florida Retirement System Pension Plan***

Substantially all full-time County employees are participants in the System, a defined benefit, cost sharing, multiple employer public retirement system, which is controlled by the State Legislature and administered by the State of Florida, Department of Administration, Division of Retirement. The plan covers full time employees of various governmental units within the State of Florida.

The System's funding policy provides for monthly employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are adequate to accumulate sufficient assets to pay benefits when due (see rates below). Level percentages of payroll employer contribution rates established by state law are determined using the entry-age actuarial funding method.

**Note 3: RETIREMENT PLANS (Continued)**

The System provides for those employees hired prior to July 1, 2011 for vesting of benefits after six years of creditable service. Normal retirement benefits are available to employees who retire at or after age 62 with six or more years of service. Early retirement is available after six years of service with a 5% reduction of benefits for each year prior to the normal retirement age. For those employees hired on or after July 1, 2011, the System provides for vesting of benefits after eight years of creditable service. Normal retirement benefits are available to employees who retire at or after age 65 with eight or more years of service. Early retirement is available after eight years of service with a 5% reduction of benefits for each year prior to the normal retirement age. Retirement benefits are based upon age, average compensation, and years-of-service credit where average compensation is computed as the average of an individual's five highest years of earnings.

Participating employer contributions are based upon state-wide rates established by the State of Florida. These rates are applied to employee salaries as follows: regular employees-10.00%, DROP Program-16.98%, special risk employees-24.45%, senior management-27.29% and elected officials-49.18%. The rate applied to employee salaries for employee contributions was 3.00% for all classifications with the exception of DROP program participants who do not make contributions.

The County's contributions to the System pension plan for the years ended September 30, 2020, 2019, and 2018 were \$1,046,313, \$1,018,651 and \$931,242 respectively, and equal to the actuarially determined contributions for each year. The County's contributions to the Reintree Health Insurance Subsidy Program ("HIS") for the years ended September 30, 2020, 2019, and 2018 were \$98,814, \$101,109 and \$100,583 respectively, and equal to the actuarially determined contributions for each year. These contributions were paid by their due date. Total payroll for the County employees covered by the System pension plan and HIS was \$6,229,286 the year ended September 30, 2020. The County's total payroll was \$6,483,463 for the same period.

The County has no responsibility to the System other than to make the periodic payments required by State Statutes. The Florida Division of Retirement issues a publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing Florida Division of Retirement, P O Box 9000, Tallahassee, FL 32315-9000.

*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 \$12,489,420 for its proportionate share of the collective net pension liability for the System Pension Plan ("Pension Plan"). 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 proportion of the collective net pension liability was based on the employers' shares of contributions to the Pension Plan relative to the total employer contributions of all participating employers. At June 30, 2020, the System's proportion of the Pension Plan was 0.028816%, which was a decrease of 0.001796% from its proportion measured as of June 30, 2019.

For the year ended September 30, 2020, the County recognized pension expense of \$1,702,758. At September 30, 2020, the County reported deferred outflows and deferred inflows of resources related to the Pension Plan from the following sources:

**Holmes County, Florida**  
**Notes to Financial Statements**

**Note 3: RETIREMENT PLANS (Continued)**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 477,996	\$ -
Changes of assumptions	2,260,982	-
Net difference between projected and actual earnings on pension plan investments	743,633	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	290,886	493,440
Employer contributions subsequent to the measurement date	242,591	-
<b>Total</b>	<b>\$ 4,016,088</b>	<b>\$ 493,440</b>

\$242,591 of deferred outflows resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2021. The balance of deferred outflows and deferred inflows of resources will be recognized in pension expense as follows:

Year Ended September 30,	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense, Net
2021	\$ 804,247	\$ 100,702	\$ 703,545
2022	804,247	100,702	703,545
2023	804,247	100,702	703,545
2024	804,248	100,702	703,546
2026	556,508	90,632	465,876
<b>Total</b>	<b>\$ 3,773,497</b>	<b>\$ 493,440</b>	<b>\$ 3,280,057</b>

*Actuarial assumptions.* The total pension liability for the Pension Plan was determined by an actuarial valuation as of June 30, 2020 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Investment rate of return*	6.80%
Projected salary increases	3.25%

\* Net of pension plan investment expense

The actuarial assumptions used in the actuarial valuation as of June 30, 2020 for the Pension Plan were based on the results of an investigation of the economic and demographic experience for the System based upon participant data as of June 30, 2018.

## Holmes County, Florida Notes to Financial Statements

### Note 3: RETIREMENT PLANS (Continued)

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

The long-term expected rate of return for the 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	1.0%	2.2%	2.2%	1.2%
Fixed Income	19.0%	3.0%	2.9%	3.5%
Global equity	54.2%	8.0%	6.7%	17.1%
Real estate (property)	10.3%	6.4%	5.8%	11.7%
Private equity	11.1%	10.8%	8.1%	25.7%
Strategic Investments	4.4%	5.5%	5.3%	6.9%
<b>Total</b>	<b>100%</b>			

**Note:** (1) As outlined in the Pension Plan's investment policy

\* Includes assumed rate of inflation of 2.40%

*Discount rate.* The discount rate used to measure the total pension liability for the Pension Plan was 6.80%. The Plan's fiduciary net position was projected to be available to make all 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 pension liability to changes in the discount rate.* The following table presents the County's proportionate share of the net pension liability calculated using the discount rate of 6.80% for the Pension Plan, 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%) or 1-percentage point higher (7.80%) than the current rate:

	1% Decrease (5.80%)	Current Discount Rate (6.80%)	1% Increase (7.80%)
County's proportionate share of collective net pension liability	\$ 19,943,505	\$ 12,489,420	\$ 6,263,736

**Note 3: RETIREMENT PLANS (Continued)**

*Pension plan fiduciary net position.* Detailed information about the pension plan's fiduciary net position is available in the separately issued System Comprehensive Annual Financial Report for the fiscal year ended June 30, 2020. The supporting actuarial information is included in the GASB Statement No. 68 *Report for the System* prepared as of June 30, 2020. The auditor's report dated January 15, 2021 on the total pension liability, total deferred outflows of resources, total deferred inflows of resources, total pension expense for the sum of all participating entities as of June 30, 2020 along with supporting schedules is also available. The additional financial and actuarial information is available from the following website:

[http://www.dms.myflorida.com/workforce\\_operations/retirement/publications](http://www.dms.myflorida.com/workforce_operations/retirement/publications).

***Health Insurance Subsidy Program***

Chapter 112, Florida Statutes, established the HIS, 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. Contributions to the HIS plan are included in contributions to the Pension Plan noted above. The Pension Plan contributes 1.66% of each covered employee's salary to the HIS Plan. The remainder is contributed to the Pension Plan, with the exception for 0.04% that is contributed to administrative expenses.

Eligible retirees and beneficiaries receive 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 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.

*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 \$2,091,987 for its proportionate share of the collective net pension liability. For the Health Insurance Subsidy program ("HIS Plan"), 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 proportion of the collective net pension liability was based on the employers' shares of contributions to the HIS Plan relative to the total employer contributions of all participating employers. At June 30, 2020, the System's proportion of the HIS Plan was 0.017134%, which was a decrease of 0.001220% from its proportion measured as of June 30, 2019.

For the year ended September 30, 2020, the County recognized HIS Plan pension expense of \$76,009. At September 30, 2020, the County reported deferred outflows and deferred inflows of resources related to the HIS Plan from the following sources:

**Holmes County, Florida**  
**Notes to Financial Statements**

**Note 3: RETIREMENT PLANS (Continued)**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 85,575	\$ 1,614
Changes of assumptions	224,948	121,642
Net difference between projected and actual earnings on pension plan investments	1,671	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	115,211	160,257
Employer contributions subsequent to the measurement date	25,138	-
<b>Total</b>	<b>\$ 452,543</b>	<b>\$ 283,513</b>

\$25,138 of deferred outflows resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2021. Amounts reported as deferred outflows and deferred inflows of resources related to the HIS Plan will be recognized in the pension's expense as follows:

Year Ended September 30,	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense, Net
2021	\$ 69,084	\$ 45,728	\$ 23,356
2022	69,084	45,728	23,356
2023	69,084	45,728	23,356
2024	69,084	45,728	23,356
2025	68,666	45,728	22,938
Thereafter	82,403	54,873	27,530
<b>Total</b>	<b>\$ 427,405</b>	<b>\$ 283,513</b>	<b>\$ 143,892</b>

The total pension liability for the HIS Plan was determined by an actuarial valuation as of July 1, 2020 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Investment rate of return*	2.21%
Projected salary increases	3.25%

\* Net of pension plan investment expense

The actuarial assumptions used in the actuarial valuation as of July 1, 2020 for the HIS Plan were based on the results of an investigation of the economic and demographic experience for the Florida Retirement System ("FRS") based upon participant data as of June 30, 2018.

## Holmes County, Florida Notes to Financial Statements

### Note 3: RETIREMENT PLANS (Continued)

Mortality rates were based on the Generational PUB-2010 with Projected Scale MP-2018.

The long-term expected rate of return for the HIS Plan investments was based on the Bond Buyer General Obligation 20-Bond Municipal Bond Index.

*Discount rate.* The discount rate used to measure the total pension liability for the HIS Plan was 2.21%. 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 rate 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 table presents the County's proportionate share of the net pension liability calculated using the discount rate of 2.21% for the HIS Plan 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%) or 1-percentage point higher (3.21%) than the current rate:

	1% Decrease (1.21%)	Current Discount Rate (2.21%)	1% Increase (3.21%)
County's proportionate share of collective net pension liability	\$ 2,418,244	\$ 2,091,987	\$ 1,824,947

*Pension plan fiduciary net position.* Detailed information about the pension plan's fiduciary net position is available in the separately issued System Comprehensive Annual Financial Report for the fiscal year ended June 30, 2020. The supporting actuarial information is included in the GASB Statement No. 68 *Report for the System* prepared as of June 30, 2020. The auditor's report dated January 15, 2021 on the total pension liability, total deferred outflows of resources, total deferred inflows of resources, total pension expense for the sum of all participating entities as of June 30, 2020 along with supporting schedules is also available. The additional financial and actuarial information is available from the following website:

[http://www.dms.myflorida.com/workforce\\_operations/retirement/publications](http://www.dms.myflorida.com/workforce_operations/retirement/publications).

**Note 4: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**

*Plan Description*

In accordance with Section 112.081 of the Florida Statutes, the County provides postretirement health insurance to employees who retire from the County and wish to remain on the County's health plan. The County administers a single-employer defined benefit healthcare plan (the "Plan") that offers optional postemployment healthcare coverage to eligible individuals under a self-insured health insurance program. Three plans are offered: (i) a Blue Cross PPO plan with a \$1,000 deductible (Plan 3359), or (ii) a Blue Cross PPO plan with a \$1,500 deductible (Plan 5771) with a maximum out-of-pocket cost of \$4,500, and (iii) a Blue Cross PPO plan with a \$1,500 deductible (Plan 5901) with a maximum out-of-pocket cost of \$6,350. Once the retiree becomes eligible for Medicare coverage, the monthly premium is reduced. The retired employees reimburse the County for the actual premium cost, including the portion that previously would have been paid by the County during employment. Expenses for postretirement health care benefits are recognized as paid and there is no advance funding on the part of the County. The Plan does not issue a publicly available financial report.

Eligibility for participation in the Plan is limited to full time employees of the County and of the Constitutional Officers. A retired employee who is participating in the employer's medical program is eligible to elect post-retirement coverage if:

Normal retirement requirements for members initially enrolled before July 1, 2011:

- *For Special Risk* – is at least age 55 with 6 years of service or any age with 25 years of service, and is eligible for immediate retirement benefits under FRS, or
- *For Non-Special Risk* – is at least age 62 with 6 or more years of service, or any age with 30 years of service.

Normal retirement requirements for members initially enrolled on or after July 1, 2011:

- *For Special Risk* – is at least age 60 with 8 years of service or any age with 30 years of service, and is eligible for immediate retirement benefits under FRS, or
- *For Non-Special Risk* – is at least age 65 with 8 or more years of service, or any age with 33 years of service.

The benefit is payable immediately upon retirement for life.

*Funding Policy*

A qualifying trust or agency fund has not been authorized by the County. The County negotiates the premium rates with BCBSFL. The required contribution is based on pay-as-you-go financing requirements. Upon a retiree or beneficiary reaching age 65 years of age, they are required to contribute 100% of their current premium costs. Prior to a retiree or beneficiary reaching age 65 years of age, the County pays a portion of the premium and the beneficiary is required to pay the remainder. The County contributes the remainder to cover the costs of providing the benefits to the retirees.

**Holmes County, Florida**  
**Notes to Financial Statements**

**Note 4: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)**

*Membership*

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

Active employees	114
<u>Retirees and beneficiaries currently receiving benefits</u>	<u>6</u>
 <u>Total membership</u>	 <u>120</u>
 <u>Participating employers</u>	 <u>1</u>

*Net OPEB Liability*

The County's net OPEB liability is reported herein as of September 30, 2020 for the County's fiscal year and reporting period of October 1, 2019 to September 30, 2020. The values shown for this fiscal year and reporting period are based on a measurement date of September 30, 2020 and the corresponding measurement period of October 1, 2019 to September 30, 2020. The measurement of the total OPEB liability is based on a valuation date of October 1, 2019. The following shows the changes in the County's net OPEB liability:

	Increases (Decreases)		
	Total OPEB Liability (a)	Plan Fiduciary Net Pension (b)	Net OPEB Liability (a)+(b)
Balance at October 1, 2019	\$ 558,630	\$ -	\$ 558,630
Service cost	40,567	-	40,567
Interest cost	12,734	-	12,734
Difference between expected and actual experience	77,934	-	77,934
Changes in assumptions	(72,981)	-	(72,981)
Benefit payments	(8,379)	-	(8,379)
 Net changes	 49,875	 -	 49,875
Balance at September 30, 2020	\$ 608,505	\$ -	\$ 608,505

*Sensitivity of the net OPEB liability to changes in the discount rate* - The following represents the net OPEB liability of the County, as well as what the County's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1- percentage-point higher than the current discount rate:

**Holmes County, Florida**  
**Notes to Financial Statements**

**Note 4: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)**

	1% Decrease 1.14%	Current Discount Rate 2.14%	1% Increase 3.14%
Net OPEB liability	\$ 734,725	\$ 608,505	\$ 513,517

*Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates* - The following represents the net OPEB liability of the County, as well as what the County's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1-percentage-point higher than the current healthcare trend rates:

	Trend Rate Minus 1.00%	Current Discount Rate 7.00% graded down to 5.00%	Trend Rate Plus 1.00%
Net OPEB liability	\$ 500,385	\$ 608,505	\$ 750,653

For the year ended September 30, 2020, the County recognized OPEB expense of \$45,689. At September 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to the OPEB Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Balance at October 1, 2019	\$ 2,992	\$ -
Amortization payments	(7,318)	(6,551)
Difference between expected and actual experience	77,934	-
Changes in assumptions	-	72,981
Balance at September 30, 2020	\$ 73,608	\$ 66,430

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

Year Ended September 30,	OPEB Expense, Net
2021	\$ 767
2022	767
2023	767
2024	767
2025	767
Thereafter	3,343
	\$ 7,178

## Holmes County, Florida Notes to Financial Statements

### Note 4: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

*Actuarial Methods and Assumptions* - The valuation report dated March 3, 2021 for the fiscal year end date of September 30, 2020 was prepared using GAAP and practices, and relied on unaudited census data and medical claims data reported by the County. Projections of benefits for financial reporting purposes are based on the substantive plan (the Plan as understood by the employer and the Plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used included techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the September 30, 2020 actuarial valuation, the entry age normal actuarial cost method was used to determine the Plan's funding liabilities and assets. The actuarial assumption included a 2.14% discount rate, general wage increases of 3.0% and a medical trend rate for fiscal year 2020 of 7.00%, graded down 0.5% per year to 5.0%. The discount rate represents the S&P Municipal Bond 20-year High Grade yield curve rates as of September 30, 2020. Mortality rates were based on the

PUB-2010 Mortality Table (without income adjustments), with full generational improvements in mortality using Scale MP-2018.

### Note 5: TAX ABATEMENT

Section 196.095, Florida Statutes allows real estate owned and used as a child care facility as defined in Section 402.302, Florida Statutes operating in an enterprise zone pursuant to Florida Statutes chapter 290 to be exempt from taxation.

For the year ended September 30, 2020, the County abated property taxes totaling \$2,556. The County has elected to disclose all tax abatement agreements without consideration of materiality.

### Note 6: COMMITMENTS AND CONTINGENCIES

*Grants* - Grant monies received and disbursed by the County are for specific purposes and are subject to review by the grantor agencies. Such reviews may result in requests for reimbursement due to disallowed expenditures. The County is not aware of any potentially disallowed grant expenditures.

*Construction Commitments* - The County had open contract commitments for road construction projects as of September 30, 2020, as follows:

Contract amounts	\$ 2,904,795
Amount expended through September 30, 2020	1,040,973
<hr/>	
Remaining commitment on contract	\$ 1,863,822

## **Holmes County, Florida**

### **Notes to Financial Statements**

#### **Note 7: RISK MANAGEMENT**

The County is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are mitigated in several ways including participation in a public entity risk pool. The County maintains workers' compensation coverage, health insurance, automobile liability, property, and general liability coverage with Public Risk Management. The County pays yearly premiums to this pool which covers all losses incurred subject to policy and contract limitations and coverage.

#### **Note 8: LITIGATION**

The County is involved in several litigations and claims arising in the ordinary course of operations. In the opinion of management, the range of potential recoveries or liabilities would not materially affect the financial position of the County at September 30, 2020. Accordingly, no accruals for loss contingency have been made in the accompanying financial statements.

#### **Note 9: UNCERTAINTIES**

In March 2020, the World Health Organization made the assessment that the outbreak of the novel coronavirus (COVID-19) can be characterized as a pandemic. As a result, uncertainties have arisen that may have a significant negative impact on the ongoing operating activities and the future results of the Town. The occurrence and extent of such an impact will depend on future developments, including (i) the and spread of the virus, (ii) government quarantine measures, (iii) voluntary and precautionary restrictions on travel or meetings, (iv) the effects on the financial markets, and (v) the effects on the economy overall, all of which are uncertain as of March 29, 2021.

**Holmes County, Florida**  
**Required Supplementary Information**

**Schedule of Changes in Net OPEB Liability and Related Ratios**  
**Last Three Fiscal Years\***

<i>As of and for the year ended September 30,</i>	<b>2020</b>	<b>2019</b>	<b>2018</b>
<b>Total OPEB Liability</b>			
Service cost	\$ 40,567	\$ 33,204	\$ 32,853
Interest	12,734	19,331	18,096
Differences between expected and actual experience	77,934	-	-
Changes of assumptions	(72,981)	3,314	-
Benefit payments	(8,379)	(7,921)	(9,018)
Net change in total OPEB liability	49,875	47,928	41,931
Total OPEB liability - beginning	558,630	510,702	468,771
Total OPEB liability - ending (a)	608,505	558,630	510,702
Plan Fiduciary Net Position			
Contributions - employer	8,379	7,921	9,018
Benefit payments	(8,379)	(7,921)	(9,018)
Net change in plan fiduciary net position	-	-	-
Plan fiduciary net position - beginning	-	-	-
Plan fiduciary net position - ending (b)	-	-	-
Net OPEB liability - ending (a) - (b)	\$ 608,505	\$ 558,630	\$ 510,702
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%
Covered-employee payroll	\$ 4,132,337	\$ 3,964,061	\$ 3,964,061
Net OPEB liability as a percentage of covered-employee payroll	14.73%	14.09%	12.88%
Contributions as a percentage of covered-employee payroll	0.20%	0.20%	0.23%

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

*See accompanying notes to required supplementary schedules and accompanying Independent Auditors' Report.*

## Holmes County, Florida Required Supplementary Information

**Schedule of Employer's Proportionate Share of the Net Pension Liability**  
**Florida Retirement System Pension Plan**  
**Last Six Fiscal Years (1)**

<i>As of and for the year ended June 30,</i>	<b>2020</b>	2019	2018	2017	2016	2015
Employer's proportion of the net pension liability	<b>0.028816%</b>	0.030612%	0.029778%	0.029280%	0.029259%	0.029483%
Employer's proportionate share of the net pension liability	<b>\$ 12,489,420</b>	\$ 10,542,400	\$ 8,969,236	\$ 8,660,918	\$ 7,387,877	\$ 3,808,127
Employer's covered payroll*	<b>\$ 6,276,796</b>	\$ 6,035,130	\$ 6,034,655	\$ 5,770,369	\$ 5,412,180	\$ 5,397,160
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	<b>198.98%</b>	174.68%	148.63%	150.09%	136.50%	70.56%
Plan fiduciary net position as a percentage of the total pension liability	<b>78.85%</b>	82.61%	84.26%	83.89%	84.88%	92.00%

(1) This schedule is intended to show information for 10 years. Additional years will be presented as they become available.

\*Employer's covered payroll during the fiscal year is the total payroll paid to covered employees (not just pensionable payroll). The amounts for each fiscal year were determined as of June 30.

*See accompanying notes to required supplementary schedules and accompanying Independent Auditors' Report.*

## Holmes County, Florida Required Supplementary Information

### Schedule of Employer Contributions Florida Retirement Systems Pension Plan Last Six Fiscal Years (1)

<i>As of and for the year ended September 30,</i>	<b>2020</b>	2019	2018	2017	2016	2015
Contractually required contribution**	<b>\$ 1,046,313</b>	\$ 1,018,651	\$ 931,242	\$ 828,761	\$ 757,755	\$ 737,281
Contributions in relation to the actuarially determined contribution	<b>1,046,313</b>	1,018,651	931,242	828,761	757,755	737,281
Contribution deficiency (excess)	<b>\$ -</b>	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll*	<b>\$ 6,229,286</b>	\$ 6,090,888	\$ 6,059,238	\$ 5,789,294	\$ 5,423,471	\$ 5,408,518
Contributions as a percentage of covered payroll	<b>16.80%</b>	16.72%	15.37%	14.32%	13.97%	13.63%

(1) This schedule is intended to show information for 10 years. Additional years will be presented as they become available.

\*Employer's covered payroll during the measurement period is the total payroll paid to covered employees (not just pensionable payroll). The amounts for each fiscal year were determined for the year ended September 30.

\*\*The amount of contractually required contributions is equal to the amount that would be recognized as additions from the employer's contributions in the pension plan's schedule of changes in fiduciary net position during the period that coincides with the employer's fiscal year.

