

**HAMILTON COUNTY, FLORIDA**

**ANNUAL FINANCIAL REPORT**

For the Year Ended September 30, 2021

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# **HAMILTON COUNTY, FLORIDA**

## **LIST OF PRINCIPAL OFFICIALS**

September 30, 2021

### **Board of County Commissioners**

District I	Jimmy Murphy
District II	Josh Smith
District III	Robert E. Brown
District IV	Randy Ogburn, Sr.
District V	Richie McCoy

<b>County Attorney</b>	Clifford L. Adams
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<b>Clerk of the Circuit Court</b>	Greg Godwin
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<b>Property Appraiser</b>	David H. Goolsby, Jr.
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<b>Sheriff</b>	J. Harrell Reid
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<b>Supervisor of Elections</b>	Laura Hutto
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<b>Tax Collector</b>	Mary Sue Adams
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**HAMILTON COUNTY, FLORIDA**

**ANNUAL FINANCIAL REPORT**

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For the Year Ended September 30, 2021

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**SHERIFF**

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**INDEPENDENT  
AUDITOR'S  
REPORT**

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**INDEPENDENT AUDITOR'S REPORT**

To the Honorable Board of County Commissioners  
Hamilton County, Florida

**Report on the Financial Statements**

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Hamilton County, Florida, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

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

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

**Auditor's Responsibility**

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

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

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

## **Opinions**

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Hamilton County, Florida, as of September 30, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Change in Accounting Principle**

As discussed in Note 1 to the financial statements, in 2021 Hamilton County, Florida adopted new accounting guidance, *GASBS No. 84, Fiduciary Activities*. My opinion is not modified with respect to this matter.

## **Other Matters**

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis in Section I, analysis and budgetary comparison information in Section II pages 44-48, pension trend information on pages 49-52, and OPEB trend information on page 53 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

### **Other Information**

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

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

combining nonmajor fund financial statements, combining agency fund financial statement, and schedule of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

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

In accordance with *Government Auditing Standards*, I have also issued my report dated May 27, 2022, on my consideration of the Hamilton County, Florida's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Hamilton County, Florida's internal control over financial reporting and compliance.



Kenneth M. Daniels  
Certified Public Accountant  
May 27, 2022

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## **HAMILTON COUNTY, FLORIDA**

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

For the Fiscal Year Ended September 30, 2021

Our discussion and analysis of Hamilton County, Florida's (the County), financial performance provides an overview of the County's financial activities for the fiscal year ended September 30, 2021. Please read it in conjunction with the County's financial statements, which begin in Section II - page 1.

#### **FINANCIAL HIGHLIGHTS**

With assistance from the Florida Department of Transportation (DOT), the County continues the process of upgrading and improving its roads. Approximately \$2.4 million was expended in the fiscal year ending September 30, 2021, on County Road projects. Road projects consisted of the following: SW 90<sup>th</sup> Blvd, CR 137, and SW 55<sup>th</sup> Drive.

The County continues to support economic development within the County. The following projects were funded: Green Point Research, Phase I \$500,000; Southland Wood Recycling \$100,000; assisting in purchase of properties located in Jennings, FL (I-75) \$100,000; assistance to the Suwannee Valley Nursing Center for expansion in the amount of \$250,000.

During the 2020-21 fiscal year, the County continued upgrading housing via a federal housing grant. Housing expenditures under the grant totaled \$262,285.

The County continued its pandemic support. Federal and state grants in the amount of approximately \$591,000 were expended to mitigate the financial effects of the pandemic.

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

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

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

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

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

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

These two statements also report the County's net position and changes in it. The County's net position, the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources, is



one way to measure the County's financial health. Over time, increases or decreases in the County's net position is an indicator of whether its financial health is improving or deteriorating. Other nonfinancial factors such as changes in the County's property tax base and the condition of the County's capital assets should also be considered in assessing its overall health.

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

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

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

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

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

## The County as Trustee

The County is the agent, or fiduciary, for certain payments it receives. All of the County's fiduciary activities are reported in separate Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position in Section II page 12 and 13.

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

## The County as a Whole

The County's governmental Net Position increased approximately \$1.7 million. The increase was largely due to the reduction in pension liability associated with the County's participation in the Florida Retirement System (FRS).

The County's business-type activities Net Position decreased approximately \$350,000. This decrease was, again, largely due to depreciation on the water/wastewater treatment facility.

Overall, the County's Net Position increased by approximately \$1.3 million.

Deferred outflows of resources decreased significantly, deferred inflows of resources increased significantly, and the Florida Retirement System (FRS) related pension liability decreased significantly. All changes were largely the result of increased investment returns for the FRS – 29.46 percent for the 2021 fiscal year versus 3.08 percent for 2020.

A summary of the County's Net Position follows:

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b>Statement of Net Position</b>						
Current and other assets	\$ 21.71	\$ 20.67	\$ 2.13	\$ 2.11	\$ 23.84	\$ 22.78
Capital assets	45.59	46.19	4.06	4.35	49.65	50.54
Total assets	<u>67.30</u>	<u>66.86</u>	<u>6.19</u>	<u>6.46</u>	<u>73.49</u>	<u>73.32</u>
Deferred outflows of resources	2.59	6.82	-	-	2.59	6.82
Total assets & deferred outflows of resources	<u>\$ 69.89</u>	<u>\$ 73.68</u>	<u>\$ 6.19</u>	<u>\$ 6.46</u>	<u>\$ 76.08</u>	<u>\$ 80.14</u>
Other liabilities	\$ 1.20	\$ 1.44	\$ 0.05	\$ 0.05	\$ 1.25	\$ 1.49
Long term liabilities	5.44	16.54	2.36	2.29	7.80	18.83
Total liabilities	<u>6.64</u>	<u>17.98</u>	<u>2.41</u>	<u>2.34</u>	<u>9.05</u>	<u>20.32</u>
Deferred inflows of resources	<u>8.56</u>	<u>2.71</u>	<u>-</u>	<u>-</u>	<u>8.56</u>	<u>2.71</u>
Net position:						
Invested in Cap Assets	45.53	45.88	4.06	4.35	49.59	50.23
Restricted	5.70	4.88	-	-	5.70	4.88
Unrestricted	3.46	2.23	(0.28)	(0.23)	3.18	2.00
Total net position	<u>54.69</u>	<u>52.99</u>	<u>3.78</u>	<u>4.12</u>	<u>58.47</u>	<u>57.11</u>
Total liabilities, deferred inflows, and net position	<u>\$ 69.89</u>	<u>\$ 73.68</u>	<u>\$ 6.19</u>	<u>\$ 6.46</u>	<u>\$ 76.08</u>	<u>\$ 80.14</u>

## Governmental Activities

Revenues increased \$1.83 million. A significant road project, CR 137, which was grant funded, was largely completed in the current year (total road grant funding of approximately \$2.4 million). However, human

services' revenues decreased due to grants awarded in the prior year to mitigate the effects of the Coronavirus: 2021 \$400,000 and 2020 \$1.4 million.

Economic environment expenses increased due to the ongoing economic development incentives awarded by the County. See financial highlights above. Human services expenses increased approximately \$130,000 due to assistance provided for expansion of the local nursing center in the amount of \$250,000 in the current year (offset by other reductions).

### Business-type Activities

The County's business-type activities capital assets - net decreased approximately \$300,000. This decrease was largely due to depreciation of approximately \$377,000.

Utility revenues (water and sewer charges) increased slightly due to usage at the I75/SR6 exchange. Total landfill revenues increased due to the Small County Consolidated Grant: 2021 \$114,500; 2020 \$61,300.

Business-type expenses remained consistent.

A summary of the changes in Net Position is below:

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

Statement of Activities	Governmental Activities		Business-type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
<b>Program revenues</b>						
General government	\$ 2.99	\$ 2.63	\$ -	\$ -	\$ 2.99	\$ 2.63
Public safety	1.88	1.77	-	-	1.88	1.77
Physical environment	-	-	-	-	-	-
Transportation	3.83	1.90	-	-	3.83	1.90
Economic environment	0.79	0.75	-	-	0.79	0.75
Human services	0.58	2.08	-	-	0.58	2.08
Culture/recreation	0.35	0.46	-	-	0.35	0.46
Court related	0.52	0.38	-	-	0.52	0.38
Garbage/solid waste	-	-	0.28	0.24	0.28	0.24
Water/wastewater	-	-	0.16	0.13	0.16	0.13
<b>General revenues</b>						
Taxes						
Ad valorem	10.24	9.53	-	-	10.24	9.53
Tourist development	0.06	0.03	-	-	0.06	0.03
Fuel - voted	0.39	0.38	-	-	0.39	0.38
Fuel - local option	2.22	2.10	-	-	2.22	2.10
Discretionary sales	1.05	0.96	-	-	1.05	0.96
Commx services	0.01	-	-	-	0.01	-
Interest	0.03	0.04	-	-	0.03	0.04
Miscellaneous	0.26	0.35	-	-	0.26	0.35
<b>Total revenues</b>	<u>25.20</u>	<u>23.36</u>	<u>0.44</u>	<u>0.37</u>	<u>25.64</u>	<u>23.73</u>
<b>Program expenses</b>						
General government	3.90	4.60	-	-	3.90	4.60
Public safety	9.45	10.09	-	-	9.45	10.09
Physical environment	0.18	0.17	-	-	0.18	0.17
Transportation	5.87	5.99	-	-	5.87	5.99
Economic environment	1.36	0.68	-	-	1.36	0.68
Human services	0.77	0.64	-	-	0.77	0.64
Culture/recreation	1.06	1.16	-	-	1.06	1.16
Court related	0.83	0.73	-	-	0.83	0.73
Interest on long term debt	0.01	0.02	-	-	0.01	0.02
Garbage/solid waste	-	-	0.56	0.58	0.56	0.58
Water/wastewater combination	-	-	0.51	0.49	0.51	0.49
<b>Total expenses</b>	<u>23.43</u>	<u>24.08</u>	<u>1.07</u>	<u>1.07</u>	<u>24.50</u>	<u>25.15</u>

(Table 2 continued)	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Excess (deficiency) before extraordinary and special items and transfers	\$ 1.77	\$ (0.72)	\$ (0.63)	\$ (0.70)	\$ 1.14	\$ (1.42)
Special and extraordinary items and transfers						
Extraordinary item	-	-	-	-	-	-
Special items	0.21	0.08	-	-	0.21	0.08
Transfers	(0.28)	(0.17)	0.28	0.17	-	-
Total special items and transfers	(0.07)	(0.09)	0.28	0.17	0.21	0.08
Change in net position	1.70	(0.81)	(0.35)	(0.53)	1.35	(1.34)
Beginning net position	52.99	53.80	4.12	4.65	57.11	58.45
Ending net position	\$ 54.69	\$ 52.99	\$ 3.77	\$ 4.12	\$ 58.46	\$ 57.11

### The County's Funds

The County's General Fund's Fund Balance increased approximately \$400,000. An increase of approximately \$700,000 in ad valorem taxes and Coronavirus grant assistance of approximately \$425,000 were largely responsible. Expenditures increased \$2.0 million with economic incentives (see financial highlights above) and employee raises making up a significant portion of the increase.

The Transportation Trust Fund's fund balance increased by \$360,000 largely the result of increased fuel taxes of \$201,000.

Overall, the governmental funds' fund balance increased \$1.2 million largely due to the increase in ad valorem taxes and fuel tax revenues above along with the annual grant from the Florida Housing Corporation of \$350,000 which will be expended in the next fiscal year.

The County's Enterprise Funds' Net Position decreased approximately \$350,000, the result of depreciation of plant and equipment. The landfill required additional funding from the County's General Fund in the amount of \$279,000.

See the detail below.

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

<u>Governmental Funds</u>	<u>2021</u>	<u>2020</u>	<u>\$ Change</u>	<u>Percent Change</u>
Total fund balances	\$ 20.51	\$ 19.29	\$ 1.22	6.3%
<u>Unreserved Fund Balance</u>				
<u>Major Funds</u>	<u>2021</u>	<u>2020</u>	<u>\$ Change</u>	<u>Percent Change</u>
General	\$ 14.81	\$ 14.41	\$ 0.40	2.8%
Transportation Trust	3.81	3.45	0.36	10.4%
CDBG	-	-	-	0.0%

(Table 3 continued)

Landfill Enterprise Fund			
Change in Net Assets:			
Invested in Capital Assets			
<u>2021</u>	<u>2020</u>	<u>\$ Change</u>	<u>Percent Change</u>
\$ 1.24	\$ 1.24	\$ -	0.0%
Unrestricted			
<u>2021</u>	<u>2020</u>	<u>\$ Change</u>	<u>Percent Change</u>
\$ (0.73)	\$ (0.72)	\$ (0.01)	-1.4%
I75/SR6 Utility Fund			
Change in Net Assets:			
Invested in Capital Assets			
<u>2021</u>	<u>2020</u>	<u>\$ Change</u>	<u>Percent Change</u>
\$ 2.81	\$ 3.11	\$ (0.30)	-9.6%
Unrestricted			
<u>2021</u>	<u>2020</u>	<u>\$ Change</u>	<u>Percent Change</u>
\$ 0.45	\$ 0.50	\$ (0.05)	-10.0%

## GENERAL FUND BUDGETARY HIGHLIGHTS

Detailed budget reviews by the Board of County Commissioners continued in fiscal year 2020-21 to ensure that the budgeted amounts are realistic and expenditures are incurred as budgeted. Post year-end, budgets were amended to reflect unexpected revenue sources and funding needs.

General Fund’s final budget exceeded the original by approximately \$293,000 due to the recognition of unanticipated receipts largely within the Sheriff’s Office.

Actual receipts and balances exceeded the budgeted by \$7.34 million due to taxes (\$1 million greater than budgeted) and budgetary fund balance (\$5.8 million greater than budgeted). The actual amounts expended were \$8 million less than the appropriated amounts due to budgeted reserves.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

As indicated in the table below, the County has approximately \$100 million invested in capital assets such as land (including road rights-of-way), buildings, recreation facilities, landfill disposal facilities, roads, bridges, boat ramps, water/waste water facilities, and equipment. The above amount represents an increase of approximately \$3 million over the previous year’s total.

Fiscal year 2021’s major additions included the following (in millions):

County Roads and buildings	\$2.61
Equipment (vehicles, and other)	1.00

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

	Governmental		Business-type		Totals	
	Activities		Activities			
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Land	\$ 1.74	\$ 1.74	\$ 0.27	\$ 0.27	\$ 2.01	\$ 2.01
Construction in progress	7.83	5.31	-	-	7.83	5.31
Buildings	9.91	9.81	-	-	9.91	9.81
Improvements other than buildings	58.31	58.31	9.75	9.75	68.06	68.06
Equipment, furniture, and vehicles	<u>11.87</u>	<u>11.77</u>	<u>1.01</u>	<u>0.92</u>	<u>12.88</u>	<u>12.69</u>
Totals	<u>\$ 89.66</u>	<u>\$ 86.94</u>	<u>\$ 11.03</u>	<u>\$ 10.94</u>	<u>\$ 100.69</u>	<u>\$ 97.88</u>

Capital asset additions budgeted for fiscal year 2021-22 is approximately \$400,000 (equipment) in the General Fund and \$10.1 million in the Transportation Trust Fund (roads and equipment).

**Debt**

The County decreased its outstanding liabilities due to a significant reduction in its pension liability under GASB 68. (See above.)

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

	Governmental		Business-type		Totals	
	Activities		Activities			
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Est. liability for closure	\$ -	\$ -	\$ 2.36	\$ 2.29	\$ 2.36	\$ 2.29
Compensated absences	0.67	0.69	0.02	0.02	0.69	0.71
OPEB liability	0.05	0.38	-	-	0.05	0.38
Capital leases	0.26	0.32	-	-	0.26	0.32
Pension liability	<u>4.69</u>	<u>15.61</u>	<u>-</u>	<u>-</u>	<u>4.69</u>	<u>15.61</u>
Totals	<u>\$ 5.67</u>	<u>\$ 17.00</u>	<u>\$ 2.38</u>	<u>\$ 2.31</u>	<u>\$ 8.05</u>	<u>\$ 19.31</u>

**2021-22 BUDGET AND CURRENTLY KNOWN FACTS**

**2021-22 Budget**

A summary of the County’s 2021-22 budget is as follows:

General Fund – The Board of County Commissioners budgeted a cash balance forward of \$10.7 million and revenues of \$15.5 million. Appropriations total \$26.8 million with budgeted reserves of \$11.5 million.

Transportation Trust Fund – A cash balance forward of \$2.85 million and revenues of \$13.12 million, fund appropriations of \$15.97 million with a budgeted reserve of \$2.7 million.

Enterprise Fund – Tipping fees for landfill waste are budgeted at \$186,000. The State’s Consolidated Waste Grant is budgeted at \$94,000.

I75/SR6 Water/Wastewater Fund – utility revenues are budgeted at \$106,000 and expenses of \$152,000.

**Currently Known Facts**

The Board of County Commissioners remains active in seeking economic development opportunities for the County.

**CONTACTING THE COUNTY’S FINANCIAL MANAGEMENT**

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



Josh Smith  
Chairman, Hamilton County Board of County Commissioners



Greg Godwin  
Clerk of the Circuit Court, Hamilton County

**BASIC  
FINANCIAL STATEMENTS**



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**HAMILTON COUNTY, FLORIDA**  
**STATEMENT OF NET POSITION**

September 30, 2021

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
Assets			
Cash	\$ 18,412,729	\$ 452,751	\$ 18,865,480
Accounts receivable	473,551	30,820	504,371
Due from other governmental units	2,748,136	114,557	2,862,693
Prepaid item	80,000	-	80,000
Restricted assets			
Cash	-	1,530,645	1,530,645
Capital assets			
Land and construction in progress	9,575,100	267,366	9,842,466
Other capital assets, net of depreciation	<u>36,014,632</u>	<u>3,791,408</u>	<u>39,806,040</u>
Total capital assets	<u>45,589,732</u>	<u>4,058,774</u>	<u>49,648,506</u>
Total assets	<u>67,304,148</u>	<u>6,187,547</u>	<u>73,491,695</u>
Deferred outflows of resources			
OPEB	145,449	-	145,449
Pensions	<u>2,446,478</u>	<u>-</u>	<u>2,446,478</u>
Total deferred outflows of resources	<u>2,591,927</u>	<u>-</u>	<u>2,591,927</u>
Total assets and deferred outflows of resources	<u>\$ 69,896,075</u>	<u>\$ 6,187,547</u>	<u>\$ 76,083,622</u>
Liabilities, deferred inflows of resources, and net position			
Liabilities			
Accounts payable	\$ 350,256	\$ 27,882	\$ 378,138
Contracts payable	567,771	-	567,771
Due to other governmental units	44,682	-	44,682
Payroll withholding/taxes	1,396	-	1,396
Deposits	-	1,600	1,600
Other current liabilities	7,168	-	7,168
Long-term liabilities			
Due within one year			
Compensated absences	187,788	23,045	210,833
Capital leases	26,004	-	26,004
OPEB liability	3,279	-	3,279
Pension liability	13,071	-	13,071
Due within more than one year			
Estimated liability for landfill post-closure	-	2,362,332	2,362,332
Compensated absences	480,967	-	480,967
Capital leases	27,231	-	27,231
OPEB liability	260,613	-	260,613
Pension liability	<u>4,673,817</u>	<u>-</u>	<u>4,673,817</u>
Total liabilities	<u>6,644,043</u>	<u>2,414,859</u>	<u>9,058,902</u>

(Continued)

See notes to financial statements.

Section II - Page 1

# HAMILTON COUNTY, FLORIDA

## STATEMENT OF NET POSITION

September 30, 2021

	Governmental <u>Activities</u>	Business-type <u>Activities</u>	<u>Total</u>
Deferred inflows of resources			
Deferred revenues	\$ 44,360	\$ -	\$ 44,360
OPEB	128,841	-	128,841
Pensions	<u>8,382,969</u>	<u>-</u>	<u>8,382,969</u>
Total deferred inflows of resources	<u>8,556,170</u>	<u>-</u>	<u>8,556,170</u>
Net position			
Net investment in capital assets	45,536,497	4,058,774	49,595,271
Restricted			
Transportation	3,811,509	-	3,811,509
Other purposes	1,884,913	-	1,884,913
Unrestricted (deficit)	<u>3,462,943</u>	<u>(286,086)</u>	<u>3,176,857</u>
Total net position	<u>54,695,862</u>	<u>3,772,688</u>	<u>58,468,550</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 69,896,075</u>	<u>\$ 6,187,547</u>	<u>\$ 76,083,622</u>

HAMILTON COUNTY, FLORIDA

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities							
General government	\$ 3,902,815	\$ 358,695	\$ 2,633,451	\$ -	\$ (910,669)	\$ -	\$ (910,669)
Public safety	9,448,346	1,427,200	451,567	-	(7,569,579)	-	(7,569,579)
Physical environment	183,577	-	-	-	(183,577)	-	(183,577)
Transportation	5,872,240	12,161	1,432,908	2,387,448	(2,039,723)	-	(2,039,723)
Economic environment	1,361,913	-	792,429	-	(569,484)	-	(569,484)
Human services	771,672	1,790	581,759	-	(188,123)	-	(188,123)
Culture/recreation	1,056,786	45,917	300,879	-	(709,990)	-	(709,990)
Court related	825,512	385,617	133,864	-	(306,031)	-	(306,031)
Interest on long term debt	11,278	-	-	-	(11,278)	-	(11,278)
Total governmental activities	<u>23,434,139</u>	<u>2,231,380</u>	<u>6,326,857</u>	<u>2,387,448</u>	<u>(12,488,454)</u>	<u>-</u>	<u>(12,488,454)</u>
Business type activities							
Garbage/solid waste services	565,742	164,226	114,557	-	-	(286,959)	(286,959)
Water/wastewater combination services	507,599	161,117	-	-	-	(346,482)	(346,482)
	<u>1,073,341</u>	<u>325,343</u>	<u>114,557</u>	<u>-</u>	<u>-</u>	<u>(633,441)</u>	<u>(633,441)</u>
Total government	<u>\$ 24,507,480</u>	<u>\$ 2,556,723</u>	<u>\$ 6,441,414</u>	<u>\$ 2,387,448</u>	<u>(12,488,454)</u>	<u>(633,441)</u>	<u>(13,121,895)</u>
General revenues							
Taxes							
Ad valorem					10,239,681	-	10,239,681
Tourist development					55,226	-	55,226
Fuel - voted					394,303	-	394,303
Fuel - local option					2,224,335	-	2,224,335
Discretionary sales surtax					1,050,197	-	1,050,197
Communications services					6,073	-	6,073
Interest earnings					32,765	5,644	38,409
Miscellaneous					254,581	-	254,581
Special item							
Gain (net) on disposal of assets					213,101	-	213,101
Transfers					<u>(279,623)</u>	<u>279,623</u>	<u>-</u>
Total general revenues, special items and transfers					<u>14,190,639</u>	<u>285,267</u>	<u>14,475,906</u>
Change in net position					1,702,185	(348,174)	1,354,011
Net position - beginning					<u>52,993,677</u>	<u>4,120,862</u>	<u>57,114,539</u>
Net position - ending					<u>\$ 54,695,862</u>	<u>\$ 3,772,688</u>	<u>\$ 58,468,550</u>

HAMILTON COUNTY, FLORIDA

BALANCE SHEET  
GOVERNMENTAL FUNDS

September 30, 2021

	General	County	CDBG Housing	Other	Total
	Fund	Transportation	Construction	Governmental	Governmental
	Fund	Trust Fund	Fund	Funds	Funds
Assets					
Cash	\$ 14,067,442	\$ 2,382,093	\$ 12,511	\$ 1,946,013	\$ 18,408,059
Accounts receivable	742,416	7,257	-	1,525	751,198
Allowance for doubtful accounts	(277,647)	-	-	-	(277,647)
Interfund receivables	332,798	-	-	7,199	339,997
Due from other governmental units	304,458	2,114,771	280,510	48,396	2,748,135
Prepaid item	<u>80,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>80,000</u>
Total assets and other debits	<u>\$ 15,249,467</u>	<u>\$ 4,504,121</u>	<u>\$ 293,021</u>	<u>\$ 2,003,133</u>	<u>\$ 22,049,742</u>
Liabilities, deferred inflows of resources, and fund balances					
Liabilities					
Accounts payable	\$ 255,587	\$ 94,014	\$ 81	\$ 574	\$ 350,256
Contracts payable	-	567,771	-	-	567,771
Interfund payables	3,582	-	292,940	38,805	335,327
Due to other governmental units	1,015	-	-	43,666	44,681
Compensated absences	157,511	30,277	-	-	187,788
Payroll taxes and other withholding	1,401	-	-	-	1,401
Other current liabilities	<u>6,280</u>	<u>550</u>	<u>-</u>	<u>337</u>	<u>7,167</u>
Total liabilities	<u>425,376</u>	<u>692,612</u>	<u>293,021</u>	<u>83,382</u>	<u>1,494,391</u>
Deferred inflows of resources					
Deferred grant/other proceeds	<u>9,522</u>	<u>-</u>	<u>-</u>	<u>34,838</u>	<u>44,360</u>
Fund balances					
Nonspendable - prepaid item	80,000	-	-	-	80,000
Restricted for:					
Transportation	-	3,811,509	-	-	3,811,509
Other purposes	-	-	-	1,884,913	1,884,913
Unassigned	<u>14,734,569</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,734,569</u>
Total fund balances	<u>14,814,569</u>	<u>3,811,509</u>	<u>-</u>	<u>1,884,913</u>	<u>20,510,991</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 15,249,467</u>	<u>\$ 4,504,121</u>	<u>\$ 293,021</u>	<u>\$ 2,003,133</u>	<u>\$ 22,049,742</u>

