# **Holmes County, Florida** FINANCIAL STATEMENTS **September 30, 2021**

<b>Table of Contents</b>	

	Page
FINANCIAL SECTION Independent Auditors' Report	1
Management's Discussion and Analysis	4
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position	13
Statement of Activities	15
Fund Financial Statements	
Balance Sheet – Governmental Funds	16
Reconciliation of the Balance Sheet of Governmental Funds	
to the Statement of Net Position	17
Statement of Revenues, Expenditures and Changes	
in Fund Balances – Governmental Funds	18
Reconciliation of the Statement of Revenues, Expenditures and Changes	
in Fund Balances of Governmental Funds to the Statement of Activities	19
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	
General Fund	20
County Transportation Trust	22
SHIP	23
Statement of Fiduciary Net Position – Fiduciary Funds	24
Statement of Changes in Fiduciary Net Position – Fiduciary Funds	25
Notes to Financial Statements	26
Required Supplementary Information	
Schedule of Changes in Net OPEB Liability and Related Ratios	64
Schedule of Employer's Proportionate Share of the Net Pension Liability –	
Florida Retirement System Pension Plan	65
Schedule of Employer Contributions – Florida Retirement System Pension Plan	66
Schedule of Employer's Proportionate Share of the Net Pension Liability -	67
Health Insurance Subsidy Program	67

#### **Table of Contents**



	Page
Schedule of Employer Contributions – Health Insurance Subsidy Program	68
Notes to Required Supplementary Information	69
Other Supplementary Information Combining Financial Statements	
Description of Nonmajor Governmental Funds	70
Combining Balance Sheet – Nonmajor Governmental Funds	71
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	73
Description of Fiduciary Funds	75
Combining Statement of Fiduciary Net Position - Fiduciary Funds	76
Combining Statement of Changes in Fiduciary Net Position - Fiduciary Funds	77
REPORTS ON INTERNAL CONTROL AND COMPLIANCE MATTERS Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	78
Independent Auditors' Report on Compliance for Each Major Federal Program and Each Major State Project and on Internal Control Over Compliance Required by Uniform Guidance and Chapter 10.550 Rules of the Auditor General of the State of Florida	80
Schedule of Expenditures of Federal Awards and State Financial Assistance	82
Notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance	85
Schedule of Findings and Questioned Costs	87
Independent Accountants' Report on Examination of Compliance with Specified Florida Statute Sections	89
Independent Auditors' Management Letter	90



	Page
FINANCIAL STATEMENTS AND COMPLIANCE REPORTS FOR CONSTITUTIONAL OFFICERS	
Clerk of the Circuit Court	92
Property Appraiser	131
Supervisor of Elections	156
Sheriff	180
Tax Collector	215

#### **Holmes County, Florida**

#### **Principal Officers**

#### **Board of County Commissioners**

Jeff Good Brandon Newsom Phillip Music	District 2
Earl Stafford	District 4
Clint Erickson	District 5
<u>Tax Collector</u> Harry B. Bell, III	Sheriff John Tate
Property Appraiser	Supervisor of Elections

Clerk of the Circuit Court
Sam Bailey



Carr, Riggs & Ingram, LLC 1117 Boll Weevil Circle Enterprise, AL 36330

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#### INDEPENDENT AUDITORS' REPORT

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

#### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Holmes County, Florida (the "County"), as of and for the year ended September 30, 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.

#### Auditors' Responsibility

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

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

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

#### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County, as of September 30, 2021, and the respective changes in financial position and the budgetary comparison for each major fund thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Emphasis of Matter**

As discussed in Notes 1 and 9 to the financial statements, the County adopted provisions of Governmental Accounting Standards Board ("GASB") Statement No. 84, Fiduciary Activities, which required a restatement of the 2020 financial statements. Our 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 management's discussion and analysis, on pages 4 through 12, schedule of changes in net OPEB liability and related ratios, Florida Retirement System Pension Plan schedule of employer's proportionate share of net pension liability and schedule of employer contributions, and the Health Insurance Subsidy Program schedule of employer's proportionate share of net pension liability and schedule of employer contributions, on pages 64 through 69, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual nonmajor fund financial statements and combining and individual statement of fiduciary net position are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards and state financial assistance

is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal awards and Chapter 10.550, Local Governmental Entity Audits, Rules of the Auditor General State of Florida, and is not a required part of the basic financial statements.