*See accompanying notes to required supplementary schedules and accompanying Independent Auditors' Report.*

**Holmes County, Florida**  
**Required Supplementary Information**

**Schedule of Employer's Proportionate Share of the Net Pension Liability**  
**Health Insurance Subsidy Program**  
**Last Six Fiscal Years (1)**

<i>As of and for the year ended June 30,</i>	<b>2020</b>	2019	2018	2017	2016	2015
Employer's proportion of the net pension liability	<b>0.017134%</b>	0.018354%	0.018254%	0.017968%	0.017436%	0.017001%
Employer's proportionate share of the net pension liability	<b>\$ 2,091,987</b>	\$ 2,053,618	\$ 1,932,055	\$ 1,921,232	\$ 2,032,105	\$ 1,733,791
Employer's covered payroll*	<b>\$ 6,276,796</b>	\$ 6,035,130	\$ 6,034,655	\$ 5,770,369	\$ 5,412,180	\$ 5,397,160
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	<b>33.33%</b>	34.03%	32.02%	33.29%	37.55%	32.12%
Plan fiduciary net position as a percentage of the total pension liability	<b>3.00%</b>	2.63%	2.15%	1.64%	0.97%	0.50%

(1) This schedule is intended to show information for 10 years. Additional years will be presented as they become available.

\*Employer's covered payroll during the fiscal year is the total payroll paid to covered employees (not just pensionable payroll). The amounts for each fiscal year were determined as of June 30.

*See accompanying notes to required supplementary schedules and accompanying Independent Auditors' Report.*

**Holmes County, Florida**  
**Required Supplementary Information**

**Schedule of Employer Contributions**  
**Health Insurance Subsidy Program**  
**Last Six Fiscal Years (1)**

<i>As of and for the year ended September 30,</i>	<b>2020</b>	2019	2018	2017	2016	2015
Contractually required contribution**	\$ 98,814	\$ 101,109	\$ 100,583	\$ 96,102	\$ 90,030	\$ 89,781
Contributions in relation to the actuarially determined contribution	98,814	101,109	100,583	96,102	90,030	89,781
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll*	\$ 6,229,286	\$ 6,090,888	\$ 6,059,238	\$ 5,789,294	\$ 5,423,471	\$ 5,408,518
Contributions as a percentage of covered payroll	1.59%	1.66%	1.66%	1.66%	1.66%	1.66%

(1) This schedule is intended to show information for 10 years. Additional years will be presented as they become available.

\*Employer's covered payroll during the measurement period is the total payroll paid to covered employees (not just pensionable payroll). The amounts for each fiscal year were determined for the year ended September 30.

\*\*The amount of contractually required contributions is equal to the amount that would be recognized as additions from the employer's contributions in the pension plan's schedule of changes in fiduciary net position during the period that coincides with the employer's fiscal year.

*See accompanying notes to required supplementary schedules and accompanying Independent Auditors' Report.*

**NOTES TO REQUIRED SUPPLEMENTAL INFORMATION**

**Note 1: POSTEMPLOYMENT BENEFITS PLAN**

The following actuarial assumptions changed in 2020:

- The discount rate was decreased from 3.58% to 2.14%
- Healthcare cost trend rate decreased from 8.00% graded down 0.50% per year to 5.00% to 7.00% graded down 0.50% per year to 5.00%.
- Mortality basis changed from the RP-2000 Combined and Blue Collar Mortality Tables with generational improvements using Scale BB to the PUB-2010 Mortality Table with generational improvements using Scale MP-2018.

**Note 2: FLORIDA RETIREMENT SYSTEMS (FRS)**

The following actuarial assumptions changed in 2020:

- The long-term expected rate of return was decreased from 6.90% to 6.80%, and the active member mortality assumption was updated.

**Note 3: HEALTH INSURANCE SUBSIDY PROGRAM (HIS)**

The following actuarial assumptions changed in 2020:

- The municipal rate used to determine total pension liability was decreased from 3.50% to 2.21%
- The economic and demographic experience study as of June 30, 2013 was updated as of June 30, 2018.

THIS PAGE INTENTIONALLY LEFT BLANK

## **NONMAJOR GOVERNMENTAL FUNDS**

### **SPECIAL REVENUE FUNDS**

*Arthropod Control* - To account for state grant and local funds received to help control insects.

*Emergency Services 911* - To account for phone charges assessed for the purpose of providing emergency assistance.

*Child Support* - To account for the funds received to administer Title IV-D cases. The Board voted to allow the Clerk to retain any excess revenue over expenditures for use in operating the Clerk's office.

*Teen Court* - To account for the funds received to administer teen court.

*Inmate Canteen* - To account for activities in the inmate canteen. The canteen is stocked with snacks and miscellaneous personal items provided to the inmates. Excess revenue over expenditures is used for inmate welfare.

*Community Development Block Grant* - To account for funds received from the Community Development Block Grant program, designated for developing and promoting commercial development in the County.

*Federal Interdiction* - To account for proceeds from federally seized assets that can only be used to purchase equipment for the Sheriff's department.

*Fine and Forfeiture* - To account for traffic fines received under Administrative Order 86-12 to be used in administering traffic regulations.

*Civil Trust* - To account for fees charged and related expenses in serving legal documents.

*Commissioners Trust* - To account for various state and federal grants.

*Record Modernization* - To account for an additional service charge for each recorded instrument. These funds are to be used exclusively for improvements to the official records system and to pay for equipment and startup costs necessitated by the statewide recording system.

*Court Technology* - To account for ten percent of all court-related fines collected by the Clerk to be used exclusively for additional Clerk of Court-related operational needs and program enhancements.

*Probation* - To account for probation activities within the court system.

### **DEBT SERVICE FUNDS**

*Workcamp* - To account for debt service of Public Improvement Refunding Revenue Bonds, Series 2012.

**Holmes County, Florida**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**

	Special		
<i>September 30, 2020</i>	Arthropod Control	Emergency Services 911	Child Support
<b>Assets</b>			
Cash and cash equivalents	\$ 46,144	\$ 68,279	\$ 482,177
Accounts receivable	-	-	15,341
Due from other governments	17,248	69,893	234
Restricted assets:			
Cash and cash equivalents	-	-	-
<b>Total assets</b>	<b>\$ 63,392</b>	<b>\$ 138,172</b>	<b>\$ 497,752</b>
<b>Liabilities</b>			
Accounts payable	\$ 36	\$ 32,430	\$ 36
Accrued liabilities	1,491	-	549
Unearned revenue	27,413	-	-
Due to other funds	73	-	-
<b>Total liabilities</b>	<b>29,013</b>	<b>32,430</b>	<b>585</b>
<b>Fund Balances</b>			
Restricted	-	105,742	497,167
Assigned	34,379	-	-
<b>Total fund balances</b>	<b>34,379</b>	<b>105,742</b>	<b>497,167</b>
<b>Total liabilities and fund balances</b>	<b>\$ 63,392</b>	<b>\$ 138,172</b>	<b>\$ 497,752</b>

Revenue Funds

Teen Court		Inmate Canteen		Community Development Block Grant		Federal Interdiction		Fine and Forfeiture	
\$	3,038	\$	90,086	\$	-	\$	2,790	\$	123,609
	-		-		-		-		97
	-		-		30,133		-		-
	-		-		-		-		-
\$	3,038	\$	90,086	\$	30,133	\$	2,790	\$	123,706
\$	-	\$	-	\$	30,133	\$	-	\$	-
	-		-		-		-		13,630
	-		-		-		2,746		-
	-		-		-		-		-
	-		-		30,133		2,746		13,630
	3,038		90,086		-		44		110,076
	-		-		-		-		-
	3,038		90,086		-		44		110,076
\$	3,038	\$	90,086	\$	30,133	\$	2,790	\$	123,706

-Continued-

**Holmes County, Florida**  
**Combining Balance Sheet (Continued)**  
**Nonmajor Governmental Funds**

	Special		
<i>September 30, 2020</i>	Civil Trust	Commissioners Trust	Record Modernization
<b>Assets</b>			
Cash and cash equivalents	\$ 5,336	\$ 648,808	\$ 18,350
Accounts receivable	-	-	-
Due from other governments	-	205,380	-
Restricted assets:			
Cash and cash equivalents	-	-	-
<b>Total assets</b>	<b>\$ 5,336</b>	<b>\$ 854,188</b>	<b>\$ 18,350</b>
<b>Liabilities</b>			
Accounts payable	\$ -	\$ 1,064	\$ -
Accrued liabilities	-	-	-
Unearned revenue	-	-	-
Due to other funds	5,336	205,380	-
<b>Total liabilities</b>	<b>5,336</b>	<b>206,444</b>	<b>-</b>
<b>Fund Balances</b>			
Restricted	-	645,240	18,350
Assigned	-	2,504	-
<b>Total fund balances</b>	<b>-</b>	<b>647,744</b>	<b>18,350</b>
<b>Total liabilities and fund balances</b>	<b>\$ 5,336</b>	<b>\$ 854,188</b>	<b>\$ 18,350</b>

Revenue Funds		Debt Service Fund		Total Nonmajor Governmental Funds	
	Court Technology		Probation		Workcamp
\$	2,398	\$	30,566	\$	-
	-		-		-
	-		-		-
	-		-		78,027
					78,027
\$	2,398	\$	30,566	\$	78,027
				\$	1,937,934
\$	-	\$	14	\$	-
	318		3,244		-
	-		-		-
	-		-		-
	318		3,258		-
	2,080		27,308		78,027
	-		-		-
	2,080		27,308		78,027
\$	2,398	\$	30,566	\$	78,027
				\$	1,937,934

**Holmes County, Florida**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balances**  
**Nonmajor Governmental Funds**

	Special Revenue Funds		
	Arthropod Control	Emergency Services 911	Child Support
<i>For the year ended September 30, 2020</i>			
<b>Revenues</b>			
Intergovernmental	\$ 39,944	\$ 244,368	\$ 71,915
Fines and forfeitures	-	-	-
Charges for services	7,889	-	1,782
Investment earnings	4	-	-
Miscellaneous	-	12,000	-
<b>Total revenues</b>	<b>47,837</b>	<b>256,368</b>	<b>73,697</b>
<b>Expenditures</b>			
Current			
General government	-	-	45,044
Public safety	-	209,579	-
Human services	48,685	-	-
Economic environment	-	-	-
Capital outlay	-	28,255	3,062
Debt service	-	-	-
<b>Total expenditures</b>	<b>48,685</b>	<b>237,834</b>	<b>48,106</b>
Excess (deficiency) of revenues over (under) expenditures	(848)	18,534	25,591
<b>Other Financing Sources (Uses)</b>			
Transfers in	-	-	-
Transfers out	-	-	-
Reversion to State of Florida	-	-	-
<b>Net other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(848)</b>	<b>18,534</b>	<b>25,591</b>
<b>Fund balances, beginning</b>	<b>35,227</b>	<b>87,208</b>	<b>471,576</b>
<b>Fund balances, ending</b>	<b>\$ 34,379</b>	<b>\$ 105,742</b>	<b>\$ 497,167</b>

		Community Development Block Grant		Federal Interdiction	Fine and Forfeiture
Teen Court	Inmate Canteen				
\$ -	\$ -	\$ 81,753	\$ -	\$ 64,433	
-	-	-	-	197,741	
-	152,946	-	-	217,033	
-	-	-	-	-	
6,483	-	-	3,745	3,278	
6,483	152,946	81,753	3,745	482,485	
-	-	-	-	496,010	
6,918	94,926	-	3,745	-	
-	-	-	-	-	
-	-	81,753	-	-	
-	30,895	-	-	5,641	
-	-	-	-	-	
6,918	125,821	81,753	3,745	501,651	
(435)	27,125	-	-	(19,166)	
-	-	-	-	-	
-	-	-	-	-	
-	-	-	-	(25,056)	
-	-	-	-	(25,056)	
(435)	27,125	-	-	(44,222)	
3,473	62,961	-	44	154,298	
\$ 3,038	\$ 90,086	\$ -	\$ 44	\$ 110,076	

-Continued-

**Holmes County, Florida**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balances (Continued)**  
**Nonmajor Governmental Funds**

	Special Revenue Funds		
<i>For the year ended September 30, 2020</i>	Civil Trust	Commissioners Trust	Record Modernization
<b>Revenues</b>			
Intergovernmental	\$ -	\$ 5,706	\$ -
Fines and forfeitures	-	127,331	-
Charges for services	21,510	-	6,446
Investment earnings	-	-	-
Miscellaneous	-	5,151	-
<b>Total revenues</b>	<b>21,510</b>	<b>138,188</b>	<b>6,446</b>
<b>Expenditures</b>			
Current			
General government	-	28,978	32,746
Public safety	1,693	34,101	-
Human services	-	-	-
Culture and recreation	-	1,538	-
Capital outlay	-	17,008	-
Debt service	-	-	-
<b>Total expenditures</b>	<b>1,693</b>	<b>81,625</b>	<b>32,746</b>
Excess (deficiency) of revenues over (under) expenditures	19,817	56,563	(26,300)
<b>Other Financing Sources (Uses)</b>			
Transfers in	-	-	-
Transfers out	(19,817)	-	-
Reversion to State of Florida	-	-	-
<b>Net other financing sources (uses)</b>	<b>(19,817)</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>56,563</b>	<b>(26,300)</b>
<b>Fund balances, beginning</b>	<b>-</b>	<b>591,181</b>	<b>44,650</b>
<b>Fund balances, ending</b>	<b>\$ -</b>	<b>\$ 647,744</b>	<b>\$ 18,350</b>

		Debt Service Fund		Total Nonmajor Governmental Funds
Court Technology	Probation	Workcamp		
\$ -	\$ -	\$ -	\$	508,119
-	-	-		325,072
19,000	127,606	-		554,212
-	-	5		9
-	161	-		30,818
19,000	127,767	5		1,418,230
19,687	-	-		622,465
-	142,657	-		493,619
-	-	-		48,685
-	-	-		83,291
-	-	-		84,861
-	-	228,687		228,687
19,687	142,657	228,687		1,561,608
(687)	(14,890)	(228,682)		(143,378)
-	-	228,696		228,696
-	-	-		(19,817)
-	-	-		(25,056)
-	-	228,696		183,823
(687)	(14,890)	14		40,445
2,767	42,198	78,013		1,573,596
\$ 2,080	\$ 27,308	\$ 78,027	\$	1,614,041

THIS PAGE INTENTIONALLY LEFT BLANK

## **FIDUCIARY FUNDS**

### **AGENCY FUNDS**

#### **Tax Collector**

*Property Tax* - To account for the collection and distribution of local property taxes.

*Tags* - To account for the collection of motor vehicle registration receipts and subsequent disbursement.

*Drivers' License* - To account for the collection of driver's license registration receipts and disbursement.

*Concealed Weapons* - To account for the collection of concealed weapons licenses registration receipts and remittance.

#### **Sheriff**

*Inmate Trust* - To account for cash received from and due to inmates.

#### **Clerk of Court**

*General Agency* - To account for the collection and disbursement of trust accounts including: tax accounts, fine and forfeiture accounts, and other miscellaneous sources.

*Juror and Witness* - To account for the collection and disbursement of advances received by the Clerk from the state and County for payment of jurors and witnesses.

*Registry of the Court* - To account for the collection and disbursement of funds which are required to be deposited into and disbursed from the Registry Account by court orders.

*Cash Bonds* - To account for the collection and disbursement of cash bonds.

**Holmes County, Florida**  
**Combining Statement of Fiduciary Net Position**  
**Agency Funds**

<i>September 30, 2020</i>	Tax Collector			
	Property Tax	Tags	Drivers' License	Concealed Weapons
<b>Assets</b>				
Cash and cash equivalents	\$ 117,796	\$ 38,258	\$ 4,650	\$ 408
Receivables	-	-	-	-
<b>Total assets</b>	<b>\$ 117,796</b>	<b>\$ 38,258</b>	<b>\$ 4,650</b>	<b>\$ 408</b>
<b>Liabilities</b>				
Due to other governments	\$ 54,572	\$ 891	\$ 4,650	\$ 408
Due to individuals	63,224	37,367	-	-
Deposits	-	-	-	-
<b>Total liabilities</b>	<b>\$ 117,796</b>	<b>\$ 38,258</b>	<b>\$ 4,650</b>	<b>\$ 408</b>

Sheriff		Clerk of the Court									
Inmate Trust		General Agency		Juror and Witness		Registry of Court		Cash Bonds		Total	
\$	22,137	\$	105,794	\$	1,991	\$	1,435	\$	15,816	\$	308,285
	-		37		-		-		-		37
\$	22,137	\$	105,831	\$	1,991	\$	1,435	\$	15,816	\$	308,322
\$	-	\$	-	\$	1,991	\$	-	\$	-	\$	62,512
	22,137		105,831		-		-		-		228,559
	-		-		-		1,435		15,816		17,251
							-				
\$	22,137	\$	105,831	\$	1,991	\$	1,435	\$	15,816	\$	308,322

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

To the Honorable Members of the  
Board of County Commissioners  
Holmes County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Holmes County, Florida (the "County"), which comprise the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 29, 2021.

**Internal Control Over Financial Reporting**

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

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

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

## **Compliance and Other Matters**

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

## **Purpose of this Report**

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

*Carr, Riggs & Ingram, L.L.C.*

CARR, RIGGS & INGRAM, L.L.C.

Enterprise, Alabama  
March 29, 2021

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

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

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

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

***Management's Responsibility***

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

***Auditors' Responsibility***

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

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

### ***Opinion on Each Major Federal Program and Major State Project***

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

### ***Report on Internal Control Over Compliance***

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program or major state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and major state project and to test and report on internal control over compliance in accordance with 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, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

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

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

*Carr, Riggs & Ingram, L.L.C.*

CARR, RIGGS & INGRAM, L.L.C.

Enterprise, Alabama  
March 29, 2021

**Holmes County, Florida**  
**Schedule of Expenditures of Federal Awards**  
**and State Financial Assistance**  
**For the Year Ended September 30, 2020**

Federal Agency Pass-through Grantor Program Title	CFDA Number	Contract/ Grant Number	Expenditures	Payments to Subrecipients
<b>Department of Treasury</b>				
Pass-through Florida Executive Office of Governor COVID-19 Coronavirus Relief Fund	21.019	COVID-19 Y2304	\$ 2,622,006	\$ -
<b>Department of Housing and Urban Development</b>				
Pass-through Florida Department of Economic Opportunity Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	20DB-00-02-42-01-H01	81,753	-
<b>U.S. Department of Health and Human Services</b>				
COVID-19 Testing for the Uninsured	93.461	COVID-19	30,145	-
Pass-through Florida Department of Revenue Child Support Enforcement	93.563	CTS30	594	-
Child Support Enforcement	93.563	COC30	71,915	-
Total CFDA 93.563			72,509	
Total U.S. Department of Health and Human Services			102,654	-
<b>U.S. Department of Justice</b>				
Pass-through Florida Office of the Attorney General Crime Victims Assistance	16.575	V075-00353	38,429	-
Pass-through Florida Department of Law Enforcement Edward Byrne Memorial Justice Assistance	16.738	2020-JAGC-HOLM-1-Y5-040	24,127	-
Edward Byrne Memorial Justice Assistance	16.738	2020-JAGD-HOLM-1-Y6-019	2,495	-
Total CFDA 16.738			26,622	-
Total U.S. Department of Justice			65,051	-
<b>U.S. Election Assistance Commission</b>				
Pass-through Florida Department of State COVID-19 2018 HAVA Election Security Grants	90.404	COVID-19 2020-001-HOL	11,322	-
Help America Vote Act	90.401	2015-2016-0003-HOL	21,476	-
Help America Vote Act	90.401	2019-2020-003-HOL	33,542	-
Total CFDA 90.401			55,018	
Total U.S. Election Assistance Commission			66,340	-

-Continued-

*See the independent auditors' report and accompanying notes to the schedule of expenditures of federal awards and state financial assistance.*

**Holmes County, Florida**  
**Schedule of Expenditures of Federal Awards**  
**and State Financial Assistance**  
**For the Year Ended September 30, 2020**

Federal/State Agency Pass-through Grantor Program Title	CFDA/CSFA Number	Contract/ Grant Number	Expenditures	Payments to Subrecipients
<b>U.S. Department of Homeland Security</b>				
Pass-through Florida Department of Emergency Management				
Disaster Grants - Public Assistance	97.036	14-FS-8Q-02-40-02-501	4,153,006	-
Disaster Grants - Public Assistance	97.036	65923088	248,589	-
Disaster Grants - Public Assistance	97.036	4564DR-FL	10,179	-
Total CFDA 97.036			4,411,774	-
Pass-through Florida Executive Office of Governor				
Emergency Management Performance	97.042	G0168	7,351	-
Emergency Management Performance	97.042	G0028	37,354	-
COVID-19 Emergency Management Performance	97.042	COVID-19 GS0140	2,790	-
Total CFDA 97.042			47,495	-
Total U.S. Department of Homeland Security			4,459,269	-
Total Expenditures of Federal Awards			\$ 7,397,073	\$ -
<b>Executive Office of the Governor</b>				
Emergency Management Projects	31.067	19-CP-11-02-42-01-247	\$ 1,627	\$ -
Emergency Management Programs	31.063	A0116	19,757	-
Emergency Management Programs	31.063	A0019	92,361	-
Total CSFA 31.063			112,118	-
Hurricane Michael Recovery Program	31.070	F0047	500,000	-
Total Executive Office of the Governor			613,745	-
<b>Florida Department of Environmental Protection</b>				
Small County Consolidated Grants	37.012	SC917	90,908	-
<b>Florida Department of Agriculture and Consumer Services</b>				
Mosquito Control	42.003	2019	32,861	-
Mosquito Control	42.003	2020	7,083	-
Total Florida Department of Agriculture and Consumer Services and CSFA 42.003			39,944	
<b>Florida Department of Law Enforcement</b>				
Holmes County Jail - Immediate Need Repairs	71.036	2020-SFA-FCO-29-K4-003	136,943	-
<b>Florida Department of State and Secretary of State</b>				
State Aid to Libraries	45.030	20-ST-66	47,976	-

-Continued-

*See the independent auditors' report and accompanying notes to the schedule of expenditures of federal awards and state financial assistance.*

**Holmes County, Florida**  
**Schedule of Expenditures of Federal Awards**  
**and State Financial Assistance (Continued)**  
**For the Year Ended September 30, 2020**

State Agency Pass-through Grantor Program Title	CSFA Number	Contract/ Grant Number	Expenditures	Payments to Subrecipients
<b>Florida Housing Finance Corporation</b>				
Hurricane Housing Recovery Program	40.902	N/A	76,378	-
State Housing Initiatives Partnership Program (SHIP)	40.901	N/A	236,209	-
Total Florida Housing Finance Corporation			312,587	
<b>Florida Department of Transportation</b>				
Small County Outreach Programs (SCOP)	55.009	43518835401	7,500	-
Small County Outreach Programs (SCOP)	55.009	44063613401	168,396	-
Small County Outreach Programs (SCOP)	55.009	44240713401	227,530	-
Small County Outreach Programs (SCOP)	55.009	43683915401	798,013	-
Total CSFA 55.009			1,201,439	-
Small County Road Assistance Program (SCRAP)	55.016	44086513401	1,584,472	-
Total Florida Department of Transportation			2,785,911	-
<b>Florida Department of Management Services</b>				
Wireless 911 Emergency Telephone System Rural County Grant Program	72.001	20-04-17	10,048	-
Wireless 911 Emergency Telephone System Rural County Grant Program	72.001	20-04-19	3,145	-
Wireless 911 Emergency Telephone System Rural County Grant Program	72.001	19-04-14	4,414	-
Wireless 911 Emergency Telephone System Rural County Grant Program	72.001	19-04-17	72,315	-
Total CSFA 72.001			89,922	-
E911 State Grant Program	72.002	S15-20-06-08-2020	18,207	-
Total Florida Department of Management Services			108,129	-
<b>Florida Department of Health</b>				
County Grant Awards	64.005	C8030	5,706	-
Total Expenditures of State Financial Assistance			\$ 4,141,849	\$ -

*See the independent auditors' report and accompanying notes to the schedule of expenditures of federal awards and state financial assistance.*

**Holmes County, Florida**  
**Notes to the Schedule of Expenditures of Federal Awards and**  
**State Financial Assistance**  
**For the Year Ended September 30, 2020**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Basis of Presentation***

The accompanying schedule of expenditures of federal awards and state financial assistance (Schedule) includes the federal spending of Holmes County, Florida (the "County") and is presented on the accrual basis of accounting. The information in this Schedule is presented in accordance with the requirements of the Uniform Guidance. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in preparation of, the basic financial statements. Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not represent the financial position of the County.