HAMILTON COUNTY, FLORIDA

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

September 30, 2021

Total fund balances for governmental funds \$ 20,510,991

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

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

Land	1,743,330
Construction in progress	7,831,770
Buildings	9,906,950
Accumulated depreciation - buildings	(4,322,337)
Improvements other than buildings (infrastructure)	58,313,079
Accumulated depreciation - improvements other than buildings	(30,998,119)
Equipment	11,873,277
Accumulated depreciation - equipment	<u>(8,758,218)</u>
Total capital assets (See note 4.)	<u>45,589,732</u>

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

Deferred outflows related to OPEB	145,449
Deferred outflows related to pensions	2,446,478
Deferred inflows related to OPEB	(128,841)
Deferred inflows related to pensions	<u>(8,382,969)</u>

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

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

Balances at September 30, 2021, are as follows:

Capital leases - current	(26,004)
Compensated absences - long-term	(480,963)
Capital leases - long-term	(27,231)
OPEB liability - short-term	(3,279)
OPEB liability - long-term	(260,613)
Pension liability - short-term	(13,071)
Pension liability - long-term	<u>(4,673,817)</u>
Total long-term debt	<u>(5,484,978)</u>
Total net assets of governmental activities	<u>\$ 54,695,862</u>

HAMILTON COUNTY, FLORIDA

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

For the Year Ended September 30, 2021

	General Fund	County Transportation Trust Fund	CDBG Housing Construction Fund	Other Governmental Funds	Total Governmental Funds
Revenues					
Taxes	\$ 11,256,358	\$ 2,618,638	\$ -	\$ 55,226	\$ 13,930,222
Licenses and permits	139,186	-	-	-	139,186
Intergovernmental revenues	3,550,690	3,820,356	274,639	891,123	8,536,808
Charges for services	1,561,963	12,161	-	402,242	1,976,366
Fines and forfeitures	6,308	-	-	224,585	230,893
Interest	30,112	1,338	-	1,315	32,765
Miscellaneous	351,152	378	-	5,079	356,609
Total revenues	<u>16,895,769</u>	<u>6,452,871</u>	<u>274,639</u>	<u>1,579,570</u>	<u>25,202,849</u>
Expenditures					
Current					
General government	4,113,864	-	-	8,900	4,122,764
Public safety	8,880,422	-	-	415,319	9,295,741
Physical environment	183,577	-	-	-	183,577
Transportation	-	2,631,789	-	-	2,631,789
Economic environment	794,128	-	289,446	220,195	1,303,769
Human services	765,479	-	-	-	765,479
Culture/recreation	956,752	-	-	-	956,752
Court related	315,870	-	-	509,642	825,512
Capital outlay	728,832	2,831,436	-	29,468	3,589,736
Debt service					
Principal	24,833	237,403	-	-	262,236
Interest	3,681	7,597	-	-	11,278
Total expenditures	<u>16,767,438</u>	<u>5,708,225</u>	<u>289,446</u>	<u>1,183,524</u>	<u>23,948,633</u>
Excess (deficiency) of revenues over expenditures	<u>128,331</u>	<u>744,646</u>	<u>(14,807)</u>	<u>396,046</u>	<u>1,254,216</u>

(Continued)  
See notes to financial statements.

**HAMILTON COUNTY, FLORIDA**

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

For the Year Ended September 30, 2021

	<u>General Fund</u>	<u>County Transportation Trust Fund</u>	<u>CDBG Housing Construction Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Other financing sources (uses)					
Interfund transfers in	\$ 634,999	\$ -	\$ 14,807	\$ 60,807	\$ 710,613
Interfund transfers out	<u>(355,237)</u>	<u>(631,399)</u>	<u>-</u>	<u>(3,600)</u>	<u>(990,236)</u>
Total other financing sources (uses)	<u>279,762</u>	<u>(631,399)</u>	<u>14,807</u>	<u>57,207</u>	<u>(279,623)</u>
Special item					
Sale of assets	<u>-</u>	<u>245,000</u>	<u>-</u>	<u>-</u>	<u>245,000</u>
Net change in fund balances	408,093	358,247	-	453,253	1,219,593
Fund balances beginning	<u>14,406,476</u>	<u>3,453,262</u>	<u>-</u>	<u>1,431,660</u>	<u>19,291,398</u>
Fund balances ending	<u>\$ 14,814,569</u>	<u>\$ 3,811,509</u>	<u>\$ -</u>	<u>\$ 1,884,913</u>	<u>\$ 20,510,991</u>



HAMILTON COUNTY, FLORIDA

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

For the Year Ended September 30, 2021

Net change in fund balances - total governmental funds \$ 1,219,593

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

Capital outlay 3,589,735  
Depreciation (4,162,647)

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

Loss on disposal of capital assets (31,899)

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

Principal reductions 262,236

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

FRS Pension/HIS Expense 816,251

In governmental funds, the long-term portion of accrued annual leave and future employee benefits that will likely be paid in the future are not recorded under the modified accrual basis of accounting. However, in the statement of net assets, the adjustment is made to based on the increase or (decrease) in the liability.

OPEB benefits (7,750)  
Adjustment to accrued annual leave 16,666

Change in net position of governmental activities \$ 1,702,185

HAMILTON COUNTY, FLORIDA

STATEMENT OF NET POSITION  
PROPRIETARY FUNDS

September 30, 2021

	<u>Landfill Enterprise</u>	<u>I75/SR6 Utility</u>	<u>Total</u>
Assets			
Current assets			
Cash	\$ 1,175	\$ 451,576	\$ 452,751
Accounts receivable	20,630	10,190	30,820
Due from other governments	<u>114,557</u>	<u>-</u>	<u>114,557</u>
Total current assets	<u>136,362</u>	<u>461,766</u>	<u>598,128</u>
Noncurrent assets			
Restricted assets - expendable			
Cash	<u>1,530,645</u>	<u>-</u>	<u>1,530,645</u>
Capital assets			
Land	110,391	156,975	267,366
Buildings and improvements	3,882,537	-	3,882,537
Infrastructure	-	5,864,482	5,864,482
Equipment	991,786	24,364	1,016,150
Accumulated depreciation	<u>(3,740,734)</u>	<u>(3,231,027)</u>	<u>(6,971,761)</u>
Net capital assets	<u>1,243,980</u>	<u>2,814,794</u>	<u>4,058,774</u>
Total noncurrent assets	<u>2,774,625</u>	<u>2,814,794</u>	<u>5,589,419</u>
Total assets	<u>\$ 2,910,987</u>	<u>\$ 3,276,560</u>	<u>\$ 6,187,547</u>
Liabilities			
Current liabilities			
Accounts payable	\$ 15,228	\$ 12,654	\$ 27,882
Compensated absences	23,045	-	23,045
Deposits	<u>-</u>	<u>1,600</u>	<u>1,600</u>
Total current liabilities	38,273	14,254	52,527
Noncurrent liabilities			
Estimated liability for landfill post-closure	<u>2,362,332</u>	<u>-</u>	<u>2,362,332</u>
Total liabilities	<u>2,400,605</u>	<u>14,254</u>	<u>2,414,859</u>
Net position			
Net investment in capital assets	1,243,980	2,814,794	4,058,774
Unrestricted (deficit)	<u>(733,598)</u>	<u>447,512</u>	<u>(286,086)</u>
Total net position	<u>510,382</u>	<u>3,262,306</u>	<u>3,772,688</u>
Total liabilities and net position	<u>\$ 2,910,987</u>	<u>\$ 3,276,560</u>	<u>\$ 6,187,547</u>

**HAMILTON COUNTY, FLORIDA**

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

For the Year Ended September 30, 2021

	<u>Landfill</u> <u>Enterprise</u>	I75/SR6 <u>Utility</u>	<u>Total</u>
<b>Operating Revenues</b>			
<b>Physical environment</b>			
Garbage/solid waste revenue	\$ 160,593	\$ -	\$ 160,593
Service charges - water utility	-	69,848	69,848
Service charges - sewer/wastewater utility	-	89,127	89,127
Service charges - late fees	-	2,142	2,142
Sales of scrap	<u>3,633</u>	<u>-</u>	<u>3,633</u>
Total operating revenues	<u>164,226</u>	<u>161,117</u>	<u>325,343</u>
<b>Operating Expenses</b>			
<b>Garbage/solid waste services</b>			
Personal services	255,266	-	255,266
Operating expenses	<u>310,476</u>	<u>-</u>	<u>310,476</u>
Total garbage and solid waste services	<u>565,742</u>	<u>-</u>	<u>565,742</u>
<b>Water-sewer Combination Services</b>			
Operating expenses	<u>-</u>	<u>507,599</u>	<u>507,599</u>
Total operating expenses	<u>565,742</u>	<u>507,599</u>	<u>1,073,341</u>
Operating income (loss)	<u>(401,516)</u>	<u>(346,482)</u>	<u>(747,998)</u>
<b>Nonoperating revenues (expenses)</b>			
<b>Intergovernmental revenue</b>			
Small County Consolidated Grant	114,557	-	114,557
Interest revenue	<u>5,452</u>	<u>192</u>	<u>5,644</u>
Total nonoperating revenues (expenses)	<u>120,009</u>	<u>192</u>	<u>120,201</u>
Income (loss) before transfers	(281,507)	(346,290)	(627,797)
<b>Transfers in</b>			
General Fund	<u>279,623</u>	<u>-</u>	<u>279,623</u>
Change in net position	(1,884)	(346,290)	(348,174)
Total net position - beginning	<u>512,266</u>	<u>3,608,596</u>	<u>4,120,862</u>
Total net position - ending	<u>\$ 510,382</u>	<u>\$ 3,262,306</u>	<u>\$ 3,772,688</u>

**HAMILTON COUNTY, FLORIDA**

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS**

For the Year Ended September 30, 2021

	<u>Landfill Enterprise</u>	<u>I75/SR6 Utility</u>	<u>Total</u>
Cash flows from operating activities			
Cash received from customers	\$ 151,624	\$ 155,093	\$ 306,717
Cash paid to employees/employee benefits	(254,714)	-	(254,714)
Cash paid to suppliers/others	<u>(147,720)</u>	<u>(213,609)</u>	<u>(361,329)</u>
Net cash provided (used) by operating activities	<u>(250,810)</u>	<u>(58,516)</u>	<u>(309,326)</u>
Cash flows from non-capital financing activities			
State grants received	61,316	-	61,316
Interfund transfers	<u>279,623</u>	-	<u>279,623</u>
Cash provided by non-capital financing activities	<u>340,939</u>	-	<u>340,939</u>
Cash flows from capital and related financing activities			
Purchase of equipment	<u>(90,129)</u>	-	<u>(90,129)</u>
Cash flows from investing activities			
Purchases of certificates of deposit	(5,452)	-	(5,452)
Interest received	<u>5,452</u>	<u>192</u>	<u>5,644</u>
Cash provided (used) by investing activities	<u>-</u>	<u>192</u>	<u>192</u>
Net increase (decrease) in cash and cash equivalents	-	(58,324)	(58,324)
Cash and cash equivalents, beginning	<u>1,175</u>	<u>509,900</u>	<u>594,468</u>
Cash and cash equivalents, ending (see below)	<u>\$ 1,175</u>	<u>\$ 451,576</u>	<u>\$ 452,751</u>
Reconciliation of operating income (loss) to net cash provided by operating activities			
Operating income (loss)	<u>\$ (401,516)</u>	<u>\$ (346,482)</u>	<u>\$ (747,998)</u>
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:			
Depreciation	82,010	295,918	377,928
(Increase) decrease in current assets			
Accounts receivable	(12,602)	(6,024)	(18,626)
Increase (decrease) in current liabilities			
Accounts payable	6,688	(1,928)	4,760
Accrued compensated absences	552	-	552
Customer deposits	-	-	-
Landfill closure liability	<u>74,058</u>	-	<u>74,058</u>
Total adjustments	<u>150,706</u>	<u>287,966</u>	<u>438,672</u>
Net cash provided (used) by operating activities	<u>\$ (250,810)</u>	<u>\$ (58,516)</u>	<u>\$ (309,326)</u>
Cash per statement of net position			
Cash operating	\$ 1,175	\$ 451,576	\$ 452,751
Cash restricted	<u>1,530,645</u>	-	<u>1,530,645</u>
Total cash per statement of net position	1,531,820	451,576	1,983,396
Less: Certificate of deposit	<u>(1,530,645)</u>	-	<u>(1,530,645)</u>
Cash per the statement of cash flows	<u>\$ 1,175</u>	<u>\$ 451,576</u>	<u>\$ 452,751</u>
Noncash transactions	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**HAMILTON COUNTY, FLORIDA**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUND**

September 30, 2021

	Custodial <u>Fund</u>
<b>Assets</b>	
Cash	\$ 839,331
Due from individuals	<u>6</u>
Total assets	<u>839,337</u>
 <b>Liabilities</b>	
Due to other governments:	
Hamilton County Board of County Commissioners	4,670
Other governmental units	130,943
State of Florida	371,835
Due to individuals	<u>6,078</u>
Total liabilities	<u>513,526</u>
 <b>Fiduciary net position</b>	
Held for others	<u>\$ 325,811</u>

**HAMILTON COUNTY, FLORIDA**

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUND**

For the Year Ended September 30, 2021

	Custodial Fund
<b>Additions</b>	
Taxes	\$ 17,140,889
Fines and forfeits	1,962,526
Deposits (tax deeds)	309,218
Fees	2,486,304
Other fees and collections	297,410
Registry deposits	181,249
Bonds - bail, cash, and forfeiture	152,888
Interest	<u>628</u>
Total additions	<u>22,531,112</u>
<b>Deductions</b>	
Distributions	
Other governments	19,455,395
Tax deeds	287,490
Individuals and other	333,405
Bonds	34,471
Fees	2,491,776
Commissary sales	<u>55,121</u>
Total deletions	<u>22,657,658</u>
Changes in net position	(126,546)
Net position - beginning (as restated)	<u>452,357</u>
Net position - ending	<u>\$ 325,811</u>

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

September 30, 2021

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

**A. Reporting Entity**

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

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

In accordance with GASB Statement No. 14, the County is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the County. The County may also be financially accountable for governmental organizations that are fiscally dependent on it.

There are no blended component units or discretely presented component units included in the County's financial reporting entity. However, the following entities were created by a special act of the Legislature and local ordinances and are not independent of the Board of County Commissioners: Comprehensive Planning Board and Construction Licensing Board.

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

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

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

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

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

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

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

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

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

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

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

The fiduciary Funds are used to report assets held in a trustee or custodial capacity for others and therefore are not available to supple County programs. The County has adopted GASBS No. 84 for the reporting and classification of its fiduciary activities. Fiduciary reporting focus is on net position and changes in net position and are reported using the accrual basis of accounting.

The County's fiduciary funds are presented in the fiduciary fund financial statements by type (pension, private purpose and custodial). Because by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

The County reports the following major governmental funds:



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

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

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

The County reports the following major enterprise funds:

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

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

The County reports the following fund type:

Fiduciary Funds: These funds account for assets collected and disbursed for others (other governments, individuals, business entities).

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

Government-wide, Proprietary, and Fiduciary Financial Statements:

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

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

Governmental Fund Financial Statements:

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

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

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

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

Restricted and unrestricted resources:

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

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

#### Cash and cash equivalents

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

#### Inventories

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

#### Capital Assets

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

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

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

## Pensions

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

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

## Other post-employment benefits (OPEB)

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

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

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

## Long-term Liabilities

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

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

## Compensated Absences

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

A summary of the County's policy with regards to compensated absences is as follows: full time employees are granted vacation benefits in varying amounts ranging from twelve to twenty days per

year depending on length of service. Sick leave accrues to full-time, permanent employees at a rate of one day per month.

Generally, after one year of service, employees are entitled to a percentage of their sick leave and accrued vacation subject to limitation.

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

#### Deferred Outflows/Inflows of Resources

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

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

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

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

#### Net Position Flow Assumption

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

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

#### Fund Balance Flow Assumptions

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

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

### Interfund Activity

Interfund activity is reported as loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation in the government-wide financial statements. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses.

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

### Governmental Funds - Fund Balances

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

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

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

### Property Tax Calendar

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

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

## Restricted Assets

The Enterprise Fund is required by Florida law to establish and maintain prescribed amounts of resources (consisting of deposits with First Federal Savings Bank of Florida) that can only be used to pay for post closure expenses and closure costs of its landfill. At September 30, 2021, the County had deposits of \$1,530,645 restricted for this purpose.

## Estimates

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

## Revenues

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

### D. Restricted Net position

The government-wide statement of net position reports \$5,696,422 of restricted net position, none of which is restricted by enabling legislation.

### E. Change in Accounting Principle

Governmental Accounting Standards Board Statement (GASB) No. 84: The County implemented GASB 84 which improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. In implementing GASB 84, the County's Fiduciary Fund's net position relating to its Custodial Funds was increased by \$452,357. See E below.

### F. Prior Period Adjustment

Due to the implementation of GASB 84, the County's Fiduciary Fund's net position was increased as follows:

	Fiduciary (Custodial) Funds						Total
	Clerk of Courts			Sheriff	Tax Collector		
	Registry of Courts	Bond Estreatures	Clerk's Trust	Child Support	Inmate Custodial		
Prior period adjustment - net position increase							
Beginning net position	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Prior period adjustment	<u>355,327</u>	<u>26,673</u>	<u>67,011</u>	-	<u>3,346</u>	<u>452,357</u>	
Adjusted beginning net position	<u>\$ 355,327</u>	<u>\$ 26,673</u>	<u>\$ 67,011</u>	<u>\$ -</u>	<u>\$ 3,346</u>	<u>\$ 452,357</u>	

## NOTE 2. DEPOSITS AND INVESTMENTS

**Deposits with Financial Institutions** - The County's cash at September 30, 2021, consists of legally authorized demand deposits in institutions, which are certified as Qualified Public Depositories under

the Florida Public Deposits Act. Therefore, the County's deposits at September 30, 2021, are insured through the Federal Deposit Insurance Corporation and Bureau of Collateral Management, Florida Department of Financial Services.

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

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

During the year ended September 30, 2021, the County complied with the above requirements.

The County's cash deposits/investments at September 30, 2021, consisted of the following:

<u>Deposits/investments</u>	<u>Balance</u>
Board of County Commissioners (BCC)	\$ 19,253,363
Clerk of Circuit Court	829,165
Property Appraiser	870,195
Sheriff	140,163
Supervisor of Elections	117,605
Tax Collector	<u>20,295</u>
Total deposits	<u>\$ 21,230,786</u>

### NOTE 3. RECEIVABLES

Accounts receivable at September 30, 2021, consists of the following:

<u>Activity</u>	<u>Miscellaneous Amounts</u>	<u>Billed Accounts (net)</u>	<u>Totals</u>
Governmental			
General	\$ 166,574	\$ 297,549	\$ 464,123
Special Revenue	9,428	-	9,428
Business-type			
Enterprise	-	30,820	30,820
Totals	<u>\$ 176,002</u>	<u>\$ 328,369</u>	<u>\$ 504,371</u>

Due from other government units at September 30, 2021, consists of the following:

<u>Activity</u>	<u>State of Florida</u>
Governmental	
General	\$ 304,458
Special Revenue	2,443,678
Business - type	
Landfill Enterprise	<u>114,557</u>
Total governmental and Business - type	<u>\$ 2,862,693</u>

**NOTE 4. CAPITAL ASSETS**

	Balance <u>10/1/2020</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>9/30/2021</u>
<b>Governmental activities</b>				
Capital assets not being depreciated				
Land	\$ 1,743,330	\$ -	\$ -	\$ 1,743,330
Construction in progress	<u>5,310,883</u>	<u>2,520,887</u>	<u>-</u>	<u>7,831,770</u>
Total capital assets not being depreciated	<u>7,054,213</u>	<u>2,520,887</u>	<u>-</u>	<u>9,575,100</u>
Capital assets being depreciated				
Buildings and improvements	9,811,471	95,479	-	9,906,950
Improvements other than buildings	58,313,079	-	-	58,313,079
Machinery, furniture, equipment, and vehicles	-			-
Board of County Commissioners	9,205,940	777,374	684,991	9,298,323
Sheriff (See Note 5.)	<u>2,558,756</u>	<u>195,995</u>	<u>179,797</u>	<u>2,574,954</u>
Total capital assets being depreciated	<u>79,889,246</u>	<u>1,068,848</u>	<u>864,788</u>	<u>80,093,306</u>
Less accumulated depreciation for:				
Buildings and improvements	4,156,020	166,317	-	4,322,337
Improvements other than buildings	28,295,556	2,702,563	-	30,998,119
Machinery, furniture, equipment, and vehicles				
Board of County Commissioners	6,089,519	1,099,108	684,991	6,503,636
Sheriff	<u>2,207,821</u>	<u>194,659</u>	<u>147,898</u>	<u>2,254,582</u>
Total accumulated depreciation	<u>40,748,916</u>	<u>4,162,647</u>	<u>832,889</u>	<u>44,078,674</u>
Total capital assets being depreciated net	<u>39,140,330</u>	<u>(3,093,799)</u>	<u>31,899</u>	<u>36,014,632</u>
Governmental activity capital assets, net	<u>\$ 46,194,543</u>	<u>\$ (572,912)</u>	<u>\$ 31,899</u>	<u>\$ 45,589,732</u>
	Balance <u>10/1/2020</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>9/30/2021</u>
<b>Business-type activities</b>				
Capital assets not being depreciated				
Land	\$ 267,366	\$ -	\$ -	\$ 267,366
Capital assets being depreciated				
Buildings and landfill improvements	3,882,537	-	-	3,882,537
Water/wastewater plant	5,864,482	-	-	5,864,482
Equipment	<u>926,021</u>	<u>90,129</u>	<u>-</u>	<u>1,016,150</u>
Total capital assets being depreciated	<u>10,673,040</u>	<u>90,129</u>	<u>-</u>	<u>10,763,169</u>
Less accumulated depreciation for				
Buildings and improvements	2,746,622	75,958	-	2,822,580
Water/wastewater plant	2,931,010	293,224	-	3,224,234
Machinery, equipment, furniture, and vehicles	<u>916,201</u>	<u>8,746</u>	<u>-</u>	<u>924,947</u>
Total accumulated depreciation	<u>6,593,833</u>	<u>377,928</u>	<u>-</u>	<u>6,971,761</u>
Total capital assets being depreciated, net	<u>4,079,207</u>	<u>(287,799)</u>	<u>-</u>	<u>3,791,408</u>
Total business-type assets, net	<u>\$ 4,346,573</u>	<u>\$ (287,799)</u>	<u>\$ -</u>	<u>\$ 4,058,774</u>



Depreciation expense was charged to functions as follows:

**Governmental activities**

Function

General Government

Legislative	\$ 25,994
Executive	291
Financial & administrative	22,006
Other general government	<u>84,800</u>

Total general government 133,091

Public safety

Law enforcement	125,546
Fire control	174,766
Corrections	59,287
Protective inspections	565
Emergency and disaster relief	57,962
Ambulance and rescue services	<u>83,214</u>

Total public safety 501,340

Transportation

Road and street	<u>3,363,845</u>
-----------------	------------------

Economic environment

Industry development	44,637
Veterans' Services	<u>13,507</u>

Total economic environment 58,144

Human services

Health	4,717
Public assistance	<u>1,476</u>

Total human services 6,193

Culture/recreation

Libraries	16,661
Parks and recreation	78,834
Cultural services	<u>4,539</u>

Total culture/recreation 100,034

Totals \$ 4,162,647

**Business-type activities**

Function

Physical environment

Garbage/solid waste control services	\$ 82,010
Water/sewer combination services	<u>295,918</u>

Total physical environment \$ 377,928

## NOTE 5. LONG-TERM OBLIGATIONS

### CAPITAL LEASES

The County leases equipment with a historical cost and accumulated depreciation of \$125,277 and \$50,111, respectively. The amounts are included in the County's capital asset depreciation. Information on the County's capital lease is as follows:

#### Governmental Activities

The Board has an installment payment agreement with Leasing 2, Inc., for the purchase of a Chevrolet 3500HD Chassis remount of a Frazer Ambulance. The agreement requires five payments of \$28,515. The payments include interest of 4.72%.