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

#### Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 22, 2022 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Board's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Board's internal control over financial reporting and compliance.

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

err, Riggs & Ungram, L.L.C.

Enterprise, Alabama April 22, 2022

As management of Holmes County, Florida (the "County"), we offer readers of the County's financial statements this narrative overview of the financial activities of the County for the fiscal year ended September 30, 2021 compared to September 30, 2020. Our intent is to provide a brief, objective, and easily readable analysis of the County's financial performance for the year and its financial position at September 30, 2021. To obtain a complete picture of the County's financial condition, this document should be read in conjunction with the accompanying financial statements.

#### **FINANCIAL HIGHLIGHTS**

- The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at September 30, 2021 by \$58,439,980 (net position).
- Governmental Fund balances decreased \$175,801 to \$10,672,936.
- The General Fund balance decreased \$127,995 to \$4,617,466.
- General Fund revenues decreased by \$1,887,693 or 12.5%.
- The County's outstanding capital leases, notes payable and bonded debt increased \$54,521 or 2.80%.

#### **OVERVIEW OF THE FINANCIAL STATEMENTS**

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

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

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

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

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

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

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

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

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

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

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

Notes to Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 26 of this report.

#### **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The County's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$58,439,980 at September 30, 2021, an increase of \$2,789,398. This increase was primarily due to the Coronavirus Aid, Relief and Economic Security Act (the "Cares Act") funds which reimbursed the County's EMS October payroll and the American Rescue Plan Act (ARPA) funds reimbursing the County for lost revenue.

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

As of September 30,	2021	2020
Assets Current and other assets Capital assets, net	\$ 16,946,483 60,639,163	\$ 15,301,628 58,744,939
Total assets	77,585,646	74,046,567
Deferred Outflows of Resources	2,685,353	4,542,239
Liabilities  Long-term liabilities outstanding  Other liabilities	6,892,414 6,614,649	17,394,739 4,700,102
Total liabilities	13,507,063	22,094,841
Deferred Inflows of Resources	8,323,956	843,383
Net Position  Net investment in capital assets Restricted Unrestricted (deficit)	58,637,021 6,728,943 (6,925,984)	56,797,318 6,605,863 (7,752,599)
Total net position	\$ 58,439,980	\$ 55,650,582

At September 30, 2021, \$58,637,021 of the County's net position reflect its investment in capital assets (e.g. land, buildings, infrastructure, and equipment) less any related outstanding debt used to acquire those assets. This percentage reflects a 3.24% increase of net investment in capital assets from the prior year. The County uses these capital assets to provide services to citizens;

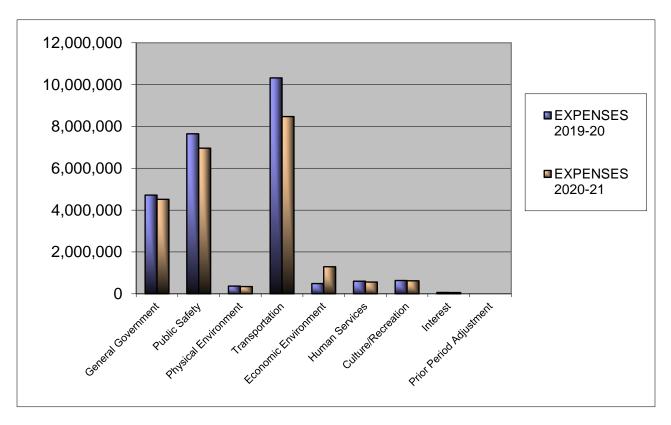
consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional 11.51% or \$6,728,943 of the County's net position represents resources that are dedicated or subject to restrictions on how they may be used. Unrestricted net deficit of \$6,925,984 reflects a \$826,615 decrease. \$4,184,262 of the deficit is due to the under-funded pension liability.