**Note 2: INDIRECT COST RATE**

The Uniform Guidance allows an organization to elect a 10% de minimis indirect cost rate. For the year ended September 30, 2020, the County did not elect to use this rate.

**Note 3: LOANS AND LOAN GUARANTEES**

The County did not have any loans or loan guarantee programs required to be reported on the Schedule for the fiscal year ended September 30, 2020.

**Note 4: FEDERAL AND STATE PASS-THROUGH FUNDS**

The County is also a sub-recipient of federal and state funds that have been subjected to testing and are reported as expenditures and listed as federal or state pass-through funds. Federal awards and state financial assistance other than those indicated as "pass-through" are considered direct.

**NOTE 5: SUBRECIPIENTS**

During the year ended September 30, 2020, the County had no subrecipients.

**Note 6: NONCASH ASSISTANCE**

The County did not receive any noncash assistance or federally funded insurance during the fiscal year ended September 30, 2020.

**Holmes County, Florida**  
**Notes to the Schedule of Expenditures of Federal Awards and**  
**State Financial Assistance**  
**For the Year Ended September 30, 2020**

**Note 7: CONTINGENCIES**

Grant monies received and disbursed by the County are for specific purposes and are subject to review by the grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. Based upon prior experience, the County does not believe that such disallowance, if any, would have a material effect on the financial position of the County.

**Note 8: FEDERAL PASS-THROUGH FUNDS**

The County is also a subrecipient of federal funds that have been subjected to testing and are reported as expenditures and listed as federal pass-through funds. Federal awards other than those indicated as pass-through are considered to be direct.

# Holmes County, Florida

## Schedule of Findings and Questioned Costs

### Section I - Summary of Auditors' Results

#### **Financial Statements**

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

#### **Federal Awards**

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

CFDA Number	Federal Program
97.036	Disaster Grants – Public Assistance
21.019	COVID-19 Coronavirus Relief Fund

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

#### **State Projects**

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

CFSA Number	State Project
55.009	Small County Outreach Program (SCOP)
55.016	Small County Road Assistance Program (SCRAP)

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

**Holmes County, Florida**  
**Schedule of Findings and Questioned Costs (Continued)**

**Section II - Financial Statements Findings**

No such findings to report.

**Section III - Federal Award Findings and Questioned Costs**

No such findings to report.

**Section IV - State Projects Findings and Questioned Costs**

No such findings to report.

**INDEPENDENT ACCOUNTANTS' REPORT ON EXAMINATION OF COMPLIANCE  
WITH SPECIFIED FLORIDA STATUTE SECTIONS**

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

We have examined Holmes County, Florida's (the "County") compliance with the following Florida Statute sections during the fiscal year ended September 30, 2020.

Section 365.172(10)	<i>Emergency communications number E911 system fund</i>
Section 365.173(2)(d)	<i>Emergency communications number E911 system fund</i>
Section 218.415	<i>Investment guidelines</i>

Management of the County is responsible for the County's compliance with the specified requirements. Our responsibility is to express an opinion on the County's compliance with the specified requirements based on our examination.

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

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

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

*Carr, Riggs & Ingram, L.L.C.*

CARR, RIGGS & INGRAM, L.L.C.

Enterprise, Alabama  
March 29, 2021

## **INDEPENDENT AUDITORS' MANAGEMENT LETTER**

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

### **Report on the Financial Statements**

We have audited the financial statements of Holmes County, Florida (the "County"), as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated March 29, 2021.

### **Auditors' Responsibility**

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

### **Other Reporting Requirements**

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditors' Report on Compliance for Each Major Federal Program and Major State Project and Report on Internal Control over Compliance, Schedule of Findings and Questioned Costs; 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 and schedule, which are dated March 29, 2021, should be considered in conjunction with this management letter.

### **Prior Audit Findings**

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. No such findings and recommendations were made in the preceding annual financial audit report.

## **Financial Management**

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

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

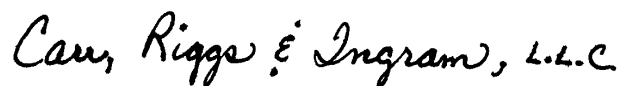
Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

## **Additional Matters**

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

## **Purpose of this Letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies 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 that reads "Carr, Riggs & Ingram, L.L.C." in a cursive script.

CARR, RIGGS & INGRAM, L.L.C.

Enterprise, Alabama  
March 29, 2021

**FINANCIAL STATEMENTS AND COMPLIANCE REPORTS  
FOR CONSTITUTIONAL OFFICERS**

The following special-purpose financial statements are presented in accordance with Chapter 10.550, Rules of the Florida Auditor General.



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

**FINANCIAL STATEMENTS**

**September 30, 2020**



	Page
<b>FINANCIAL SECTION</b>	
Independent Auditors' Report.....	88
<b>Basic Financial Statements</b>	
Balance Sheet – Governmental Funds .....	91
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds .....	92
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual – General Fund .....	93
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual – Fine and Forfeiture Fund.....	94
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual – Child Support Trust .....	95
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual – Probation Fund.....	96
Statement of Fiduciary Net Position – Agency Funds.....	97
Notes to Financial Statements .....	98
<b>Combining Financial Statements</b>	
Description of Nonmajor Governmental Funds.....	111
Combining Balance Sheet – Nonmajor Governmental Funds .....	112
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds .....	113
Description of Fiduciary Funds.....	114
Combining Statement of Fiduciary Net Position – Agency Funds .....	115
<b>REPORTS ON INTERNAL CONTROL AND COMPLIANCE MATTERS</b>	
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards .....	116
Independent Accountants' Report on Examination of Compliance with Specified Florida Statute Sections .....	118
<b>MANAGEMENT LETTER</b> .....	119

## INDEPENDENT AUDITORS' REPORT

Honorable Alice Vickers  
Clerk of the Circuit Court  
Holmes County, Florida

### Report on Financial Statements

We have audited the accompanying financial statements of each major fund, the aggregate remaining nonmajor governmental funds, and the fiduciary fund types of the Holmes County, Florida Clerk of the Circuit Court (the "Clerk"), as of and for the year ended September 30, 2020 and the related notes to the financial statements, which collectively comprise the Clerk's basic financial statements, as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund, the aggregate remaining nonmajor governmental funds and fiduciary fund types of the Clerk as of September 30, 2020, and the respective changes in financial position thereof and the budgetary comparison for the General Fund, Fine and Forfeiture Fund, Child Support Trust, and Probation Fund for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

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

## **Other Matters**

### *Other Information*

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 29, 2021 on our consideration of the Clerk's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Clerk's internal control over financial reporting and compliance.

*Carr, Riggs & Ingram, L.L.C.*

CARR, RIGGS & INGRAM, L.L.C.

Enterprise, Alabama  
March 29, 2021

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

<i>September 30, 2020</i>	General Fund		Fine and Forfeiture	
<b>Assets</b>				
Cash and cash equivalents	\$	13,099	\$	123,609
Accounts receivable		5,482		97
Due from other governments		-		-
Total assets	\$	18,581	\$	123,706
<b>Liabilities and Fund Balances</b>				
Liabilities				
Accounts payable	\$	945	\$	-
Accrued wages and benefits		10,248		13,630
Unearned revenue		6,963		-
Due to Board of County Commissioners		425		-
Total liabilities		18,581		13,630
Fund balances				
Restricted		-		110,076
Total liabilities and fund balances	\$	18,581	\$	123,706

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

Child Support Trust	Probation	Other Governmental Funds	Total Governmental Funds
\$ 482,177	\$ 30,566	\$ 20,748	\$ 670,199
15,341	-	-	20,920
234	-	-	234
<hr/>			
\$ 497,752	\$ 30,566	\$ 20,748	\$ 691,353
<hr/>			
\$ 36	\$ 14	\$ -	\$ 995
549	3,244	318	27,989
-	-	-	6,963
-	-	-	425
<hr/>			
585	3,258	318	36,372
497,167	27,308	20,430	654,981
<hr/>			
\$ 497,752	\$ 30,566	\$ 20,748	\$ 691,353
<hr/>			

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

**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**

<i>For the year ended September 30, 2020</i>	General Fund	Fine and Forfeiture
<b>Revenues</b>		
Intergovernmental	\$ -	\$ 64,433
Charges for services	59,500	217,033
Fines and forfeitures	-	197,741
Miscellaneous revenue	24,524	3,278
<b>Total revenues</b>	<b>84,024</b>	<b>482,485</b>
<b>Expenditures</b>		
General government		
Personnel services	385,018	463,637
Operating	50,748	32,373
Capital outlay	2,456	5,641
<b>Total expenditures</b>	<b>438,222</b>	<b>501,651</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(354,198)</b>	<b>(19,166)</b>
<b>Other Financing Sources (Uses)</b>		
Appropriations from Board of County Commissioners	354,623	-
Reversions:		
Board of County Commissioners	(425)	-
Justice Administrative Commission	-	(25,056)
<b>Net other financing sources (uses)</b>	<b>354,198</b>	<b>(25,056)</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>(44,222)</b>
<b>Fund balances, beginning</b>	<b>-</b>	<b>154,298</b>
<b>Fund balances, ending</b>	<b>\$ -</b>	<b>\$ 110,076</b>

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

Child Support Trust		Probation		Other Governmental Funds	Total Governmental Funds
\$	71,915	\$	-	\$	136,348
	1,782		127,606		431,367
	-		-		197,741
	-		161		27,963
	73,697		127,767		793,419
	22,804		124,307		1,009,330
	22,240		18,350		162,580
	3,062		-		11,159
	48,106		142,657		1,183,069
	25,591		(14,890)		(389,650)
	-		-		354,623
	-		-		(425)
	-		-		(25,056)
	-		-		329,142
	25,591		(14,890)		(60,508)
	471,576		42,198		715,489
\$	497,167	\$	27,308	\$	654,981

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

<i>For the year ended September 30, 2020</i>	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>				
Charges for services	\$ 61,243	\$ 61,243	\$ 59,500	\$ (1,743)
Miscellaneous revenue	28,000	28,000	24,524	(3,476)
<b>Total revenues</b>	<b>89,243</b>	<b>89,243</b>	<b>84,024</b>	<b>(5,219)</b>
<b>Expenditures</b>				
General government				
Personal services	365,045	365,045	385,018	(19,973)
Operating expenditures	76,407	76,407	50,748	25,659
Capital improvement	2,414	2,414	2,456	(42)
<b>Total expenditures</b>	<b>443,866</b>	<b>443,866</b>	<b>438,222</b>	<b>5,644</b>
<b>Excess of revenues over expenditures</b>	<b>(354,623)</b>	<b>(354,623)</b>	<b>(354,198)</b>	<b>425</b>
<b>Other Financing Sources (Uses)</b>				
Appropriations from Board of County Commissioners	354,623	354,623	354,623	-
Reversion to Board of County Commissioners	-	-	(425)	(425)
<b>Total other financing sources (uses)</b>	<b>354,623</b>	<b>354,623</b>	<b>354,198</b>	<b>(425)</b>
<b>Net change in fund balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balance, beginning</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balance, ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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

**Holmes County, Florida**  
**Clerk of the Circuit Court**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**Fine and Forfeiture Fund**

<i>For the year ended September 30, 2020</i>	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>				
Intergovernmental	\$ 43,838	\$ 43,838	\$ 64,433	\$ 20,595
Charges for services	341,795	341,795	217,033	(124,762)
Fines and forfeitures	244,096	244,096	197,741	(46,355)
Miscellaneous revenue	184	184	3,278	3,094
<b>Total revenues</b>	<b>629,913</b>	<b>629,913</b>	<b>482,485</b>	<b>(147,428)</b>
<b>Expenditures</b>				
General government				
Personal services	532,143	532,143	463,637	68,506
Operating expenditures	44,079	44,079	32,373	11,706
Capital improvement	-	-	5,641	(5,641)
<b>Total expenditures</b>	<b>576,222</b>	<b>576,222</b>	<b>501,651</b>	<b>74,571</b>
Excess of revenues over (under) expenditures	53,691	53,691	(19,166)	(72,857)
<b>Other Financing Sources</b>				
Reversions:				
Justice Administrative Commission	-	-	(25,056)	(25,056)
<b>Net change in fund balance</b>	<b>53,691</b>	<b>53,691</b>	<b>(44,222)</b>	<b>(97,913)</b>
<b>Fund balance, beginning</b>	<b>154,298</b>	<b>154,298</b>	<b>154,298</b>	<b>-</b>
<b>Fund balance, ending</b>	<b>\$ 207,989</b>	<b>\$ 207,989</b>	<b>\$ 110,076</b>	<b>\$ (97,913)</b>

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

**Holmes County, Florida**  
**Clerk of the Circuit Court**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**Child Support Trust**

<i>For the year ended September 30, 2020</i>	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>				
Intergovernmental	\$ 65,000	\$ 65,000	\$ 71,915	\$ 6,915
Charges for services	1,700	1,700	1,782	82
Total revenues	66,700	66,700	73,697	6,997
<b>Expenditures</b>				
General government				
Personal services	22,118	22,118	22,804	(686)
Operating expenditures	510,582	510,582	22,240	488,342
Capital outlay	-	-	3,062	(3,062)
Total expenditures	532,700	532,700	48,106	484,594
Excess of revenues over (under) expenditures	(466,000)	(466,000)	25,591	491,591
Fund balance, beginning	471,576	471,576	471,576	-
Fund balance, ending	\$ 5,576	\$ 5,576	\$ 497,167	\$ 491,591

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

**Holmes County, Florida**  
**Clerk of the Circuit Court**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**Probation Fund**

<i>For the year ended September 30, 2020</i>	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>				
Charges for services	\$ 145,863	\$ 145,863	\$ 127,606	\$ (18,257)
Miscellaneous revenue	50	50	161	111
Total revenues	145,913	145,913	127,767	(18,146)
<b>Expenditures</b>				
General government				
Personal services	115,043	115,043	124,307	(9,264)
Operating expenditures	72,068	72,068	18,350	53,718
Capital improvement	1,000	1,000	-	1,000
Total expenditures	188,111	188,111	142,657	45,454
Excess of revenues over (under) expenditures	(42,198)	(42,198)	(14,890)	27,308
Fund balance, beginning	42,198	42,198	42,198	-
Fund balance, ending	\$ -	\$ -	\$ 27,308	\$ 27,308

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

**Holmes County, Florida**  
**Clerk of the Circuit Court**  
**Statement of Fiduciary Net Position**

*September 30, 2020*

Agency Funds

**Assets**

Cash and cash equivalents	\$	125,036
Accounts receivable		37

Total assets		125,073
--------------	--	---------

**Liabilities**

Deposits		17,251
Due to individuals		105,831
Due to other governments		1,991

Total liabilities		125,073
-------------------	--	---------

Net position	\$	-
--------------	----	---

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

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

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Holmes County, Florida Clerk of the Circuit Court (the “Clerk”) have been prepared in accordance with the accounting principles and reporting guidelines established by the Governmental Accounting Standards Board (GASB), accounting principles generally accepted in the United States of America (GAAP), and accounting practices prescribed by Chapter 10.550, Rules of the Auditor General, State of Florida. The more significant of these governmental accounting policies applicable to the Clerk are described below.

***Reporting Entity***

The Clerk is an elected official established pursuant to Article VIII Section 1(d) of the constitution of the State of Florida and serves the geographic boundary established in Florida Statutes Chapter 7.30. Although the Clerk’s office is operationally autonomous from the Board of County Commissioners (the “Board”), it does not hold sufficient corporate powers of its own to be considered a legally separate entity for financial reporting purposes. Pursuant to *GASB Codifications of Governmental Accounting and Financial Reporting Standards*, Sections 2100 and 2600, the Clerk's financial statements are combined with those of the Board and other elected officials into the reporting entity of the County.

***Measurement Focus, Basis of Accounting and Financial Statement Presentation***

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Clerk considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures and issuance of long-term debt and acquisitions under capital leases are reported as other financing sources. The operations of the Clerk are funded by the Board of County Commissioners and other taxing authorities. The appropriations from the Board are recorded as other financing sources.

Fiduciary fund (agency fund) statements are prepared using *economic resources measurement focus* and the *accrual basis of accounting*.

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

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

***Fund Financial Statements***

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

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 are aggregated and reported as nonmajor funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The Clerk reports the following major governmental funds:

*General Fund* - Primary operating fund that accounts for all financial resources of the general government, except those accounted for in another fund.

*Fine and Forfeiture Fund* - Special revenue fund established pursuant to Chapter 142.01(1) of the Florida Statutes to account for court related revenues and expenditures, which are required to be reported separately from the Clerk’s general fund activities.

*Child Support Trust Fund* - Special revenue fund to account for Title IV-d cases. The Board voted to allow the Clerk to retain any excess of revenue over expenditures for use in operating the Clerk’s office. This fund receives federal reimbursement for expenses related to the Title IV-d child support cases.

*Probation Fund* - Special revenue fund to account for probation activities within the court system.

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

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The Clerk has two additional special revenue funds which have been combined into a single aggregate presentation as other governmental funds. Individual data for these non-major funds is provided in the combining statements of this report. Special revenue funds account for specific revenue sources that are legally restricted to expenditures for specified purposes

Additionally, the Clerk reports the following fiduciary fund type:

*Agency Funds* - Custodial in nature and account for assets held in a trust capacity or as an agent for individuals, other governmental units and/or other funds. Agency funds only report assets and liabilities and do not measure results of operations. These funds are accounted for on an accrual basis of accounting.

***Budgetary Information***

***Budgetary Basis of Accounting***

Florida Statutes, Chapter 218.35 and 218.36 details the preparation, adoption and administration of the Clerk's annual budget. The Clerk establishes an annual balanced budget for their office which displays the revenues available to the office and the functions for which the money is to be expended. The budgeted revenues and expenditures in the accompanying financial statements reflect all amendments approved by the Board. The budget is prepared on a basis consistent with GAAP. Budgetary control is maintained at the major object expenditure level. Expenditures may not legally exceed appropriations at the department level, and appropriations lapse at year-end. Budgetary changes within major object expenditure categories are made at the discretion of the Clerk.

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

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

***Excess of Revenues over Expenditures***

Pursuant to Section 218.36(2), Florida Statutes, each County officer shall pay into the County general fund by October 31 following each fiscal year end, all money in excess of the sum to which he or she is entitled under the provisions of Florida Statutes Chapter 145.

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

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Pursuant to Section 28.37(2), Florida Statutes, all fees, service charges, court costs, and fines collected in excess of expenditures necessary to fund the Clerk's court operations for each fiscal year ending September 30th will be sent to the State of Florida Justice Administrative Commission (the "Commission"). Additionally, if revenues received in any given month exceed 1/12 of the projected revenues for the year, then that excess is to be remitted to the Commission as well. For the year ended September 30, 2020, excess court revenues exceeded 1/12 of revenue projections in the amount of \$25,056 and were remitted to the Commission.

***Employee Benefits***

***Compensated Absences***

It is the Clerk's policy to allow employees to retain a maximum of 900 hours of paid time off (PTO) at the end of the calendar year. Any PTO hours exceeding 900 will be eligible to receive reimbursement for 80% of accrued PTO over the 900 hours, up to 100 hours annually. Accumulated PTO is payable on termination at 80% of the hours accumulated. Expenditures for compensated absences in governmental funds are those paid during the current fiscal year and the amount unpaid at the end of the reporting period that normally would be liquidated with expendable available financial resources. Accrued compensated absences that will not be liquidated with expendable available financial resources of the Clerk are the obligation of the County and are reported at the county-wide level.

***Retirement Plan***

The Clerk and all qualified County employees participate in The Florida Retirement System (the "System"). The System's financial statements are prepared using the economic resources measurement focus and accrual basis of accounting in accordance with the requirements of the GASB. The Plan is considered a component unit of the State of Florida and is included in the State's Comprehensive Annual Financial Report. Assets, liabilities and cash inflows/outflows related to the Clerk are combined with all the County's participates and reported in the County's government-wide financial statements.

***Other Postemployment Benefits (OPEB)***

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

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

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Assets, Liabilities, and Net Position or Equity***

*Cash and Cash Equivalents*

Cash and cash equivalents represent cash on hand as well as demand deposits and certificates of deposit with original maturities of three months or less.

*Investments*

The Clerk does not have a written investment policy but historically has limited available investments to cash, cash equivalents, and certificates of deposit with a maturity of three months or less.

*Receivables and Payables*

Accounts Receivable – All accounts receivable and amounts due from other governments is deemed collectible. The Clerk does not record an allowance for uncollectibles.

Unearned Revenue – Unearned revenue recorded on the governmental fund balance sheet represents amounts received before eligibility requirements are met.

*Inventories and Prepaid Items*

The purchase method is used to account for inventory and payments to vendors for costs applicable to future periods (prepaid). Under the purchase method, expenditures are recognized when the available financial resource is expended. Inventory is not deemed material.

*Capital Assets*

The Clerk has custodial responsibility for capital assets used by the office and maintains a \$1,000 threshold for capitalization of equipment. Additionally, the Clerk maintains an inventory of all tangible personal property with a value or cost of \$1,000 or more and a projected useful life of one year or more as required by Florida Statute 274 and Florida Administrative Code Sections 69I-73.002 and 69I-73.006. Title in all capital assets owned by the County is retained by the Board and the Clerk's capital are reported in the county-wide financial statements. At the fund level, capital assets are recorded as expenditures at the time an asset is acquired. At the county-wide level, capital assets are capitalized at cost if purchased and if donated at acquisition value when received. Depreciation is determined using the straight-line method with estimated useful lives of 5 to 10 years for all tangible personal property.

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

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Categories and Classification of Fund Equity*

*Fund balance flow assumptions* – Sometimes the Clerk will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate 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 Clerk's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the 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.

*Fund balance policies* – Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The Clerk can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The provisions of GASB Statement No. 54 (GASB 54), *Fund Balance Reporting and Governmental Fund Type Definitions*, specifies the following classifications:

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

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

*Committed fund balance* – The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Clerk's highest level of decision-making authority. The Board is the highest level of decision-making authority for the County that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

*Assigned fund balance* – Amounts in the assigned fund balance classification are intended to be used by the Clerk for specific purposes but do not meet the criteria to be classified as committed. The Board has by resolution authorized the finance director to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

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

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

***Use of Estimates***

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

***Subsequent Events***

Management has evaluated subsequent events through the date that the financial statements were available to be issued, Month 29, 2021 and determined there was no event that required disclosure.