The following is a schedule of the future minimum lease payments under the capital lease, and the present value of the net minimum lease payments at September 30, 2021:

Year Ending September 30,	Governmental Activities
2022	\$ 28,515
2023	<u>28,515</u>
Total minimum lease payments	57,030
Less: amount representing interest	<u>(3,795)</u>
Present value of future minimum lease payments	<u>\$ 53,235</u>

### Changes in Long-Term Obligations

During the year ended September 30, 2021, the following changes occurred in the County's long-term obligations:

#### Governmental Activities

<u>Long-term Obligations</u>	Balance October 1, <u>2020</u>	<u>Additions</u>	<u>Deletions</u>	Balance September 30, <u>2021</u>	Amounts Due Within <u>One Year</u>
Capital leases	\$ 315,472	\$ -	\$ 262,237	\$ 53,235	\$ 26,004
Compensated absences	692,305	550,686	574,236	668,755	187,788
OPEB liability	375,559	7,750	119,417	263,892	3,279
Net pension liability	<u>15,608,302</u>	<u>-</u>	<u>10,921,414</u>	<u>4,686,888</u>	<u>13,071</u>
Totals	<u>\$ 16,991,638</u>	<u>\$ 558,436</u>	<u>\$ 11,877,304</u>	<u>\$ 5,672,770</u>	<u>\$ 230,142</u>

#### Business-type Obligations

<u>Obligations</u>	Balance October 1, <u>2020</u>	<u>Additions</u>	<u>Deletions</u>	Balance September 30, <u>2021</u>	Amounts Due Within <u>One Year</u>
Estimated liability for landfill closure	\$ 2,288,274	\$ 74,058	\$ -	\$ 2,362,332	\$ -
Compensated absences	<u>22,493</u>	<u>18,659</u>	<u>18,107</u>	<u>23,045</u>	<u>23,045</u>
	<u>\$ 2,310,767</u>	<u>\$ 92,717</u>	<u>\$ 18,107</u>	<u>\$ 2,385,377</u>	<u>\$ 23,045</u>

**NOTE 6. INTERFUND ACTIVITIES**

Interfund receivable and payables at September 30, 2021, were as follows:

<u>Major Funds</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General	\$ 332,798	\$ 3,582
Transportation Trust	-	-
CDBG	-	292,940
Total major funds	<u>332,798</u>	<u>296,522</u>
<u>Nonmajor Funds</u>		
Fine and Forfeiture (BCC)	3,617	-
Emergency Management Fund	-	38,805
911 Communications Fund	3,582	-
Fine and Forfeiture (Clerk)	-	-
Total nonmajor funds	<u>7,199</u>	<u>38,805</u>
<u>Fiduciary Funds</u>	-	4,670
Total all funds	<u>\$ 339,997</u>	<u>\$ 339,997</u>

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

Interfund transfers made during the year ended September 30, 2021, were as follows:

<u>Major Funds</u>	<u>Interfund Transfer In</u>	<u>Interfund Transfers Out</u>
General	\$ 634,999	\$ 355,237
Transportation Trust	-	631,399
CDBG	14,807	-
Landfill Enterprise	279,623	-
Total major funds	<u>929,429</u>	<u>986,636</u>
<u>Nonmajor Funds</u>		
Fine and Forfeiture (BCC)	-	3,600
Emergency Management	60,807	-
Total nonmajor funds	<u>60,807</u>	<u>3,600</u>
Total all funds	<u>\$ 990,236</u>	<u>\$ 990,236</u>

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

**NOTE 7. INTERFUND ELIMINATIONS**

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

	Interfund	
	<u>Receivables</u>	<u>Payables</u>
HCBC	\$ 304,722	\$ -
Clerk of Courts	-	83,489
Property Appraiser	-	117,605
Sheriff	-	93,103
Supervisor of Elections	-	9,290
Tax Collector	-	1,235
Totals	<u>\$ 304,722</u>	<u>\$ 304,722</u>

	Interfund	
	<u>Transfers out</u>	<u>Transfers in</u>
HCBC	\$ 7,221,173	\$ -
Clerk of Courts	-	359,771
Property Appraiser	-	827,104
Sheriff	-	5,615,565
Supervisor of Elections	-	355,543
Tax Collector	-	63,190
Totals	<u>\$ 7,221,173</u>	<u>\$ 7,221,173</u>

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

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

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

At September 30, 2021, \$2,362,332 is reported as the landfill closure and post-closure care liability based on 100% of the Landfill’s North and South Cells’ capacity having been used at September 30, 2021, and recognition of \$353,997 in closure costs (39.58% of capacity filled) and \$303,621 post-closure costs of the County’s Class III cell.

For the South Cell (North Cell is no longer required to escrow funds for next year’s expenses), the amount of \$1,704,714 represents the total cumulative liability including an annual adjustment for inflation – no additional amounts remain to be recognized except for annual inflation adjustments.

For the Class III Cell, closure costs of \$540,309 and post-closure costs of \$463,421 are yet to be recognized. The estimated remaining life of the Class III landfill is thirty years. The estimated amounts are based on what it would cost to perform all closure and annual post-closure care in 2021. Actual costs of post-closure care and closure may be higher because of inflation, changes in technology, or changes in regulations.

The County is required by state and federal laws and regulations to make annual contributions to an escrow account to finance closure. The County is in compliance with these requirements, and at September 30, 2021, restricted deposits of \$1,530,645 were held for this purpose. The deposits are reported as restricted assets on the Proprietary Funds' Statement of Net position.

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

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

GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions (GASB 54) provides a more structured classification of fund balance and improves the usefulness of fund balance reporting.

GASB 54 provides for two major types of fund balances for governmental funds, which are nonspendable and spendable.

GASB 54 provides a hierarchy of spendable fund balances, based on spending constraints:

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

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

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

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

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

##### **Nonspendable**

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

##### **Spendable**

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

At September 30, 2021, the unassigned general fund balance was \$14,734,569 or eighty-eight percent of the General Fund's total expenditures.

A summary of the fund balances at September 30, 2021, is as follows:

Description	Transportation		Other	Total	Restriction/Purpose
	General Fund	Trust Fund	Governmental Funds	Governmental Funds	
Fund balances:					
Nonspendable					
Prepaid item	\$ 80,000	\$ -	\$ -	\$ 80,000	GASBS No. 54
Restricted for:					
Transportation	-	3,811,509	-	3,811,509	Florida Statutes Chapters 206 and 207
Other purposes:					
Fine & Forfeiture	-	-	350,923	350,923	Florida Statutes 938.15, 932.704, 775.083
SHIP	-	-	627,131	627,131	Florida Statutes 420.9072
Tourist Development	-	-	87,763	87,763	Florida Statutes 125.0104
Public Record Modernization	-	-	44,915	44,915	Florida Statutes 28.24
Inmate Welfare	-	-	88,863	88,863	Florida Statutes 951.23
911 Communications	-	-	685,318	685,318	Florida Statutes 365.172
Unassigned	<u>14,734,569</u>	<u>-</u>	<u>-</u>	<u>14,734,569</u>	-
Total fund balance	<u>\$ 14,814,569</u>	<u>\$ 3,811,509</u>	<u>\$ 1,884,913</u>	<u>\$ 20,510,991</u>	

#### NOTE 10. CONTINGENT LIABILITIES

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

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

#### NOTE 11. RISK MANAGEMENT

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

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

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

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

### **General Information**

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

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

The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of the two cost-sharing, multiple-employer defined benefit plans and other nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' Web site.

The County's pension expense, FRS (\$877,782) and HIS \$61,531 totaled (\$816,251), for the fiscal year ended September 30, 2021.

### **FRS Pension Plan:**

Plan Description: The FRS Pension Plan (Plan) is qualified retirement plan under section 401(a) Internal Revenue Code, created to provide a defined benefit pension plan for participating public employees, a Deferred Retirement Option Program (DROP) was added in 1998 for eligible employees. The general classes of membership are as follows:

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

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

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

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

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

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

except for members classified as special risk that are eligible for normal retirement benefits at age 55 or at any age after 25 years of service.

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

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

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS participating employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. Elected officials may also end DROP participation and postpone compliance until no longer holding office. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest.

During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest.

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

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

The benefits received by retirees and beneficiaries are increased by a cost-of-living adjustment (COLA) each July based on their June benefit amount. The COLA is generally 3 percent per year. The COLA for retirements or DROP participation effective before August 1, 2011, is three percent per year. The COLA for retirees with an



effective date or DROP begin date after August 1, 2011, will be the sum of the pre-July 2011 service credit divided by the total service credit at retirement multiplied by 3 percent. Each Pension Plan member with an effective retirement date of August 1, 2011, or after will have an individual COLA factor for retirement. FRS Pension Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

Contributions: The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the 2020-21 fiscal year were as follows:

Class	<u>Percent of Gross Salary</u>		<u>Total</u>
	<u>Employee</u>	<u>Employer (1)</u>	<u>Contribution Rate</u>
FRS, Regular	3.00%	8.28%	11.28%
FRS, Elected County Officers	3.00%	47.46%	50.46%
FRS, Senior Management Service	3.00%	25.57%	28.57%
FRS, Special Risk Regular	3.00%	22.73%	25.73%
FRS, Special Risk Administrative	3.00%	34.12%	37.12%
DROP - Applicable to member from all of the above classes	0.00%	15.32%	15.32%

Notes

1. Rates include the normal cost and unfunded actuarial liability contributions but do not include the 1.66 percent contribution for the Retiree Health Insurance Subsidy and the fee of 0.06 percent for administration of the FRS Investment Plan and retirement and financial planning for members of both plans.

The County’s contributions, including employee contributions, to the Plan totaled \$1,062,656 for the fiscal year ended September 30, 2021, and were as follows:

	<u>FRS</u>		
	<u>Employer</u>	<u>Employee</u>	<u>Total</u>
Board of County Commissioners	\$ 358,578	\$ 72,573	\$ 431,151
Clerk of Courts	96,692	13,102	109,794
Property Appraiser	45,786	4,752	50,538
Sheriff	323,999	45,876	369,875
Supervisor of Elections	55,944	4,819	60,763
Tax Collector	36,688	3,848	40,536
	<u>\$ 917,687</u>	<u>\$ 144,969</u>	<u>\$ 1,062,656</u>

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At September 30, 2021, the County reported a liability of \$2,090,152 for its proportionate share of the Plan’s net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The County’s proportionate share of the net pension liability was based on the County’s 2020-21 fiscal year contributions relative to the 2020-21 fiscal year contributions of all participating members. At June 30, 2021, the County’s proportionate shares and increases(decreases) from its proportionate shares measured as of June 30, 2020, were as follows:

Hamilton County	<u>2021</u>	<u>2020</u>	<u>Change</u>
Clerk of the Circuit Court	0.002896825%	0.003038052%	-0.00014122703%
Board of County Commissioners	0.010807996%	0.010510455%	0.00029754038%
Property Appraiser	0.001157457%	0.001132660%	0.00002479642%
Tax Collector	0.001003756%	0.000945570%	0.00005818624%
Sheriff	0.010355358%	0.012874596%	-0.00251923873%
Supervisor of Elections	<u>0.001448574%</u>	<u>0.001519413%</u>	<u>-0.00007083830%</u>
Total	<u>0.027669965%</u>	<u>0.030020746%</u>	<u>-0.00235078102%</u>

For the fiscal year ended September 30, 2021, the County recognized pension expense of (\$877,782). In addition, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

FRS <u>Description</u>	<u>Deferred outflows of resources</u>	<u>Deferred inflows of resources</u>
Difference between expected and actual experience	\$ 358,252	\$ (1)
Changes in assumptions	1,430,186	-
Investments	-	(7,292,014)
Employer specific changes in proportion	<u>263,720</u>	<u>(882,377)</u>
Total	<u>\$ 2,052,158</u>	<u>\$ (8,174,392)</u>

The deferred outflows of resources related to pensions, totaling \$312,210, resulting from County contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Hamilton County	Fiscal year ending September 30,					
	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>Thereafter</u>
Board of County Commissioners	\$ 16,316	\$ 16,316	\$ 16,316	\$ 16,316	\$ 11,421	\$ -
Clerk of Courts	(7,744)	(7,744)	(7,744)	(7,744)	(5,421)	-
Property Appraiser	1,360	1,360	1,360	1,360	952	-
Sheriff	(138,142)	(138,142)	(138,142)	(138,142)	(96,700)	-
Supervisor of Elections	(3,884)	(3,884)	(3,884)	(3,884)	(2,719)	-
Tax Collector	3,191	3,191	3,191	3,191	2,233	-

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

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

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

The actuarial assumptions that determined the total pension liability as of June 30, 2021, were based on the results of an actuarial experience study July 1, 2013 – June 30, 2018. The valuation date was July 1, 2021, and Measurement date was June 30, 2021. Actuarial valuations are performed annually.

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

Asset Class	Target <u>Allocation (1)</u>	Annual Arithmetic <u>Return</u>	Compound Annual (Geometric) <u>Return</u>	Standard <u>Deviation</u>
Cash	1.00%	2.10%	2.10%	1.10%
Fixed income	20.00%	3.80%	3.70%	3.30%
Global equity	54.20%	8.20%	6.70%	17.80%
Real estate	10.30%	7.10%	6.20%	13.80%
Private equity	10.80%	11.70%	8.50%	26.40%
Strategic investments	3.70%	5.70%	5.40%	8.40%
Assumed inflation - mean			2.40%	1.20%

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

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

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

	1% Decrease <u>5.80%</u>	Current Discount <u>6.80%</u>	1% Increase <u>7.80%</u>
County's proportionate share of the net pension liability	<u>\$ 9,347,300</u>	<u>\$ 2,090,152</u>	<u>\$ (3,976,010)</u>

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

**Payables to the Pension Plan:** At September 30, 2021, the County and Constitutional Officers reported no amounts owed for contributions to the Plan required for the fiscal year ended September 30, 2021.

## HIS Pension Plan

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

Benefits Provided: For the fiscal year ended June 30, 2021, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions: The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2021, the contribution rate was 1.66 percent of payroll pursuant to section 112.363, *Florida Statutes*. The County contributed 100 percent of its statutorily required contributions for the current and preceding 3 years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The County's contributions to the HIS Plan totaled \$126,777 for the fiscal year ended September 30, 2021, and were as follows:

Hamilton County, FL	HIS		
	FRS	Inv	Total
Board of County Commissioners	\$ 44,089	\$ 11,014	\$ 55,103
Clerk of Courts	8,108	2,067	10,176
Property Appraiser	6,564	143	6,707
Sheriff	33,676	13,571	47,247
Supervisor of Elections	2,667	-	2,667
Tax Collector	3,901	976	4,878
Total HIS contributions	<u>\$ 99,006</u>	<u>\$ 27,771</u>	<u>\$ 126,777</u>

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At September 30, 2021, the County reported a net pension liability of \$2,596,736 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The County's proportionate share of the net pension liability was based on the County's 2020-21 fiscal year contributions relative to the June 30, 2021, fiscal year contributions of all participating members.

At June 30, 2021, the County's proportionate shares and increases/decreases from its proportionate shares measured as of June 30, 2020, were as follows:

Hamilton County	2021	2020	Change
Board of County Commissioners	0.009259%	0.009014%	0.000245%
Clerk of the Circuit Court	0.001720%	0.001800%	-0.000080%
Property Appraiser	0.001117%	0.001061%	0.000056%
Sheriff	0.007812%	0.008246%	-0.000433%
Supervisor of Elections	0.000454%	0.000418%	0.000036%
Tax Collector	0.000807%	0.000752%	0.000054%

For the fiscal year ended September 30, 2021, the County recognized pension expense of \$61,531. In addition, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>HIS</u> <u>Description</u>	<u>Deferred outflows</u> <u>of resources</u>	<u>Deferred inflows</u> <u>of resources</u>
Difference between expected and actual experience	\$ 86,893	\$ (1,086)
Changes in assumptions	204,046	(106,992)
Investments	2,708	-
Employer specific changes in proportion	100,673	(100,499)
<b>Total</b>	<b>\$ 394,320</b>	<b>\$ (208,577)</b>

The deferred outflows of resources, totaling \$34,362 was related to pensions resulting from County contributions to the HIS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Hamilton County	Fiscal year ending September 30,					
	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>Thereafter</u>
Clerk of the Circuit Court	\$ (1,394)	\$ (1,394)	\$ (1,394)	\$ (1,394)	\$ (1,394)	\$ (558)
Board of County Commissioners	4,247	4,247	4,247	4,247	4,247	1,699
Property Appraiser	980	980	980	980	980	392
Tax Collector	946	946	946	946	946	378
Sheriff	(7,522)	(7,522)	(7,522)	(7,522)	(7,522)	(3,009)
Supervisor of Elections	625	625	625	625	625	250

Actuarial Assumptions The total pension liability was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and actuarial assumptions below, and was then projected to the measurement date.

Inflation	2.40 percent
Salary Increases	3.25 percent, average, including inflation
Municipal Bond Rate	2.16 percent

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

The actuarial assumptions that determined the total pension liability as of June 30, 2021, were based on certain results of an actuarial experience study of the FRS for the period July 1, 2013 – June 30, 2018. HIS plan valuations occur on a biennial basis.

Discount Rate The discount rate used to measure the total pension liability was 2.16 percent. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the County’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the County’s proportionate share of the net pension liability calculated using the discount rate of 2.16 percent, as well as what the County’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (1.16 percent) or 1 percentage-point higher (3.16 percent) than the current rate:

	1% Decrease <u>1.16%</u>	Current Discount <u>2.16%</u>	1% Increase <u>3.16%</u>
County's proportionate share of the net pension liability	\$ <u>3,002,078.35</u>	\$ <u>2,596,736</u>	\$ <u>2,264,648.59</u>

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

Payables to the Pension Plan at September 30, 2021, the County reported a payable of \$0 for the outstanding amount of contributions to the HIS Plan required for the fiscal year ended September 30, 2021.

**FRS – Defined Contribution Pension Plan**

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

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

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

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

Costs of administering plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.04 percent of payroll and by forfeited benefits of plan members. Allocations to the investment member’s accounts during the 2020-21 fiscal year were as follows:

Class	<u>Contributions</u>		
	<u>Employee</u>	<u>Employer</u>	<u>Total</u>
FRS, Regular	3.00%	3.30%	6.30%
FRS, Elected County/Local Officers	3.00%	8.34%	11.34%
FRS, Special Risk	3.00%	11.00%	14.00%
FRS, Senior Management Service	3.00%	4.67%	7.67%

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

Nonvested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over their account. If the employee does not return within the 5-year period, the employee will forfeit the accumulated account balance. At September 30, 2021, the County does not know the amount of forfeited funds, if any, but estimates that the amount would be immaterial.

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

The County's Investment Plan pension expense totaled \$334,219 for the fiscal year ended September 30, 2021, and was as follows:

Hamilton County, FL	Inv			
	Retirement	HIS	PEORP	Total
Board of County Commissioners	\$ 109,670	\$ 11,014	\$ 398	\$ 121,081
Clerk of Courts	21,272	2,067	75	23,414
Property Appraiser	713	143	5	862
Sheriff	168,796	13,571	491	182,857
Supervisor of Elections	-	-	-	-
Tax Collector	4,993	976	35	6,005
Total HIS contributions	<u>\$ 305,445</u>	<u>\$ 27,771</u>	<u>\$ 1,004</u>	<u>\$ 334,219</u>

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

**General Information**

Plan description

Hamilton County, Florida, sponsors and administers the single-employer OPEB unfunded plan. The plan covers 157 active employees, three inactive employees and beneficiaries currently receiving benefits, and no inactive employees entitled to and not yet receiving benefits; 154 active employees.

The County's retirees' contribution requirement is an amount determined periodically by the County equal to one hundred percent of the applicable health insurance premium charged by the insurance carrier. There are no minimum required employer contributions.

No assets are accumulated in a trust that meets the criteria in GASB No. 75, paragraph 4 to pay for related benefits.

## Benefits provided

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

## Total OPEB Liability

The County's total OPEB liability of \$263,892, was measured as of September 30, 2021, and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs: The total OPEB liability in the September 30, 2021, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	2.43% per annum: this rate was used to discount all future benefit payments and is based on the return on the S&P Municipal Bond 20-year High Grade Index as of the measurement date.
Salary increases	3.00% per annum
Cost of living increases	Retiree contributions, health insurance premiums, and the implied subsidy have been assumed to increase in accordance with the healthcare cost trend rates.
Healthcare cost trend rates	Increases in healthcare costs are assumed to be 6.50% for the 2020/21 fiscal year graded down by 0.50% per year to 5.00% for the 2023/24 and later fiscal years.
Age related morbidity	Healthcare costs are assumed to increase at the rate of 3.5% for each year of age.
Implied subsidy	Because the insurance carrier charges the same monthly rate for health insurance regardless of age, an implied monthly subsidy of \$650 for the retiree and \$575 has been assumed for the 2020/21 fiscal year at age 62; at other ages, the implied subsidy was developed based on the age-related morbidity assumption and for other fiscal years, the implied subsidy was increased in accordance with the healthcare cost trend rates. The implied subsidy is assumed to disappear at age 65.
Mortality basis	Sex-distinct rates set forth in the PUB-2010 Mortality Table (without income adjustments) for general and public safety employees, with full generational improvements in mortality using Scale MP-2020
Retirement	For general employees hired prior to July 2011, retirement is assumed to occur at age 62 or at any age with 30 years of service. For general employees hired after June 2011, retirement is assumed to occur at age 65 or at any age with 33 years of service. For firefighters and police officers hired prior to July 2011, retirement is assumed to occur at age 55 or at any age with 25 years of service. For firefighter and police officers hired after June 2011 retirement is assumed to occur at age 60 or at any age with 30 years of service.
Other decrements	Assumed employment termination is based on the Scale 155 table; assumed disability is based on the Wyatt 1985 Disability Study (Class 1 for general employees and Class 4 for firefighters and police officers).
Covered election	50% of eligible employees are assumed to elect medical coverage upon retirement or disability, with one-third of electing retirees also covering their spouse.
Spouses and dependents	Husbands are assumed to be three years older than wives.
COBRA	Future healthcare coverage provided solely pursuant to COBRA was not included in the OPEB valuation; because the COBRA premium is determined periodically based on plan experience, the COBRA premium to be paid by the participant is assumed to fully cover the cost of providing healthcare coverage during the relevant period.
Changes	Since the prior measurement date, the discount rate was increased from 2.14% per annum to 2.43% per annum. The monthly implied subsidy at age 62 for the 2020-21 fiscal year for the retiree and his spouse was decreased from \$695.50 and \$615.25, respectively, to \$650 and \$575, respectively, and the mortality scale was updated from Scale MP-2017 to Scale MP-2020



**Net OPEB liability at September 30, 2021:**

Total OPEB liability *	\$	263,892
Less fiduciary net position		<u>-</u>
Net OPEB liability **	\$	<u>263,892</u>

\* rolled forward from October 1, 2020

\*\* recognized as follows:

Current portion of OPEB liability	\$	3,279
Long-term portion of OPEB liability		<u>260,613</u>
Total OPEB obligations governmental activities	\$	<u>263,892</u>

**OPEB expense for Year Ending September 30, 2021**

Service cost	\$	12,673
Other recognized changes in net pension		
Expected interest growth		9,222
Investment gain/loss		-
Demographic gain/loss		2,622
Employee contributions		-
Benefit payments & refunds		(17,573)
Administrative expenses		-
Changes in benefit terms		-
Assumption changes		<u>806</u>
OPEB expense *	\$	<u>7,750</u>

\* expense recognized as follows:

Statement of Activities - governmental	\$	<u>7,750</u>
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**Deferred Inflows of Resources and Deferred Inflows of Resources Related to OPEB**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Balance as of September 30, 2020	\$ <u>164,819</u>	\$ <u>28,794</u>
Change due to:		
Amortization payments	(19,370)	(15,942)
Investment gain/loss	-	-
Demographic gain/loss	-	70,499
Assumption changes	-	<u>45,490</u>
Total change	<u>(19,370)</u>	<u>100,047</u>
Balance as of September 30, 2021	\$ <u>145,449</u>	\$ <u>128,841</u>