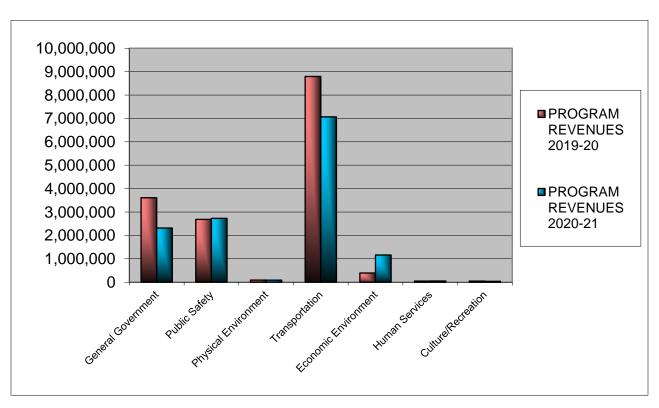
**Governmental Activities** increased the County's net position by \$2,789,398 compared to an increase of \$1,769,725 in the prior year.

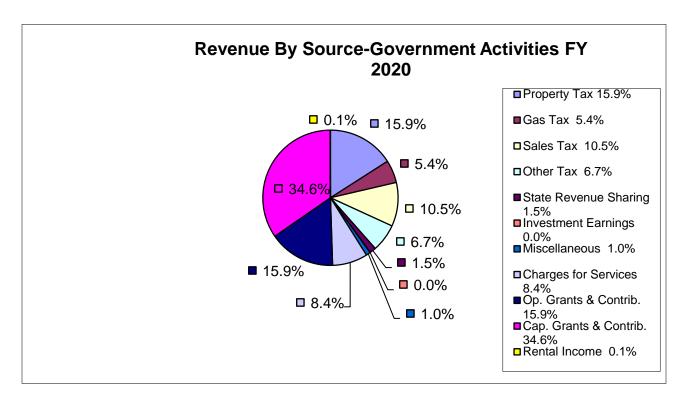
#### Holmes County's Changes in Net Position – Governmental Activities

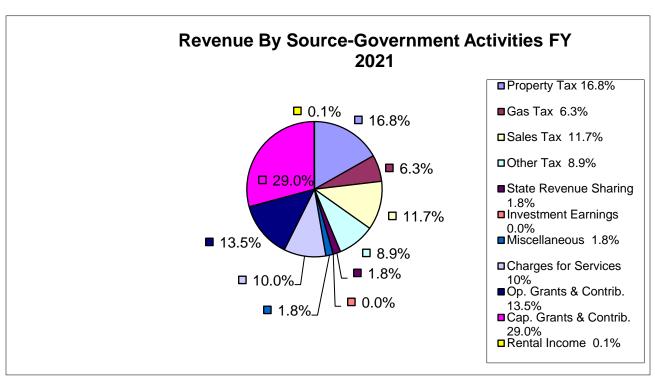
Fiscal years ended September 30,		2021		2020
Revenues:				
Program revenues:				
Charges for services	\$	2,569,221	\$	2,240,491
Operating grants and contributions	Y	3,446,821	Y	4,228,184
Capital grants and contributions		7,439,130		9,201,810
General revenues:		7,403,200		3,201,010
Property taxes		4,292,354		4,242,760
Other taxes		6,883,895		6,002,211
Other		989,461		704,168
				_
Total revenues		25,620,882		26,619,624
Expenses:				
General government		4,516,128		4,718,749
Public safety		6,961,567		7,649,373
Physical environment		345,855		368,685
Transportation		8,472,868		10,321,242
Economic environment		1,293,503		489,783
Human services		561,659		602,112
Culture/Recreation		621,413		635,779
Interest		58,491		64,176
interest		38,491		04,170
Total expenses		22,831,484		24,849,899
Change in net position		2,789,398		1,769,725
Total net position – beginning		55,650,582		53,880,857
				<u> </u>
Total net position - ending	\$	58,439,980	\$	55,650,582

#### **Expenses and Program Revenue-Governmental Activities**









#### FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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

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

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

The County's governmental funds reported combined ending fund balances of \$10,672,936, a \$175,801 decrease from the prior year. There were no unassigned balances at September 30, 2021. Fund balances were nonspendable, restricted, committed or assigned to indicate that they are either restricted in what they can be used for or have been designated for particular purposes and therefore not available for spending.