***Recently Issued and Implemented Accounting Pronouncements***

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

***Pronouncements Issued But Not yet Effective***

The Governmental Accounting Standards Board (GASB) has issued statements that will become effective in future years. These statements are as follows:

In January 2017, the GASB issued Statement No. 84 (GASB 84), *Fiduciary Activities*. GASB 84 establishes specific criteria for identifying fiduciary activities and the requirements for financial statement reporting. The focus of the criteria is on whether a government is controlling the assets of the fiduciary activity and the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. GASB 84 describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. In addition, recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred which compels the government to disburse fiduciary resources should also be reported. GASB 84 will be effective for the fiscal years beginning after December 15, 2019.

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

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

In June 2017, the GASB issued Statement No. 87 (GASB 87), *Leases*. The objective of GASB 87 is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. GASB 87 increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under GASB 87, a lessee is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of GASB 87 are effective for reporting periods beginning after June 15, 2021.

In June 2018, the GASB issued Statement No. 89 (GASB 89), *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objectives of GASB 89 are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. GASB 89 requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. The requirements of GASB 89 are effective for reporting periods beginning after December 15, 2020.

In August 2018, the GASB issued Statement No. 90 (GASB 90), *Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61*. The primary objectives of GASB 90 are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. The requirements of GASB 90 are effective for reporting periods beginning after December 15, 2019. The requirements should be applied retroactively, except for the provisions related to (1) reporting a majority equity interest in a component unit and (2) reporting a component unit if the government acquires a 100 percent equity interest. Those provisions should be applied on a prospective basis.

In May 2019, the GASB issued Statement No. 91 (GASB 91), *Conduit Debt Obligations*. The primary objectives of GASB 91 are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. GASB 91 achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and

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

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of GASB 91 are effective for reporting periods beginning after December 15, 2021.

In January 2020, the GASB issued Statement No. 92 (GASB 92), *Omnibus 2020*. The objectives of GASB 92 are to enhance the comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The requirements of GASB 92 are effective for reporting periods beginning after June 15, 2021.

In March 2020, the GASB issued Statement No. 93 (GASB 93), *Replacement of Interbank Offered Rates*. The purpose of this statement is to address accounting and financial reporting implications that result from the replacement of interbank offered rate (IBOR) – most notably, the London Interbank Offered Rate (LIBOR). GASB 93 achieves this objective by (1) providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment, (2) clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate, (3) clarifying that the uncertainty related to the continued availability of IBORs does not, by itself, affect the assessment of whether the occurrence of a hedged expected transaction is probable, (4) removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap, (5) identifying a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of the interest rate swap, and (6) clarifying the definition of reference rate, as it is used in GASB 53, as amended. The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021.

In March 2020, the GASB issued Statement No. 94 (GASB 94), *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of GASB 94 is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in GASB 94, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in GASB 94 as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. GASB 94 also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in GASB 94, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. GASB 94 is effective for fiscal years beginning after June 15, 2022.

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

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

In May 2020, the GASB issued Statement No. 96 (GASB 96), *Subscription-Based Information Technology Arrangements*. GASB 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). GASB 96 (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. GASB 96 is effective for fiscal years beginning after June 15, 2022.

In June 2020, the GASB issued Statement No. 97 (GASB 97), *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. The primary objectives of GASB 97 are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension or OPEB plans as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans that meet the definition of a pension plan and for benefits provided through those plans. The requirements for GASB 97 are effective for reporting periods beginning after June 15, 2021.

The Clerk is evaluating the requirements of the above statements and the impact on reporting.

**Note 2: DETAILED NOTES ON ALL FUNDS**

***Cash and Cash Equivalents***

Cash and cash equivalents is comprised of cash on hand and demand deposits.

Demand deposits greater than the Federal Deposit Insurance Corporation (FDIC) insurance coverage are secured by the qualified public depositories pledging securities with the State Treasurer in such amounts required by the Florida Security for Public Depositories Act. In the event of a default or insolvency of a qualified public depositor (depositor), the depositor will implement procedures for payment of losses according to the depositors validated claims pursuant to Section 280.08, Florida Statutes.

*Custodial risk* - Custodial credit risk for deposits is the risk in the event of the failure of a depository financial institution a government may not be able to recover deposits. Monies placed on deposit with financial institutions in the form of demand deposits, time deposits or certificate of deposits are defined as public deposits. At year-end, all cash held in demand deposits was fully insured by the Federal Deposit Insurance Corporation and the multiple financial institutions collateral pool required by Section 280, Florida Statutes.

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

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

***Accounts Receivable***

Receivables, all of which are deemed collectible are as follows:

Source	Amount
Florida Department of Revenue	\$ 20,920

***Unearned Revenue***

Unearned revenue of \$6,963 represents grant revenues received but not earned as of September 30, 2020. The Holmes County Board of County Commissioners advanced the Clerk \$20,000 of FEMA grant proceeds during the year for administrative services related to FEMA grant projects. Revenues are recognized when qualified administrative expenditures are incurred on those FEMA projects. As of year-end the Clerk had expended \$13,037 of the advance on qualified expenditures.

***Due to Board of County Commissioners***

The excess revenues over expenditures remitted to the Board after year end was \$425 in accordance with Section 218.36(2) Florida Statutes. This amount is reported as Reversion to Board of County Commissioners on the Statement of Revenues Expenditures and Changes in Fund Balance.

**Note 3: RETIREMENT PLAN**

The Clerk and all full-time employees are participants in the Florida Retirement System (the "System"), a defined benefit, cost sharing, multiple-employer public retirement system, which is controlled by the State Legislature and administered by the State of Florida, Department of Administration, Division of Retirement. The plan covers full-time employees of various governmental units within the State of Florida. Accordingly, the actuarial information and related disclosures attributable to the Clerk's employees are not determinable.

The System's funding policy provides for monthly employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are adequate to accumulate sufficient assets to pay benefits when due (see rates below). Level percentage of payroll employer contribution rates, established by state law, is determined using the entry-age actuarial funding method. If an unfunded actuarial liability re-emerges, future plan benefit changes, assumption changes, and methodology changes are amortized within 30 years, using level dollar amounts. Except for gains reserved for rate stabilization, it is anticipated future actuarial gains and losses are amortized on a rolling 10% basis, as a level dollar amount.

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

**Note 3: RETIREMENT PLAN (Continued)**

The System provides for those employees hired prior to July 1, 2011 vesting of benefits after six years of creditable service. Normal retirement benefits are available to employees who retire at or after age 62 with six or more years of service. Early retirement is available after six years of service with a 5% reduction of benefits for each year prior to the normal retirement age. For those employees hired on or after July 1, 2011, the System provides for vesting of benefits after eight years of creditable service. Normal retirement benefits are available to these employees who retire at or after age 65 with eight years of service with a 5% reduction of benefits for each year. Retirement benefits are based upon age, average compensation and years-of-service credit where average compensation is computed as the average of an individual's five highest years of earnings.

Participating employer contributions are based upon State-wide rates established by the State of Florida. These rates applied to employee salaries at year end are as follows: DROP Program – 14.60%, regular employees – 8.47%, senior management – 25.41%, and elected officials – 48.82%. The rate applied to employee salaries for employee contributions was 3.00% for all classifications, with the exception of the DROP Program.

For the year ended September 30, 2020, total payroll for the Clerk's employees covered by the System was \$685,333 and total payroll was \$719,083. The Clerk's contributions to the plan for the years ended September 30, 2020, 2019, and 2018 were \$125,894, \$120,758, and \$110,659, respectively and were paid by the due date for the contribution.

The Clerk has no responsibility to the System other than to make the periodic payments required by state statutes. The Florida Division of Retirement issues a publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing Florida Division of Retirement, P. O. Box 9000, Tallahassee, FL 32315-9000 or at the Division's website at [dms.myflorida.com](http://dms.myflorida.com).

**Note 4: COMMITMENTS AND CONTINGENCIES**

The Clerk is involved in several litigations and claims arising in the ordinary course of operations. Legal counsel for the Clerk believes a favorable outcome is likely. No accruals or loss contingency has been made in the financial statements.

The Clerk receives a grant from the Federal government that is subject to review and audit by the funding source. Such reviews and audits could result in the discovery of unallowable activities and unallowable costs. Consequently, any of the funding sources may, at their discretion, request reimbursement for expenses or return of funds, or both, as a result of noncompliance by the Clerk with the terms of the grants/contracts. In the opinion of the Clerk's management, such allowances, if any, would not be significant in relation to the financial statements of the Clerk.

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

**NOTE 5: FINANCIAL DISCLOSURES REPORTED AT THE COUNTY-WIDE LEVEL**

***Capital Assets***

Summary of changes in capital assets during the year ended September 30, 2020:

	Balance 10/1/19		Additions		Deletions		Balance 9/30/2020
<i>Governmental Activities</i>							
Equipment	\$ 332,222	\$	11,559	\$	(11,758)	\$	332,023
Buildings and improvements	7,556		-		-		7,556
Less: accumulated depreciation	254,798		35,357		8,901		281,254
<u>Capital assets, net</u>	<u>\$ 84,980</u>	\$	<u>(23,798)</u>	\$	<u>(2,857)</u>	\$	<u>58,325</u>

Depreciation expense was charged to the function of government as follows:

<i>Governmental Activities</i>			
<u>General government</u>		<u>\$ 35,357</u>	

***Compensated Absences***

Summary of changes in compensated absences for the year ended September 30, 2020.

	Balance 10/1/19		Additions		Deletions		Balance 9/30/20
<u>Compensated absences</u>	<u>\$ 63,635</u>	\$	<u>59,003</u>	\$	<u>62,077</u>	\$	<u>60,561</u>

## **NONMAJOR GOVERNMENTAL FUNDS**

### **Special Revenue Funds**

*Record Modernization* – Accounts for an additional service charge for each recorded instrument. These funds are to be used exclusively for improvements to the official records system.

*Court Technology* – Accounts for an additional service charge for each recorded instrument. These funds are to be used exclusively to meet the technology needs of the court system within the Clerk's office.

**Holmes County, Florida  
Clerk of the Circuit Court  
Combining Balance Sheet  
Nonmajor Governmental Funds**

<i>September 30, 2020</i>	Record Modernization	Court Technology Fund	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 18,350	\$ 2,398	\$ 20,748
<b>Liabilities and Fund Balances</b>			
Accrued wages and benefits	\$ -	\$ 318	\$ 318
Fund balances			
Restricted	18,350	2,080	20,430
Total liabilities and fund balances	\$ 18,350	\$ 2,398	\$ 20,748

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

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Nonmajor Governmental Funds**

<i>For the year ended September 30, 2020</i>	Record Modernization	Court Technology Fund	Total
<b>Revenues</b>			
Charges for services	\$ 6,446	\$ 19,000	\$ 25,446
<b>Expenditures</b>			
General government			
Personnel services	-	13,564	13,564
Operating	32,746	6,123	38,869
Total expenditures	32,746	19,687	52,433
Excess of revenues over (under) expenditures	(26,300)	(687)	(26,987)
Fund balances, beginning	44,650	2,767	47,417
Fund balances, ending	\$ 18,350	\$ 2,080	\$ 20,430

### **Fiduciary Funds**

*General Agency* – To account for the collections held in trust including: taxes, fine and forfeitures, and other miscellaneous sources prior to disbursement.

*Juror and Witness* – To account for the collection and disbursement of advances received from the State and County for payment of jurors and witnesses.

*Registry of Court* – To account for the collections held in trust as ordered by the courts prior to disbursement.

*Cash Bonds* – To account for collection of cash bonds prior to disbursement.

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

<i>September 30, 2020</i>	Agency Funds				Total
	General Agency	Juror and Witness	Registry of Court	Cash Bonds	
<b>Assets</b>					
Cash and cash equivalents	\$ 105,794	\$ 1,991	\$ 1,435	\$ 15,816	\$ 125,036
Accounts receivable	37	-	-	-	37
Total assets	105,831	1,991	1,435	15,816	125,073
<b>Liabilities</b>					
Deposits	-	-	1,435	15,816	17,251
Due to individuals	105,831	-	-	-	105,831
Due to other governments	-	1,991	-	-	1,991
Total liabilities	105,831	1,991	1,435	15,816	125,073
Net position	\$ -	\$ -	\$ -	\$ -	\$ -

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

Honorable Alice Vickers  
Clerk of the Circuit Court  
Holmes County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of each major fund, the aggregate remaining nonmajor governmental funds, and the fiduciary fund types of the Holmes County, Florida Clerk of the Circuit Court (the "Clerk"), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Clerk's financial statements, and have issued our report thereon dated March 29, 2021.

**Internal Control Over Financial Reporting**

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

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

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

## Compliance and Other Matters

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

## Purpose of this Report

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

*Carr, Riggs & Ingram, L.L.C.*

CARR, RIGGS & INGRAM, L.L.C.

Enterprise, Alabama

March 29, 2021

**INDEPENDENT ACCOUNTANTS' REPORT ON EXAMINATION OF COMPLIANCE  
WITH SPECIFIED FLORIDA STATUTE SECTIONS**

Honorable Alice Vickers  
Clerk of the Circuit Court  
Holmes County, Florida

We have examined the Holmes County, Florida Clerk of the Circuit Court's (the "Clerk") compliance with the following Florida Statute sections during the fiscal year ended September 30, 2019.

Sections 28.35 and 28.36	<i>Performance Standards and Budgets</i>
Section 61.181	<i>Alimony and Child Support Payments</i>
Section 218.415	<i>Local Government Investment Policies</i>

Management is responsible for the Clerk's compliance with the specified requirements. Our responsibility is to express an opinion on the Clerk's compliance with the specified requirements based on our examination.

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

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

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

*Carr, Riggs & Ingram, L.L.C.*

CARR, RIGGS & INGRAM, L.L.C.

Enterprise, Alabama  
March 29, 2021

## **MANAGEMENT LETTER**

Honorable Alice Vickers  
Clerk of the Circuit Court  
Holmes County, Florida

### **Report on the Financial Statements**

We have audited the financial statements of the Holmes County, Florida Clerk of the Circuit Court (the "Clerk"), as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated March 29, 2021.

### **Auditors' Responsibility**

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

### **Other Reporting Requirements**

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Governmental 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 March 29, 2021, should be considered in conjunction with this management letter.

### **Prior Audit Findings**

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

### **Financial Management**

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

### **Additional Matters**

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

### **Purpose of this Letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, federal and other granting agencies, the Clerk, 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 that reads "Carr, Riggs & Ingram, L.L.C." in a cursive script.

CARR, RIGGS & INGRAM, L.L.C.

Enterprise, Alabama  
March 29, 2021

THIS PAGE IS INTENTIONALLY LEFT BLANK



**Property Appraiser  
Holmes County, Florida**

**FINANCIAL STATEMENTS**

**September 30, 2020**



	Page
<b>FINANCIAL SECTION</b>	
Independent Auditors' Report.....	123
<b>Basic Financial Statements</b>	
Balance Sheet – Governmental Funds .....	125
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds .....	126
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund .....	127
Notes to Financial Statements .....	128
<b>REPORTS ON INTERNAL CONTROL AND COMPLIANCE MATTERS</b>	
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	139
Independent Accountants' Report on Compliance with <i>Local Government Investment Policies</i> .....	141
<b>MANAGEMENT LETTER</b> .....	142

## **INDEPENDENT AUDITORS' REPORT**

Honorable Bryan Bell  
Property Appraiser  
Holmes County, Florida

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the major fund of the Holmes County, Florida Property Appraiser (the "Property Appraiser"), as of and for the year ended September 30, 2020, and the related notes to the basic financial statements, as listed in the table of contents.

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

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

### ***Auditors' Responsibility***

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

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

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

### ***Opinion***

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

### ***Emphasis of Matter***

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 29, 2021, on our consideration of the Property Appraiser's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Property Appraiser's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Property Appraiser's internal control over financial reporting and compliance.

*Carr, Riggs & Ingram, L.L.C.*

CARR, RIGGS & INGRAM, L.L.C.

Enterprise, Alabama  
March 29, 2021

**Holmes County, Florida**  
**Property Appraiser**  
**Balance Sheet**  
**Governmental Funds**

*September 30, 2020*

General Fund

**Assets**

Cash and cash equivalents	\$	77,808
---------------------------	----	--------

**Liabilities and Fund Balance**

Liabilities

Accounts payable	\$	23,324
------------------	----	--------

Due to Board of County Commissioners		54,484
--------------------------------------	--	--------

Total liabilities		77,808
-------------------	--	--------

Fund balance		-
--------------	--	---

Total liabilities and fund balance	\$	77,808
------------------------------------	----	--------

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

**Holmes County, Florida**  
**Property Appraiser**

**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Governmental Funds**

*For the year ended September 30, 2020*

General Fund

<b>Revenues</b>	
Charges for services	\$ 985
Interest and other	13
<hr/>	
Total revenues	998
<hr/>	
<b>Expenditures</b>	
General government	
Personnel services	470,041
Operating	82,295
Capital outlay	6,436
<hr/>	
Total expenditures	558,772
<hr/>	
Excess of revenues over (under) expenditures	(557,774)
<hr/>	
<b>Other Financing Sources (Uses)</b>	
Appropriations from Board of County Commissioners	612,258
Reversion to Board of County Commissioners	(54,484)
<hr/>	
Total other financing sources (uses)	557,774
<hr/>	
Net change in fund balance	-
<hr/>	
Fund balance, beginning	-
<hr/>	
Fund balance, ending	\$ -
<hr/>	

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

**Holmes County, Florida**  
**Property Appraiser**

**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**General Fund**

	Budgeted Amounts			Variance with Final
<i>For the year ended September 30, 2020</i>	Original Budget	Final Budget	Actual	Budget
<b>Revenues</b>				
Charges for services	\$ -	\$ -	\$ 985	\$ 985
Interest and other	-	-	13	13
Total revenues	-	-	998	998
<b>Expenditures</b>				
General government				
Personnel services	516,547	517,015	470,041	46,974
Operating	95,243	95,243	82,295	12,948
Capital outlay	-	-	6,436	(6,436)
Total expenditures	611,790	612,258	558,772	53,486
Excess of revenues over (under) expenditures	(611,790)	(612,258)	(557,774)	54,484
<b>Other Financing Sources (Uses)</b>				
Appropriations from Board of County Commissioners	611,790	612,258	612,258	-
Reversion to Board of County Commissioners	-	-	(54,484)	(54,484)
Total other financing sources (uses)	611,790	612,258	557,774	(54,484)
Net change in fund balance	-	-	-	-
Fund balance, beginning	-	-	-	-
Fund balance, ending	\$ -	\$ -	\$ -	\$ -

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

**Holmes County, Florida**  
**Property Appraiser**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Holmes County, Florida Property Appraiser (the “Property Appraiser”) have been prepared in accordance with the accounting principles and reporting guidelines established by the Governmental Accounting Standards Board (GASB), accounting principles generally accepted in the United States of America (GAAP), and accounting practices prescribed by Chapter 10.550, Rules of the Auditor General, State of Florida. The more significant of these governmental accounting policies applicable to the Property Appraiser are described below.

***Reporting Entity***

The Property Appraiser is an elected official established pursuant to Article VIII Section 1(d) of the constitution of the State of Florida and is to serve the geographic boundary established in Florida Statutes chapter 7.30. Although the Property Appraiser office is operationally autonomous from the Board of County Commissioners, (the “Board”), it does not hold sufficient corporate powers to be considered a legally separate entity for financial reporting purposes. Pursuant to GASB *Codification of Governmental Accounting and Financial Reporting Standards, Section 2100 and 2600*, the Property Appraiser’s financial statements are combined with those of the Board and other elected constitutional officers into the reporting entity of Holmes County, Florida (the “County”).

***Measurement Focus, Basis of Accounting and Financial Statement Presentation***

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Property Appraiser considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures and issuance of long-term debt and acquisitions under capital leases are reported as other financing sources. The operations of the Property Appraiser are funded by the Board of County Commissioners and other taxing authorities in the County. The appropriations from the Board are recorded as other financing sources.

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

**Holmes County, Florida**  
**Property Appraiser**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

***Fund Financial Statements***

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

The Property Appraiser reports the following major governmental fund:

The *General Fund* accounts for all financial resources that are not required either legally or by GAAP to be accounted for in another fund.

***Budgetary Information***

***Budgetary Basis of Accounting***

Florida Statutes Chapter 195.087 details the preparation, adoption and administration of the Property Appraiser’s annual budget. On or before June 1 of each year, the Property Appraiser shall certify to the Department of Revenue a proposed budget. The Department of Revenue has until August 15 to approve or modify the budget. The Board has until September 30 to approve a final budget during hearings held pursuant to Florida Statute 200.065. Budgeted revenues and expenditures in the accompanying financial statements reflect all amendments approved by the Department of Revenue and the Board. Budgetary control is maintained at the major object expenditure level. Expenditures may not legally exceed appropriations at the department level, and appropriations lapse at year-end. Budgetary changes within major object expenditure categories are made at the discretion of the Property Appraiser.

***Excess of Revenues over Expenditures***

Pursuant to Section 218.36(2), Florida Statutes, any excess revenues over expenditures, determined as of the fiscal year end, "...shall be divided into parts for each governmental unit which was billed and which paid for the operation of the Property Appraiser's office in the same proportion as the governmental units were originally billed. Such part shall be an advance on the current year's bill, if any."

**Holmes County, Florida**  
**Property Appraiser**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Employee Benefits***

***Compensated Absences***

It is the Property Appraiser's policy to allow employees to accumulate earned but unused paid time off benefits, which are eligible for payment upon separation of government service. Employees are allowed to accumulate up to a maximum of 90 working days. Accumulated paid time off is payable on termination at 80% of the value of the hours accumulated. If the employee retires, the full value of the hours accumulated will be paid out. Expenditures for compensated absences in governmental funds are those paid during the current fiscal year and the amount unpaid at the end of the reporting period that normally would be liquidated with expendable available financial resources. Accrued compensated absences that will not be liquidated with expendable available financial resources of the Property Appraiser are the obligation of the County and are reported at the county-wide level.

***Retirement Plan***

The Property Appraiser and all qualified County employees participate in The Florida Retirement System (the "System"). The System's financial statements are prepared using the economic resources measurement focus and accrual basis of accounting in accordance with the requirements of the GASB. The Plan is considered a component unit of the State of Florida and is included in the State's Comprehensive Annual Financial Report. Assets, liabilities and cash inflows/outflows related to the Property Appraiser are combined with all the County's participates and reported in the County's government-wide financial statements.

***Other Postemployment Benefits (OPEB)***

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

***Assets, Liabilities and Equity***

***Cash and Cash Equivalents***

Cash and cash equivalents are cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

**Holmes County, Florida**  
**Property Appraiser**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Inventories and Prepaid Items*

The purchase method is used to account for inventory and payments to vendors for costs applicable to future periods (prepaid). Under the purchase method, expenditures are recognized when the available financial resource is expended. Inventory is not deemed material.