**Balance Equation**

Net OPEB liability as of September 30, 2020	\$	375,559
Plus OPEB expense for the year ending September 30, 2021		7,750
Minus employer contribution for the year ending September 30, 2021		-
Plus change in balance of deferred outflows of resources		(19,370)
Minus change in balance of deferred inflows of resources		<u>(100,047)</u>
Net OPEB liability as of September 30, 2021	\$	<u>263,892</u>

<b>Changes in the net OPEB liability</b>	<b>Total OPEB Liability</b>	<b>Fiduciary Net Position</b>	<b>Net OPEB Liability</b>
Balance as of September 30, 2020	\$ 375,559	\$ -	\$ 375,559
Change due to:			
Service cost	12,673	-	12,673
Expected interest growth	9,222	-	9,222
Unexpected investment income	-	-	-
Demographic experience	(70,499)	-	(70,499)
Employer contributions	-	-	-
Employee contributions	-	-	-
Benefit payments & refunds	(17,573)	-	(17,573)
Administrative expenses	-	-	-
Changes in benefit terms	-	-	-
Assumption changes	(45,490)	-	(45,490)
Balance as of September 30, 2021	<u>\$ 263,892</u>	<u>\$ -</u>	<u>\$ 263,892</u>

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

	<u>Discount Rate minus 1.00%</u>	<u>2.43% Discount Rate</u>	<u>Discount Rate plus 1.00%</u>
Total OPEB liability	\$ 311,825	\$ 263,892	\$ 225,216
Less fiduciary net position	-	-	-
Net OPEB liability	<u>\$ 311,825</u>	<u>\$ 263,892</u>	<u>\$ 225,216</u>

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

	<u>Trend rates minus 1.00%</u>	<u>6.50% graded down to 5.00%</u>	<u>Trend rates plus 1.00%</u>
Total OPEB liability	\$ 220,401	\$ 263,892	\$ 317,834
Less fiduciary net position	-	-	-
Net OPEB liability	<u>\$ 220,401</u>	<u>\$ 263,892</u>	<u>\$ 317,834</u>

**NOTE 14. ECONOMIC DEPENDENCY**

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

**NOTE 15. COMMITMENTS**

At September 30, 2021, the County had the following construction related commitments:

<u>Administrative &amp; Engineering Services</u>	<u>Project</u>	<u>Contract Amount</u>	<u>Paid through September 30, 2021</u>	<u>Remaining Balance</u>
Locklear & Associates	Construction Engineering and Inspection CR 137	\$ 168,750	\$ 118,125	\$ 50,625
NFPS, Inc.	CR 6 Diversion Plan	45,857	15,000	30,857
NFPS, Inc.	SW 90th Drive	18,500	9,250	9,250

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

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

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

Statement 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*—reporting periods beginning after December 15, 2020: FY 2021-22

Statement 91, *Conduit Debt Obligations* —reporting periods beginning after December 15, 2021: FY2022-23

Statement 92, *Omnibus 2020* paragraphs 6 and 7—fiscal years beginning after June 15, 2021: FY 2021-22

Statement 92, *Omnibus 2020* paragraphs 8, 9, and 12—reporting periods beginning after June 15, 2021: FY 2021-22

Statement 92, *Omnibus 2020* paragraph 10—government acquisitions occurring in reporting periods beginning after June 15, 2021: FY 2021-22

Statement 93, *Replacement of Interbank Offered Rates* paragraphs 13 and 14—fiscal years beginning after June 15, 2021, and all reporting periods thereafter: FY 2021-22

Statement No. 96, *Subscription-Based Information Technology Arrangements* - effective for fiscal years beginning after June 15, 2022: FY 2022-23

Statement No. 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 and No. 84, and a supersession of GASB Statement No. 32*

- a. Changes relating to component unit criteria are effective upon issuance (June 2020) for defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans and effective for fiscal years beginning after June 15, 2021, for all other situations. FY 2021-22
- b. Requirements relating to Section 457 plans are effective for fiscal years beginning after June 15, 2021. FY 2021-22

The County is evaluating the effects that these statements will have on its financial statements for the year ending September 30, 2022, and beyond.

**NOTE 17. SUBSEQUENT EVENTS**

County management has evaluated subsequent events through the date of the audit report – May 27, 2022, and reports the following:

**Grants awarded post year-end**

The following grants were awarded to the County post year-end:		<u>Award</u>
Florida Job Growth Grant Fund for several projects: new fire station; access road water plant, and wastewater system for 57-acre site at the I75 and SR6 interchange. Development will include logistics park and travel center with the potential for additional economic expansion.		\$ 5,400,000
Crossroads Volunteer Fire Station		880,000
American Rescue Plan Act - Coronavirus Capital Projects Fund (broadband enhancement)		2,802,470
State of FL Dept of Environmental Protection (water well)		475,000

**Construction Contracts**

The County awarded the following construction contracts post year-end:

<u>Date</u>	<u>Contractor</u>	<u>Project</u>	<u>Amount</u>
10/05/21	Plumb Level Construction	Clinic renovation	\$ 268,363
06/02/21	Plumb Level Construction	Fuel station cover	71,972

**Other Contracts**

The County awarded the following management and administration contract post year-end:

<u>Contractor</u>	<u>Project</u>	<u>Service Provided</u>	<u>Amount</u>
Thomas Howell Ferguson	Administrator ARPA Funds Corona Virus State and Local Fiscal Recovery Fund (SLFRF)	Program Management and Administration Services	\$ 250,000

**Significant purchases**

The County purchased the following equipment post year end:

<u>Description</u>	<u>Purpose</u>	<u>Amount</u>
Armored vehicle	Sheriff's Department	\$ 169,725
Excavator Caterpillar 313 GC Serial No. NFZ10335	Road Department	153,193
Mini-excavator Caterpillar 304 Serial No. AN400455	Road Department	55,030

**Economic Development Agreements**

**Green Point Research, LLC**

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

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

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

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

**Suwannee Valley Nursing Center**

	<u>Amount</u>
Operating grant to fund operations (\$200,000 upon request with additional \$100,000 as needed)	\$ 300,000

**Windstream Florida LLC**

	<u>Amount</u>
Build agreement to develop telecommunications facilities for community residents with a contribution from Windstream of \$7.2 million. Project to be completed by 12-31-23.	\$ 2,000,000

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**REQUIRED SUPPLEMENTARY  
INFORMATION**

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

For the Year Ended September 30, 2021

	Original <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>	Variance with Final Budget Positive <u>(Negative)</u>
Budgetary fund balance	\$ 9,032,880	\$ 9,032,880	\$ 14,406,476	\$ 5,373,596
Estimated receipts				
Taxes	10,351,413	10,351,413	11,256,358	904,945
Licenses and permits	71,898	71,898	139,186	67,288
Intergovernmental revenues	2,887,746	2,895,130	3,550,690	655,560
Charges for services	1,694,051	1,712,694	1,561,963	(150,731)
Judgments, fines, and forfeits	6,216	6,216	6,308	92
Miscellaneous revenues	104,919	372,007	381,264	9,257
Other sources	<u>645,465</u>	<u>645,465</u>	<u>634,999</u>	<u>(10,466)</u>
Total estimated receipts and balances	<u>24,794,588</u>	<u>25,087,703</u>	<u>31,937,244</u>	<u>6,849,541</u>
Appropriations				
General government	4,109,169	4,135,196	4,284,025	(148,829)
Public safety	8,244,337	8,599,375	9,467,607	(868,232)
Physical environment	188,930	188,930	183,577	5,353
Economic environment	109,815	109,815	794,128	(684,313)
Human services	821,588	821,588	765,479	56,109
Culture/recreation	1,042,981	1,042,981	956,752	86,229
Other uses	9,981,687	9,915,596	355,237	9,560,359
Court related	<u>296,081</u>	<u>274,222</u>	<u>315,870</u>	<u>(41,648)</u>
Total appropriations	<u>24,794,588</u>	<u>25,087,703</u>	<u>17,122,675</u>	<u>7,965,028</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,814,569</u>	<u>\$ 14,814,569</u>



**HAMILTON COUNTY, FLORIDA**

**BUDGETARY COMPARISON SCHEDULE  
COUNTY TRANSPORTATION TRUST FUND**

For the Year Ended September 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Budgetary fund balance	\$ 3,228,781	\$ 3,228,781	\$ 3,453,262	\$ 224,481
Estimated receipts				
Taxes	2,492,455	2,492,455	2,618,638	126,183
Intergovernmental revenue	12,373,100	12,373,100	3,820,356	(8,552,744)
Charges for services	7,100	7,100	12,161	5,061
Miscellaneous revenues	13,000	13,000	246,716	233,716
Other financing sources	-	-	-	-
Total estimated receipts and balances	<u>18,114,436</u>	<u>18,114,436</u>	<u>10,151,133</u>	<u>(7,963,303)</u>
Appropriations				
Transportation				
Roads and bridges				
Personal services	2,099,705	2,099,705	1,989,267	110,438
Operating expenditures	514,214	514,214	629,638	(115,424)
Capital outlay	12,054,270	12,054,270	2,831,436	9,222,834
Debt service	-	-	245,000	(245,000)
Grants & Aids	12,884	12,884	12,884	-
Other uses	<u>631,399</u>	<u>631,399</u>	<u>631,399</u>	<u>-</u>
Total transportation	15,312,472	15,312,472	6,339,624	8,972,848
Reserves				
Reserve for contingencies	<u>2,801,964</u>	<u>2,801,964</u>	<u>-</u>	<u>2,801,964</u>
Total appropriations	<u>18,114,436</u>	<u>18,114,436</u>	<u>6,339,624</u>	<u>11,774,812</u>
Budgetary fund balance at year end	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,811,509</u>	<u>\$ 3,811,509</u>

**HAMILTON COUNTY, FLORIDA**

**BUDGETARY COMPARISON SCHEDULE  
CDBG HOUSING CONSTRUCTION FUND**

For the Year Ended September 30, 2021

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Budget</u>	<u>Budget</u>	<u>Actual</u>	<u>(Negative)</u>
Budgetary fund balance	\$ -	\$ -	\$ -	\$ -
Estimated receipts				
Intergovernmental revenue				
Federal grants				
Federal housing	610,073	610,073	274,639	(335,434)
Other financing sources				
Interfund transfer in	<u>-</u>	<u>-</u>	<u>14,807</u>	<u>14,807</u>
Total revenues	<u>10,073</u>	<u>10,073</u>	<u>289,446</u>	<u>(320,627)</u>
Appropriations				
Economic environment				
Housing and urban development				
Operating expenditures	87,000	87,000	27,161	59,839
Grants and aids	<u>23,073</u>	<u>523,073</u>	<u>262,285</u>	<u>260,788</u>
Total housing and urban development	<u>610,073</u>	<u>610,073</u>	<u>289,446</u>	<u>320,627</u>
Other financing sources (uses)				
Interfund transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total appropriations	<u>610,073</u>	<u>610,073</u>	<u>289,446</u>	<u>320,627</u>
Budgetary fund balance at year end	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

## HAMILTON COUNTY, FLORIDA

### NOTES TO BUDGETARY COMPARISON SCHEDULES

September 30, 2021

#### NOTE 1. LEGAL COMPLIANCE - BUDGETS

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

1. Prior to July 15, the Clerk of the Circuit Court, the Budget Officer, submits to the Board of County Commissioners a tentative budget for the fiscal year commencing October 1.
2. Public hearings are conducted by the Board of County Commissioners to obtain taxpayer comments.
3. Prior to September 30, the Board of County Commissioners legally enacts the budget through passage of a resolution.
4. The Board of County Commissioners is authorized to amend fixed appropriations by motion to the extent that appropriations do not exceed the total approved budget of the fund; or appropriate for the special purpose intended, reserves or unanticipated receipts. Appropriations lapse at year end. No supplemental appropriations were necessary during the year. One amendment was made post year-end.
5. Formal budgetary integration is employed as a management control device in all governmental funds.
6. The legally amended budgetary data presented in the accompanying financial statements for the fiscal year ending September 30, 2021, are shown on the County's budgetary basis of accounting. Notes to the major fund budgetary comparison schedules reconcile GAAP basis revenues and expenditures to the budgeted amounts.
7. The County's annual operating budget serves as legal authorization for expenditures and the proposed means of financing them. For the Board of County Commissioners, the legal level of budgetary control is the fund level. Budgetary information is integrated into the accounting system and appropriations are controlled at the account level within each fund for management control purposes.

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

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

	General <u>Fund</u>	County Transportation <u>Trust Fund</u>	CDBG Housing Construction <u>Fund</u>
Sources/inflows of resources			
Financial statement major funds			
Actual amount (budgetary basis) of the estimated receipts and balances from the budgetary comparison schedules	\$ 32,427,369	\$ 10,151,133	\$ 289,446
Adjustments			
Budgetary fund balance is an amount available for appropriation but is not considered a revenue for GAAP reporting	(14,896,601)	(3,453,262)	-
The sale of fixed assets proceeds are available for appropriation but are considered Special Items for GAAP reporting	-	(245,000)	-
Transfers in are available for appropriation but are not revenues for GAAP reporting	<u>(634,999)</u>	<u>-</u>	<u>14,807</u>
Total revenues reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 16,895,769</u>	<u>\$ 6,452,871</u>	<u>274,639</u>
Uses/outflows of resources			
Actual amounts (budgetary basis) "total appropriations" from the budgetary comparison schedules	\$ 17,122,675	\$ 6,339,624	289,446
Transfers out are appropriations for budgeting purposes but are not expenditures for GAAP reporting	<u>(355,237)</u>	<u>631,399</u>	<u>-</u>
Total expenditures reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 16,767,438</u>	<u>\$ 5,708,225</u>	<u>\$ 289,446</u>

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Hamilton County, Florida's proportion of the net pension liability (asset)								
Board of County Commissioners	0.010808%	0.010510%	0.010356%	0.010367%	0.010518%	0.010512%	0.010343%	0.010106%
Clerk of Courts	0.002897%	0.003038%	0.003039%	0.003087%	0.003234%	0.003138%	0.003311%	0.002595%
Property Appraiser	0.001157%	0.001133%	0.001157%	0.001097%	0.001076%	0.001118%	0.001124%	0.001218%
Sheriff	0.010355%	0.012875%	0.012997%	0.012478%	0.012668%	0.013374%	0.012594%	0.013073%
Supervisor of Elections	0.001449%	0.001519%	0.001601%	0.001592%	0.000855%	0.000442%	0.000438%	0.000473%
Tax Collector	<u>0.001004%</u>	<u>0.000946%</u>	<u>0.000949%</u>	<u>0.000951%</u>	<u>0.001891%</u>	<u>0.002175%</u>	<u>0.002238%</u>	<u>0.001883%</u>
Total Hamilton County, Florida's proportion of the net pension liability (asset)	<u>0.027670%</u>	<u>0.030021%</u>	<u>0.030100%</u>	<u>0.029571%</u>	<u>0.030242%</u>	<u>0.030759%</u>	<u>0.030047%</u>	<u>0.029348%</u>
Hamilton County, Florida's proportionate share of the net pension liability (asset)								
Board of County Commissioners	\$ 816,422	\$ 4,552,616	\$ 3,566,318	\$ 3,119,528	\$ 3,111,042	\$ 2,654,379	\$ 1,335,887	\$ 616,604
Clerk of Courts	218,822	1,316,737	1,046,522	929,682	956,635	792,307	427,621	154,336
Property Appraiser	87,433	490,912	398,574	330,330	318,297	282,419	145,132	74,307
Sheriff	782,230	5,580,040	4,473,075	3,758,339	3,746,971	3,376,832	1,626,735	797,620
Supervisor of Elections	109,423	658,536	551,380	479,521	252,984	111,606	56,602	28,862
Tax Collector	<u>75,822</u>	<u>409,824</u>	<u>326,976</u>	<u>286,339</u>	<u>559,409</u>	<u>549,078</u>	<u>289,024</u>	<u>114,919</u>
Total Hamilton County, Florida's proportionate share of the net pension liability (asset)	<u>\$ 2,090,152</u>	<u>\$ 13,008,665</u>	<u>\$ 10,362,845</u>	<u>\$ 8,903,739</u>	<u>\$ 8,945,338</u>	<u>\$ 7,766,621</u>	<u>\$ 3,881,001</u>	<u>\$ 1,786,648</u>
Hamilton County, Florida's covered-employee payroll								
Board of County Commissioners	\$ 3,319,454	\$ 3,172,205	\$ 3,054,243	\$ 2,874,047	\$ 2,868,004	\$ 2,755,213	\$ 2,479,332	\$ 2,365,929
Clerk of Courts	612,999	618,153	592,483	554,936	563,159	537,991	546,589	574,229
Property Appraiser	404,042	372,143	363,828	338,606	348,671	328,070	321,473	321,325
Sheriff	2,846,192	2,822,802	2,953,120	2,683,182	2,834,688	2,646,264	2,775,732	2,683,352
Supervisor of Elections	160,633	150,713	140,632	135,878	138,603	118,771	111,594	110,701
Tax Collector	<u>293,847</u>	<u>262,223</u>	<u>257,418</u>	<u>252,234</u>	<u>245,318</u>	<u>241,082</u>	<u>236,843</u>	<u>236,695</u>
Total Hamilton County, Florida's covered-employee payroll	<u>\$ 7,637,166</u>	<u>\$ 7,398,239</u>	<u>\$ 7,361,724</u>	<u>\$ 6,838,883</u>	<u>\$ 6,998,443</u>	<u>\$ 6,627,391</u>	<u>\$ 6,471,563</u>	<u>\$ 6,292,231</u>
Hamilton County, Florida's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	27.37%	175.83%	140.77%	130.19%	127.82%	117.19%	59.97%	28.39%
Plan fiduciary net position as a percentage of the total pension liability	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%	96.09%

\* Information is presented for those years available

Notes to Schedule

Note 1. Measurement Date

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

Note 2. Covered Employees

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

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution								
Board of County Commissioners	\$ 466,796	\$ 458,414	\$ 423,580	\$ 377,002	\$ 301,339	\$ 285,252	\$ 271,033	\$ 253,693
Clerk of Courts	128,215	119,048	111,979	102,576	85,654	79,641	83,273	65,886
Property Appraiser	46,404	45,731	42,427	40,612	26,686	27,597	27,671	27,812
Sheriff	540,532	535,452	491,022	459,208	379,805	350,577	355,910	351,889
Supervisor of Elections	58,611	54,462	52,567	49,012	31,712	10,350	10,776	10,882
Tax Collector	<u>46,594</u>	<u>38,349</u>	<u>35,382</u>	<u>33,048</u>	<u>43,458</u>	<u>54,365</u>	<u>55,629</u>	<u>47,008</u>
Total Hamilton County, Florida, contractually required contribution	<u>1,287,152</u>	<u>1,251,456</u>	<u>1,156,957</u>	<u>1,061,457</u>	<u>868,654</u>	<u>807,782</u>	<u>804,292</u>	<u>757,170</u>
Contributions in relation to the contractually required contribution								
Board of County Commissioners	466,796	458,414	423,580	377,002	301,339	285,252	271,033	253,693
Clerk of Courts	128,215	119,048	111,979	102,576	85,654	79,641	83,273	65,886
Property Appraiser	46,404	45,731	42,427	40,612	26,686	27,597	27,671	27,812
Sheriff	540,532	535,452	491,022	459,208	379,805	350,577	355,910	351,889
Supervisor of Elections	58,611	54,462	52,567	49,012	31,712	10,350	10,776	10,882
Tax Collector	<u>46,594</u>	<u>38,349</u>	<u>35,382</u>	<u>33,048</u>	<u>43,458</u>	<u>54,365</u>	<u>55,629</u>	<u>47,008</u>
Total Hamilton County, Florida, contractually required contribution	<u>1,287,152</u>	<u>1,251,456</u>	<u>1,156,957</u>	<u>1,061,457</u>	<u>868,654</u>	<u>807,782</u>	<u>804,292</u>	<u>757,170</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Hamilton County, Florida's covered-employee payroll	<u>\$ 7,637,166</u>	<u>\$ 7,398,239</u>	<u>\$ 7,361,724</u>	<u>\$ 6,838,883</u>	<u>\$ 6,998,443</u>	<u>\$ 6,627,391</u>	<u>\$ 6,471,563</u>	<u>\$ 6,292,231</u>
Contributions as a percentage of covered-employee payroll	16.85%	16.92%	15.72%	15.52%	12.41%	12.19%	12.43%	12.03%

\* Information is presented for those years available

Note 1. Covered Employees

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

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Hamilton County, Florida's proportion of the net pension liability (asset)								
Board of County Commissioners	0.0092592%	0.009014%	0.009060%	0.008765%	0.008546%	0.008443%	0.008105%	0.008030%
Clerk of Courts	0.0017198%	0.001800%	0.001721%	0.001702%	0.001819%	0.001735%	0.001837%	0.001929%
Property Appraiser	0.0011173%	0.001061%	0.001085%	0.000981%	0.001046%	0.001058%	0.001059%	0.001073%
Sheriff	0.0078124%	0.008246%	0.008396%	0.008309%	0.008413%	0.008869%	0.009033%	0.008869%
Supervisor of Elections	0.0004536%	0.000418%	0.000419%	0.000411%	0.000291%	0.000371%	0.000371%	0.000362%
Tax Collector	<u>0.0008069%</u>	<u>0.000752%</u>	<u>0.000765%</u>	<u>0.000767%</u>	<u>0.000766%</u>	<u>0.000778%</u>	<u>0.000781%</u>	<u>0.000789%</u>
Total Hamilton County, Florida's proportion of the net pension liability (asset)	<u>0.021169%</u>	<u>0.021291%</u>	<u>0.021446%</u>	<u>0.020935%</u>	<u>0.020882%</u>	<u>0.021253%</u>	<u>0.021186%</u>	<u>0.021052%</u>
Hamilton County, Florida's proportionate share of the net pension liability (asset)								
Board of County Commissioners	\$ 1,135,782	\$ 1,100,654	\$ 1,013,742	\$ 927,667	\$ 913,810	\$ 983,995	\$ 826,570	\$ 750,791
Clerk of Courts	210,958	219,791	192,508	180,147	194,501	202,204	187,364	180,320
Property Appraiser	137,057	129,532	121,348	103,849	111,796	123,274	108,015	100,367
Sheriff	958,311	1,006,801	939,453	879,486	899,592	1,033,669	921,252	829,254
Supervisor of Elections	55,645	50,988	46,923	43,464	43,203	43,203	37,803	33,870
Tax Collector	<u>98,983</u>	<u>91,871</u>	<u>85,645</u>	<u>81,177</u>	<u>81,936</u>	<u>90,614</u>	<u>79,605</u>	<u>73,809</u>
Total Hamilton County, Florida's proportionate share of the net pension liability (asset)	<u>\$ 2,596,736</u>	<u>\$ 2,599,637</u>	<u>\$ 2,399,619</u>	<u>\$ 2,215,790</u>	<u>\$ 2,244,838</u>	<u>\$ 2,476,959</u>	<u>\$ 2,160,609</u>	<u>\$ 1,968,410</u>
Hamilton County, Florida's covered-employee payroll								
Board of County Commissioners	\$ 3,319,454	\$ 3,172,205	\$ 3,054,243	\$ 2,874,047	\$ 2,868,004	\$ 2,755,213	\$ 2,479,332	\$ 2,365,929
Clerk of Courts	612,999	618,153	592,483	554,936	563,159	537,991	546,589	574,229
Property Appraiser	404,042	372,143	363,828	338,606	348,671	328,070	321,473	321,325
Sheriff	2,846,192	2,822,802	2,953,120	2,683,182	2,834,688	2,646,264	2,775,732	2,683,352
Supervisor of Elections	160,633	150,713	140,632	135,878	138,603	118,771	111,594	110,701
Tax Collector	<u>293,847</u>	<u>262,223</u>	<u>257,418</u>	<u>252,234</u>	<u>245,318</u>	<u>241,082</u>	<u>236,843</u>	<u>236,695</u>
Total Hamilton County, Florida's covered-employee payroll	<u>\$ 7,637,166</u>	<u>\$ 7,398,239</u>	<u>\$ 7,361,724</u>	<u>\$ 6,838,883</u>	<u>\$ 6,998,443</u>	<u>\$ 6,627,391</u>	<u>\$ 6,471,563</u>	<u>\$ 6,292,231</u>
Hamilton County, Florida's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	34.00%	35.14%	32.60%	32.40%	32.08%	37.37%	33.39%	31.28%
Plan fiduciary net position as a percentage of the total pension liability	3.00%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%	0.99%