The general fund is the chief operating fund of the County. At September 30, 2021, \$4,617,466 of the general fund was restricted or assigned to reflect budget commitments and judicially controlled funds, a decrease of \$127,995 or 2.7% from the prior year.

The transportation trust fund accounts for motor fuel taxes and various grant funds designated to finance road and bridge construction and maintenance. The use of this fund is restricted by state statute or the grantor for these designated purposes. The fund had a balance of \$4,107,242 at fiscal year-end. This was a decrease of \$381,993 and was due to decreased gas taxes and intergovernmental revenue as well as increased road improvement activity.

The SHIP fund accounts for activity related to a state grant to improve housing. The use of this fund is restricted by the grant agreement for these designated purposes. For fiscal year 2021, the County expended \$725,485 for program services which is an increase of \$412,898 from fiscal year 2020.

#### **Major Fund Information**

	County Transportation					
		General Fund		Trust		SHIP
Fiscal Year 2021						
Revenues and other sources	\$	13,664,046	\$	10,437,340	\$	725,485
Expenditures and other uses		13,792,041		10,819,333		725,485
Increase (decrease) in fund balance	\$	(127,995)	\$	(381,993)	\$	

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

#### **GENERAL FUND BUDGETARY HIGHLIGHTS**

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

The difference between the original and amended general fund budgeted expenditures was an increase of \$1,234,440 or 10.59%, with estimated revenues increasing by the same amount primarily from surplus equipment sales, inter-fund transfers and the CARES Act funds.

#### **CAPITAL ASSET AND DEBT ADMINISTRATION**

The County's investment in capital assets for its governmental activities was \$60,639,163 at September 30, 2021 compared to \$58,744,939 for the prior year (net of accumulated depreciation).

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

#### **Capital Assets, Net of Depreciation**

September 30,	2021	2020_
Land	\$ 6,058,873	\$ 5,939,431
Construction in progress	4,392,516	1,982,260
Buildings	10,608,224	10,447,342
Infrastructure	67,047,226	65,928,281
Equipment	11,689,323	11,438,172
Less: Accumulated Depreciation	(39,156,999)	(36,990,907)
Total	\$ 60,639,163	\$ 58,744,939

Additional information on the County's capital assets can be found in Note 2 beginning on page 45.

#### Long-Term Debt

The County had a total bonded debt of \$1,708,226 at fiscal year end, a reduction of \$174,426 from the prior year. Total outstanding bonded debt is for series 2012 public improvement revenue bonds to finance the cost of the acquisition and construction of improvements to the County Jail and County Library.

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

September 30,		2020		
Series 2012 Revenue bonds Notes payable Capital leases	\$	1,708,226 232,758 61,158	\$	1,882,652 - 64,969
Total	\$	2,002,142	\$	1,947,621

Additional information on the County's debt can be found in Note 2 beginning on page 48.

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

#### **Request For Information**

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

<sup>\*</sup> The unemployment rate for the County at fiscal year-end 2021 increased from 3.9% to 4.1%.

<sup>\*</sup> The ad valorem tax millage rate is 9.4916 mills for the 2021-22 fiscal year.