*Capital Assets*

The Property Appraiser has custodial responsibility for capital assets used by his office and maintains an inventory of all tangible personal property with a donated value or cost of \$1,000 or more and a projected useful life of one year or more as required by Florida Statute 274 and Florida Administrative Code Sections 69(i)-73.002 and 69(i)-73.006. Title in all capital assets owned by the County is retained by the Board and the Property Appraiser's capital assets are reported in the county-wide financial statements. At the fund level, capital assets are recorded as expenditures at the time an asset is acquired. At the county-wide level, capital assets are capitalized at cost when purchased and if donated at acquisition value when received. Depreciation is determined using the straight line method with estimated useful lives of 5 to 10 years for all tangible personal property.

*Categories and Classification of Fund Equity*

*Fund balance flow assumptions* – Sometimes the Property Appraiser will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate 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 Property Appraiser's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the 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.

*Fund balance policies* – Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The Property Appraiser itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The provisions of GASB Statement No. 54 (GASB 54), *Fund Balance Reporting and Governmental Fund Type Definitions*, specifies the following classifications:

**Holmes County, Florida**  
**Property Appraiser**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

*Committed fund balance* – The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Property Appraiser's highest level of decision-making authority. The Board is the highest level of decision-making authority for the County that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

*Assigned fund balance* – Amounts in the assigned fund balance classification are intended to be used by the Property Appraiser for specific purposes but do not meet the criteria to be classified as committed. The Board has by resolution authorized the finance director to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

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

***Use of Estimates***

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

***Subsequent Events***

Management has evaluated subsequent events through the date that the financial statements were available to be issued, March 29, 2021, and determined there were no events that required disclosure.

**Holmes County, Florida**  
**Property Appraiser**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Recently Issued and Implemented Accounting Pronouncement***

In fiscal year 2020, the Property Appraiser implemented GASB Statement No. 95 (GASB 95), *Postponement of the Effective Dates of Certain Authoritative Guidance*. The primary objective of GASB 95 is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. The implementation of GASB 95 did not result in any change in the Property Appraiser's financial statements.

***Pronouncements Issued But not yet Effective***

The Governmental Accounting Standards Board (GASB) has issued statements that will become effective in future years. These statements are as follows:

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. GASB 84 seeks to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. GASB 84 will be effective for the fiscal years beginning after December 15, 2019.

In June 2017, the GASB issued Statement No. 87, *Leases*. The objective of GASB 87 is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. GASB 87 increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under GASB 87, a lessee is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of GASB 87 are effective for reporting periods beginning after June 15, 2021.

In June 2018, the GASB issued Statement No. 89 (GASB 89), *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The objectives of GASB 89 are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. GASB 89 requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. The requirements of GASB 89 are effective for reporting periods beginning after December 15, 2020.

In August 2018, the GASB issued Statement No. 90 (GASB 90), *Majority Equity Interests – An Amendment of GASB Statements No. 14 (GASB 14) and No. 61 (GASB 61)*. The primary objectives of GASB 90 are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement

**Holmes County, Florida**  
**Property Appraiser**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. The requirements of GASB 90 are effective for reporting periods beginning after December 15, 2019. The requirements should be applied retroactively, except for the provisions related to (1) reporting a majority equity interest in a component unit and (2) reporting a component unit if the government acquires a 100 percent equity interest. Those provisions should be applied on a prospective basis.

In May 2019, the GASB issued Statement No. 91 (GASB 91), *Conduit Debt Obligations*. The primary objectives of GASB 91 are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. GASB 91 achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of GASB 91 are effective for reporting periods beginning after December 15, 2021.

In May 2020, the GASB issued Statement No. 93 (GASB 93), *Replacement of Interbank Offered Rates*. The objectives of GASB 93 are to address financial reporting issues that result from the replacement of an Interbank Offered Rate (IBOR) by providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment and clarification of the hedge accounting termination provisions when a hedged item is amended to replace the reference rate; replacing LIBOR as an appropriate benchmark interest rate for the evaluation of the effectiveness of an interest rate swap with a Secured Overnight Financing Rate or the Effective Federal Funds Rate; and providing exceptions to the lease modifications guidance in Statement 87 for lease contracts that are amended solely to replace an IBOR used to determine variable payments. The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2022. All other requirements of GASB 93 are effective for reporting periods beginning after June 15, 2021.

In May 2020, the GASB issued GASB Statement No. 96 (GASB 96), *Subscription-Based Information Technology Arrangements*. GASB 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The requirements of GASB 96 are effective for fiscal years beginning after June 15, 2022, and all reporting

**Holmes County, Florida**  
**Property Appraiser**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

periods thereafter. Assets and liabilities resulting from SBITAs should be recognized and measured using the facts and circumstances that existed at the beginning of the fiscal year in which GASB 96 is implemented. Governments are permitted, but are not required, to include in the measurement of the subscription asset capitalizable outlays associated with the initial implementation stage and the operation and additional implementation stage incurred prior to the implementation of GASB 96.

In June 2020, the GASB issued GASB Statement No. 97 (GASB 97), *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 (GASB 14) and No. 84 (GASB 84), and a supersession of GASB Statement No. 32 (GASB 32)*. The primary objectives of GASB 97 are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of GASB 97 that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021.

The Property Appraiser is evaluating the requirements of the above statements and the impact on reporting.

**Note 2: DETAILED NOTES ON ALL FUNDS**

***Cash and Cash Equivalents***

Cash and cash equivalents is comprised of cash on hand and demand deposits.

Demand deposits greater than the Federal Deposit Insurance Corporation (FDIC) insurance coverage are secured by the qualified public depositories pledging securities with the State Treasurer in such amounts required by the Florida Security for Public Depositories Act. In the event of a default or insolvency of a qualified public depositor (depositor), the depositor will implement procedures for payment of losses according to the depositors validated claims pursuant to Section 280.08, Florida Statutes.

**Holmes County, Florida**  
**Property Appraiser**  
**Notes to Financial Statements**

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

*Custodial risk* - Custodial credit risk for deposits is the risk in the event of the failure of a depository financial institution a government may not be able to recover deposits. Monies placed on deposit with financial institutions in the form of demand deposits, time deposits or certificate of deposits are defined as public deposits. At year-end, all cash held in demand deposits was fully insured by the Federal Deposit Insurance Corporation and the multiple financial institutions collateral pool required by Section 280, Florida Statutes.

***Due to Board of County Commissioners***

The excess revenues over expenditures remitted to the Board after year end was \$54,484 in accordance with Section 218.36(2) Florida Statutes. This amount is reported as Reversion to Board of County Commissioners on the Statement of Revenues Expenditures and Changes in Fund Balance.

**Note 3: RETIREMENT PLAN**

The Property Appraiser and all full-time employees are participants in the Florida Retirement System (the "System"), a defined benefit, cost sharing, multiple-employer public retirement system, which is controlled by the State Legislature and administered by the State of Florida, Department of Administration, Division of Retirement. The plan covers full-time employees of various governmental units within the State of Florida. Accordingly, the actuarial information and related disclosures attributable to the Property Appraiser's employees are not determinable.

The System's funding policy provides for monthly employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are adequate to accumulate sufficient assets to pay benefits when due (see rates below). Level percentage of payroll employer contribution rates, established by state law, is determined using the entry-age actuarial funding method. If an unfunded actuarial liability reemerges, future plan benefit changes, assumption changes, and methodology changes are amortized within 30 years, using level dollar amounts. Except for gains reserved for rate stabilization, it is anticipated future actuarial gains and losses are amortized on a rolling 10% basis, as a level dollar amount.

The System provides for those employees hired prior to July 1, 2011 vesting of benefits after six years of creditable service. Normal retirement benefits are available to employees who retire at or after age 62 with six or more years of service. Early retirement is available after six years of service with a 5% reduction of benefits for each year prior to the normal retirement age. For those employees hired on or after July 1, 2011, the System provides for vesting of benefits after eight years of creditable service. Normal retirement benefits are available to these employees who retire at or after age 65 with eight years of service. Early retirement is available after eight years of service with a 5% reduction of benefits for each year prior to the normal retirement age. Retirement benefits are based upon age, average compensation and years-of-service credit where average compensation is computed as the average of an individual's five highest years of earnings.

**Holmes County, Florida**  
**Property Appraiser**  
**Notes to Financial Statements**

**Note 3: RETIREMENT PLAN (Continued)**

Participating employer contributions are based upon State-wide rates established by the State of Florida. These rates applied to employee salaries at year end are as follows: regular employees – 10.00%, DROP Program – 16.98%, senior management – 27.29%, and elected officials – 58.91%. The rate applied to employee salaries for employee contributions was 3.00% for all classifications, with the exception of the DROP Program.

Total payroll for the Property Appraiser's employees covered by the System was \$315,038 for the year ended September 30, 2020. The Property Appraiser's total payroll was \$315,038 for the same period. The Property Appraiser's contributions to the plan for the years ended September 30, 2020, 2019, and 2018 were \$79,172, \$80,079, and \$76,063, respectively, and were paid by the due date for the contributions.

The Property Appraiser has no responsibility to the System other than to make the periodic payments required by State Statutes. The Florida Division of Retirement issues a publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing to Florida Division of Retirement, P.O. Box 9000, Tallahassee, Florida 32315-9000 or at the Division's website at [dms.myflorida.com](http://dms.myflorida.com).

**NOTE 4: FINANCIAL DISCLOSURES REPORTED AT THE COUNTY-WIDE LEVEL**

***Capital Assets***

Summary of capital asset activity for the year ended September 30, 2020:

	Balance 10/01/19	Increases	Decreases	Balance 9/30/20
<i>Governmental Activities</i>				
Capital assets depreciated:				
Machinery and equipment	\$ 137,798	\$ 6,436	\$ 2,576	\$ 141,658
Less accumulated depreciation:				
Machinery and equipment	(67,629)	(23,066)	(2,576)	(88,119)
Total governmental activities				
capital assets, net	\$ 70,169	\$ (16,630)	\$ -	\$ 53,539

Depreciation expense was charged to the function of government as follows:

<i>Governmental Activities</i>	
General government	\$ 23,066

**Holmes County, Florida**  
**Property Appraiser**  
**Notes to Financial Statements**

**NOTE 4: FINANCIAL DISCLOSURES REPORTED AT THE COUNTY-WIDE LEVEL (Continued)**

***Compensated Absences***

Summary of changes in compensated absences for the year ended September 30, 2020:

	Balance 10/01/19	Increases	Reductions	Balance 9/30/20	Due In One Year
Compensated absences	\$ 36,349	\$ 24,403	\$ (15,097)	\$ 45,655	\$ 4,566

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

The Honorable Bryan Bell  
Property Appraiser  
Holmes County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Holmes County, Florida Property Appraiser (the "Property Appraiser"), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Property Appraiser's financial statements, and have issued our report thereon dated March 29, 2021.

**Internal Control Over Financial Reporting**

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

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

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

## Compliance and Other Matters

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

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

*Carr, Riggs & Ingram, L.L.C.*

CARR, RIGGS & INGRAM, L.L.C.

Enterprise, Alabama

March 29, 2021



Carr, Riggs & Ingram, LLC

1117 Boll Weevil Circle  
Enterprise, AL 36330

(334) 347-0088  
(334) 347-7650 (fax)  
www.cricpa.com

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH LOCAL  
GOVERNMENT INVESTMENT POLICIES**

Honorable Bryan Bell  
Property Appraiser  
Holmes County, Florida

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

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

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

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

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

*Carr, Riggs & Ingram, L.L.C.*

CARR, RIGGS & INGRAM, L.L.C.

Enterprise, Alabama  
March 29, 2021

## **MANAGEMENT LETTER**

Honorable Bryan Bell  
Property Appraiser  
Holmes County, Florida

### **Report on the Financial Statements**

We have audited the financial statements of the Holmes County, Florida Property Appraiser (the "Property Appraiser") as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated March 29, 2021.

### **Auditors' Responsibility**

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

### **Other Reporting Requirements**

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 29, 2021, should be considered in conjunction with this management letter.

### **Prior Audit Findings**

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

#### **2012-02 - Disbursement Controls (Repeat)**

*Condition* – *Government Auditing Standards* require auditors to consider internal controls over financial reporting as a basis for designing our auditing procedures. In documenting controls, a deficiency was noted in the segregation of duties over cash disbursements. The Chief Deputy

Property Appraiser's (Chief Deputy) responsibilities include recording accounts payable, check register review and approval, establishing vendor files and preparation of bank account reconciliations. The Chief Deputy is not an authorized check signer but has access to the general ledger and Information Technology (IT) rights to create vendors files.

*Criteria* – Management is responsible for establishing and maintaining effective internal control over financial reporting.

*Cause* – Due to limited number of personnel involved in the cash disbursement process, some critical duties are not adequately segregated.

*Effect* – Controls over executing and recording disbursement transactions lacks optimum separation of duties by vesting significant components of the disbursement process with one person. The lack of adequate control procedures could result in the misuse or misappropriation of assets.

*Recommendation* – We recommend implementing control procedures to separate the bank reconciliation, check writing, check distribution and creating new vendor file responsibilities. The Chief Deputy's responsibilities should be limited to approving accounts payable and reviewing the distribution check register. Ideally, a third person should be forwarded signed checks directly from the check signers for distribution. New vendor authorizations should be required by someone independent of the disbursement process to create accounts payable vendor files. Additionally, we recommend that someone other than the Chief Deputy reconcile the bank accounts. If resources don't allow for that segregation then, as a minimum, a second reviewer should review the reconciliations and examine reconciling items. Ideally the accounts payable/payroll (cash disbursement), check signing and distribution and bank reconciling duties should be segregated.

*View of Responsible Officials and Planned Corrective Actions* – The Property Appraiser acknowledges the finding and is currently following several of the recommendations. Drafted checks are sent directly to the Property Appraiser for review, approval and signature and a third person distributes the checks. The Property Appraiser's Office does not currently have the funding to hire additional personnel to segregate all disbursement duties.

## **Financial Management**

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we noted recommendation 2012-02 in this management letter under Section 10.554(1)(i)1.

## **Additional Matters**

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

**Purpose of this Letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Property Appraiser, 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 that reads "Carr, Riggs & Ingram, L.L.C." in a cursive script.

CARR, RIGGS & INGRAM, L.L.C.

Enterprise, Alabama

March 29, 2021



**Supervisor of Elections  
Holmes County, Florida**

**FINANCIAL STATEMENTS**

**September 30, 2020**



	Page
<b>FINANCIAL SECTION</b>	
Independent Auditors' Report.....	147
<b>Basic Financial Statements</b>	
Balance Sheet – Governmental Funds .....	149
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds.....	150
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund .....	151
Notes to Financial Statement .....	152
<b>REPORTS ON INTERNAL CONTROL AND COMPLIANCE MATTERS</b>	
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	164
Independent Accountants' Report on Compliance with <i>Local Government Investment Policies</i> .....	166
<b>MANAGEMENT LETTER</b> .....	167

## **INDEPENDENT AUDITORS' REPORT**

Honorable Therisa A. Meadows  
Supervisor of Elections  
Holmes County, Florida

### **Report on Financial Statements**

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

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

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

### **Auditors' Responsibility**

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

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

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

### **Opinion**

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

### **Emphasis of Matter**

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 29, 2021 on our consideration of the Supervisor of Elections' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Supervisor of Election's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Supervisor of Elections' internal control over financial reporting and compliance.

*Carr, Riggs & Ingram, L.L.C.*

CARR, RIGGS & INGRAM, L.L.C.

Enterprise, Alabama  
March 29, 2021

**Holmes County, Florida**  
**Supervisor of Elections**  
**Balance Sheet**  
**Governmental Funds**

<i>September 30, 2020</i>	General Fund
<b>Assets</b>	\$ -
<b>Liabilities and Fund Balance</b>	\$ -

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

**Holmes County, Florida**  
**Supervisor of Elections**

**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Governmental Funds**

*For the year ended September 30, 2020*

General Fund

**Revenues**

Intergovernmental	\$	66,340
-------------------	----	--------

**Expenditures**

General government		
Personnel services	253,796	
Operating expenses	166,768	
Debt service		
Principal		21,476

Total expenditures		442,040
--------------------	--	---------

Excess revenues over (under) expenditures		(375,700)
---	--	-----------

**Other Financing Sources**

Appropriations from Board of County Commissioners		375,700
---	--	---------

Net change in fund balance		-
----------------------------	--	---

Fund balance - beginning		-
--------------------------	--	---

Fund Balance - ending	\$	-
-----------------------	----	---

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

**Holmes County, Florida**  
**Supervisor of Elections**

**Statement of Revenues, Expenditures and Changes in Fund Balance -**  
**Budget and Actual**  
**General Fund**

<i>For the year ended September 30, 2020</i>	Budgeted Amounts		Actual	Variance With Final Budget
	Original Budget	Final Budget		
<b>Revenues</b>				
Intergovernmental	\$ 25,153	\$ 85,026	\$ 66,340	\$ (18,686)
<b>Expenditures</b>				
General government				
Personnel services	282,565	269,845	253,796	16,049
Operating expenses	155,351	232,214	166,768	65,446
Capital outlay	25,477	21,477	-	21,477
Debt service				
Principal	-	-	21,476	(21,476)
Total expenditures	463,393	523,536	442,040	81,496
Excess of revenues over (under) expenditures	(438,240)	(438,510)	(375,700)	62,810
<b>Other Financing Sources</b>				
Appropriations from Board of County Commissioners	438,240	438,510	375,700	(62,810)
Net change in fund balance	-	-	-	-
Fund balance - beginning	-	-	-	-
Fund balance - ending	\$ -	\$ -	\$ -	\$ -

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

**Holmes County, Florida**  
**Supervisor of Elections**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Holmes County, Florida Supervisor of Elections (the “Supervisor of Elections”) have been prepared in accordance with the accounting principles and reporting guidelines established by the Governmental Accounting Standards Board (GASB), accounting principles generally accepted in the United States of America (GAAP), and accounting practices prescribed by Chapter 10.550, Rules of the Auditor General, State of Florida. The more significant of these governmental accounting policies applicable to the Supervisor of Elections are described below.

***Reporting Entity***

The Supervisor of Elections is an elected official established pursuant to Article VIII Section 1(d) of the constitution of the State of Florida and is to serve the geographic boundary established in Florida Statutes chapter 7.30. Although the Supervisor of Elections office is operationally autonomous from the Board of County Commissioners, (the “Board”), it does not hold sufficient corporate powers to be considered a legally separate entity for financial reporting purposes. Pursuant to GASB *Codification of Governmental Accounting and Financial Reporting Standards, Section 2100 and 2600*, the Supervisor of Elections’ financial statements are combined with those of the Board and other elected constitutional officers into the reporting entity of Holmes County, Florida (the “County”).

***Measurement Focus, Basis of Accounting and Financial Statement Presentation***

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Supervisor of Elections considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures and issuance of long-term debt and acquisitions under capital leases are reported as other financing sources. The operations of the Supervisor of Elections are funded by the Board of County Commissioners. The appropriations from the Board are recorded as other financing sources.

**Holmes County, Florida**  
**Supervisor of Elections**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

***Fund Financial Statements***

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

The Supervisor of Elections reports the following major governmental fund:

*General Fund* - Accounts for all financial resources that are not required either legally or by generally accepted accounting principles to be accounted for in another fund.

***Budgetary Information***

***Budgetary Basis of Accounting***

Florida Statutes Chapter 129.201 and 129.03 details the preparation, adoption and administration of the Supervisor of Elections’ annual budget. By June 1 of each year, the Supervisor of Elections shall submit to the Board a tentative budget for carrying out the duties of her office for the ensuing fiscal year. The Board has until September 30 to approve and/or modify the Supervisor of Elections’ proposed budget during hearings held pursuant to Florida Statutes 129. The budgeted revenues and expenditures in the accompanying financial statements reflect all amendments approved by the Board. Budgetary control is maintained at the major object expenditure level. Expenditures may not legally exceed appropriations at the department level, and appropriations lapse at year-end. Budgetary changes within major object expenditure categories are made at the discretion of the Supervisor of Elections.

**Holmes County, Florida**  
**Supervisor of Elections**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Excess of Revenues over Expenditures*

Pursuant to Section 129.202(1)(f), Florida Statutes, "all unexpended balances at the end of each fiscal year shall be returned to the Board and deposited to the County fund or funds from which payment was originally made." Rather than having an accounting system independent of the Board, the Supervisor of Elections is accounted for as a department by the Board. Therefore, appropriations by the Board will equal actual expenditures and the Supervisor of Elections will not report revenues in excess of expenditures.

***Employee Benefits***

*Compensated Absences*

The Supervisor of Elections' compensated absences policy allows employees to accumulate unused sick and vacation leave up to a maximum of 90 days of sick leave and 30 days of annual leave. Upon separating from service all employees will be paid 100% of accumulated annual leave and retiring employees will also be paid 100% of accumulated sick leave. Upon resignation employees with ten years of service will be paid one-half of accumulated sick leave. Employees with more than ten years seniority may accrue sick leave in excess of 90 days in a personal sick leave bank. Accrued leave in a personal sick leave bank may only be used in the event of a catastrophic illness.

Expenditures for compensated absences in governmental funds are those paid during the current fiscal year and the amount unpaid at the end of the reporting period that normally would be liquidated with expendable available financial resources. Accrued compensated absences that will not be liquidated with expendable available financial resources of the Supervisor of Elections are the obligation of the County and are reported at the county-wide level.

*Retirement Plan*

The Supervisor of Elections and all qualified County employees participates in The Florida Retirement System (the "System"). The System's financial statements are prepared using the economic resources measurement focus and accrual basis of accounting in accordance with the requirements of the GASB. The Plan is considered a component unit of the State of Florida and is included in the State's Comprehensive Annual Financial Report. Assets, liabilities and cash inflows/outflows related to the Supervisor of Elections are combined with all the County's participates and reported in the County's government-wide financial statements.

**Holmes County, Florida**  
**Supervisor of Elections**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Other Postemployment Benefits (OPEB)*

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

***Assets, Liabilities, and Equity***

*Cash and Cash Equivalents*

The Supervisor of Elections does not maintain a separate operating bank account. Operations are accounted for through a department within the Board's General Fund.

*Inventories and Prepaid Items*

The purchase method is used to account for inventory and payments to vendors for costs applicable to future periods (prepaid). Under the purchase method, expenditures are recognized when the available financial resource is expended. Inventory is not deemed material.

*Capital Assets*

The Supervisor of Elections has custodial responsibility for the capital assets used by her office and maintains an inventory of all tangible personal property with a donated value or cost of \$1,000 or more and a projected useful life of one year or more as required by Florida Statute 274 and Florida Administrative Code Sections 69(i)-73.002 and 69(i)-73.006. Title in all capital assets owned by the County is retained by the Board and the Supervisor of Elections' capital assets are reported in the county-wide financial statements. At the fund level, capital assets are recorded as expenditures at the time an asset is acquired. At the county-wide level, capital assets are capitalized at cost when purchased and if donated at acquisition value when received. Depreciation is determined using the straight-line method with estimated useful lives of 5 to 10 years for all tangible personal property.

*Capital Leases*

The Supervisor of Elections entered into an agreement as lessee for financing the acquisition of equipment during the year ended September 30, 2016. This lease qualified as a capital lease for accounting purposes and matured in October 2019. Capital leases and related assets are reported on the county-wide financial statements.