\* Information is presented for those years available

Notes to Schedule

Note 1. Measurement Date

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

Note 2. Covered Employees

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

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution								
Board of County Commissioners	\$ 55,103	\$ 52,659	\$ 50,701	\$ 47,709	\$ 46,315	\$ 45,107	\$ 31,240	\$ 28,391
Clerk of Courts	10,176	10,261	9,836	9,212	9,348	8,931	6,887	6,891
Property Appraiser	6,707	6,178	6,040	5,324	5,335	5,446	4,051	3,856
Sheriff	47,247	46,858	49,022	44,541	45,264	43,928	34,974	32,200
Supervisor of Elections	2,667	2,502	2,335	2,256	1,685	1,864	1,406	1,328
Tax Collector	<u>4,878</u>	<u>4,353</u>	<u>4,273</u>	<u>4,187</u>	<u>4,072</u>	<u>4,002</u>	<u>2,984</u>	<u>2,840</u>
Total Hamilton County, Florida, contractually required contribution	<u>126,777</u>	<u>122,811</u>	<u>122,207</u>	<u>113,229</u>	<u>112,020</u>	<u>109,278</u>	<u>81,542</u>	<u>75,506</u>
Contributions in relation to the contractually required contribution								
Board of County Commissioners	55,103	52,659	50,701	47,709	46,315	45,107	31,240	28,391
Clerk of Courts	10,176	10,261	9,836	9,212	9,348	8,931	6,887	6,891
Property Appraiser	6,707	6,178	6,040	5,324	5,335	5,446	4,051	3,856
Sheriff	47,247	46,858	49,022	44,541	45,264	43,928	34,974	32,200
Supervisor of Elections	2,667	2,502	2,335	2,256	1,685	1,864	1,406	1,328
Tax Collector	<u>4,878</u>	<u>4,353</u>	<u>4,273</u>	<u>4,187</u>	<u>4,072</u>	<u>4,002</u>	<u>2,984</u>	<u>2,840</u>
Total Hamilton County, Florida, contractually required contribution	<u>126,777</u>	<u>122,811</u>	<u>122,207</u>	<u>113,229</u>	<u>112,020</u>	<u>109,278</u>	<u>81,542</u>	<u>75,506</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hamilton County, Florida's covered-employee payroll	<u>\$ 7,637,166</u>	<u>\$ 7,398,239</u>	<u>\$ 7,361,724</u>	<u>\$ 6,838,883</u>	<u>\$ 6,998,443</u>	<u>\$ 6,627,391</u>	<u>\$ 6,471,563</u>	<u>\$ 6,292,231</u>
Contributions as a percentage of covered-employee payroll	1.66%	1.66%	1.66%	1.66%	1.60%	1.65%	1.26%	1.20%

\* Information is presented for those years available

Note 1. Covered Employees

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



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

<u>Measurement Date</u>	<u>Total OPEB Liability</u>	<u>Fiduciary Net Position</u>	<u>Net OPEB Liability</u>	<u>Funded Percentage</u>	<u>Covered Payroll</u>	<u>Net OPEB Liability as a % of Covered Payroll</u>
9/30/2021	\$ 263,892	\$ -	\$ 263,892	\$ -	\$ 6,145,484	4.29%
9/30/2020	375,559	-	375,559	-	6,251,424	6.01%
9/30/2019	214,226	-	214,226	-	5,936,404	3.61%
9/30/2018	234,081	-	234,081	-	5,670,706	4.13%
9/30/2017	234,170	-	234,170	-	5,670,706	4.13%

\* Information is presented for those years available

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

<u>Fiscal Year</u>	<u>Service Cost</u>	<u>Expected Interest Growth</u>	<u>Unexpected Investment Income</u>	<u>Demographic Experience</u>	<u>Employer Contribution</u>	<u>Employee Contribution</u>	<u>Benefit Payments &amp; Refunds</u>	<u>Administrative Expenses</u>	<u>Changes in Benefit Terms</u>	<u>Assumption Changes</u>
2020-21	\$ 12,673	\$ 9,222	\$ -	\$ (70,499)	\$ -	0.00%	\$ (17,573)	\$ -	\$ -	\$ (45,490)
2019-20	13,646	4,666	-	132,478	-	0.00%	(19,755)	-	-	30,298
2018-19	11,358	8,305	-	(36,234)	-	0.00%	(27,147)	-	-	23,863
2017-18	8,313	8,521	-	-	-	0.00%	(16,923)	-	-	-

Note 1. Amortization Period

The amortization period for demographic experience and assumption changes was 9.74 years for the 2018-19 fiscal year, 9.62 years for the 2019-20 fiscal year and 9.49 years for the 2020-21 fiscal year.

\* Information is presented for those years available

# **SUPPLEMENTARY INFORMATION**

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HAMILTON COUNTY, FLORIDA

COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS

September 30, 2021

	Fine & Forfeiture	Local Housing (SHIP) Fund	Tourist Development	Public Records Modernization	Clerk's Fine & Forfeiture	Sheriff's Emerg. Mgt.	Sheriff's Inmate Welfare	Sheriff's 911 Commx	Total Nonmajor Special Revenue Funds
<b>Assets</b>									
Cash	\$ 347,306	\$ 627,131	\$ 85,822	\$ 44,915	\$ 36,590	\$ -	\$ 87,675	\$ 716,574	\$ 1,946,013
Accounts receivable	-	-	-	-	-	-	1,525	-	1,525
Interfund receivables	3,617	-	-	-	-	-	-	3,582	7,199
Due from other governmental units	-	-	2,505	-	7,085	38,806	-	-	48,396
<b>Total assets</b>	<b>\$ 350,923</b>	<b>\$ 627,131</b>	<b>\$ 88,327</b>	<b>\$ 44,915</b>	<b>\$ 43,675</b>	<b>\$ 38,806</b>	<b>\$ 89,200</b>	<b>\$ 720,156</b>	<b>\$ 2,003,133</b>
<b>Liabilities and fund balances</b>									
<b>Liabilities</b>									
Accounts payable	\$ -	\$ -	\$ 564	\$ -	\$ 9	\$ 1	\$ -	\$ -	\$ 574
Interfund payables	-	-	-	-	-	38,805	-	-	38,805
Due to other governmental units	-	-	-	-	43,666	-	-	-	43,666
Other current liabilities	-	-	-	-	-	-	337	-	337
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>564</b>	<b>-</b>	<b>43,675</b>	<b>38,806</b>	<b>337</b>	<b>-</b>	<b>83,382</b>
<b>Deferred inflows of resources</b>									
Deferred grant proceeds	-	-	-	-	-	-	-	34,838	34,838
<b>Fund balances</b>									
Restricted for:									
Other purposes	350,923	627,131	87,763	44,915	-	-	88,863	685,318	1,884,913
<b>Total liabilities and fund balance</b>	<b>\$ 350,923</b>	<b>\$ 627,131</b>	<b>\$ 88,327</b>	<b>\$ 44,915</b>	<b>\$ 43,675</b>	<b>\$ 38,806</b>	<b>\$ 89,200</b>	<b>\$ 720,156</b>	<b>\$ 2,003,133</b>

HAMILTON COUNTY, FLORIDA

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

For the Year Ended September 30, 2021

	<u>Fine &amp; Forfeiture</u>	<u>Local Housing (SHIP) Fund</u>	<u>Tourist Development</u>	<u>Public Records Modernization</u>	<u>Clerk's Fine &amp; Forfeiture</u>	<u>Sheriff's Emerg. Mgt.</u>	<u>Sheriff's Inmate Welfare</u>	<u>Sheriff's 911 Commx</u>	<u>Total Nonmajor Special Revenue Funds</u>
Revenues									
Taxes	\$ -	\$ -	\$ 55,226	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 55,226
Intergovernmental revenues	-	515,965	-	-	133,864	159,433	-	81,861	891,123
Charges for services	-	-	-	22,374	190,532	-	55,303	134,033	402,242
Fines and forfeitures	39,811	-	-	-	184,665	-	109	-	224,585
Interest	135	164	29	-	69	-	108	810	1,315
Miscellaneous	<u>7</u>	<u>-</u>	<u>4,560</u>	<u>-</u>	<u>512</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,079</u>
Total revenues	<u>39,953</u>	<u>516,129</u>	<u>59,815</u>	<u>22,374</u>	<u>509,642</u>	<u>159,433</u>	<u>55,520</u>	<u>216,704</u>	<u>1,579,570</u>
Expenditures									
Current									
General government	-	-	-	8,900	-	-	-	-	8,900
Public safety	11,329	-	-	-	-	220,240	37,958	145,792	415,319
Economic environment	-	189,919	30,276	-	-	-	-	-	220,195
Court related	-	-	-	-	509,642	-	-	-	509,642
Capital outlay	-	-	-	-	-	-	-	29,468	29,468
Debt service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>11,329</u>	<u>189,919</u>	<u>30,276</u>	<u>8,900</u>	<u>509,642</u>	<u>220,240</u>	<u>37,958</u>	<u>175,260</u>	<u>1,183,524</u>

(Continued)

See notes to financial statements.

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

For the Year Ended September 30, 2021

	Fine & Forfeiture	Local Housing (SHIP) Fund	Tourist Development	Public Records Modernization	Clerk's Fine & Forfeiture	Sheriff's Emerg. Mgt.	Sheriff's Inmate Welfare	Sheriff's 911 Commx	Total Nonmajor Special Revenue Funds
Excess (deficiency) of revenues over expenditures	<u>\$ 28,624</u>	<u>\$ 326,210</u>	<u>\$ 29,539</u>	<u>\$ 13,474</u>	<u>\$ -</u>	<u>\$ (60,807)</u>	<u>\$ 17,562</u>	<u>\$ 41,444</u>	<u>\$ 396,046</u>
Other financing sources (uses)									
Interfund transfers in	-	-	-	-	-	60,807	-	-	60,807
Interfund transfers out	-	-	-	-	-	-	-	-	-
Transfers out to Constitutional Officers	<u>(3,600)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,600)</u>
Total other financing sources (uses)	<u>(3,600)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>60,807</u>	<u>-</u>	<u>-</u>	<u>57,207</u>
Net change in fund balances	25,024	326,210	29,539	13,474	-	-	17,562	41,444	453,253
Fund balances at beginning of year	<u>325,899</u>	<u>300,921</u>	<u>58,224</u>	<u>31,441</u>	<u>-</u>	<u>-</u>	<u>71,301</u>	<u>643,874</u>	<u>1,431,660</u>
Fund balances at end of year	<u>\$ 350,923</u>	<u>\$ 627,131</u>	<u>\$ 87,763</u>	<u>\$ 44,915</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 88,863</u>	<u>\$ 685,318</u>	<u>\$ 1,884,913</u>

HAMILTON COUNTY, FLORIDA

COMBINING STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS

September 30, 2021

	Custodial Funds						Totals
	Registry of Courts	Bond Estreatures	Clerk's Trust	Child Support	Sheriff Inmate Custodial	Tax Collector Tax and Fees Custodial	
<b>Assets</b>							
Cash	\$ 57,538	\$ 145,090	\$ 492,206	\$ -	\$ 5,569	\$ 138,928	\$ 839,331
Due from individuals	-	-	-	-	-	6	6
Total assets	<u>57,538</u>	<u>145,090</u>	<u>492,206</u>	<u>-</u>	<u>5,569</u>	<u>138,934</u>	<u>839,337</u>
<b>Liabilities</b>							
Due to other governments:							
Hamilton County Board of County Commissioners	-	-	4,185	-	-	485	4,670
Other governmental units	-	-	1,867	-	-	129,076	130,943
State of Florida	-	-	368,540	-	-	3,295	371,835
Due to individuals	-	-	-	-	-	6,078	6,078
Total liabilities	<u>-</u>	<u>-</u>	<u>374,592</u>	<u>-</u>	<u>-</u>	<u>138,934</u>	<u>513,526</u>
<b>Fiduciary net position</b>							
Held for others	<u>\$ 57,538</u>	<u>\$ 145,090</u>	<u>\$ 117,614</u>	<u>\$ -</u>	<u>\$ 5,569</u>	<u>\$ -</u>	<u>\$ 325,811</u>

HAMILTON COUNTY, FLORIDA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS

For the Year Ended September 30, 2021

	Custodial Funds						Totals
	Registry of Courts	Bond Estreatures	Clerk's Trust	Child Support	Sheriff Inmate Custodial	Tax Collector Tax and Fees Custodial	
<b>Additions</b>							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,140,889	\$ 17,140,889
Fines and forfeits	-	-	1,962,526	-	-	-	1,962,526
Deposits (tax deeds)	-	-	309,218	-	-	-	309,218
Fees	-	-	-	898	-	2,485,406	2,486,304
Other fees and collections	-	-	89,182	63,212	145,016	-	297,410
Registry deposits	181,249	-	-	-	-	-	181,249
Bonds - bail, cash, and forfeiture	-	152,888	-	-	-	-	152,888
Interest	-	-	-	-	-	628	628
Total additions	<u>181,249</u>	<u>152,888</u>	<u>2,360,926</u>	<u>64,110</u>	<u>145,016</u>	<u>19,626,923</u>	<u>22,531,112</u>
<b>Deductions</b>							
Distributions							
Other governments	326,881	-	1,929,257	64,110	-	17,135,147	19,455,395
Tax deeds	-	-	287,490	-	-	-	287,490
Individuals and other	152,157	-	93,576	-	87,672	-	333,405
Bonds	-	34,471	-	-	-	-	34,471
Fees	-	-	-	-	-	2,491,776	2,491,776
Commissary sales	-	-	-	-	55,121	-	55,121
Total deletions	<u>479,038</u>	<u>34,471</u>	<u>2,310,323</u>	<u>64,110</u>	<u>142,793</u>	<u>19,626,923</u>	<u>22,657,658</u>
Changes in net position	(297,789)	118,417	50,603	-	2,223	-	(126,546)
Net position - beginning (as restated)	<u>355,327</u>	<u>26,673</u>	<u>67,011</u>	<u>-</u>	<u>3,346</u>	<u>-</u>	<u>452,357</u>
Net position - ending	<u>\$ 57,538</u>	<u>\$ 145,090</u>	<u>\$ 117,614</u>	<u>\$ -</u>	<u>\$ 5,569</u>	<u>\$ -</u>	<u>\$ 325,811</u>



**HAMILTON COUNTY, FLORIDA**

**BUDGETARY COMPARISON SCHEDULE  
FINE AND FORFEITURE FUND**

For the Year Ended September 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Budgetary/actual fund balance	\$ 283,996	\$ 283,996	\$ 325,899	\$ 41,903
Estimated receipts				
Fines and forfeits				
Judgments and fines	7,500	7,500	7,051	(449)
Other fines and/or forfeits	20,500	20,500	32,760	12,260
Miscellaneous revenues				
Interest	1,000	1,000	135	(865)
Miscellaneous	<u>          -</u>	<u>          -</u>	<u>          7</u>	<u>          7</u>
Total estimated receipts and balances	<u>312,996</u>	<u>312,996</u>	<u>365,852</u>	<u>52,856</u>
Appropriations				
Public safety				
Emergency services				
Operating expenditures	-	-	11,329	(11,329)
Other financing uses				
Interfund transfers out	-	-	3,600	(3,600)
Reserves	<u>312,996</u>	<u>312,996</u>	<u>          -</u>	<u>312,996</u>
Total appropriations	<u>312,996</u>	<u>312,996</u>	<u>14,929</u>	<u>298,067</u>
Fund balance at end of year	<u>\$          -</u>	<u>\$          -</u>	<u>\$ 350,923</u>	<u>\$ 350,923</u>

**HAMILTON COUNTY, FLORIDA**

**BUDGETARY COMPARISON SCHEDULE  
LOCAL HOUSING ASSISTANCE (SHIP) TRUST FUND**

For the Year Ended September 30, 2021

	Original <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>	Variance with Final Budget Positive <u>(Negative)</u>
Budgetary fund balance	\$ 242,434	\$ 242,434	\$ 300,921	\$ 58,487
Estimated receipts				
Intergovernmental revenue				
Federal Grants	-	-	165,965	165,965
Local Housing Assistance Program	350,000	350,000	350,000	-
Miscellaneous revenues				
Interest	400	400	164	(236)
Miscellaneous	-	-	-	-
Other financing sources				
Interfund transfer in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total estimated receipts and balances	<u>592,834</u>	<u>592,834</u>	<u>817,050</u>	<u>224,216</u>
Appropriations				
Economic environment				
Housing and urban development				
Operating expenditures	<u>592,834</u>	<u>592,834</u>	<u>189,919</u>	<u>402,915</u>
Other financing uses				
Interfund transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total appropriations	<u>592,834</u>	<u>592,834</u>	<u>189,919</u>	<u>402,915</u>
Budgetary fund balance at year end	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 627,131</u>	<u>\$ 627,131</u>

**HAMILTON COUNTY, FLORIDA**

**BUDGETARY COMPARISON SCHEDULE  
TOURIST DEVELOPMENT FUND**

For the Year Ended September 30, 2021

	<u>Original</u> <u>Budget</u>	<u>Final</u> <u>Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Budgetary fund balance	\$ 39,205	\$ 39,205	\$ 58,224	\$ 19,019
Estimated receipts				
Taxes				
Local option tourist development tax	35,000	35,000	55,226	20,226
Intergovernmental revenue	10,000	10,000	-	(10,000)
Miscellaneous revenues				
Interest	-	-	29	29
Other miscellaneous revenues	<u>44</u>	<u>44</u>	<u>4,560</u>	<u>4,516</u>
Total estimated receipts and balances	<u>84,249</u>	<u>84,249</u>	<u>118,039</u>	<u>33,790</u>
Appropriations				
Economic environment				
Industry development				
Personal services	11,025	11,025	25,006	(13,981)
Operating expenditures	41,860	41,860	5,270	36,590
Capital outlay	1,000	1,000	-	1,000
Grants and aids	-	-	-	-
Other uses (reserves)	<u>30,364</u>	<u>30,364</u>	<u>-</u>	<u>30,364</u>
Total industry development	<u>84,249</u>	<u>84,249</u>	<u>30,276</u>	<u>23,609</u>
Budgetary fund balance at year end	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 87,763</u>	<u>\$ 57,399</u>

# **COMPLIANCE SECTION**

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

To the Honorable Board of County Commissioners  
Hamilton County, Florida

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standard* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Hamilton County, Florida, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Hamilton County, Florida's basic financial statements, and have issued my report thereon dated May 27, 2022.

**Internal Control Over Financial Reporting**

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

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

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

## **Compliance and Other Matters**

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

## **Purpose of this Report**

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



Kenneth M. Daniels  
Certified Public Accountant  
May 27, 2022

HAMILTON COUNTY, FLORIDA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

For the Year Ended September 30, 2021

Federal/State Agency Pass through Entity Federal Program/State Project	Assistance Listing/ CSFA Number	Grant/Contract Number	Award Amount	Beginning Balance 10/1/2020	Revenue	Expenditures	Transfers to Subrecipients	Ending Balance 9/30/2021
<b>Federal Financial Assistance</b>								
Department of Justice								
Florida Department of Law Enforcement								
Edward Byrne Memorial Justice Assistance Grant	16.738	2020-JAGC-HAMI-1-Y5-145	\$ 52,194	\$ -	\$ 3,363	\$ 3,363	\$ -	\$ -
Department of Treasury								
Florida Division of Emergency Management								
Coronavirus Relief Fund	21.019	Y2312	2,409,913	-	425,476	425,476	-	-
Florida Housing Finance Corporation								
Coronavirus Relief Fund	21.019	057-2020	175,000	-	165,965	165,965	-	-
Total Coronavirus Relief Fund		Total 21.019	2,584,913	-	591,441	591,441	-	-
Department of Housing and Urban Development								
Florida Department of Economic Opportunity								
Community Development Block Grant	14.228	19DB-ON-03-34-01-H09/H2373	700,000	-	274,639	274,639	-	-
Department of Homeland Security								
Florida Division of Emergency Management								
Emergency Management Performance Grants	97.042	G0184	43,860	-	43,860	43,860	-	-
Emergency Management Performance Grants	97.042	G0232	43,891	-	20,647	20,647	-	-
Total Emergency Management Performance Grants		Total 97.042	87,751	-	64,507	64,507	-	-
United States Department of Health and Human Services								
Florida Department of Revenue								
Child Support Enforcement	93.563	COC24	156,283	-	156,283	156,283	-	-
Election Assistance Commission								
Florida Department of State								
Help America Vote Act	90.401	2019-2020-001	55,294	-	5,140	5,140	-	-
Help America Vote Act	90.404	MOA 2021-001-HAM	71,665	-	70,091	70,091	-	9,522
<b>Total federal assistance</b>			<u>3,708,100</u>	<u>-</u>	<u>1,165,464</u>	<u>1,165,464</u>	<u>-</u>	<u>9,522</u>
<b>State Financial Assistance</b>								
Executive Office of the Governor								
Division of Emergency Management								
Emergency Management Programs	31.063	A0140	105,806	-	76,767	76,767	-	-
Emergency Management Programs	31.063	A0199	105,806	-	18,159	18,159	-	-
Total Emergency Management Programs		Total 31.063	211,612	-	94,926	94,926	-	-

(Continued)  
See notes to schedule.



HAMILTON COUNTY, FLORIDA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

For the Year Ended September 30, 2021

Federal/State Agency Pass through Entity Federal Program/State Project	Assistance Listing/ CSFA Number	Grant/Contract Number	Award Amount	Beginning Balance 10/1/2020	Revenue	Expenditures	Transfers to Subrecipients	Ending Balance 9/30/2021
Florida Department of Transportation								
Small County Road Assistance Program	55.016	435585-2-54-01/G1D52	\$ 3,750,000	\$ -	\$ 2,339,428	\$ 2,339,428	\$ -	\$ -
Small County Outreach Program	55.009	438172-1-54-01/G1261	3,450,000	-	21,670	21,670	-	-
Small County Outreach Program	55.009	434595-2-54-01/G1F57	2,750,000	-	26,350	26,350	-	-
Total Small County Outreach Program		Total 55.009	6,200,000	-	48,020	48,020	-	-
Florida Housing Finance Corporation								
State Housing Initiatives Partnership (SHIP) Program	40.901	-	350,000	-	350,000	23,954	-	-
Florida Department of Management Services								
Wireless 911 Emergency Telephone System	72.001	20-10-07	63,081	-	63,081	63,081	-	-
Florida Department of Management Services								
Prepaid Next Generation 911 (NG911) Program	72.003	S15-20-06-06	52,250	-	18,779	18,779	-	-
Florida Department of Highway Safety and Motor Vehicles								
Florida Arts License Plates Project	76.041	-	60	-	60	60	-	-
Florida Department of Environmental Protection								
Small County Consolidated Grants	37.012	SC112	114,557	-	114,557	114,557	-	-
Florida Department of State and Secretary of State								
State Aid to Libraries	45.030	0L146	218,051	-	218,051	218,051	-	-
<b>Total state financial assistance</b>			<u>10,959,611</u>	-	<u>3,246,902</u>	<u>2,920,856</u>	-	-
<b>Total financial assistance</b>			<u>\$ 14,667,711</u>	<u>\$ -</u>	<u>\$ 4,412,366</u>	<u>\$ 4,086,320</u>	<u>\$ -</u>	<u>\$ 9,522</u>

Notes to Schedule:

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards and state financial assistance includes the federal and state grant award activity for Hamilton County, Florida, under the programs of the federal government and State of Florida for the year ended September 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and Chapter 10.550, Rules of the Auditor General. Because the Schedule presents only a selected portion of the operations of Hamilton County, Florida, it is not intended to and does not present the financial position, changes in net assets/position, or cash flows of Hamilton County, Florida.

Note 2. Summary of Significant Accounting Policies

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

Note 3. Indirect Cost Rate

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

Note 4. Noncash Assistance

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

**KENNETH M. DANIELS**  
CERTIFIED PUBLIC ACCOUNTANT

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

To the Honorable Board of County Commissioners  
Hamilton County, Florida

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

I have audited Hamilton County, Florida's compliance with the types of compliance requirements described in the *OMB Compliance Supplement*, and the requirements described in the Department of Financial Services' *State Projects Compliance Supplement* that could have a direct and material effect on each of the Hamilton County, Florida's major federal programs and state projects for the year ended September 30, 2021. Hamilton County, Florida's major federal programs and state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

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

**Auditor's Responsibility**

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

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

## Opinion on Each Major Federal Program and State Project

In my opinion, Hamilton County, Florida, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended September 30, 2021.

## Report on Internal Control Over Compliance

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

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

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

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



Kenneth M. Daniels  
Certified Public Accountant  
May 27, 2022

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

For the Year Ended September 30, 2021

**SUMMARY OF AUDITOR'S RESULTS**

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

## **Other Issues**

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

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

### **Corrective Action Plan**

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

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**INDEPENDENT ACCOUNTANT'S REPORT**

To the Honorable Board of County Commissioners  
Hamilton County, Florida

I have examined Hamilton County, Florida's compliance with *Florida Statutes* 218.415 during the period October 1, 2020, to September 30, 2021. Management of Hamilton County is responsible for the County's compliance with the specified requirements. My responsibility is to express an opinion on Hamilton County, Florida's compliance based on my examination.

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

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

In my opinion, Hamilton County, Florida, complied in all material respects, with the specified requirements indicated above during the period October 1, 2020, to September 30, 2021.



Kenneth M. Daniels  
Certified Public Accountant  
May 27, 2022

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

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**INDEPENDENT ACCOUNTANT'S REPORT**

To the Honorable Board of County Commissioners  
Hamilton County, Florida

I have examined Hamilton County, Florida's compliance with *Florida Statutes* 365.172(10) and 365.173(2)(d) October 1, 2020, to September 30, 2021. Management of Hamilton County is responsible for the County's compliance with the specified requirements. My responsibility is to express an opinion on Hamilton County, Florida's compliance based on my examination.

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

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

In my opinion, Hamilton County, Florida, complied in all material respects, with the specified requirements indicated above during the period October 1, 2020, to September 30, 2021.



Kenneth M. Daniels  
Certified Public Accountant  
May 27, 2022

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**MANAGEMENT LETTER**

To the Honorable Board of County Commissioners  
Hamilton County, Florida

**Report on the Financial Statements**

I have audited the financial statements of Hamilton County, Florida, as of and for the fiscal year ended September 30, 2021, and have issued my report thereon dated May 27, 2022.

**Auditor's Responsibility**

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

**Other Reporting Requirements**

I have issued my Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance; and Independent Accountant's Reports on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550 *Rules of the Auditor General*. Disclosures in those reports and schedule, which is dated May 27, 2022, should be considered in conjunction with this management letter.

**Prior audit findings**

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

There were no prior year audit findings.

**Current Year Audit Finding:**

2021-001 Emergency Medical Services (EMS) Accounts Receivable



Criteria or specific requirement: The County’s EMS billed accounts should be reviewed monthly for additional billing efforts, submission to collections, or write-off.

Condition: A significant increase in the County’s EMS receivables occurred across all aged categories with the exception of the current amounts. See below.

<u>Receivable Age</u>	<u>2021</u>	<u>2020</u>	<u>Change</u>
Current	\$ 96,791	\$ 102,949	\$ (6,158)
30 days	73,313	62,210	11,103
60 days	74,899	43,100	31,799
90 days	74,365	37,275	37,090
120 days	39,156	22,850	16,306
150 days	39,846	20,720	19,126
180 days	34,619	28,831	5,788
210 days	<u>139,207</u>	<u>86,813</u>	<u>52,394</u>
Total EMS Receivables	<u>\$ 572,196</u>	<u>\$ 404,749</u>	<u>\$ 167,447</u>

Cause: Insufficient review during the fiscal year ending September 30, 2021, at the individual billed account level.

Effect or potential effect: Possible loss of funds.

Context: Analytical audit procedures on EMS receivables, calls, billings per call, collections per call, and collection rate per call.

Recommendation: Review the billing agency’s monthly billings and collections. Determine if the billed information is correct. If not, advise billing agency of corrections. At least bi-annually, report the receivable amounts to County Management for further review and approval.

### **Official Title and Legal Authority**

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

### **Financial Condition and Management**

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

Pursuant to Sections 10.554(1)(i)5. b. and 10.556(8), *Rules of the Auditor General*, I applied financial condition assessment procedures. It is management’s responsibility to monitor Hamilton County’s financial condition, and my financial condition assessment was based in part on

representations made by management and the review of financial information provided by same. The financial condition assessment was performed as of September 30, 2021.

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

### **Special District Component Units**

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

### **Additional Matters**

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

### **Purpose of this Letter**

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



Kenneth M. Daniels  
Certified Public Accountant  
May 27, 2022

**JIMMY MURPHY**  
District 1 – Jennings  
**JOSH SMITH**  
District 2 – Jasper  
**ROBERT E. BROWN**  
District 3 – Jasper  
**RANDY OGBURN**  
District 4 – White Springs  
**RICHIE MCCOY**  
District 5 - Jasper



**GREG GODWIN**  
Clerk of Courts  
**CLIFF ADAMS**  
County Attorney

207 Northeast First Street  
Room 106  
Jasper, Florida 32052  
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Office of  
**Board of County Commissioners**

May 27, 2022

Louie Goodin, County Coordinator  
Hamilton County, Florida  
1153 US Hwy 41 NW, Suite 2  
Jasper, FL 32052

RE: Response to Management Letter Audit Finding 2021-001

Mr. Daniels:

The County's response to the above referenced finding is as follows:

1. The current EMS Interim Director and staff are working through the unbilled accounts. Where billings have been corrected and forwarded, funds have been collected. Those accounts not billable will be submitted to collections for further collection efforts or written off.
2. Investigation with regards to a different billing agency is ongoing. A potential change may occur in the future.

The EMS Interim Director expects to have the old accounts reviewed and processed by fiscal year end. At that time, write-offs will occur.

We are committed to the accurate and timely billings for EMS Services as well as maximizing the EMS Collections. However, we understand that certain amounts will not be collected and must be written off. The County plans to follow previously developed protocol with regards to the billings and account write-offs.

If additional information is required, please contact me.

Sincerely,

A handwritten signature in blue ink, appearing to read "Louie Goodin", is written over a white background.

Louie Goodin  
County Coordinator

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

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**INDEPENDENT AUDITOR'S REPORT**

Honorable Clerk of the Circuit Court  
Hamilton County, Florida

**Report on the Financial Statements**

I have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the Hamilton County Clerk of the Circuit Court, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Hamilton County Clerk of the Circuit Court's financial statements, as listed in the table of contents.

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

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

**Auditor's Responsibility**

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

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

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

### **Opinions**

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of each major fund and the aggregate remaining fund information for the Hamilton County Clerk of the Circuit Court, as of September 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Change in Accounting Principle**

As discussed in Section II, Note 1 to the financial statements, in 2021 Hamilton County, Florida adopted new accounting guidance, *GASBS No. 84, Fiduciary Activities*. My opinion is not modified with respect to this matter.

### **Emphasis of Matter**

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the *Rules of the Auditor General* of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of each major fund and the aggregate remaining fund information, only for that portion of the major funds, and the aggregate remaining fund information, of Hamilton County, Florida, that is attributable to the Hamilton County Clerk of the Circuit Court. They do not purport to, and do not, present fairly the financial position of Hamilton County, Florida, as of September 30, 2021, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. My opinion is not modified with respect to these matters.

### **Other Matters**

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the budgetary comparison information in Section III pages 13-17 be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the financial statements, and other knowledge I obtained during my audit of the financial statements. I do not express an opinion or provide any assurance on the information

because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

### **Supplementary Information**

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Hamilton County Clerk of the Circuit Court's financial statements. The Combining Statement of Fiduciary Net Position – Fiduciary Funds and Combining Statement of Changes in Fiduciary Net Position – Fiduciary Funds are presented for purposes of additional analysis and are not a required part of the financial statements. The Combining Statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the Combining Statement of Fiduciary Net Position – Fiduciary Funds and Combining Statement of Changes in Fiduciary Net Position – Fiduciary Funds 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*, I have also issued my report dated May 27, 2022, on my consideration of the Hamilton County Clerk of the Circuit Court's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters included under the heading Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Hamilton County Clerk of the Circuit Court's internal control over financial reporting and compliance.



Kenneth M. Daniels  
Certified Public Accountant  
May 27, 2022

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# **FINANCIAL STATEMENTS**



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

**BALANCE SHEET  
GOVERNMENTAL FUNDS**

September 30, 2021

	General <u>Fund</u>	Public Records Modernization <u>Trust Fund</u>	Fine & Forfeiture <u>Fund</u>	Total Governmental <u>Funds</u>
<b>Assets</b>				
Cash	\$ 52,826	\$ 44,915	\$ 36,590	\$ 134,331
Accounts receivable	646	-	-	646
Due from other governmental units				
State of Florida	<u>30,654</u>	<u>-</u>	<u>7,085</u>	<u>37,739</u>
<b>Total assets</b>	<u><u>\$ 84,126</u></u>	<u><u>\$ 44,915</u></u>	<u><u>\$ 43,675</u></u>	<u><u>\$ 172,716</u></u>
<b>Liabilities and fund balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 51	\$ -	\$ 9	\$ 60
Due to other governmental units				
Due to HCBCC - General Fund	83,488	-	-	83,488
Due to State of Florida	320	-	43,666	43,986
Other current liabilities	<u>267</u>	<u>-</u>	<u>-</u>	<u>267</u>
<b>Total liabilities</b>	<u><u>84,126</u></u>	<u><u>-</u></u>	<u><u>43,675</u></u>	<u><u>127,801</u></u>
<b>Fund balances</b>				
Restricted - public records modernization	<u>-</u>	<u>44,915</u>	<u>-</u>	<u>44,915</u>
<b>Total liabilities and fund balances</b>	<u><u>\$ 84,126</u></u>	<u><u>\$ 44,915</u></u>	<u><u>\$ 43,675</u></u>	<u><u>\$ 172,716</u></u>

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

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

For the Year Ended September 30, 2021

	General <u>Fund</u>	Public Records Modernization <u>Trust Fund</u>	Fine & Forfeiture <u>Fund</u>	Total Governmental <u>Funds</u>
Revenues				
Intergovernmental revenue				
Federal grant	\$ 156,283	\$ -	\$ -	\$ 156,283
Article V Trust Fund	-	-	133,864	133,864
Other local grant	-	-	-	-
Charges for services				
General government	52,812	22,374	-	75,186
Court related	-	-	190,532	190,532
Fines and forfeits				
Fines	-	-	184,665	184,665
Miscellaneous				
Interest	188	-	69	257
Other miscellaneous	14,356	-	512	14,868
Total revenues	<u>223,639</u>	<u>22,374</u>	<u>509,642</u>	<u>755,655</u>
Expenditures				
Current				
General government				
Financial and administrative				
Personal services	424,634	-	-	424,634
Operating expenditures	53,074	-	-	53,074
Other general governmental services				
Personal services	62,076	-	-	62,076
Operating expenditures	43,627	8,900	-	52,527
Court related expenditures				
General administration				
Clerk of Court administration (604)				
Personal services	-	-	147,993	147,993
Operating expenditures	-	-	10,602	10,602
Jury management (608)				
Personal services	-	-	4,206	4,206
Operating expenditures	-	-	3,305	3,305
Circuit Court - Criminal (614)				
Clerk of Court				
Personal services	-	-	65,493	65,493
Operating expenditures	-	-	3,887	3,887
Expert Witness Fees				
Operating expenditures	-	-	213	213
Circuit Court - Civil				
Clerk of Court				
Personal services	-	-	24,872	24,872
Operating expenditures	-	-	1,538	1,538
Circuit Court - Family				
Clerk of Court				
Personal services	-	-	43,089	43,089
Operating expenditures	-	-	2,453	2,453
Circuit Court - Juvenile				
Clerk of Court				
Personal services	-	-	36,722	36,722
Operating expenditures	-	-	2,124	2,124

(Continued)

See notes to financial statements.

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

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

For the Year Ended September 30, 2021

	General <u>Fund</u>	Public Records Modernization <u>Trust Fund</u>	Fine & Forfeiture <u>Fund</u>	Total Governmental <u>Funds</u>
Expenditures - Court related (continued)				
Circuit Court - Probate				
Clerk of Court				
Personal services	\$ -	\$ -	\$ 7,184	\$ 7,184
Operating expenditures	-	-	490	490
County Court - Criminal				
Clerk of Court				
Personal services	-	-	41,647	41,647
Operating expenditures	-	-	2,291	2,291
County Court - Civil				
Clerk of Court				
Personal services	-	-	27,962	27,962
Operating expenditures	-	-	1,796	1,796
County Court - Traffic				
Clerk of Court				
Personal services	-	-	76,869	76,869
Operating expenditures	-	-	4,906	4,906
Capital outlay				
General government				
Financial and administrative	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>583,411</u>	<u>8,900</u>	<u>509,642</u>	<u>1,101,953</u>
Excess (deficiency) of revenues over expenditures				
	(359,772)	13,474	-	(346,298)
Other financing sources in (out)				
Interfund transfer HCBC	<u>359,772</u>	<u>-</u>	<u>-</u>	<u>359,772</u>
Net change in fund balances	-	13,474	-	13,474
Fund balances at beginning of year	<u>-</u>	<u>31,441</u>	<u>-</u>	<u>31,441</u>
Fund balances at end of year	<u>\$ -</u>	<u>\$ 44,915</u>	<u>\$ -</u>	<u>\$ 44,915</u>

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

**STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUND**

September 30, 2021

	Custodial Fund
<b>Assets</b>	
Cash	<u>\$ 694,834</u>
<b>Liabilities</b>	
Due to other governments:	
Hamilton County Board of County Commissioners	4,185
Other governmental units	1,867
State of Florida	<u>368,540</u>
Total liabilities	<u>374,592</u>
<b>Fiduciary net position</b>	
Held for others	<u>\$ 320,242</u>

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

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUND**

For the Year Ended September 30, 2021

	<u>Custodial Fund</u>
<b>Additions</b>	
Fines and forfeits	
State of Florida	\$ 65,607
Hamilton County, Florida	1,868,062
Municipalities	16,798
Hamilton County School District	12,059
Deposits (tax deeds)	309,218
Clerk fees	898
Other fees and collections	152,394
Registry deposits	181,249
Bonds - bail, cash, and forfeiture	<u>152,888</u>
Total additions	<u>2,759,173</u>
 <b>Deductions</b>	
Fines and forfeits distributed to:	
State of Florida	1,897,316
Hamilton County, Florida	65,848
Municipalities	17,900
Hamilton County School District	12,303
Deposits distributed (tax deeds)	287,490
Distributions to individuals and others	245,733
Distributions of unclaimed funds (State of Florida)	326,881
Distributions of bonds to Clerk's Trust	<u>34,471</u>
Total deletions	<u>2,887,942.00</u>
 Change in net position	 (128,769)
 Net position - beginning (as restated)	 <u>449,011</u>
Net position - ending	<u>\$ 320,242</u>

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

**NOTES TO FINANCIAL STATEMENTS**

September 30, 2021

**NOTE 1. THE REPORTING ENTITY**

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

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

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

**A. Basis of Presentation**

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

The Clerk reports the following major funds:

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

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

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

The Clerk reports the following fund type:

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

The following Fiduciary Funds are maintained:

Child Support Fund  
Registry of Court  
Bond Estreatures Fund  
Trust Fund

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

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

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

## **C. Deposits**

See Note 2 at Section II.

In accordance with GASB 34, \$4,185 of cash held in the Clerk's Fiduciary Funds was reclassified from interfund payables into cash at the government-wide financial statements.

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

At September 30, 2021, the Clerk was owed the following amounts:

<u>Fund</u>	State of <u>Florida</u>	<u>Description</u>
General	\$ 30,654	Child Support Enforcement Grant
Fine and Forfeiture	<u>7,085</u>	Jury Funds
Total	<u>\$ 37,739</u>	



## **E. Inventories**

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

## **F. Capital Assets**

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

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

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

At September 30, 2021, this balance was \$43,666 and is reported in the Clerk's Fine and Forfeiture Fund.

## **H. Compensated Absences**

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

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

**I. Change in Accounting Principle**

Governmental Accounting Standards Board Statement (GASB) No. 84: The Clerk implemented GASB 84 which improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. In implementing GASB 84, the Clerk’s Fiduciary Fund’s net position relating to the Custodial Funds was increased by \$449,011. See J below.

**J. Prior Period Adjustment**

Due to the implementation of GASB 84, the ’s Internal Fiduciary Fund’s net position was increased as follows:

	Custodial Funds				Totals
	Registry of Courts	Bond Estreatures	Clerk's Trust	Child Support	
Prior period adjustment - net position increase					
Beginning net position	\$ -	\$ -	\$ -	\$ -	\$ -
Prior period adjustment	<u>355,327</u>	<u>26,673</u>	<u>67,011</u>	-	<u>449,011</u>
Adjusted beginning net position	<u>\$ 355,327</u>	<u>\$ 26,673</u>	<u>\$ 67,011</u>	<u>\$ -</u>	<u>\$ 449,011</u>

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

See Note 12 at Section II.

**NOTE 3. INTERFUND BALANCES AND TRANSFERS**

Amounts owed by and transfers from the Hamilton County Board of County Commissioners at September 30, 2021, into the Clerk’s General Fund are as follows:

Interfund balances and Activity:

Due to Hamilton County BCC	<u>\$ 83,488</u>	Budgetary excess
Budgetary transfers from BCC General Fund	<u>\$ 359,772</u>	Budgeted transfers

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**REQUIRED SUPPLEMENTARY  
INFORMATION**

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

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

For the Year Ended September 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental revenue				
Federal grant	\$ 90,000	\$ 90,000	\$ 156,283	\$ 66,283
Charges for services				
General government	35,500	35,500	52,812	17,312
Miscellaneous				
Interest	300	300	188	(112)
Other miscellaneous	<u>8,800</u>	<u>8,800</u>	<u>14,356</u>	<u>5,556</u>
Total revenues	<u>134,600</u>	<u>134,600</u>	<u>223,639</u>	<u>89,039</u>
Expenditures				
General government				
Financial and administrative				
Personal services	388,290	388,290	424,634	(36,344)
Operating expenditures	42,255	42,255	53,074	(10,819)
Capital outlay	<u>4,800</u>	<u>4,800</u>	<u>-</u>	<u>4,800</u>
Total financial and administrative	<u>435,345</u>	<u>435,345</u>	<u>477,708</u>	<u>(42,363)</u>
Other general government services				
Personal services	57,687	57,687	62,076	(4,389)
Operating expenditures	44,828	44,828	43,627	1,201
Capital outlay	-	-	-	-
Other uses	<u>40,000</u>	<u>40,000</u>	<u>-</u>	<u>40,000</u>
Total financial and administrative	<u>142,515</u>	<u>142,515</u>	<u>105,703</u>	<u>36,812</u>
Total expenditures	<u>577,860</u>	<u>577,860</u>	<u>583,411</u>	<u>(5,551)</u>
Excess (deficiency) of revenues over expenditures	<u>(443,260)</u>	<u>(443,260)</u>	<u>(359,772)</u>	<u>83,488</u>
Other financing sources (uses)				
Interfund transfer in - HCBCC	443,260	443,260	359,772	(83,488)
Interfund transfer out - Clerk's F&F	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>443,260</u>	<u>443,260</u>	<u>359,772</u>	<u>(83,488)</u>
Net change in fund balance	-	-	-	-
Fund balances at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

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

For the Year Ended September 30, 2021

	<u>Budgeted Amounts</u>			<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>			
Budgetary fund balance, beginning	\$ -	\$ -		\$ 31,441	\$ 31,441
Resources (inflows)					
Charges for services					
General government	<u>17,000</u>	<u>17,000</u>		<u>22,374</u>	<u>5,374</u>
Total amounts available for appropriation	<u>\$ 17,000</u>	<u>\$ 17,000</u>		<u>\$ 53,815</u>	<u>\$ 36,815</u>
Charges to appropriations (outflows)					
General government					
Operating expenditures	\$ 17,000	\$ 17,000		\$ 8,900	\$ 8,100
Other uses	<u>-</u>	<u>-</u>		<u>-</u>	<u>-</u>
Total general government	<u>17,000</u>	<u>17,000</u>		<u>8,900</u>	<u>8,100</u>
Budgeted/ending reserves	<u>-</u>	<u>-</u>		<u>44,915</u>	<u>(44,915)</u>
Total appropriations and reserves	<u>\$ 17,000</u>	<u>\$ 17,000</u>		<u>\$ 53,815</u>	<u>\$ (36,815)</u>

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

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

For the Year Ended September 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive <u>(Negative)</u>
Revenues				
Intergovernmental revenue				
Article V Trust Fund	\$ 189,244	\$ 189,244	\$ 133,864	\$ (55,380)
Charges for services				
Court related	132,398	132,398	190,532	58,134
Judgments, fines, and forfeits				
Fines	188,000	188,000	184,665	(3,335)
Miscellaneous				
Interest	-	-	69	69
Other miscellaneous	-	-	512	512
Total revenues	<u>509,642</u>	<u>509,642</u>	<u>509,642</u>	<u>-</u>
Expenditures				
Court related expenditures				
General administration				
Clerk of Court administration				
Personal services	171,288	171,288	147,993	23,295
Operating expenditures	-	-	10,602	(10,602)
Jury management				
Personal services	4,043	4,043	4,206	(163)
Operating expenditures	8,885	8,885	3,305	5,580
Circuit Court - Criminal				
Clerk of Court				
Personal services	65,277	65,277	65,493	(216)
Operating expenditures	-	-	3,887	(3,887)
Expert Witness Fees				
Operating expenditures	-	-	213	(213)
Circuit Court - Civil				
Clerk of Court				
Personal services	24,793	24,793	24,872	(79)
Operating expenditures	-	-	1,538	(1,538)
Circuit Court - Family				
Clerk of Court				
Personal services	42,915	42,915	43,089	(174)
Operating expenditures	39	39	2,453	(2,414)
Circuit Court - Juvenile				
Clerk of Court				
Personal services	37,909	37,909	36,722	1,187
Operating expenditures	-	-	2,124	(2,124)
Circuit Court - Probate				
Clerk of Court				
Personal services	7,266	7,266	7,184	82
Operating expenditures	-	-	490	(490)

(Continued)

See notes to budgetary comparison schedule. Section III – Page 15



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

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

For the Year Ended September 30, 2021

Expenditures - Court related (continued)	Budgeted Amounts		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
County Court - Criminal				
Clerk of Court				
Personal services	\$ 41,636	\$ 41,636	\$ 41,647	\$ (11)
Operating expenditures	-	-	2,291	(2,291)
County Court - Civil				
Clerk of Court				
Personal services	28,482	28,482	27,962	520
Operating expenditures	-	-	1,796	(1,796)
County Court - Traffic				
Clerk of Court				
Personal services	77,109	77,109	76,869	240
Operating expenditures	-	-	4,906	(4,906)
Total expenditures	509,642	509,642	509,642	-
Excess (deficiency) of revenues over expenditures	-	-	-	-
Other financing sources (uses)				
Interfund transfer in	-	-	-	-
Net change in fund balance	-	-	-	-
Fund balances at beginning of year	-	-	-	-
Fund balances at end of year	\$ -	\$ -	\$ -	\$ -

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

**NOTES TO BUDGETARY COMPARISON SCHEDULES**

September 30, 2021

**NOTE 1. BUDGET**

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

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

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

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

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

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

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

		Public Records Modernization
Sources/inflows of resources		<u>Fund</u>
Financial statement major funds		
Total amounts available for appropriation	\$	53,815
Adjustments		
Budgetary fund balances are available for appropriation but are not considered revenue for GAAP reporting		(31,441)
Total revenues reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	\$	22,374

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

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

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# **SUPPLEMENTARY INFORMATION**

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

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

September 30, 2021

	Custodial Funds				<u>Totals</u>
	<u>Registry of Courts</u>	<u>Bond Estreatures</u>	<u>Clerk's Trust</u>	<u>Child Support</u>	
<b>Assets</b>					
Cash	<u>\$ 57,538</u>	<u>\$ 145,090</u>	<u>\$ 492,206</u>	<u>\$ -</u>	<u>\$ 694,834</u>
<b>Liabilities</b>					
Due to other governments:					
Hamilton County Board of County Commissioners	-	-	4,185	-	4,185
Other governmental units	-	-	1,867	-	1,867
State of Florida	<u>-</u>	<u>-</u>	<u>368,540</u>	<u>-</u>	<u>368,540</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>374,592</u>	<u>-</u>	<u>374,592</u>
<b>Fiduciary net position</b>					
Held for others	<u>\$ 57,538</u>	<u>\$ 145,090</u>	<u>\$ 117,614</u>	<u>\$ -</u>	<u>\$ 320,242</u>

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

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS**

For the Year Ended September 30, 2021

	Custodial Funds				<u>Totals</u>
	<u>Registry of Courts</u>	<u>Bond Estreatures</u>	<u>Clerk's Trust</u>	<u>Child Support</u>	
<b>Additions</b>					
Fines and forfeits					
State of Florida	\$ -	\$ -	\$ 65,607	\$ -	\$ 65,607
Hamilton County, Florida	-	-	1,868,062	-	1,868,062
Municipalities	-	-	16,798	-	16,798
Hamilton County School District	-	-	12,059	-	12,059
Deposits (tax deeds)	-	-	309,218	-	309,218
Clerk fees	-	-	-	898	898
Other fees and collections	-	-	89,182	63,212	152,394
Registry deposits	181,249	-	-	-	181,249
Bonds - bail, cash, and forfeiture	<u>-</u>	<u>152,888</u>	<u>-</u>	<u>-</u>	<u>152,888</u>
Total additions	<u>181,249</u>	<u>152,888</u>	<u>2,360,926</u>	<u>64,110</u>	<u>2,759,173</u>
<b>Deductions</b>					
Distributions					
State of Florida	326,881	-	1,834,104	63,212	2,224,197
Hamilton County, Florida	-	-	65,848	-	65,848
Municipalities	-	-	17,002	898	17,900
Hamilton County School District	-	-	12,303	-	12,303
Tax deeds	-	-	287,490	-	287,490
Individuals and others	152,157	-	93,576	-	245,733
Bonds	<u>-</u>	<u>34,471</u>	<u>-</u>	<u>-</u>	<u>34,471</u>
Total deletions	<u>479,038</u>	<u>34,471</u>	<u>2,310,323</u>	<u>64,110</u>	<u>2,887,942</u>
Changes in net position	(297,789)	118,417	50,603	-	(128,769)
Net position - beginning (as restated)	<u>355,327</u>	<u>26,673</u>	<u>67,011</u>	<u>-</u>	<u>449,011</u>
Net position - ending	<u>\$ 57,538</u>	<u>\$ 145,090</u>	<u>\$ 117,614</u>	<u>\$ -</u>	<u>\$ 320,242</u>

# **COMPLIANCE SECTION**



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

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

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Hamilton County Clerk of the Circuit Court, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Hamilton County Clerk of the Circuit Court's financial statements, and have issued my report thereon dated May 27, 2022.