**Holmes County, Florida**  
**Supervisor of Elections**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Categories and Classification of Fund Equity*

*Fund balance flow assumptions* – Sometimes the Supervisor of Elections will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate 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 Supervisor of Elections' policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the 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.

*Fund balance policies* – Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The Supervisor of Elections can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, specifies the following classifications:

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

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

*Committed fund balance* – The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Supervisor of Elections' highest level of decision-making authority. The Board is the highest level of decision-making authority for the County that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

**Holmes County, Florida**  
**Supervisor of Elections**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Assigned fund balance* – Amounts in the assigned fund balance classification are intended to be used by the Supervisor of Elections for specific purposes but do not meet the criteria to be classified as committed. The Board has by resolution authorized the finance director to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

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

***Use of Estimates***

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

***Subsequent Events***

Management has evaluated subsequent events through the date that the financial statements were available to be issued, March 29, 2021 and determined there were no events that required disclosure.

***Recently Issued and Implemented Accounting Pronouncements***

In fiscal year 2020, the Supervisor of Elections implemented GASB Statement No. 95 (GASB 95), *Postponement of the Effective Dates of Certain Authoritative Guidance*. The primary objective of GASB 95 is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. The implementation of GASB 95 did not result in any change in the Supervisor of Elections' financial statements.

***Pronouncements Issued But Not yet Effective***

The Governmental Accounting Standards Board (GASB) has issued statements that will become effective in future years. These statements are as follows:

In January 2017, the GASB issued Statement No. 84 (GASB 84), *Fiduciary Activities*. GASB 84 establishes specific criteria for identifying fiduciary activities and the requirements for financial statement reporting. The focus of the criteria is on whether a government is controlling the assets of the fiduciary activity and the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit

**Holmes County, Florida**  
**Supervisor of Elections**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

arrangements that are fiduciary activities. Statement No. 84 describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. In addition, recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred which compels the government to disburse fiduciary resources should also be reported. GASB 84 will be effective for the fiscal years beginning after December 15, 2019.

In June 2017, the GASB issued Statement No. 87 (GASB 87), *Leases*. The objective of GASB 87 is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. GASB 87 increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under GASB 87, a lessee is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of GASB 87 are effective for reporting periods beginning after June 15, 2021.

In June 2018, the GASB issued Statement No. 89 (GASB 89), *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objectives of GASB 89 are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. GASB 89 requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. The requirements of GASB 89 are effective for reporting periods beginning after December 15, 2020.

In August 2018, the GASB issued Statement No. 90 (GASB 90), *Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61*. The primary objectives of GASB 90 are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. The requirements of GASB 90 are effective for reporting periods beginning after December 15, 2019. The requirements should be applied retroactively, except for the provisions related to (1) reporting a majority equity interest in a component unit and (2) reporting a component unit if the government acquires a 100 percent equity interest. Those provisions should be applied on a prospective basis.

**Holmes County, Florida**  
**Supervisor of Elections**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

In May 2019, the GASB issued Statement No. 91 (GASB 91), *Conduit Debt Obligations*. The primary objectives of GASB 91 are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. GASB 91 achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of GASB 91 are effective for reporting periods beginning after December 15, 2021.

In March 2020, the GASB issued Statement No. 93 (GASB 93), *Replacement of Interbank Offered Rates*. The purpose of GASB 93 is to address accounting and financial reporting implications that result from the replacement of interbank offered rate (IBOR) – most notably, the London Interbank Offered Rate (LIBOR). GASB 93 achieves this objective by (1) providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment, (2) clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate, (3) clarifying that the uncertainty related to the continued availability of IBORs does not, by itself, affect the assessment of whether the occurrence of a hedged expected transaction is probable, (4) removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap, (5) identifying a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of the interest rate swap, and (6) clarifying the definition of reference rate, as it is used in Statement 53, as amended. The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021.

In March 2020, the GASB issued Statement No. 94 (GASB 94), *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of GASB 94 is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in GASB 94, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in GASB 94 as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. GASB 94 also provides guidance for accounting and financial

**Holmes County, Florida**  
**Supervisor of Elections**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

reporting for availability payment arrangements (APAs). As defined in GASB 94, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. GASB 94 is effective for fiscal years beginning after June 15, 2022.

In May 2020, the GASB issued Statement No. 96 (GASB 96), *Subscription-Based Information Technology Arrangements*. GASB 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). GASB 96 (1) defines a SBITA; (2) establishes that a SBITA results in a right to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires Note disclosures regarding a SBITA. GASB 96 is effective for fiscal years beginning after June 15, 2022.

In June 2020, the GASB issued Statement No. 97 (GASB 97), *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. The primary objectives of GASB 97 are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension or OPEB plans as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans that meet the definition of a pension plan and for benefits provided through those plans. The requirements for GASB 97 are effective for reporting periods beginning after June 15, 2021.

The Supervisor of Elections is evaluating the requirements of the above statements and the impact on reporting.

**Note 2: RETIREMENT PLAN**

The Supervisor of Elections and all full-time employees are participants in the Florida Retirement System (the “System”), a defined benefit, cost sharing, multiple employer public retirement system, which is controlled by the State Legislature and administered by the State of Florida, Department of Administration, Division of Retirement. The plan covers full-time employees of various governmental units within the State of Florida. Accordingly, the actuarial information and related disclosures attributable to the Supervisor of Elections’ employees are not determinable.

**Holmes County, Florida  
Supervisor of Elections  
Notes to Financial Statements**

**Note 2: RETIREMENT PLAN (Continued)**

The System's funding policy provides for monthly employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are adequate to accumulate sufficient assets to pay benefits when due (see rates below). Level percentage of payroll employer contribution rates, established by state law, is determined using the entry-age actuarial funding method. If an unfunded actuarial liability reemerges, future plan benefit changes, assumption changes, and methodology changes are amortized within 30 years, using level dollar amounts. Except for gains reserved for rate stabilization, it is anticipated future actuarial gains and losses are amortized on a rolling 10% basis, as a level dollar amount.

The System provides for employees hired prior to July 1, 2011 vesting of benefits after six years of creditable service. Normal retirement benefits are available to employees who retire at or after age 62 with six or more years of service. Early retirement is available after six years of service with a 5% reduction of benefits for each year prior to the normal retirement age. For those employees hired on July 1, 2011 or after, the System provides for vesting of benefits after eight years of creditable service. Normal retirement benefits are available to these employees who retire at or after age 65 with eight years of service. Early retirement is available after eight years of service with a 5% reduction of benefits for each year prior to normal retirement age. Retirement benefits are based upon age, average compensation and years-of-service credit where average compensation is computed as the average of an individual's five highest years of earnings.

Participating employer contributions are based upon state-wide rates established by the State of Florida. These rates applied to employee salaries at year end are as follows: regular employees – 10.00%, DROP Program – 16.98%, senior management – 27.29% and elected officials – 49.18%. The rate applied to employee salaries for employee contributions was 3.00% for all classifications, with the exception for the DROP program.

Total payroll for the Supervisor of Elections' employees covered by the System was \$161,621 for the year ended September 30, 2020. The Supervisor of Elections' total payroll was \$161,621 for the same period. The Supervisor of Elections' contribution to the plan for the years ended September 30, 2020, 2019 and 2018 was \$54,182, \$53,644, and \$52,284, respectively. These contributions were paid by the due date for the contribution.

The Supervisor of Elections has no responsibility to the System other than to make the periodic payments required by State statutes. The Florida Division of Retirement issues a publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing Florida Division of Retirement, P.O. Box 9000, Tallahassee, FL 32315-9000 or at the Division's website at [dms.myflorida.com](http://dms.myflorida.com).

**Holmes County, Florida**  
**Supervisor of Elections**  
**Notes to Financial Statements**

**Note 3: CONTINGENT LIABILITIES**

The Supervisor of Elections receives grants from federal and state sources that are subject to review and audit by the funding sources. Such reviews and audits could result in the discovery of unallowable activities and unallowable costs. Consequently, any of the funding sources may, at their discretion, request reimbursement for expenses or return of funds, or both, as a result of noncompliance by the Supervisor of Elections with the terms of the grants/contracts. In the opinion of the Supervisor of Elections' management, such allowances, if any, would not be significant in relation to the financial statements of the Supervisors of Elections.

**NOTE 4: FINANCIAL DISCLOSURES REPORTED AT THE COUNTY-WIDE LEVEL**

***Capital Assets***

Summary of capital asset activity for the year ended September 30, 2020:

	Balance 10/1/19	Increases	Decreases	Balance 9/30/20
<i>Governmental Activities</i>				
Capital assets depreciated:				
Machinery and equipment	\$ 246,065	\$ -	\$ -	\$ 246,065
Less accumulated depreciation:				
Machinery and equipment	(147,829)	(47,901)	-	(195,730)
<b>Capital assets, net</b>	<b>\$ 98,236</b>	<b>\$ (47,901)</b>	<b>\$ -</b>	<b>\$ 50,335</b>

Depreciation expense was charged to the function of government as follows:

<i>Governmental Activities</i>	
General government	\$ 47,901

***Long-Term Debt***

Summary of long-term debt activity for the year ended September 30, 2020:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Capital lease	\$ 21,476	\$ -	\$ (21,476)	\$ -	\$ -
Compensated absences	3,244	5,220	(4,412)	4,052	405
<b>Total</b>	<b>\$ 24,720</b>	<b>\$ 5,220</b>	<b>\$ (25,888)</b>	<b>\$ 4,052</b>	<b>\$ 405</b>

**Holmes County, Florida  
Supervisor of Elections  
Notes to Financial Statements**

**NOTE 4: FINANCIAL DISCLOSURES REPORTED AT THE COUNTY-WIDE LEVEL (Continued)**

The following is an analysis of equipment leased under capital leases as of September 30, 2020:

	Capital Assets
Machinery and equipment	\$ 107,381
Less: accumulated depreciation	<u>(105,591)</u>
Net leased machinery and equipment	<u>\$ 1,790</u>

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

Honorable Therisa A. Meadows  
Supervisor of Elections  
Holmes County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Holmes County, Florida Supervisor of Elections (the "Supervisor of Elections") as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Supervisor of Elections' financial statements, and have issued our report thereon dated March 29, 2021.

**Internal Control Over Financial Reporting**

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


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

## Compliance and Other Matters

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

## Purpose of this Report

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

A handwritten signature in black ink that reads "Carr, Riggs & Ingram, L.L.C." in a cursive script.

CARR, RIGGS & INGRAM, L.L.C.

Enterprise, Alabama  
March 29, 2021



**Carr, Riggs & Ingram, LLC**

1117 Boll Weevil Circle

Enterprise, AL 36330

(334) 347-0088

(334) 347-7650 (fax)

[www.cricpa.com](http://www.cricpa.com)

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH *LOCAL GOVERNMENT INVESTMENT POLICIES***

Honorable Therisa A. Meadows  
Supervisor of Elections  
Holmes County, Florida

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

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

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

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

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

*Carr, Riggs & Ingram, L.L.C.*

CARR, RIGGS & INGRAM, L.L.C.

Enterprise, Alabama  
March 29, 2021

## **MANAGEMENT LETTER**

Honorable Therisa A. Meadows  
Supervisor of Elections  
Holmes County, Florida

### **Report on the Financial Statements**

We have audited the financial statements of the Holmes County, Florida Supervisor of Elections (the "Supervisor of Elections") as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated March 29, 2021.

### **Auditors' Responsibility**

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

### **Other Reporting Requirements**

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountants' Report on an Examination Conducted In Accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 29, 2021, should be considered in conjunction with this management letter.

### **Prior Audit Findings**

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

### **Financial Management**

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we noted no such recommendations under Section 10.554(1)(i)1 above.

## **Additional Matters**

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not 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 Supervisor of Elections, 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 that reads "Carr, Riggs & Ingram, L.L.C." in a cursive script.

CARR, RIGGS & INGRAM, L.L.C.

Enterprise, Alabama  
March 29, 2021



**Sheriff  
Holmes County, Florida**

**FINANCIAL STATEMENTS**

**September 30, 2020**



	Page
<b>FINANCIAL SECTION</b>	
Independent Auditors' Report .....	171
<b>Basic Financial Statements</b>	
Balance Sheet – Governmental Funds .....	174
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds .....	175
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund .....	176
Statement of Fiduciary Net Position – Agency Fund .....	178
Notes to Financial Statements .....	179
<b>Combining and Individual Fund Statements</b>	
Description of Nonmajor Governmental Funds .....	193
Combining Balance Sheet – Nonmajor Governmental Funds .....	194
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds .....	195
<b>REPORTS ON INTERNAL CONTROL AND COMPLIANCE MATTERS</b>	
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	196
Independent Accountants' Report on Compliance with <i>Local Government Investment Policies</i> .....	198
<b>MANAGEMENT LETTER</b> .....	199

## **INDEPENDENT AUDITORS' REPORT**

Honorable John Tate  
Sheriff  
Holmes County, Florida

### **Report on Financial Statements**

We have audited the accompanying financial statements of each major fund, the aggregate remaining nonmajor governmental funds and fiduciary fund type of the Holmes County, Florida Sheriff (the "Sheriff"), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements as listed in the table of contents.

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

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

### **Auditors' Responsibility**

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

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of each major fund, the aggregate remaining nonmajor governmental funds and the fiduciary fund of the Sheriff as of September 30, 2020, and the respective changes in financial position and budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

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

## **Other Matters**

### *Other Information*

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 29, 2021, on our consideration of the Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Sheriff's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Sheriff's internal control over financial reporting and compliance.

*Carr, Riggs & Ingram, L.L.C.*

CARR, RIGGS & INGRAM, L.L.C.

Enterprise, Alabama  
March 29, 2021

**Holmes County, Florida**  
**Sheriff**  
**Balance Sheet**  
**Governmental Funds**

<i>September 30, 2020</i>	General Fund	Emergency Services 911	Inmate Canteen
<b>Assets</b>			
Cash and cash equivalents	\$ 27,632	\$ 68,279	\$ 90,086
Due from other governments	61,984	69,893	-
<b>Total assets</b>	<b>\$ 89,616</b>	<b>\$ 138,172</b>	<b>\$ 90,086</b>
<b>Liabilities and Fund Balances</b>			
Liabilities			
Accounts payable	\$ 53,786	\$ 32,430	\$ -
Accrued wages and benefits	25,815	-	-
Unearned revenue	-	-	-
Due to Board of County Commissioners	10,015	-	-
<b>Total liabilities</b>	<b>89,616</b>	<b>32,430</b>	<b>-</b>
Fund balances			
Restricted for:			
Public safety - law enforcement	-	105,742	90,086
<b>Total liabilities and fund balances</b>	<b>\$ 89,616</b>	<b>\$ 138,172</b>	<b>\$ 90,086</b>

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

Other Governmental Funds		Total Governmental Funds	
<hr/>			
\$	11,164	\$	197,161
	-		131,877
<hr/>			
\$	11,164	\$	329,038
<hr/>			
\$	-	\$	86,216
	-		25,815
	2,746		2,746
	5,336		15,351
<hr/>			
	8,082		130,128
	3,082		198,910
<hr/>			
\$	11,164	\$	329,038
<hr/>			

**Holmes County, Florida**  
**Sheriff**

**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**

<i>For the year ended September 30, 2020</i>	General Fund	Emergency Services 911	Inmate Canteen
<b>Revenues</b>			
Charges for services	\$ -	\$ -	\$ 152,946
Intergovernmental	424,380	244,368	-
Miscellaneous	90,356	12,000	-
<b>Total revenues</b>	<b>514,736</b>	<b>256,368</b>	<b>152,946</b>
<b>Expenditures</b>			
Public safety			
Personnel services	3,019,055	74,275	-
Operating	839,955	135,304	94,926
Capital outlay	93,160	28,255	30,895
Debt Service			
Principal	47,745	-	-
Interest	2,483	-	-
<b>Total expenditures</b>	<b>4,002,398</b>	<b>237,834</b>	<b>125,821</b>
<b>Excess revenues over (under) expenditures</b>	<b>(3,487,662)</b>	<b>18,534</b>	<b>27,125</b>
<b>Other Financing Sources (Uses)</b>			
Appropriations from Board of County Commissioners	3,497,677	-	-
Reversion to Board of County Commissioners	(10,015)	-	-
<b>Total other financing sources (uses)</b>	<b>3,487,662</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>-</b>	<b>18,534</b>	<b>27,125</b>
<b>Fund balance - beginning</b>	<b>-</b>	<b>87,208</b>	<b>62,961</b>
<b>Fund balance - ending</b>	<b>\$ -</b>	<b>\$ 105,742</b>	<b>\$ 90,086</b>

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

Other Governmental Funds		Total Governmental Funds	
\$	21,510	\$	174,456
	-		668,748
	10,228		112,584
	31,738		955,788
	-		3,093,330
	12,356		1,082,541
	-		152,310
	-		47,745
	-		2,483
	12,356		4,378,409
	19,382		(3,422,621)
	-		3,497,677
	(19,817)		(29,832)
	(19,817)		3,467,845
	(435)		45,224
	3,517		153,686
\$	3,082	\$	198,910

**Holmes County, Florida**  
**Sheriff**

**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**General Fund**

<i>For the year ended September 30, 2020</i>	Budgeted Amounts		Actual	Variance With Final Budget
	Original Budget	Final Budget		
<b>Revenues</b>				
Intergovernmental	\$ -	\$ -	\$ 424,380	\$ 424,380
Miscellaneous	-	-	90,356	90,356
Total revenues	-	-	514,736	514,736
<b>Expenditures</b>				
Public safety				
Personnel services	2,723,211	2,723,211	3,019,055	(295,844)
Operating	726,466	726,466	839,955	(113,489)
Capital outlay	48,000	48,000	93,160	(45,160)
Debt service				
Principal	-	-	47,745	(47,745)
Interest	-	-	2,483	(2,483)
Total expenditures	3,497,677	3,497,677	4,002,398	(504,721)
Excess of revenues over (under) expenditures	(3,497,677)	(3,497,677)	(3,487,662)	10,015
<b>Other Financing Sources (Uses)</b>				
Appropriations from Board of County Commissioners	3,497,677	3,497,677	3,497,677	-
Reversion to Board of County Commissioners	-	-	(10,015)	(10,015)
Total other financing sources (uses)	3,497,677	3,497,677	3,487,662	(10,015)
Net change in fund balance	-	-	-	-
Fund balance - beginning	-	-	-	-
Fund balance - ending	\$ -	\$ -	\$ -	\$ -

-Continued-

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

**Holmes County, Florida**  
**Sheriff**

**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**General Fund (Continued)**

	Budgeted Amounts			Actual	Variance With Final Budget	
	Original Budget	Final Budget				
<i>For the year ended September 30, 2020</i>						
<b>Reconciliation of GAAP to Budgetary Basis</b>						
GAAP basis revenues	\$	-	\$	-	\$ 514,736	\$ 514,736
Non-budgeted revenues						
Intergovernmental		-		-	(424,380)	(424,380)
Miscellaneous		-		-	(90,356)	(90,356)
Budgetary basis revenues	\$	-	\$	-	\$	-
GAAP basis expenditures	\$	3,497,677	\$	3,497,677	\$ 4,002,398	\$ (504,721)
Non-budgeted expenses						
Personnel expenses		-		-	(350,953)	350,953
Debt services		-		-	(121,692)	121,692
Capital outlay		-		-	(42,091)	42,091
Budgetary basis expenditures	\$	3,497,677	\$	3,497,677	\$ 3,487,662	\$ 10,015

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

**Holmes County, Florida**  
**Sheriff**  
**Statement of Fiduciary Net Position**

<i>September 30, 2020</i>	Agency Fund Inmate Trust
<hr/>	
<b>Assets</b>	
Cash	\$ 22,137
<hr/>	
<b>Liabilities</b>	
Due to individuals	\$ 22,137
<hr/>	

**Holmes County, Florida**  
**Sheriff**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Holmes County, Florida Sheriff (the "Sheriff") have been prepared in accordance with the accounting principles and reporting guidelines established by the Governmental Accounting Standards Board (GASB), accounting principles generally accepted in the United States of America (GAAP), and accounting practices prescribed by Chapter 10.550, Rules of the Auditor General, State of Florida. The more significant of these governmental accounting policies applicable to the Sheriff are described below.

***Reporting Entity***

The Sheriff is an elected official established pursuant to Article VIII Section 1(d) of the constitution of the State of Florida and serves the geographic boundary established in Florida Statutes Chapter 7.30. Although the Sheriff's office is operationally autonomous from the Board of County Commissioners (the "Board"), it does not hold sufficient corporate powers of its own to be considered a legally separate entity for financial reporting purposes. Pursuant to GASB *Codification of Governmental Accounting and Financial Reporting Standards*, Sections 2100 and 2600, the Sheriff's financial statements are combined with those of the Board and other elected officials into the reporting entity of the County.

***Measurement Focus, Basis of Accounting and Financial Statement Presentation***

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Sheriff considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures and issuance of long-term debt and acquisitions under capital leases are reported as other financing sources. The operations of the Sheriff are funded by the Board of County Commissioners and other taxing authorities in the County. The appropriations from the Board are recorded as other financing sources.

Fiduciary fund (agency fund) statements are prepared using *economic resources measurement focus* and the *accrual basis of accounting*.

**Holmes County, Florida**  
**Sheriff**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

***Fund Financial Statements***

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

The fund financial statements provide information about the Sheriff’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 are aggregated and reported as nonmajor funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The Sheriff reports the following major governmental funds:

*General Fund* - To account for all revenue and expenditures applicable to the general operations of the Sheriff that are not required either legally or by GAAP to be accounted for in another fund.

*Emergency Services 911* - To account for phone charges assessed for the purpose of providing emergency assistance.

*Inmate Canteen* - Special revenue fund used to account for proceeds from canteen sales to inmates. Excess revenues over expenditures from the Inmate Canteen Fund are used for inmate welfare.

The Sheriff has three additional special revenue funds which have been combined into a single aggregate presentation as other governmental funds. Individual data for these non-major funds is provided in the combining statements of this report. Special revenue funds account for specific revenue sources that are legally restricted to expenditures for specified purposes.

**Holmes County, Florida**  
**Sheriff**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The Sheriff also reports the following fiduciary fund type:

*Agency Funds* - Custodial in nature and account for assets held in a trust capacity or as an agent for individuals, other governmental units and/or other funds. Agency funds only report assets and liabilities and do not measure results of operations. These funds are accounted for on an accrual basis of accounting. The Sheriff reports cash received from and due to inmates in the Inmate Trust as an agency fund.

***Budgetary Information***

***Budgetary Basis of Accounting***

Florida Statutes Chapters 30.49 and 129.03 detail the preparation, adoption and administration of the Sheriff's annual budget. The Sheriff establishes an annual balanced budget for his office which displays the revenues available to the office and the functions for which the money is to be expended and submits it to the Board for approval. By June 1 of each year, the Sheriff shall certify to the Board a proposed budget of expenditures for carrying out the duties of his office for the ensuing fiscal year. The Board has until September 30 to approve and/or modify the Sheriff's proposed budget during hearings held pursuant to Florida Statutes 129. Once approved, any subsequent amendments must be approved by the Board.

A budget is maintained only for the General Fund. The remaining Special Revenue Funds are not budgeted and excess revenues over expenditures in the Special Revenue Funds remain with the Sheriff. Budgetary control is maintained at the major object expenditure level. Expenditures may not legally exceed appropriations at the department level, and appropriations lapse at year-end. Budgetary changes within major object expenditure categories are made at the discretion of the Sheriff.

The Sheriff's budget is prepared under a budgetary basis of accounting that differs from GAAP. The major differences are recognition of unanticipated grant revenue, intergovernmental revenues from sources other than the Board and expenditures and non-budgeted miscellaneous revenues and expenditures. The actual results of operations in the Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund are presented on a budgetary basis for budgetary accounting purposes. Adjustments to convert the results of operation of the General Fund at the end of the year from the budgetary basis of accounting to the GAAP basis of accounting are reported on the statement of budget and actual for general fund.

***Excess of Revenues over Expenditures***

Pursuant to Section 30.50(6), Florida Statutes, any excess revenues over expenditures determined as of the date specified in Section 30.50(5), Florida Statutes, "...shall be refunded to the Board of County Commissioners...". Excess revenues over expenditures returned to the Board as required by Florida Statutes are accrued and reported as other financing (uses). All special revenue funds excess revenue, except civil trust, remains with the Sheriff.

**Holmes County, Florida**  
**Sheriff**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Employee Benefits***

***Compensated Absences***

It is the Sheriff's policy to allow employees to accumulate unlimited unused sick leave. Accumulated annual leave is limited to 160 hours for the first 10 years of employment, and 240 hours thereafter. Accumulated annual leave is payable upon termination at the full value of the hours accumulated, while sick leave is forfeited. Expenditures for compensated absences in governmental funds are those paid during the current fiscal year and the amount unpaid at the end of the reporting period that normally would be liquidated with expendable available financial resources. Accrued compensated absences that will not be liquidated with expendable available financial resources of the Sheriff are the obligation of the County and are reported at the county-wide level.

***Retirement Plan***

The Sheriff and all qualified County employees participate in The Florida Retirement System (the "System"). The System's financial statements are prepared using the economic resources measurement focus and accrual basis of accounting in accordance with the requirements of the GASB. The Plan is considered a component unit of the State of Florida and is included in the State's Comprehensive Annual Financial Report. Assets, liabilities and cash inflows/outflows related to the Sheriff are combined with all the County's participates and reported in the County's government-wide financial statements.

***Other Postemployment Benefits (OPEB)***

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

***Assets, Liabilities, and Net Position or Equity***

***Cash and Cash Equivalents***

Cash and cash equivalents are cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition.

**Holmes County, Florida**  
**Sheriff**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Receivables and Payables*

Receivables – Amounts due from other governments are deemed to be fully collectable and no allowance for doubtful accounts is required.

Unearned Revenue – Amounts received before eligibility requirements are met.

*Inventories and Prepaid Items*

The purchase method is used to account for inventory and payments to vendors for costs applicable to future periods (prepaid). Under the purchase method, expenditures are recognized when the available financial resource is expended. Inventory is not deemed material.

*Capital Assets*

The Sheriff has custodial responsibility for capital assets used by his office and maintains a \$1,000 threshold for capitalization of equipment. Additionally, the Sheriff maintains an inventory of all tangible personal property with a value or cost of \$1,000 or more and a projected useful life of one year or more as required by Florida Statute 274 and Florida Administrative Code Sections 69I-73.002 and 69I-73.006. Title in all capital assets owned by the County is retained by the Board and the Sheriff's assets are reported in the county-wide financial statements. At the fund level, capital assets are recorded as expenditures at the time an asset is acquired. At the county-wide level, capital assets are capitalized at cost if purchased and if donated at acquisition value when received. Depreciation is determined using the straight-line method with estimated useful lives of 5 to 10 years for all tangible personal property.

*Capital Leases*

The Sheriff periodically enters into lease agreements as lessee for financing the acquisition of vehicles. The lease agreements qualify as capital leases for accounting purposes, and are recorded in the county-wide financial statements at the present value of future minimum lease payments as of the lease inception date. The related assets are reported as capital assets in the county-wide financial statements.

*Categories and Classification of Fund Equity*

*Fund balance flow assumptions* – Sometimes the Sheriff will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate 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 Sheriff's policy

**Holmes County, Florida**  
**Sheriff**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the 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.

*Fund balance policies* – Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The Sheriff can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The provisions of GASB Statement No. 54 (GASB 54), *Fund Balance Reporting and Governmental Fund Type Definitions*, specifies the following classifications:

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

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

*Committed fund balance* – The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Sheriff's highest level of decision-making authority. The Board is the highest level of decision-making authority for the County that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

*Assigned fund balance* – Amounts in the assigned fund balance classification are intended to be used by the Sheriff for specific purposes but do not meet the criteria to be classified as committed. The Board has by resolution authorized the finance director to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

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

**Holmes County, Florida**  
**Sheriff**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Use of Estimates***

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

***Subsequent Events***

Management has evaluated subsequent events through the date that the financial statements were available to be issued, March 29, 2021 and determined there were no events that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these consolidated financial statements.

***Recently Issued and Implemented Accounting Pronouncements***

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

***Pronouncements Issued But Not yet Effective***

The Governmental Accounting Standards Board (GASB) has issued statements that will become effective in future years. These statements are as follows:

In January 2017, the GASB issued Statement No. 84 (GASB 84), *Fiduciary Activities*. GASB 84 establishes specific criteria for identifying fiduciary activities and the requirements for financial statement reporting. The focus of the criteria is on whether a government is controlling the assets of the fiduciary activity and the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. GASB 84 describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. In addition, recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred which compels the government to disburse fiduciary resources should also be reported. GASB 84 will be effective for the fiscal years beginning after December 15, 2019.

In June 2017, the GASB issued Statement No. 87 (GASB 87), *Leases*. The objective of GASB 87 is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. GASB 87 increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on

**Holmes County, Florida**  
**Sheriff**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under GASB 87, a lessee is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of GASB 87 are effective for reporting periods beginning after June 15, 2021.

In June 2018, the GASB issued Statement No. 89 (GASB 89), *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objectives of GASB 89 are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. GASB 89 requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. The requirements of GASB 89 are effective for reporting periods beginning after December 15, 2020.

In August 2018, the GASB issued Statement No. 90 (GASB 90), *Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61*. The primary objectives of GASB 90 are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. The requirements of GASB 90 are effective for reporting periods beginning after December 15, 2019. The requirements should be applied retroactively, except for the provisions related to (1) reporting a majority equity interest in a component unit and (2) reporting a component unit if the government acquires a 100 percent equity interest. Those provisions should be applied on a prospective basis.

In May 2019, the GASB issued Statement No. 91 (GASB 91), *Conduit Debt Obligations*. The primary objectives of GASB 91 are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. GASB 91 achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of GASB 91 are effective for reporting periods beginning after December 15, 2021.

**Holmes County, Florida**  
**Sheriff**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

In January 2020, the GASB issued Statement No. 92 (GASB 92), *Omnibus 2020*. The objectives of GASB 92 are to enhance the comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The requirements of GASB 92 are effective for reporting periods beginning after June 15, 2021.

In March 2020, the GASB issued Statement No. 93 (GASB 93), *Replacement of Interbank Offered Rates*. The purpose of GASB 93 is to address accounting and financial reporting implications that result from the replacement of interbank offered rate (IBOR) – most notably, the London Interbank Offered Rate (LIBOR). GASB 93 achieves this objective by (1) providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment, (2) clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate, (3) clarifying that the uncertainty related to the continued availability of IBORs does not, by itself, affect the assessment of whether the occurrence of a hedged expected transaction is probable, (4) removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap, (5) identifying a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of the interest rate swap, and (6) clarifying the definition of reference rate, as it is used in Statement 53, as amended. The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021.

In March 2020, the GASB issued Statement No. 94 (GASB 94), *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of GASB 94 is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in GASB 94, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in GASB 94 as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. GASB 94 also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in GASB 94, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. GASB 94 is effective for fiscal years beginning after June 15, 2022.

**Holmes County, Florida**  
**Sheriff**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

In May 2020, the GASB issued Statement No. 96 (GASB 96), *Subscription-Based Information Technology Arrangements*. GASB 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). GASB 96 (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. GASB 96 is effective for fiscal years beginning after June 15, 2022.

In June 2020, the GASB issued Statement No. 97 (GASB 97), *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. The primary objectives of GASB 97 are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension or OPEB plans as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans that meet the definition of a pension plan and for benefits provided through those plans. The requirements for GASB 97 are effective for reporting periods beginning after June 15, 2021.

The Sheriff is evaluating the requirements of the above statements and the impact on reporting.

**Note 2: DETAILED NOTES ON ALL FUNDS**

***Cash and Cash Equivalents***

Cash and cash equivalents is comprised of cash on hand and demand deposits.

Demand deposits greater than the Federal Deposit Insurance Corporation (FDIC) insurance coverage are secured by the qualified public depositories pledging securities with the State Treasurer in such amounts required by the Florida Security for Public Depositories Act. In the event of a default or insolvency of a qualified public depositor (depositor), the depositor will implement procedures for payment of losses according to the depositors validated claims pursuant to Section 280.08, Florida Statutes.

*Custodial risk* - Custodial credit risk for deposits is the risk in the event of the failure of a depository financial institution a government may not be able to recover deposits. Monies placed on deposit with financial institutions in the form of demand deposits, time deposits or certificate of deposits are defined as public deposits. At year-end, all cash held in demand deposits was fully insured by the Federal Deposit Insurance Corporation and the multiple financial institutions collateral pool required by Section 280, Florida Statutes.

**Holmes County, Florida**  
**Sheriff**  
**Notes to Financial Statements**

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

***Due From Other Governments***

Due from other governments at September 30, 2020 consisted of the following:

	General Fund	Emergency Services 911
State of Florida	\$ -	\$ 69,893
FEMA - COVID 19	10,179	-
Victims of Crime Act (VOCA) - August and September	6,671	-
Mobile Response	4,333	-
Holmes County Board of Education	28,400	-
U.S. Marshall	4,301	-
E-911	8,100	-
<b>Total</b>	<b>\$ 61,984</b>	<b>\$ 69,893</b>

***Due to Board of County Commissioners***

The excess revenues over expenditures remitted to the Board after year end was \$10,015 in accordance with Section 30.50(6) Florida Statutes. This amount is reported as Reversion to Board of County Commissioners on the Statement of Revenues Expenditures and Changes in Fund Balance.

**Note 3: RETIREMENT PLAN**

The Sheriff and all full-time employees are participants in the Florida Retirement System (the "System"), a defined benefit, cost sharing, multiple-employer public retirement system, which is controlled by the State Legislature and administered by the State of Florida, Department of Administration, Division of Retirement. The plan covers full-time employees of various governmental units within the State of Florida. Accordingly, the actuarial information and related disclosures attributable to the Sheriff's employees are not determinable.

The System's funding policy provides for monthly employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll are adequate to accumulate sufficient assets to pay benefits when due (see rates below). Level percentage of payroll employer contribution rates, established by state law, is determined using the entry-age actuarial funding method. If an unfunded actuarial liability reemerges, future plan benefit changes, assumption changes, and methodology changes are amortized within 30 years, using level dollar amounts. Except for gains reserved for rate stabilization, it is anticipated future actuarial gains and losses are amortized on a rolling 10% basis, as a level dollar amount.

**Holmes County, Florida**  
**Sheriff**  
**Notes to Financial Statements**

**Note 3: RETIREMENT PLAN (Continued)**

The System provides for employees hired prior to July 1, 2011 vesting of benefits after six years of creditable service. Normal retirement benefits are available to employees who retire at or after age 62 with six or more years of service. For Special Risk Class members, normal retirement is age 55 with at least 6 years of Special Risk service, or 25 years of Special Risk service, regardless of age, or age 52 with 25 years of Special Risk service and military service. Early retirement is available after six years of service with a 5% reduction of benefits for each year prior to the normal retirement age. For those employees hired on or after July 1, 2011, the System provides for vesting of benefits after eight years of creditable service. Normal retirement benefits are available to these employees who retire at or after age 65 with eight years of service with a 5% reduction of benefits for each year. For Special Risk Class members, normal retirement is age 60 with at least 8 years of Special Risk service, or 30 years of Special Risk service, regardless of age, or age 57 with 30 years of Special Risk service and military service. Retirement benefits are based upon age, average compensation and years-of-service credit where average compensation is computed as the average of an individual's five highest years of earnings.

Participating employer contributions are based upon state-wide rates established by the State of Florida. These rates applied to employee salaries at year end are as follows: regular employees – 10.00%, DROP Program – 16.98%, senior management – 27.29%, special risk – 25.45% and elected official – 49.18%. The rate applied to employee salaries for employer contributions was 3% for all classifications, with the exception for the DROP Program.

Total payroll for the Sheriff's employees covered by the System was \$2,138,524 for the year ended September 30, 2020. The Sheriff's total payroll was \$2,055,999 for the same period. The Sheriff's contribution to the plan for the years ended September 30, 2020, 2019, and 2018 were \$419,017 \$395,954, and \$343,920, respectively, and were paid by the due date for the contributions.

The Sheriff has no responsibility to the System other than to make the periodic payments required by state statutes. The Florida Division of Retirement issues a publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing to the Florida Division of Retirement, P.O. Box 9000, Tallahassee, FL 32315-9000 or at the Division's website at [dms.myflorida.com](https://dms.myflorida.com).

**Note 4: CONTINGENT LIABILITIES**

The Sheriff receives grants from federal and state sources that are subject to review and audit by the funding sources. Such reviews and audits could result in the discovery of unallowable activities and unallowable costs. Consequently, any of the funding sources may, at their discretion, request reimbursement for expenses or return of funds, or both, as a result of noncompliance by the Sheriff with the terms of the grants/contracts. In the opinion of management, such allowances, if any, would not be significant in relation to the financial statements of the Sheriff.

**Holmes County, Florida**  
**Sheriff**  
**Notes to Financial Statements**

**Note 5: LITIGATION**

The Sheriff is involved in various claims or potential claims arising in the normal course of business. It is the opinion of management that coverage provided by the Florida Sheriff's Self-Insurance Fund is adequate to eliminate any significant exposure resulting from those claims.

**NOTE 6: FINANCIAL DISCLOSURES REPORTED AT THE COUNTY-WIDE LEVEL**

***Capital Assets***

Capital asset activity for the fiscal year is as follows:

	Balance 10/1/2019	Additions	Deletions	Balance 9/30/2020
<i>Governmental Activities</i>				
Capital assets depreciated:				
Machinery and equipment	\$ 1,672,739	\$ 149,810	\$ (184,090)	\$ 1,638,459
Less: accumulated depreciation	(1,109,168)	(175,769)	179,278	(1,105,659)
Total governmental activities				
capital assets, net	\$ 563,571	\$ (25,959)	\$ (4,812)	\$ 532,800

Capital asset additions include \$24,793 of donations to be reported at the county-wide level that does not represent expenditures of the Sheriff and not reported in the Sheriff's financial statements.

Depreciation expense was charged to the function of government as follows:

<i>Governmental Activities</i>	
Public safety	\$ 175,769

***Compensated Absences and Capital Lease***

The following is a summary of changes in long-term debt:

	Balance 10/01/19	Additions	Reductions	Balance 9/30/20	Due in One Year
Compensated absences	\$ 94,236	\$ 92,339	\$ 86,967	\$ 99,608	\$ 9,961
Capital lease	47,745	-	47,745	-	-
Total	\$ 141,981	\$ 92,339	\$ 134,712	\$ 99,608	\$ 9,961

**Holmes County, Florida**  
**Sheriff**  
**Notes to Financial Statements**

**NOTE 6: FINANCIAL DISCLOSURES REPORTED AT THE COUNTY-WIDE LEVEL (Continued)**

The Sheriff entered into a lease agreement as lessee for financing the acquisition of vehicles. This lease qualified as a capital lease for accounting purposes (title transfers at the end of the lease term), and, therefore, has been recorded at the present value of the future minimum lease payments as of the date of the inception. The present value of future minimum lease payments at September 30, 2020 is \$0.

## **NONMAJOR GOVERNMENTAL FUNDS**

### **Special Revenue Funds**

*Federal Interdiction* - Used to account for proceeds from federally seized assets. These proceeds can only be used to purchase equipment for the department.

*Civil Trust* - Used to account for fees charged and related expenses in serving legal documents. Any excess fees over expenditures are remitted to the Board.

*Teen Court* - Used to account for funds received from the Clerk to administer Teen Court.

**Holmes County, Florida**  
**Sheriff**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**

<i>September 30, 2020</i>	Federal Interdiction	Civil Trust	Teen Court	Total
<b>Assets</b>				
Cash and cash equivalents	\$ 2,790	\$ 5,336	3,038	\$ 11,164
<b>Liabilities and Fund Balances</b>				
Liabilities				
Unearned revenue	\$ 2,746	\$ -	\$ -	\$ 2,746
Due to Board of County Commissioners	-	5,336		5,336
Total liabilities	2,746	5,336	-	8,082
Fund balances				
Restricted for:				
Public safety - law enforcement	44	-	3,038	3,082
Total liabilities and fund balances	\$ 2,790	\$ 5,336	\$ 3,038	\$ 11,164

**Holmes County, Florida  
Sheriff**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds**

For the year ended <i>September 30, 2020</i>	Federal Interdiction	Civil Trust	Teen Court	Total
<b>Revenues</b>				
Charges for services	\$ -	\$ 21,510	\$ -	\$ 21,510
Miscellaneous	3,745	-	6,483	10,228
Total revenues	3,745	21,510	6,483	31,738
<b>Expenditures</b>				
Public safety				
Operating	3,745	1,693	6,918	12,356
Excess revenues over (under) expenditures	-	19,817	(435)	19,382
<b>Other Financing Sources (Uses)</b>				
Reversion to Board of County Commissioners	-	(19,817)	-	(19,817)
Net change in fund balance	-	-	(435)	(435)
Fund balance - beginning	44	-	3,473	3,517
Fund balance - ending	\$ 44	\$ -	\$ 3,038	\$ 3,082

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

Honorable John Tate  
Sheriff  
Holmes County, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of each major fund, the aggregate remaining nonmajor governmental funds and fiduciary fund type of Holmes County, Florida Sheriff (the "Sheriff") as of and for the year ended September 30, 2020, and the related notes to the financial statements, and have issued our report thereon dated March 29, 2021.

**Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore material weaknesses or significant deficiencies may exist that may have not been identified. We did identify a deficiency in internal control described in the management letter as 2010-01 that we consider to be a material weakness.

## **Compliance and Other Matters**

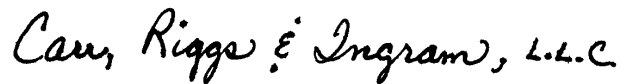
As part of obtaining reasonable assurance about whether the Sheriff's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters, noncompliance with which could have a direct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

## **Sheriff's Response to Findings**

The Sheriff's response to the finding identified in our audit is included in the accompanying Management Letter. The Sheriff's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

## **Purpose of this Report**

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



CARR, RIGGS & INGRAM, L.L.C.

Enterprise, Alabama  
March 29, 2021

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH *LOCAL GOVERNMENT INVESTMENT POLICIES***

Honorable John Tate  
Sheriff  
Holmes County, Florida

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

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

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

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

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

*Carr, Riggs & Ingram, L.L.C.*

CARR, RIGGS & INGRAM, L.L.C.

Enterprise, Alabama  
March 29, 2021

## **MANAGEMENT LETTER**

Honorable John Tate  
Sheriff  
Holmes County, Florida

### **Report on the Financial Statements**

We have audited the financial statements of the Holmes County, Florida Sheriff (the "Sheriff") as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated March 29, 2021.

### **Auditors' Responsibility**

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

### **Other Reporting Requirements**

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountants' Report on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 29, 2021, should be considered in conjunction with this management letter.

### **Prior Audit Findings**

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

## **PRIOR YEAR FINDINGS AND RECOMMENDATIONS**

### **2010-01 - Segregation of Duties (Repeat)**

*Condition* - *Government Auditing Standards* require auditors to consider internal controls over financial reporting as a basis for designing auditing procedures. In documenting controls, a deficiency was noted in the segregation of duties over cash disbursements. The Finance Director's responsibilities include accounts payable, check register review and approval, and preparation of bank account reconciliations. The Finance Director is not an authorized check signer. In addition, the Finance Director has Information Technology (IT) rights to create vendors and general ledger access and authorization.

*Criteria* - Management is responsible for establishing and maintaining effective internal controls over financial reporting.

*Cause* - Due to the limited number of personnel involved in the cash disbursement process, control duties are not adequately segregated.

*Effect* - Controls over executing and recording disbursement transactions lack optimum separation of duties by vesting most of the disbursement responsibility with one person. The lack of adequate control procedures could result in the misuse or misappropriation of assets.

*Recommendation* - We recommend that control procedures be implemented to separate the accounts payable, bank reconciliation, and check writing responsibilities. The Finance Director's responsibilities should be limited to approving accounts payable and reviewing the distribution check register. Once checks are drafted, they should be forwarded along with supporting documentation directly to the check signers for review, approval and signatures. A third person should be forwarded the signed checks directly from the check signers for distribution. In addition, no one should have unilateral IT rights to create accounts payable vendor files, generate checks and reconcile the bank accounts.

*View of Responsible Officials and Planned Corrective Actions* - The Sheriff acknowledges the finding. Drafted checks are sent directly to the Sheriff for review, approval and signature and a third person distributes the checks. The Sheriff's Office does not currently have the funding to hire additional personnel to segregate all disbursement duties.

### **Financial Management**

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we noted the recommendation 2010-01-Segregation of Duties identified above under Section 10.554(1)(i)1.

### **Additional Matters**

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

### **Purpose of this Letter**

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

*Carr, Riggs & Ingram, L.L.C.*

CARR, RIGGS & INGRAM, L.L.C.

Enterprise, Alabama  
March 29, 2021

THIS PAGE IS INTENTIONALLY LEFT BLANK



**Tax Collector  
Holmes County, Florida**

**FINANCIAL STATEMENTS**

**September 30, 2020**



	Page
<b>FINANCIAL SECTION</b>	
Independent Auditors' Report .....	204
<b>Financial Statements</b>	
Balance Sheet – Governmental Funds .....	207
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds .....	208
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual – General Fund .....	209
Statement of Fiduciary Net Position – Agency Funds .....	210
Notes to Financial Statements .....	211
<b>Combining and Individual Fund Statements</b>	
Description of Fiduciary Funds .....	223
Combining Statement of Fiduciary Net Position - Agency Funds .....	224
<b>REPORTS ON INTERNAL CONTROL AND COMPLIANCE MATTERS</b>	
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	208
Independent Accountants' Report on Compliance with <i>Local Government Investment Policies</i> .....	227
<b>MANAGEMENT LETTER</b> .....	228

## **INDEPENDENT AUDITORS' REPORT**

Honorable Harry B. Bell, III  
Tax Collector  
Holmes County, Florida

### **Report on Financial Statements**

We have audited the accompanying financial statements of the major fund and fiduciary fund type of the Holmes County, Florida Tax Collector (the "Tax Collector"), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Tax Collector's basic financial statements as listed in the table of contents.