**Internal Control Over Financial Reporting**

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

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

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

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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



Kenneth M. Daniels  
Certified Public Accountant  
May 27, 2022

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

Honorable Clerk of the Circuit Court  
Hamilton County, Florida

I have examined the Hamilton County Clerk of the Circuit Court's compliance with *Florida Statutes* 218.415 during the period October 1, 2020, to September 30, 2021. Management of the Hamilton County Clerk of the Circuit Court is responsible for the Clerk of the Circuit Court's compliance with the specified requirements. My responsibility is to express an opinion on the Hamilton County Clerk of the Circuit Court's compliance based on my examination.

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

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

In my opinion, the Hamilton County Clerk of the Circuit Court complied in all material respects, with the specified requirements indicated above during the period October 1, 2020, to September 30, 2021.



Kenneth M. Daniels  
Certified Public Accountant  
May 27, 2022

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

Honorable Clerk of the Circuit Court  
Hamilton County, Florida

I have examined the Hamilton County Clerk of the Circuit Court's compliance with *Florida Statutes* 28.35 and 28.36 during the period October 1, 2020, to September 30, 2021. Management of the Hamilton County Clerk of the Circuit Court is responsible for the Clerk of the Circuit Court's compliance with the specified requirements. My responsibility is to express an opinion on the Hamilton County Clerk of the Circuit Court's compliance based on my examination.

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

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

In my opinion, the Hamilton County Clerk of the Circuit Court complied in all material respects, with the specified requirements indicated above during the period October 1, 2020, to September 30, 2021.



Kenneth M. Daniels  
Certified Public Accountant  
May 27, 2022

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**INDEPENDENT ACCOUNTANT'S REPORT**

Honorable Clerk of the Circuit Court  
Hamilton County, Florida

I have examined the Hamilton County Clerk of the Circuit Court's compliance with *Florida Statutes* 61.181 during the period October 1, 2020, to September 30, 2021. Management of the Hamilton County Clerk of the Circuit is responsible for the Clerk of the Circuit Court's compliance with the specified requirements. My responsibility is to express an opinion on the Hamilton County Clerk of the Circuit Court's compliance based on my examination.

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

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

In my opinion, the Hamilton County Clerk of the Circuit Court complied in all material respects, with the specified requirements indicated above during the period October 1, 2020, to September 30, 2021.



Kenneth M. Daniels  
Certified Public Accountant  
May 27, 2022

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**MANAGEMENT LETTER**

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

**Report on the Financial Statements**

I have audited the financial statements of the Hamilton County Clerk of the Circuit Court, as of and for the fiscal year ended September 30, 2021, and have issued my report thereon dated May 27, 2022.

**Auditor's Responsibility**

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

**Other Reporting Requirements**

I have issued my Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Reports on examinations conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550 *Rules of the Auditor General*. Disclosures in those reports, which are dated May 27, 2022, should be considered in conjunction with this management letter.

**Prior Audit Findings**

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

**Official Title and Legal Authority**

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

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

### **Financial Management**

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

### **Additional Matters**

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

### **Purpose of this Letter**

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



Kenneth M. Daniels  
Certified Public Accountant  
May 27, 2022



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**INDEPENDENT AUDITOR'S REPORT**

Honorable Property Appraiser  
Hamilton County, Florida

**Report on the Financial Statements**

I have audited the accompanying financial statements of the major fund of the Hamilton County Property Appraiser, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Hamilton County Property Appraiser's financial statements, as listed in the table of contents.

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

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

**Auditor's Responsibility**

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

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

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

### **Opinions**

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the major fund for the Hamilton County Property Appraiser, as of September 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Emphasis of Matter**

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the *Rules of the Auditor General* of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of the major fund and only for that portion of the major funds, of Hamilton County, Florida, that is attributable to the Hamilton County Property Appraiser. They do not purport to, and do not, present fairly the financial position of Hamilton County, Florida, as of September 30, 2021, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. My opinion is not modified with respect to these matters.

### **Other Matters**

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the budgetary comparison information in Section IV pages 9-10 be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the financial statements, and other knowledge I obtained during my audit of the financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

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

In accordance with *Government Auditing Standards*, I have also issued my report dated May 27, 2022, on my consideration of the Hamilton County Property Appraiser's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters included under the heading Independent Auditor's

Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Hamilton County Property Appraiser's internal control over financial reporting and compliance.

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

Kenneth M. Daniels  
Certified Public Accountant  
May 27, 2022

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# **FINANCIAL STATEMENTS**

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**HAMILTON COUNTY, FLORIDA  
PROPERTY APPRAISER**

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

For the Year Ended September 30, 2021

	<u>General Fund</u>
Expenditures	
Current	
General government services	
Financial and administrative	
Personal services	\$ 572,829
Operating expenditures	254,275
Capital outlay	
General government services	
Financial and administrative	-
Total expenditures	<u>827,104</u>
Excess (deficiency) of revenues over expenditures	(827,104)
Other financing sources	
Interfund transfers in - HCBCC	<u>827,104</u>
Net change in fund balance	-
Fund balance at beginning of year	-
Fund balance at end of year	<u>\$ -</u>

**HAMILTON COUNTY, FLORIDA  
PROPERTY APPRAISER**

**NOTES TO FINANCIAL STATEMENTS**

September 30, 2021

**NOTE 1. THE REPORTING ENTITY**

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

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

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

**A. Basis of Presentation**

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

The Property Appraiser reports the following major fund:

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

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

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

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

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

### **C. Deposits**

See Note 2 at Section II.

### **D. Inventories**

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

### **E. Capital Assets**

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

### **F. Compensated Absences**

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

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

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

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

See Note 12 at Section II.

**NOTE 3. INTERFUND ACTIVITY**

Transfers from the Hamilton County Board of County Commissioners at September 30, 2021, were as follows:

\$827,104 Budgetary transfers

The Property Appraiser returned \$117,605 in excess budget transfers post year end. The amount was due to the Board of County Commissioners at September 30, 2021.

**NOTE 4. COMMITMENTS**

At September 30, 2021, the Property Appraiser has the following agreement with the Government Software Assurance Corporation: the purchase of a Computer Assisted Mass Appraisal (CAMA) System Software License and associated professional services. The licenses are as follows: real estate appraisal, personal property appraisal, sales ratios, tax roll processing, hearing management (Value Adjustment Board), table maintenance, and user security. Professional services include the following: data conversion, project management, integration, reporting, training, and maintenance.

Project fees were paid quarterly in the amount of \$25,051 (eight quarterly payments totaling \$200,406). At September 30, 2021, the total indicated had been paid. The system was operational.

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

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

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**REQUIRED SUPPLEMENTARY  
INFORMATION**

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**HAMILTON COUNTY, FLORIDA  
PROPERTY APPRAISER**

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

For the Year Ended September 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues				
Charges for services				
County officer fees	\$ -	\$ -	\$ -	\$ -
Expenditures				
General Government Services				
Personal services	572,835	572,835	572,829	6
Operating expenditures	339,385	339,385	254,275	85,110
Capital Outlay	-	-	-	-
Other uses	<u>14,000</u>	<u>14,000</u>	<u>-</u>	<u>14,000</u>
Total expenditures	<u>926,220</u>	<u>926,220</u>	<u>827,104</u>	<u>99,116</u>
Excess (deficiency) of revenues over expenditures	<u>(926,220)</u>	<u>(926,220)</u>	<u>(827,104)</u>	<u>99,116</u>
Other financing sources (uses)				
Transfers from HCBCC General Fund	<u>926,220</u>	<u>926,220</u>	<u>827,104</u>	<u>(99,116)</u>
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



**HAMILTON COUNTY, FLORIDA  
PROPERTY APPRAISER**

**NOTES TO BUDGETARY COMPARISON SCHEDULE**

September 30, 2021

**NOTE 1. BUDGET**

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

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

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

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

The Property Appraiser made no supplemental budgetary amendments between object level codes during the year ended September 30, 2021.

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

# **COMPLIANCE SECTION**

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

To the Honorable Property Appraiser  
Hamilton County, Florida

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Hamilton County Property Appraiser, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Hamilton County Property Appraiser's financial statements, and have issued my report thereon dated May 27, 2022.

**Internal Control Over Financial Reporting**

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

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

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

## **Compliance and Other Matters**

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

## **Purpose of this Report**

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



Kenneth M. Daniels  
Certified Public Accountant  
May 27, 2022

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

Honorable Property Appraiser  
Hamilton County, Florida

I have examined the Hamilton County Property Appraiser's compliance with *Florida Statutes* 218.415 during the period October 1, 2020, to September 30, 2021. Management of the Hamilton County Property Appraiser is responsible for the Property Appraiser's compliance with the specified requirements. My responsibility is to express an opinion on Hamilton County Property Appraiser's compliance based on my examination.

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

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

In my opinion, the Hamilton County Property Appraiser complied in all material respects, with the specified requirements indicated above during the period October 1, 2020, to September 30, 2021.



Kenneth M. Daniels  
Certified Public Accountant  
May 27, 2022

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

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**MANAGEMENT LETTER**

The Honorable Property Appraiser  
Hamilton County, Florida

**Report on the Financial Statements**

I have audited the financial statements of the Hamilton County Property Appraiser, as of and for the fiscal year ended September 30, 2021, and have issued my report thereon dated May 27, 2022.

**Auditor's Responsibility**

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

**Other Reporting Requirements**

I have issued my Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550 *Rules of the Auditor General*. Disclosures in those reports, which are dated May 27, 2022, should be considered in conjunction with this management letter.

**Prior Audit Findings**

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

**Official Title and Legal Authority**

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

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

### **Financial Management**

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

### **Additional Matters**

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

### **Purpose of this Letter**

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



Kenneth M. Daniels  
Certified Public Accountant  
May 27, 2022



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

Honorable Sheriff  
Hamilton County, Florida

**Report on the Financial Statements**

I have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the Hamilton County Sheriff, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Hamilton County Sheriff's financial statements, as listed in the table of contents.

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

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

**Auditor's Responsibility**

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

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

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

### **Opinions**

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of each major fund and the aggregate remaining fund information for the Hamilton County Sheriff, as of September 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Change in Accounting Principle**

As discussed in Section II, Note 1 to the financial statements, in 2021 Hamilton County, Florida adopted new accounting guidance, *GASBS No. 84, Fiduciary Activities*. My opinion is not modified with respect to this matter.

### **Emphasis of Matter**

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the *Rules of the Auditor General* of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of each major fund and the aggregate remaining fund information, only for that portion of the major funds, and the aggregate remaining fund information, of Hamilton County, Florida, that is attributable to the Hamilton County Sheriff. They do not purport to, and do not, present fairly the financial position of Hamilton County, Florida, as of September 30, 2021, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. My opinion is not modified with respect to these matters.

### **Other Matters**

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the budgetary comparison information in Section V pages 14-19 be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the financial statements, and other knowledge I obtained during my audit of the financial statements. I do not express an opinion or provide any assurance on the information

because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

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

In accordance with *Government Auditing Standards*, I have also issued my report dated May 27, 2022, on my consideration of the Hamilton County Sheriff's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters included under the heading Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Hamilton County Sheriff's internal control over financial reporting and compliance.



Kenneth M. Daniels  
Certified Public Accountant  
May 27, 2022

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# **FINANCIAL STATEMENTS**

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**HAMILTON COUNTY, FLORIDA  
SHERIFF**

**BALANCE SHEET  
GOVERNMENTAL FUNDS**

9/30/202021

	General Fund	Emergency Management Fund	Inmate Welfare Fund	911 Communications Fund	Total Governmental Funds
<b>Assets</b>					
<b>Current assets</b>					
Cash	\$ 60,378	\$ -	\$ 87,675	\$ 716,574	\$ 864,627
Accounts receivable	32,539		1,525	-	34,064
Interfund receivables	31,812	-	-	-	31,812
Due from other governmental units					
HCBC - General Fund	-	-	-	3,582	3,582
State of Florida	-	38,806	-	-	38,806
Prepaid items	<u>80,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>80,000</u>
Total assets	<u>\$ 204,729</u>	<u>\$ 38,806</u>	<u>\$ 89,200</u>	<u>\$ 720,156</u>	<u>\$ 1,052,891</u>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
<b>Current liabilities</b>					
Accounts payable	\$ 111,572	\$ 1	\$ -	\$ -	\$ 111,573
Payroll withholding	9	-	-	-	9
Interfund payables	-	31,812	-	-	31,812
Due to other governmental units					
HCBC - General Fund	93,103	6,993	-	-	100,096
Other current liabilities	<u>45</u>	<u>-</u>	<u>337</u>	<u>-</u>	<u>382</u>
Total liabilities	<u>204,729</u>	<u>38,806</u>	<u>337</u>	<u>-</u>	<u>243,872</u>
<b>Deferred inflows of resources</b>					
Deferred grant proceeds	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,838</u>	<u>34,838</u>
<b>Fund balances</b>					
<b>Restricted for:</b>					
Other purposes	<u>-</u>	<u>-</u>	<u>88,863</u>	<u>685,318</u>	<u>774,181</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 204,729</u>	<u>\$ 38,806</u>	<u>\$ 89,200</u>	<u>\$ 720,156</u>	<u>\$ 1,052,891</u>



**HAMILTON COUNTY, FLORIDA  
SHERIFF**

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

For the Year Ended September 30, 2021

	General <u>Fund</u>	Emergency Management <u>Fund</u>	Inmate Welfare <u>Fund</u>	911 Communications <u>Fund</u>	Total Governmental <u>Funds</u>
<b>Revenues</b>					
Intergovernmental	\$ 41,970	\$ 159,433	\$ -	\$ 81,861	\$ 283,264
Charges for services	-	-	55,303	134,033	189,336
Fines and forfeits	-	-	109	-	109
Interest	-	-	108	810	918
Miscellaneous revenues	225,118	-	-	-	225,118
<b>Total revenues</b>	<u>267,088</u>	<u>159,433</u>	<u>55,520</u>	<u>216,704</u>	<u>698,745</u>
<b>Expenditures</b>					
<b>Current</b>					
Public safety					
Law enforcement					
Personal services	2,076,472	-	-	-	2,076,472
Operating expenditures	524,748	-	-	-	524,748
Corrections					
Personal services	1,827,830	-	-	-	1,827,830
Operating expenditures	657,546	-	37,958	-	695,504
Emergency services					
Emergency management					
Personal services	-	124,997	-	-	124,997
Operating expenditures	-	61,237	-	-	61,237
911 Mapping					
Personal services	-	27,618	-	-	27,618
Operating expenditures	-	6,388	-	-	6,388
Emergency communications					
Personal services	592,295	-	-	-	592,295
Operating expenditures	26,353	-	-	145,792	172,145
Courts - General Operations					
Courthouse security					
Personal services	12,472	-	-	-	12,472
Operating expenditures	2,010	-	-	-	2,010
<b>Capital outlay</b>					
Public safety					
Law enforcement					
Capital outlay	166,527	-	-	-	166,527
Corrections					
Capital outlay	-	-	-	-	-

(Continued)

See notes to financial statements.

**HAMILTON COUNTY, FLORIDA  
SHERIFF**

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

For the Year Ended September 30, 2021

	General <u>Fund</u>	Emergency Management <u>Fund</u>	Inmate Welfare <u>Fund</u>	911 Communications <u>Fund</u>	Total Governmental <u>Funds</u>
Expenditures (continued)					
Emergency services					
Emergency Management					
Capital outlay	\$ -	\$ -	\$ -	\$ -	\$ -
Emergency commx					
Capital outlay	-	-	-	29,468	29,468
Total expenditures	<u>5,886,253</u>	<u>220,240</u>	<u>37,958</u>	<u>175,260</u>	<u>6,319,711</u>
Excess (deficiency) of revenues over expenditures	(5,619,165)	(60,807)	17,562	41,444	(5,620,966)
Other financing sources (uses)					
Transfers - Sheriff Operating	-	-	-	-	-
Transfers in HCBCC	5,619,165	60,807	-	-	5,679,972
Total other financing sources (uses)	<u>5,619,165</u>	<u>60,807</u>	<u>-</u>	<u>-</u>	<u>5,679,972</u>
Net change in fund balances	-	-	17,562	41,444	59,006
Fund balances at beginning of year	-	-	71,301	643,874	715,175
Fund balances at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 88,863</u>	<u>\$ 685,318</u>	<u>\$ 774,181</u>

**HAMILTON COUNTY, FLORIDA  
SHERIFF**

**STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUND**

September 30, 2021

	Custodial <u>Fund</u>
<b>Assets</b>	
Cash	\$ <u>5,569</u>
<b>Liabilities</b>	
Due to individuals	<u>-</u>
<b>Fiduciary net position</b>	
Held for others	\$ <u><u>5,569</u></u>

**HAMILTON COUNTY, FLORIDA  
SHERIFF**

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUND**

For the Year Ended September 30, 2021

	Custodial <u>Fund</u>
<b>Additions</b>	
Fees and collections	
Collections from inmates	\$ 144,996
Kiosk fees	20
Total additions	<u>145,016</u>
<b>Deductions</b>	
Commissary sales	55,121
Distribution to individuals and others	
Bond fees	49,506
Miscellaneous debits	459
Indigent packs	392
Medical	4,382
Work release	7
Indigent collections	2,962
Inmate withdrawals	29,964
Total deletions	<u>142,793</u>
Change in net position	2,223
Net position - beginning (as restated)	<u>3,346</u>
Net position - ending	<u>\$ 5,569</u>

**HAMILTON COUNTY, FLORIDA  
SHERIFF**

**NOTES TO FINANCIAL STATEMENTS**

September 30, 2021

**NOTE 1. THE REPORTING ENTITY**

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

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

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

**A. Basis of Presentation**

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

The Sheriff reports the following major funds:

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

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

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

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

The Sheriff reports the following fund types:

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

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

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

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

**C. Deposits**

See Note 2 at Section II.

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

At September 30, 2021, the Sheriff was owed the following amounts:

	General Fund	Emergency Management Fund	Inmate Welfare Fund	911 Communications Fund	Total
Accounts receivable - miscellaneous	\$ 32,539	\$ -	\$ 1,525	\$ -	\$ 34,064
State of Florida - grant payments	<u>-</u>	<u>38,806</u>	<u>-</u>	<u>-</u>	<u>38,806</u>
Totals	<u>\$ 32,539</u>	<u>\$ 38,806</u>	<u>\$ 1,525</u>	<u>\$ -</u>	<u>\$ 72,870</u>

**E. Prepaid items**

Prepaid items consist of fuel purchased in advance by the Sheriff and not consumed by fiscal year end. The balance at September 30, 2021, was \$80,000.

**F. Inventories**

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

**G. Capital Assets**

The Sheriff reports purchased assets at cost. Donated fixed assets are recorded at their estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add value to the

asset or materially extend the assets' lives are not capitalized. The Sheriff's fixed asset purchases, in excess of \$5,000, are capitalized and reported at the county wide financial statement level. Details of the Sheriff's capital assets (equipment) including estimated useful lives are at Note 4 in Section II.

## **H. Compensated Absences**

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

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

## **I. Change in Accounting Principle**

Governmental Accounting Standards Board Statement (GASB) No. 84: The Sheriff implemented GASB 84 which improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. In implementing GASB 84, the Sheriff's Fiduciary Fund's net position relating to its Custodial Fund was increased by \$3,346.

See Note 1. E. in Section II for a summary of changes to net position due to the implementation of GASB 84.

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

See Note 12 at Section II.

## **NOTE 3. CONTINGENT LIABILITIES**

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

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

## **NOTE 4. RISK MANAGEMENT**

The Sheriff participates in the Florida Sheriff's Self Insurance Fund for liability and official bonding coverages. Under this insurance risk pool, the Sheriff pays annual premiums to the pool for its insurance coverages. The agreements for formation of the pool provide that the pool will be self-

sustaining through member premiums and will reinsure through commercial companies for claims in excess of specific amounts.

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

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

**NOTE 5. INTERFUND BALANCES AND ACTIVITY**

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

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>	<u>Purpose</u>
Major Funds			
Sheriff’s General Fund	\$ 31,812	\$ -	Interfund loan to fund grant expenditures
Emergency Management Fund	<u>-</u>	<u>31,812</u>	Interfund loan to fund grant expenditures
Totals	<u>\$ 31,812</u>	<u>\$ 31,812</u>	

During the year ended September 30, 2021, the Hamilton County Board of County Commissioners made budgetary transfers of \$5,619,165 to the Sheriff’s General Fund and \$60,807 to the Emergency Management Fund for grant match and 911 Mapping.

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

**NOTE 6. COMMITMENTS**

The Sheriff has entered into the following agreements:

Food Service

The Sheriff has an agreement with Eagle Food Service, Inc., for the food services at the Hamilton County Jail. The agreement began in August 2021 and remains in effect until September 2023, and can be renewed for four, one-year periods. Eagle Food Service, Inc., agrees to provide food, materials, and supplies with sufficient reserves to feed the inmate population as the Hamilton County Jail.

Inmate Telephone Services

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

Inmate Medical Care

The Sheriff has a Transfer and Service Agreement with Notami Hospitals of Florida, Inc. d/b/a Lake City Medical Center. The agreement automatically renews annually unless terminated by either party.



The Medical Center agrees to provide medical services at a discount of fifty-four percent of gross charges.