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

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

### **Auditors' Responsibility**

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

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

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

### **Opinions**

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

### **Emphasis of Matter**

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

### **Other Matters**

#### *Other Information*

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 29, 2021 on our consideration of the Tax Collector's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts, and grant agreements and other matters. The purpose of that report is to solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Tax Collector's internal control over financial reporting and compliance.

*Carr, Riggs & Ingram, L.L.C.*

CARR, RIGGS & INGRAM, L.L.C.

Enterprise, Alabama  
March 29, 2021

**Holmes County, Florida**  
**Tax Collector**  
**Balance Sheet**  
**Governmental Funds**

*September 30, 2020*

General Fund

**Assets**

Cash and cash equivalents	\$	52,409
---------------------------	----	--------

**Liabilities and Fund Balance**

Liabilities

Accounts payable	\$	40,641
------------------	----	--------

Accrued wages and benefits		2,390
----------------------------	--	-------

Due to Board of County Commissioners		9,378
--------------------------------------	--	-------

Total liabilities		52,409
-------------------	--	--------

Fund balance		-
--------------	--	---

Total liabilities and fund balance	\$	52,409
------------------------------------	----	--------

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

**Holmes County, Florida**  
**Tax Collector**

**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Governmental Funds**

<i>For the year ended September 30, 2020</i>	General Fund
<b>Revenues</b>	
Charges for services	\$ 368,730
Interest	12
Total revenues	368,742
<b>Expenditures</b>	
General government	
Personnel services	432,139
Operating	100,163
Total expenditures	532,302
Excess revenues over (under) expenditures	(163,560)
<b>Other Financing Sources (Uses)</b>	
Appropriations from Board of County Commissioners	172,938
Reversion to Board of County Commissioners	(9,378)
Total other financing sources	163,560
Net change in fund balance	-
Fund balance - beginning	-
Fund balance - ending	\$ -

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

**Holmes County, Florida**  
**Tax Collector**

**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**General Fund**

<i>For the year ended September 30, 2020</i>	Budgeted Amounts		Actual	Variance With Final Budget
	Original Budget	Final Budget		
<b>Revenues</b>				
Charges for services	\$ 378,693	\$ 378,693	\$ 368,730	\$ (9,963)
Interest	12	12	12	-
<b>Total revenues</b>	<b>378,705</b>	<b>378,705</b>	<b>368,742</b>	<b>(9,963)</b>
<b>Expenditures</b>				
General government				
Personnel services	467,728	451,228	432,139	19,089
Operating	83,915	100,415	100,163	252
<b>Total expenditures</b>	<b>551,643</b>	<b>551,643</b>	<b>532,302</b>	<b>19,341</b>
<b>Excess revenues over (under) expenditures</b>	<b>(172,938)</b>	<b>(172,938)</b>	<b>(163,560)</b>	<b>9,378</b>
<b>Other Financing Sources (Uses)</b>				
Appropriations from Board of County Commissioners	172,938	172,938	172,938	-
Reversion to Board of County Commissioners	-	-	(9,378)	(9,378)
<b>Total other financing sources (uses)</b>	<b>172,938</b>	<b>172,938</b>	<b>163,560</b>	<b>(9,378)</b>
<b>Net change in fund balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balance - beginning</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balance - ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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

**Holmes County, Florida**  
**Tax Collector**  
**Statement of Fiduciary Net Position**

*September 30, 2020*

Agency Funds

**Assets**

Cash	\$	161,112
------	----	---------

**Liabilities**

Due to other governments	\$	69,173
Due to individuals		91,939

Total liabilities	\$	161,112
-------------------	----	---------

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

**Holmes County, Florida**  
**Tax Collector**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Holmes County, Florida Tax Collector (the "Tax Collector") have been prepared in accordance with the accounting principles and reporting guidelines established by the Governmental Accounting Standards Board ("GASB"), accounting principles generally accepted in the United States of America ("GAAP"), and accounting practices prescribed by Chapter 10.550 Rules of the Auditor General, State of Florida. The more significant of these governmental accounting policies applicable to the Tax Collector are described below.

***Reporting Entity***

The Tax Collector is an elected official established pursuant to Article VIII Section 1(d) of the constitution of the State of Florida and serves the geographic boundary established in Florida Statutes chapter 7.30. Although the Tax Collector's office is operationally autonomous from the Board of County Commissioners (the "Board"), it does not hold sufficient corporate powers of its own to be considered a legally separate entity for financial reporting purposes. Pursuant to GASB *Codification of Governmental Accounting and Financial Reporting Standards*, Sections 2100 and 2600, the Tax Collector's financial statements are combined with those of the Board and other elected constitutional officers into the reporting entity of Holmes County, Florida (the "County").

***Measurement Focus, Basis of Accounting and Financial Statement Presentation***

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Tax Collector considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures and issuance of long-term debt and acquisitions under capital leases are reported as other financing sources. The operations of the Tax Collector are funded by the Board of County Commissioners and other taxing authorities in the County. The appropriations from the Board are recorded as other financing sources.

Fiduciary fund (agency fund) statements are prepared using *economic resources measurement focus* and the *accrual basis of accounting*.

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

**Holmes County, Florida**  
**Tax Collector**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

***Fund Financial Statements***

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

The fund financial statements provide information about the Tax Collector’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 are aggregated and reported as nonmajor funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The Tax Collector reported the following major governmental fund:

*General Fund* – Accounts for all financial resources that are not required either legally or by GAAP to be accounted for in another fund.

The Tax Collector also reported the following fiduciary fund type:

*Agency Funds* – Custodial in nature and account for assets held in a trust capacity or as an agent for individuals, other governmental units, and/or other funds. Agency funds only report assets and liabilities and do not measure results of operations.

***Budgetary Information***

***Budgetary Basis of Accounting***

Florida Statutes, Chapter 195.087 details the preparation, adoption, and administration of the Tax Collector’s annual budget. On or before August 1 of each year, the Tax Collector submits an annual budget to the Department of Revenue (the “Department”). 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.

**Holmes County, Florida**  
**Tax Collector**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

After final approval by the Department, there shall be no reduction or increase by the Tax Collector or Board without the approval of the Department. Budgetary control is maintained at the major object expenditure level. Expenditures may not legally exceed appropriations at the department level, and appropriations lapse at year-end. Budgetary changes within major object expenditure categories are made at the discretion of the Tax Collector.

*Excess Revenue over Expenditures*

Pursuant to Section 218.36(2), Florida Statutes, whenever a tax collector has excess revenue over expenditures determined as of the fiscal year end, "...he or she shall distribute the excess to each governmental unit in the same proportion as the fees paid by the governmental unit bear to the total fee income of his or her office."

***Employee Benefits***

*Compensated Absences*

It is the Tax Collector's policy to allow employees to accumulate unused sick leave and vacation benefits up to a maximum of 40 days of sick leave and 40 days of annual leave. Accumulated annual leave is payable on termination at the full value of the hours accumulated, while sick leave is only payable on termination at 50% of the value of the hours accumulated if employed for ten years or longer or 100% for an employee who retires from service retirement. Expenditures for compensated absences in governmental funds are those paid during the current fiscal year and the amount unpaid at the end of the reporting period that normally would be liquidated with expendable available financial resources. Accrued compensated absences that will not be liquidated with expendable available financial resources of the Tax Collector are the obligation of the County and are reported at the county-wide level.

*Retirement Plan*

The Tax Collector and all qualified County employees participates in The Florida Retirement System (the "System"). The System's financial statements are prepared using the economic resources measurement focus and accrual basis of accounting in accordance with the requirements of the GASB. The Plan is considered a component unit of the State of Florida and is included in the State's Comprehensive Annual Financial Report. Assets, liabilities and cash inflows/outflows related to the Tax Collector are combined with all the County's participates and reported in the County's government-wide financial statements.

**Holmes County, Florida**  
**Tax Collector**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Other Postemployment Benefits (OPEB)*

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

***Assets, Liabilities, and Net Position or Equity***

*Cash and Cash Equivalents*

Cash and cash equivalents are cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

*Inventories and Prepaid Items*

The purchase method is used to account for inventory and payments to vendors for costs applicable to future periods (prepaid). Under the purchase method, expenditures are recognized when the available financial resource is expended. Inventory is not deemed material.

*Capital Assets*

The Tax Collector has custodial responsibility for the capital assets used by his office and maintains an inventory of all tangible personal property with a donated value or cost of \$1,000 or more and a projected useful life of one year or more as required by Florida Statute 274 and Florida Administrative Code Sections 69(i)-73.002 and 69(i)-73.006. Title in all capital assets owned by the County is retained by the Board and the Tax Collector's capital assets are reported in the county-wide financial statements. At the fund level, capital assets are recorded as expenditures at the time an asset is acquired. At the County level, capital assets are capitalized at cost when purchased and if donated at acquisition value when received. Depreciation is determined using the straight-line method with estimated useful lives of 5 to 10 years for all tangible personal property.

*Categories and Classification of Fund Equity*

*Fund balance flow assumptions* – Sometimes the Tax Collector will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate 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 Tax Collector's policy to consider restricted fund balance to have been depleted before using any

**Holmes County, Florida**  
**Tax Collector**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

of the components of unrestricted fund balance. Further, when the 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.

*Fund balance policies* – Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The Tax Collector can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, specifies the following classifications:

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

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

*Committed fund balance* – The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Tax Collector's highest level of decision-making authority. The Board is the highest level of decision-making authority for the County that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

*Assigned fund balance* – Amounts in the assigned fund balance classification are intended to be used by the Tax Collector for specific purposes but do not meet the criteria to be classified as committed. The Board has by resolution authorized the finance director to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

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

**Holmes County, Florida**  
**Tax Collector**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Use of Estimates***

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

***Subsequent Events***

Management has evaluated subsequent events through the date that the financial statements were available to be issued, March 29, 2021 and determined there were no events that required disclosure.

***Recently Issued and Implemented Accounting Pronouncements***

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

***Pronouncements Issued But Not yet Effective***

In January 2017, the GASB issued Statement No. 84 (GASB 84), *Fiduciary Activities*. GASB 84 establishes specific criteria for identifying fiduciary activities and the requirements for financial statement reporting. The focus of the criteria is on whether a government is controlling the assets of the fiduciary activity and the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. GASB 84 describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. In addition, recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred which compels the government to disburse fiduciary resources should also be reported. GASB 84 will be effective for the fiscal years beginning after December 15, 2019.

In June 2017, the GASB issued Statement No. 87 (GASB 87), *Leases*. The objective of GASB 87 is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. GASB 87 increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of GASB 87 are effective for reporting periods beginning after June 15, 2021.

**Holmes County, Florida**  
**Tax Collector**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

In June 2018, the GASB issued Statement No. 89 (GASB 89), *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objectives of GASB 89 are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. GASB 89 requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. The requirements of GASB 89 are effective for reporting periods beginning after December 15, 2020.

In August 2018, the GASB issued Statement No. 90 (GASB 90), *Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61*. The primary objectives of GASB 90 are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. The requirements of GASB 90 are effective for reporting periods beginning after December 15, 2019. The requirements should be applied retroactively, except for the provisions related to (1) reporting a majority equity interest in a component unit and (2) reporting a component unit if the government acquires a 100 percent equity interest. Those provisions should be applied on a prospective basis.

In May 2019, the GASB issued Statement No. 91 (GASB 91), *Conduit Debt Obligations*. The primary objectives of GASB 91 are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of GASB 91 are effective for reporting periods beginning after December 15, 2021.

In January 2020, the GASB issued Statement No. 92 (GASB 92), *Omnibus 2020*. The objectives of GASB 92 are to enhance the comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The requirements of GASB 92 are effective for reporting periods beginning after June 15, 2021.

**Holmes County, Florida**  
**Tax Collector**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

In March 2020, the GASB issued Statement No. 93 (GASB 93), *Replacement of Interbank Offered Rates*. The purpose of GASB 93 is to address accounting and financial reporting implications that result from the replacement of interbank offered rate (IBOR) – most notably, the London Interbank Offered Rate (LIBOR). GASB 93 achieves this objective by (1) providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment, (2) clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate, (3) clarifying that the uncertainty related to the continued availability of IBORs does not, by itself, affect the assessment of whether the occurrence of a hedged expected transaction is probable, (4) removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap, (5) identifying a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of the interest rate swap, and (6) clarifying the definition of reference rate, as it is used in Statement 53, as amended. The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021.

In March 2020, the GASB issued Statement No. 94 (GASB 94), *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of GASB 94 is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in GASB 94, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in GASB 94 as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. GASB 94 also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in GASB 94, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. GASB 94 is effective for fiscal years beginning after June 15, 2022.

In May 2020, the GASB issued Statement No. 96 (GASB 96), *Subscription-Based Information Technology Arrangements*. GASB 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). GASB 96 (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. GASB 96 is effective for fiscal years beginning after June 15, 2022.

**Holmes County, Florida**  
**Tax Collector**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

In June 2020, the GASB issued Statement No. 97 (GASB 97), *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. The primary objectives of GASB 97 are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension or OPEB plans as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans that meet the definition of a pension plan and for benefits provided through those plans. The requirements for GASB 97 are effective for reporting periods beginning after June 15, 2021.

The Tax Collector is evaluating the requirements of the above statements and the impact on reporting.

**Note 2: DETAILED NOTES ON ALL FUNDS**

***Cash and Cash Equivalents***

Cash and cash equivalents is comprised of cash on hand and demand deposits.

Demand deposits greater than the Federal Deposit Insurance Corporation (FDIC) insurance coverage are secured by the qualified public depositories pledging securities with the State Treasurer in such amounts required by the Florida Security for Public Depositories Act. In the event of a default or insolvency of a qualified public depositor (depositor), the depositor will implement procedures for payment of losses according to the depositors validated claims pursuant to Section 280.08, Florida Statutes.

*Custodial risk* - Custodial credit risk for deposits is the risk in the event of the failure of a depository financial institution a government may not be able to recover deposits. Monies placed on deposit with financial institutions in the form of demand deposits, time deposits or certificate of deposits are defined as public deposits. At year-end, all cash held in demand deposits was fully insured by the Federal Deposit Insurance Corporation and the multiple financial institutions collateral pool required by Section 280, Florida Statutes.

The Tax Collector does not have a written investment policy but historically has placed surplus funds in interest bearing depository accounts with local banking institutions. At September 30, 2020, all deposits were fully insured by the Federal Deposit Insurance Corporation and the multiple financial institution collateral pool required by Chapter 280, Florida Statutes.

**Holmes County, Florida**  
**Tax Collector**  
**Notes to Financial Statements**

**Note 2: DETAILED NOTES ON ALL FUNDS (Continued)**

***Due to Board of County Commissioners***

Excess revenues over expenditures of \$9,378 were returned to the Board by October 31, 2020 as required by Florida Statutes Section 218.36(2). This amount is reported as Reversion to Board of County Commissioners on the Statement of Fund Revenues, Expenditures and Changes in Fund Balance

**Note 3: RETIREMENT PLAN**

The Tax Collector and all full time employees are participants in the Florida Retirement System (the "System"), a defined benefit, cost sharing, multiple-employer public retirement system, which is controlled by the State Legislature and administered by the State of Florida, Department of Administration, Division of Retirement. The System covers full-time employees of various governmental units within the State of Florida. Accordingly, the actuarial information and related disclosures attributable to the Tax Collector's employees are not determinable.

The System's funding policy provides for monthly employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are adequate to accumulate sufficient assets to pay benefits when due (see rates below). Level percentage of payroll employer contribution rates, established by State law, is determined using the entry-age actuarial funding method. If an unfunded actuarial liability reemerges, future plan benefit changes, assumption changes, and methodology changes are amortized within 30 years, using level dollar amounts. Except for gains reserved for rate stabilization, it is anticipated future actuarial gains and losses are amortized on a rolling 10% basis, as a level dollar amount.

The System provides for those employees hired prior to July 1, 2011 vesting of benefits after six years of creditable service. Normal retirement benefits are available to employees who retire at or after age 62 with six or more years of service. Early retirement is available after six years of service with a 5% reduction of benefits for each year prior to the normal retirement age. For those employees hired on or after July 1, 2011, the System provides for vesting of benefits after eight years of credible service.

Normal retirement benefits are available to these employees who retire at or after age 65 with eight years of service with a 5% reduction of benefits for each year. Retirement benefits are based upon age, average compensation, and years-of-service credit where average compensation is computed as the average of an individual's five highest years of earnings.

Participating employer contributions are based upon State-wide rates established by the State of Florida. These rates applied to employee salaries at year end are as follows: regular employees – 10.00%, DROP Program – 16.98%, senior management – 27.29% and elected officials – 49.18%. These rates applied to employee salaries at year end for employee contributions are 3.00% for all classifications, with the exception of the DROP program.

**Holmes County, Florida**  
**Tax Collector**  
**Notes to Financial Statements**

**Note 3: RETIREMENT PLAN (Continued)**

Total payroll for the Tax Collector's employees covered by the System was \$281,581 for the year ended September 30, 2020. The Tax Collector's total payroll was \$285,810 for the same period. The Tax Collector's contributions to the plan for the years ended September 30, 2020, 2019, and 2018 were \$76,147, \$73,912, and \$70,632, respectively, and were paid by the due date for the contributions.

The Tax Collector has no responsibility to the System other than to make the periodic payments required by State Statutes. The Florida Division of Retirement issues a publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing Florida Division of Retirement, PO Box 9000, Tallahassee, FL 32315-9000 or at the Division's website at [dms.myflorida.com](http://dms.myflorida.com).

**NOTE 4: FINANCIAL DISCLOSURES REPORTED AT COUNTY-WIDE LEVEL**

***Capital Assets***

Capital asset activity for the fiscal year is as follows:

	Balance 10/01/19	Additions	Deletions	Balance 9/30/20
<i>Governmental Activities</i>				
Capital assets depreciated:				
Machinery and equipment	\$ 116,326	\$ -	\$ -	\$ 116,326
Improvements	25,911	-	-	25,911
Less accumulated depreciation:				
Machinery and equipment	(88,078)	(13,544)	-	(101,622)
Total governmental activities capital assets, net	\$ 54,159	\$ (13,544)	\$ -	\$ 40,615

Title in all capital assets owned by the County is retained by the Board and the above noted capital asset information and activity is reported on the county-wide financial statements.

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

<i>Governmental Activities</i>	
General government	\$ 13,544

**Holmes County, Florida**  
**Tax Collector**  
**Notes to Financial Statements**

**NOTE 4: FINANCIAL DISCLOSURES REPORTED AT COUNTY-WIDE LEVEL (Continued)**

***Compensated Absences***

Summary of changes in compensated absences for the year ended September 30, 2020.

	Balance 10/1/2019	Additions	Reductions	Balance 9/30/2020	Due in One Year
Compensated Absences	\$ 17,596	\$ 18,909	\$ 18,992	\$ 17,513	\$ 1,751

### **Fiduciary Funds**

*Tag* – To account for collection of motor vehicle registration receipts and subsequent disbursement.

*Property Tax* – To account for the collection and disbursement of local property taxes.

*Driver's License* – To account for the collection of driver's license registration receipts and subsequent remittance of licenses and permits.

*Concealed Weapons ("CWIS")* – To account for the collection of concealed weapons licenses registration receipts and subsequent remittance of licenses and permits.

Holmes County, Florida  
Tax Collector  
Combining Statement of Fiduciary Net Position  
Agency Funds

	Agency Funds					
	Tag	Property Tax	Driver's License	CWIS	Total	
<b>Assets</b>						
Cash and cash equivalents	\$ 38,258	\$ 117,796	\$ 4,650	\$ 408	\$ 161,112	
<b>Liabilities</b>						
Due to other governments	\$ 891	\$ 63,224	\$ 4,650	\$ 408	\$ 69,173	
Due to individuals	37,367	54,572	-	-	91,939	
Total liabilities	\$ 38,258	\$ 117,796	\$ 4,650	\$ 408	\$ 161,112	

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

Honorable Harry B. Bell, III  
Tax Collector  
Holmes County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Holmes County, Florida Tax Collector (the "Tax Collector"), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Tax Collector's financial statements, and have issued our report thereon dated March 29, 2021.

**Internal Control over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described in the accompanying Management Letter as item 2013-01 that we consider to be a material weakness.

### **Compliance and Other Matters**

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

### **Tax Collector's Response to Findings**

The Tax Collector's response to the finding identified in our audit is described in the accompanying Management Letter. The Tax Collector's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

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

*Carr, Riggs & Ingram, L.L.C.*

CARR, RIGGS & INGRAM, L.L.C.

Enterprise, Alabama  
March 29, 2021



Carr, Riggs & Ingram, LLC  
1117 Boll Weevil Circle  
Enterprise, AL 36330

Mailing Address:  
PO Box 311070  
Enterprise, AL 36331

334.347.0088  
334.347.7650 (fax)  
CRLcpa.com

## **INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH *LOCAL GOVERNMENT INVESTMENT POLICIES***

Honorable Harry B. Bell III  
Tax Collector  
Holmes County, Florida

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

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

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

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

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

*Carr, Riggs & Ingram, L.L.C.*

CARR, RIGGS & INGRAM, L.L.C.

Enterprise, Alabama  
March 29, 2021

## **MANAGEMENT LETTER**

Honorable Harry B. Bell, III  
Tax Collector  
Holmes County, Florida

### **Report on the Financial Statements**

We have audited the financial statements of the Holmes County, Florida Tax Collector (the "Tax Collector"), as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated March 29, 2021.

### **Auditors' Responsibility**

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

### **Other Reporting Requirements**

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountants' Report on and 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 March 29, 2021, should be considered in conjunction with this management letter.

### **Prior Audit Findings**

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

## **PRIOR YEAR FINDINGS AND RECOMMENDATIONS**

### **2013-01 - Information Technology General Controls – Passwords (Repeat)**

*Condition* - Passwords to log in to the AS400 financial system do not expire and do not require both an alpha and numeric code and lockout has not been enabled.

*Cause* - Management has not utilized the AS400 system password protocols to comply with best practices.

*Effect* - This could expose the information technology system to internal and external threats resulting in unauthorized users gaining access to financial and nonfinancial data including personally identifiable information.

*Recommendation* - We recommend the password policy to require that current passwords expire every 90 days and include at least one numeric code in addition to the alpha code.

*View of Responsible Officials and Planned Corrective Actions* - The Tax Collector acknowledges the finding and will evaluate their IT policies and procedures.

## **Financial Management**

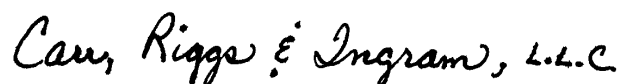
Section 10.554(1)(i)2., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we noted the recommendation 2013-01 above.

## **Additional Matters**

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

## **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 Florida House of Representatives, The Florida Auditor General, Federal and other granting agencies, and the Tax Collector and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.



CARR, RIGGS & INGRAM, L.L.C.

Enterprise, Alabama  
March 29, 2021