**REQUIRED SUPPLEMENTARY  
INFORMATION**

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**HAMILTON COUNTY, FLORIDA  
SHERIFF**

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

For the Year Ended September 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ -	\$ 41,970	\$ 41,970	\$ -
Miscellaneous revenues	-	225,118	225,118	-
Total revenues	<u>-</u>	<u>267,088</u>	<u>267,088</u>	<u>-</u>
Expenditures				
Public safety				
Law enforcement				
Personal services	2,101,066	2,076,473	2,076,472	1
Operating expenditures	473,947	605,748	524,748	81,000
Capital outlay	-	170,525	166,527	3,998
Grants and aids	-	-	-	-
Other uses	10,000	-	-	-
Total law enforcement	<u>2,585,013</u>	<u>2,852,746</u>	<u>2,767,747</u>	<u>84,999</u>
Corrections				
Personal services	1,893,317	1,827,830	1,827,830	-
Operating expenditures	508,553	658,943	657,546	1,397
Capital outlay	-	5,000	-	5,000
Other uses	10,000	-	-	-
Total corrections	<u>2,411,870</u>	<u>2,491,773</u>	<u>2,485,376</u>	<u>6,397</u>
Emergency communications				
Personal services	589,547	592,296	592,295	1
Operating expenditures	19,200	26,353	26,353	-
Capital outlay	2,500	-	-	-
Total emergency communications	<u>611,247</u>	<u>618,649</u>	<u>618,648</u>	<u>1</u>
Total public safety	<u>5,608,130</u>	<u>5,963,168</u>	<u>5,871,771</u>	<u>91,397</u>
Courts - General Operations				
Courthouse security				
Personal services	34,592	12,473	12,472	1
Operating expenditures	1,750	2,010	2,010	-
Capital outlay	-	-	-	-
Total courthouse security	<u>36,342</u>	<u>14,483</u>	<u>14,482</u>	<u>1</u>
Total expenditures	<u>5,644,472</u>	<u>5,977,651</u>	<u>5,886,253</u>	<u>91,398</u>

(Continued)

See notes to budgetary comparison schedule. Section V - Page 14

**HAMILTON COUNTY, FLORIDA  
SHERIFF**

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

For the Year Ended September 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Excess (deficiency) of revenues over expenditures	\$ (5,644,472)	\$ (5,710,563)	\$ (5,619,165)	\$ 91,398
Other financing sources (uses)				
Interfund transfers - Emerg Mgt.	-	-	-	-
Interfund transfers - HCBCC	<u>5,644,472</u>	<u>5,710,563</u>	<u>5,619,165</u>	<u>(91,398)</u>
Total other financing sources	<u>5,644,472</u>	<u>5,710,563</u>	<u>5,619,165</u>	<u>(91,398)</u>
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**HAMILTON COUNTY, FLORIDA  
SHERIFF**

**BUDGETARY COMPARISON SCHEDULE - INMATE WELFARE FUND**

For the Year Ended September 30, 2021

	<u>Budgeted Amounts</u>			<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>			
Budgetary fund balance, beginning	\$ 10,000	\$ 25,000	\$ 71,301	\$ 46,301	
Revenues (inflows)					
Charges for services	41,500	55,303	55,303	-	
Fines and forfeits	-	109	109	-	
Interest	100	108	108	-	
Miscellaneous revenues	-	-	-	-	
Total amounts available for appropriation	51,600	80,520	126,821	46,301	
Charges to appropriation (outflows)					
Corrections					
Operating expenditures	31,600	37,958	37,958	-	
Capital outlay	10,000	6,000	-	6,000	
Grants and aids	-	-	-	-	
Other uses	10,000	36,562	-	36,562	
Total charges to appropriations	51,600	80,520	37,958	42,562	
Budgeted reserves	-	-	-	-	
Total appropriations and reserves	51,600	80,520	37,958	42,562	
Budgetary fund balance, ending	\$ -	\$ -	\$ 88,863	\$ 88,863	

**HAMILTON COUNTY, FLORIDA  
SHERIFF**

**BUDGETARY COMPARISON SCHEDULE - 911 COMMUNICATIONS**

For the Year Ended September 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary fund balance, beginning	\$ 200,000	\$ 192,000	\$ 643,874	\$ 451,874
Resources (inflows)				
Intergovernmental	60,010	174,663	81,861	(92,802)
Charges for services	31,000	41,230	134,033	92,803
Interest	<u>2,500</u>	<u>810</u>	<u>810</u>	<u>-</u>
Total amounts available for appropriation	<u>293,510</u>	<u>408,703</u>	<u>860,578</u>	<u>451,875</u>
Charges to appropriations (outflows)				
Emergency communications				
Operating expenditures	65,500	155,792	145,792	10,000
Capital outlay	28,000	39,468	29,468	10,000
Other uses	<u>200,010</u>	<u>213,443</u>	<u>-</u>	<u>213,443</u>
Total charges to appropriations	<u>293,510</u>	<u>408,703</u>	<u>175,260</u>	<u>233,443</u>
Budgeted reserves	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total appropriations and reserves	<u>293,510</u>	<u>408,703</u>	<u>175,260</u>	<u>233,443</u>
Budgetary fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 685,318</u>	<u>\$ 685,318</u>

**HAMILTON COUNTY, FLORIDA  
SHERIFF**

**BUDGETARY COMPARISON SCHEDULE - EMERGENCY MANAGEMENT FUND**

For the Year Ended September 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 157,732	\$ 159,433	\$ 159,433	\$ -
Miscellaneous	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total amounts available for appropriation	<u>157,732</u>	<u>159,433</u>	<u>159,433</u>	<u>-</u>
Expenditures				
Emergency services				
Emergency management				
Personal services	122,479	124,998	124,997	1
Operating expenditures	55,824	64,731	61,237	3,494
Capital outlay	<u>6,629</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total emergency management	<u>184,932</u>	<u>189,729</u>	<u>186,234</u>	<u>3,495</u>
911 Mapping				
Personal services	34,100	27,618	27,618	-
Operating expenditures	4,000	9,886	6,388	3,498
Capital outlay	<u>2,500</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total 911 mapping	<u>40,600</u>	<u>37,504</u>	<u>34,006</u>	<u>3,498</u>
Total expenditures	<u>225,532</u>	<u>227,233</u>	<u>220,240</u>	<u>6,993</u>
Excess (deficiency) of revenues over expenditures	<u>(67,800)</u>	<u>(67,800)</u>	<u>(60,807)</u>	<u>6,993</u>
Other financing sources				
Interfund transfer in - HCBCC	67,800	67,800	60,807	(6,993)
Interfund transfer out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources	<u>67,800</u>	<u>67,800</u>	<u>60,807</u>	<u>(6,993)</u>
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



**HAMILTON COUNTY, FLORIDA  
SHERIFF**

**NOTES TO BUDGETARY COMPARISON SCHEDULES**

September 30, 2021

**NOTE 1. BUDGET**

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

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

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

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

	Inmate Welfare <u>Fund</u>	911 Communications <u>Fund</u>
Sources/inflows of resources		
Financial statement major funds		
Total amounts available for appropriation	\$ 126,821	\$ 860,578
Adjustments		
Budgetary fund balances are available for appropriation but are not considered revenue for GAAP reporting	(71,301)	(643,874)
Total revenues reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	\$ 55,520	\$ 216,704

# **COMPLIANCE SECTION**

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

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

To the Honorable Sheriff  
Hamilton County, Florida

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Hamilton County Sheriff, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Hamilton County Sheriff's financial statements, and have issued my report thereon dated May 27, 2022.

**Internal Control Over Financial Reporting**

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

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

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

## **Compliance and Other Matters**

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

## **Purpose of this Report**

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



Kenneth M. Daniels  
Certified Public Accountant  
May 27, 2022

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**INDEPENDENT ACCOUNTANT'S REPORT**

Honorable Sheriff  
Hamilton County, Florida

I have examined the Hamilton County Sheriff's compliance with *Florida Statutes* 218.415 during the period October 1, 2020, to September 30, 2021. Management of the Hamilton County Sheriff is responsible for the Sheriff's compliance with the specified requirements. My responsibility is to express an opinion on Hamilton County Sheriff's compliance based on my examination.

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

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

In my opinion, the Hamilton County Sheriff complied in all material respects, with the specified requirements indicated above during the period October 1, 2020, to September 30, 2021.



Kenneth M. Daniels  
Certified Public Accountant  
May 27, 2022

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

To the Honorable Sheriff  
Hamilton County, Florida

**Report on the Financial Statements**

I have audited the financial statements of the Hamilton County Sheriff, as of and for the fiscal year ended September 30, 2021, and have issued my report thereon dated May 27, 2022.

**Auditor's Responsibility**

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

**Other Reporting Requirements**

I have issued my Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550 *Rules of the Auditor General*. Disclosures in those reports, which are dated May 27, 2022, should be considered in conjunction with this management letter.

**Prior Audit Findings**

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

**Official Title and Legal Authority**

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

## **Financial Management**

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

## **Additional Matters**

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

## **Purpose of this Letter**

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



Kenneth M. Daniels  
Certified Public Accountant  
May 27, 2022



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**INDEPENDENT AUDITOR'S REPORT**

Honorable Supervisor of Elections  
Hamilton County, Florida

**Report on the Financial Statements**

I have audited the accompanying financial statements of the major fund of the Hamilton County Supervisor of Elections, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Hamilton County Supervisor of Elections' financial statements, as listed in the table of contents.

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

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

**Auditor's Responsibility**

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

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

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

### **Opinions**

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the major fund and the aggregate remaining fund information for the Hamilton County Supervisor of Elections, as of September 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Emphasis of Matter**

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the *Rules of the Auditor General* of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of the major fund and only for that portion of the major funds, of Hamilton County, Florida, that is attributable to the Hamilton County Supervisor of Elections. They do not purport to, and do not, present fairly the financial position of Hamilton County, Florida, as of September 30, 2021, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. My opinion is not modified with respect to these matters.

### **Other Matters**

#### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the budgetary comparison information in Section VI pages 9-10 be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the financial statements, and other knowledge I obtained during my audit of the financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

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

In accordance with *Government Auditing Standards*, I have also issued my report dated May 27, 2022, on my consideration of the Hamilton County Supervisor of Elections' internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations,

contracts, grant agreements and other matters included under the heading Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Hamilton County Supervisor of Elections' internal control over financial reporting and compliance.



Kenneth M. Daniels  
Certified Public Accountant  
May 27, 2022

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# **FINANCIAL STATEMENTS**

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**HAMILTON COUNTY, FLORIDA  
SUPERVISOR OF ELECTIONS**

**BALANCE SHEET  
GOVERNMENTAL FUNDS**

September 30, 2021

	<u>General Fund</u>
Assets	
Cash	<u>\$ 20,295</u>
Liabilities, deferred inflows of resources, and fund balance	
Due to other governmental units	
Hamilton County Board of County Commissioners (HCBCC)	9,290
Other current liabilities	<u>1,483</u>
Total liabilities	<u>10,773</u>
Deferred inflows of resources	
Deferred voter grant	<u>9,522</u>
Fund balance	
Unassigned	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 20,295</u>



**HAMILTON COUNTY, FLORIDA  
SUPERVISOR OF ELECTIONS**

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

For the Year Ended September 30, 2021

	<u>General Fund</u>
Federal grants	
General government - voter education	\$ 75,230
General government	
County officer fees	<u>13,503</u>
Total revenues	<u>88,733</u>
Expenditures	
Current	
General government services	
Financial and administrative	
Personal services	270,196
Operating expenditures	174,080
Capital outlay	
General government services	
Financial and administrative	<u>-</u>
Total expenditures	<u>444,276</u>
Excess (deficiency) of revenues over expenditures	(355,543)
Other financing sources	
Interfund transfers in - HCBCC	<u>355,543</u>
Net change in fund balance	-
Fund balance at beginning of year	<u>-</u>
Fund balance at end of year	<u>\$ -</u>

**HAMILTON COUNTY, FLORIDA  
SUPERVISOR OF ELECTIONS**

**NOTES TO FINANCIAL STATEMENTS**

September 30, 2021

**NOTE 1. THE REPORTING ENTITY**

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

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

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

**A. Basis of Presentation**

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

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

The Supervisor reports the following major fund:

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

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

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

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

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

### **C. Deposits**

See Note 2 at Section II.

### **D. Inventories**

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

### **E. Capital Assets**

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

### **F. Compensated Absences**

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

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

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

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

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

See Note 12 at Section II.

**NOTE 3. DEFERRED INFLOWS OF RESOURCES**

The Supervisor's balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element reflects an increase in net assets that applies to a future period. The deferred inflow of resources is for revenue (voters' grant) that is not considered available at September 30, 2021, due to the prepayment of the amount prior to being earned.

The deferred inflow of resources amount at September 30, 2021, was \$9,522.

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

**NOTE 4. INTERFUND TRANSFERS**

Transfers were made from the Hamilton County Board of County Commissioners' General Fund into the Supervisor of Elections' General Fund in the amount of \$355,543. The budgeted transfers were made in accordance with *Florida Statutes* 129.201.

Post year-end, the Supervisor returned excess budget transfers in the amount of \$9,290 to the Board of County Commissioners. The excess was owed at September 30, 2021.

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**REQUIRED SUPPLEMENTARY  
INFORMATION**

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**HAMILTON COUNTY, FLORIDA  
SUPERVISOR OF ELECTIONS**

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

For the Year Ended September 30, 2021

	Budgeted Amounts			Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Federal grants				
General government - voter education	\$ -	\$ 7,384	\$ 75,230	\$ 67,846
General government				
County officer fees	<u>-</u>	<u>18,643</u>	<u>13,503</u>	<u>5,140</u>
Total revenues	<u>-</u>	<u>26,027</u>	<u>88,733</u>	<u>72,986</u>
Expenditures				
General Government Services				
Personal services	281,380	279,858	270,196	9,662
Operating expenditures	83,445	110,994	174,080	(63,086)
Other uses	<u>1,500</u>	<u>1,500</u>	<u>-</u>	<u>1,500</u>
Total expenditures	<u>366,325</u>	<u>392,352</u>	<u>444,276</u>	<u>(51,924)</u>
Excess (deficiency) of revenues over expenditures	<u>(366,325)</u>	<u>(366,325)</u>	<u>(355,543)</u>	<u>10,782</u>
Other financing sources (uses)				
Interfund transfers - HCBCC	<u>366,325</u>	<u>366,325</u>	<u>355,543</u>	<u>(10,782)</u>
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



**HAMILTON COUNTY, FLORIDA  
SUPERVISOR OF ELECTIONS**

**NOTES TO BUDGETARY COMPARISON SCHEDULE**

September 30, 2021

**NOTE 1. Budget**

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

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

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

The legal level of budgetary control is the object level classification. The Supervisor of Elections made one supplemental budgetary appropriation for the year ended September 30, 2021.

**NOTE 2. Budget Over-expenditure**

Contrary to the legal level of budgetary control (the object level), the Supervisor over-expended operating expenditures in the amount of \$63,086 largely due to expenditures incurred for the Voter Education Grant.

# **COMPLIANCE SECTION**

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

To the Honorable Supervisor of Elections  
Hamilton County, Florida

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Hamilton County Supervisor of Elections, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Hamilton County Supervisor of Elections' financial statements, and have issued my report thereon dated May 27, 2022.

**Internal Control Over Financial Reporting**

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

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

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

## **Compliance and Other Matters**

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

## **Purpose of this Report**

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



Kenneth M. Daniels  
Certified Public Accountant  
May 27, 2022

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**INDEPENDENT ACCOUNTANT'S REPORT**

Honorable Supervisor of Elections  
Hamilton County, Florida

I have examined the Hamilton County Supervisor of Elections' compliance with *Florida Statutes* 218.415 during the period October 1, 2020, to September 30, 2021. Management of the Hamilton County Supervisor of Elections is responsible for the Supervisor of Elections' compliance with the specified requirements. My responsibility is to express an opinion on Hamilton County Supervisor of Elections' compliance based on my examination.

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

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

In my opinion, the Hamilton County Supervisor of Elections complied in all material respects, with the specified requirements indicated above during the period October 1, 2020, to September 30, 2021.



Kenneth M. Daniels  
Certified Public Accountant  
May 27, 2022

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**MANAGEMENT LETTER**

The Honorable Supervisor of Elections  
Hamilton County, Florida

**Report on the Financial Statements**

I have audited the financial statements of the Hamilton County Supervisor of Elections, as of and for the fiscal year ended September 30, 2021, and have issued my report thereon dated May 27, 2022.

**Auditor's Responsibility**

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

**Other Reporting Requirements**

I have issued my Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550 *Rules of the Auditor General*. Disclosures in those reports, which are dated May 27, 2022, should be considered in conjunction with this management letter.

**Prior Audit Findings**

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

**Official Title and Legal Authority**

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

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

### **Financial Management**

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

### **Additional Matters**

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

### **Purpose of this Letter**

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



Kenneth M. Daniels  
Certified Public Accountant  
May 27, 2022



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**INDEPENDENT AUDITOR'S REPORT**

Honorable Tax Collector  
Hamilton County, Florida

**Report on the Financial Statements**

I have audited the accompanying financial statements of the major fund and the aggregate remaining fund information of the Hamilton County Tax Collector, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Hamilton County Tax Collector's financial statements, as listed in the table of contents.

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

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

**Auditor's Responsibility**

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

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

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

### **Opinions**

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the major fund and the aggregate remaining fund information for the Hamilton County Tax Collector, as of September 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Change in Accounting Principle**

As discussed in Section II, Note 1 to the financial statements, in 2021 Hamilton County, Florida adopted new accounting guidance, *GASBS No. 84, Fiduciary Activities*. My opinion is not modified with respect to this matter.

### **Emphasis of Matter**

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the *Rules of the Auditor General* of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of the major fund and the aggregate remaining fund information, only for that portion of the major funds, and the aggregate remaining fund information, of Hamilton County, Florida, that is attributable to the Hamilton County Tax Collector. They do not purport to, and do not, present fairly the financial position of Hamilton County, Florida, as of September 30, 2021, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. My opinion is not modified with respect to these matters.

### **Other Matters**

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the budgetary comparison information in Section VII pages 11-12 be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the financial statements, and other knowledge I obtained during my audit of the financial statements. I do not express an opinion or provide any assurance on the information

because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

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

In accordance with *Government Auditing Standards*, I have also issued my report dated May 27, 2022, on my consideration of the Hamilton County Tax Collector's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters included under the heading Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Hamilton County Tax Collector's internal control over financial reporting and compliance.



Kenneth M. Daniels  
Certified Public Accountant  
May 27, 2022

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# **FINANCIAL STATEMENTS**

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**HAMILTON COUNTY, FLORIDA  
TAX COLLECTOR**

**BALANCE SHEET  
GOVERNMENTAL FUNDS**

September 30, 2021

	<u>General Fund</u>
Assets	
Cash	<u>\$          1,235</u>
Liabilities and fund balance	
Liabilities	
Due to other governmental units	
Hamilton County Board of County Commissioners (HCBCC)	\$          1,235
Fund balance - unassigned	<u>                  -</u>
Total liabilities and fund balance	<u>\$          1,235</u>



**HAMILTON COUNTY, FLORIDA  
TAX COLLECTOR**

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

For the Year Ended September 30, 2021

	<u>General Fund</u>
Revenues	
Charges for services	
General government	\$ 485,969
Miscellaneous revenues	
Interest	155
Total revenues	<u>486,124</u>
Expenditures	
Current	
General government services	
Financial and administrative	
Personal services	424,386
Operating expenditures	83,496
Capital outlay	
General government services	
Financial and administrative	41,432
Total expenditures	<u>549,314</u>
Excess (deficiency) of revenues over expenditures	(63,190)
Other financing sources	
Interfund transfers in (out) - HCBCC	<u>63,190</u>
Net change in fund balance	-
Fund balance at beginning of year	<u>-</u>
Fund balance at end of year	<u><u>\$ -</u></u>

**HAMILTON COUNTY, FLORIDA  
TAX COLLECTOR**

**STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUND**

September 30, 2021

	Custodial <u>Fund</u>
<b>Assets</b>	
Cash	\$ 138,928
Due from individuals	<u>6</u>
Total assets	<u>138,934</u>
 <b>Liabilities</b>	
Due to other governments:	
Hamilton County Board of County Commissioners	485
Other governmental units	129,076
State of Florida	3,295
Due to individuals	<u>6,078</u>
Total liabilities	<u>138,934</u>
 <b>Fiduciary net position</b>	<u>-</u>
Total net position	<u>\$ -</u>

**HAMILTON COUNTY, FLORIDA  
TAX COLLECTOR**

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUND**

For the Year Ended September 30, 2021

	<u>Custodial Fund</u>
<b>Additions</b>	
Taxes	
Taxes	\$ 16,607,136
Delinquent taxes	533,753
Fees	
State of Florida	
Fees - drivers licenses, fish and game, motor vehicle	1,330,294
Sales tax	667,998
Tax Collector fees	481,572
Miscellaneous fees	924
Hamilton County	4,618
Interest	<u>628</u>
Total additions	<u>19,626,923</u>
<b>Deductions</b>	
Distributions to other governments	
Property taxes distributed to other governments	17,134,914
Interest distributed to other governments	233
Fees distributed	
State of Florida (motor vehicle, fish and game, driver's licenses)	1,998,836
Tax Collector (ad valorem, motor vehicle, driver's licenses, other)	481,496
Hamilton County, Florida	5,151
Property taxes/fees distributed to others	5,359
Miscellaneous fees distributed	<u>934</u>
Total liabilities	<u>19,626,923</u>
Change in net position	-
Net position - beginning (as restated)	<u>-</u>
Net position - ending	<u><u>\$ -</u></u>

**HAMILTON COUNTY, FLORIDA  
TAX COLLECTOR**

**NOTES TO FINANCIAL STATEMENTS**

September 30, 2021

**NOTE 1. THE REPORTING ENTITY**

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

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

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

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

**A. Basis of Presentation**

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

The Tax Collector reports the following major fund:

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

The Tax Collector reports the following fund types:

Fiduciary Fund – This Custodial Fund accounts for monies (including fees) collected and disbursed to other governmental units and individuals.

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

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

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

## **C. Deposits**

See Note 2 at Section II.

In accordance with GASB 34, \$485 of the Tax Collector's Custodial Fund's cash was reclassified into the County's at the County-wide Financial Statement Level.

## **D. Inventories**

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

## **E. Capital Assets**

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

## **F. Compensated Absences**

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

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

## **G. Change in Accounting Principle**

Governmental Accounting Standards Board Statement (GASB) No. 84: The Tax Collector implemented GASB 84 which improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. In implementing GASB 84, the Tax Collector's Fiduciary Fund's net position required no restatement.

## **NOTE 2. INTERFUND TRANSFERS**

Transfers were made from the Hamilton County Board of County Commissioners' General Fund into the Tax Collector's General Fund in the amount of \$63,190. The budgeted transfers were made in accordance with *Florida Statutes* 145.141.

Post year-end, the Tax Collector returned \$1,235, in excess fees to the Board of County Commissioners.

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

See Note 12 at Section II.

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**REQUIRED SUPPLEMENTARY  
INFORMATION**



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**HAMILTON COUNTY, FLORIDA  
TAX COLLECTOR**

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

For the Year Ended September 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
Revenues				
Charges for services	\$ 518,166	\$ 518,166	\$ 485,969	\$ (32,197)
Miscellaneous revenues				
Interest	200	200	155	(45)
Total revenues	518,366	518,366	486,124	(32,242)
Expenditures				
General government services				
Personal services	429,081	429,081	424,386	4,695
Operating expenditures	111,853	111,853	83,496	28,357
Capital outlay	41,432	41,432	41,432	-
Total expenditures	582,366	582,366	549,314	33,052
Excess (deficiency) of revenues over expenditures	(64,000)	(64,000)	(63,190)	810
Other financing sources				
Interfund transfers in (out) - HCBCC	64,000	64,000	63,190	(810)
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ -	\$ -

**HAMILTON COUNTY, FLORIDA  
TAX COLLECTOR**

**NOTES TO BUDGETARY COMPARISON SCHEDULE**

September 30, 2021

**NOTE 1. BUDGET**

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

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

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

The Tax Collector made no supplemental budgetary appropriations during the year ended September 30, 2021.

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

# **COMPLIANCE SECTION**

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

To the Honorable Tax Collector  
Hamilton County, Florida

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Hamilton County Tax Collector, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Hamilton County Tax Collector's financial statements, and have issued my report thereon dated May 27, 2022.

**Internal Control Over Financial Reporting**

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

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

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

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Hamilton County Tax Collector's financial statements are free from material misstatement, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

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



Kenneth M. Daniels  
Certified Public Accountant  
May 27, 2022

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**INDEPENDENT ACCOUNTANT'S REPORT**

Honorable Tax Collector  
Hamilton County, Florida

I have examined the Hamilton County Tax Collector's compliance with *Florida Statutes* 218.415 during the period October 1, 2020, to September 30, 2021. Management of the Hamilton County Tax Collector is responsible for the Tax Collector's compliance with the specified requirements. My responsibility is to express an opinion on the Hamilton County Tax Collector's compliance with the specified requirements above based on my examination.

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

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

In my opinion, the Hamilton County Tax Collector complied in all material respects, with the specified requirements indicated above during the period October 1, 2020, to September 30, 2021.



Kenneth M. Daniels  
Certified Public Accountant  
May 27, 2022



**KENNETH M. DANIELS**  
CERTIFIED PUBLIC ACCOUNTANT

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**MANAGEMENT LETTER**

To the Honorable Tax Collector  
Hamilton County, Florida

**Report on the Financial Statements**

I have audited the financial statements of the Hamilton County Tax Collector, as of and for the fiscal year ended September 30, 2021, and have issued my report thereon dated May 27, 2022.

**Auditor's Responsibility**

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

**Other Reporting Requirements**

I have issued my Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550 *Rules of the Auditor General*. Disclosures in those reports, which are dated May 27, 2022, should be considered in conjunction with this management letter.

**Prior Audit Findings**

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

**Official Title and Legal Authority**

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

Note 1 in Section II. The Hamilton County Tax Collector's financial statements included no component units.

### **Financial Management**

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

### **Additional Matters**

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

### **Purpose of this Letter**

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



Kenneth M. Daniels  
Certified Public Accountant  
May 27, 2022

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