# Holmes County, Florida Statement of Net Position

	Primary				
	Govern	ment		Unit	
	Governm			lopment	
September 30, 2021	Act	ivities	Con	nmission	
Assets					
Cash and cash equivalents	\$ 14,9	95,966	\$	168,087	
Investments	Ψ = 1,00	-	*	930,349	
Receivables, net	2	01,380		8,757	
Prepaid items		12,700		-	
Due from other governments		78,194		50,000	
Inventory		80,201		-	
Restricted assets	·	00,201			
Cash and cash equivalents		78,042		_	
Investments				1,034,000	
Land and other nondepreciable assets	10.4	51,389		L,742,209	
Capital assets		87,774		L,297,237	
Capital assets	30,1	07,774	-	1,231,231	
Total assets	77,5	85,646	į	5,230,639	
Deferred Outflows of Resources					
Deferred outflows related to pension liability	2.6	19,063		_	
Deferred outflows related to post-employment benefits		66,290		_	
Total deferred outflows of resources	2,6	85,353		-	
Liabilities					
Accounts payable	6	62,036		4,702	
Accrued liabilities		97,243		-	
Unearned revenue	5,2	19,407		-	
Due to other governments	1	82,161		153,969	
Unearned rent		-		11,314	
Accrued interest payable		16,798		-	
Non-current liabilities					
Due within one year		37,004		153,760	
Due in more than one year	1,7	17,592		L,502,630	
Net pension liability	4,1	84,262		-	
Other post-employment benefit obligation	5	18,480		-	
Compensated absences	4	72,080		-	
I to 1 and	40.5	07.000			
Total liabilities	13,5	07,063	:	1,826,375	
Deferred Inflows of Resources					
Deferred inflows related to pension liability		63,709		-	
Deferred inflows related to post-employment benefits	1	60,247			
Total deferred inflows of resources	8,3	23,956		-	

-Continued-

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

	Primar			Component
		Government		Unit
	Governmental			evelopment
September 30, 2021		Activities		Commission
Net Position				
Net investment in capital assets		58,637,021		2,267,056
Restricted for				
Debt service		78,042		-
Capital projects		712,362		-
General government		1,666,832		-
Transportation		4,027,041		-
Public safety		244,666		-
Unrestricted (deficit)		(6,925,984)		1,137,208
Total net position	\$	58,439,980	\$	3,404,264

**Program** 

For the	year	ended	Septem	ber	30,	2021
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				Operating
Expenses	C	Charges for Services		Grants and Contributions
Ехрепзез		JCI VICCS		COTTETIDATIONS
\$ 4,516,128	\$	915,364	\$	1,400,566
6,961,567		1,645,968		711,813
345,855		-		88,255
8,472,868		-		-
1,293,503		-		1,163,117
561,659		7,889		44,530
621,413		-		38,540
58,491		-		-
\$ 22,831,484	\$	2,569,221	\$	3,446,821
\$ 264,372	\$	-	\$	-
\$	6,961,567 345,855 8,472,868 1,293,503 561,659 621,413 58,491 \$ 22,831,484	\$ 4,516,128 \$ 6,961,567 345,855 8,472,868 1,293,503 561,659 621,413 58,491 \$ 22,831,484 \$	\$ 4,516,128 \$ 915,364 6,961,567 1,645,968 345,855 - 8,472,868 - 1,293,503 - 561,659 7,889 621,413 - 58,491 - \$ 22,831,484 \$ 2,569,221	\$ 4,516,128 \$ 915,364 \$ 6,961,567 1,645,968

#### **General Revenues**

Taxes
Property taxes
Sales taxes
Gasoline taxes
Other taxes
State revenue sharing
Rental income
Investment earnings
Gain on sale of assets
Miscellaneous

Total general revenues

Change in net position

Net position, end of year

Net position - beginning

Net (Expense) Revenue and Changes in

Re	venues	Net Position			
			Primary		Component
	Capital		Government		Unit
	<b>Grants and</b>		Governmental		Development
	Contributions		Activities		Commission
\$	-	\$	(2,200,198)	\$	-
	372,308		(4,231,478)		-
	-		(257,600)		-
	7,066,822		(1,406,046)		-
	-		(130,386)		-
	-		(509,240)		-
	-		(582,873)		-
	-		(58,491)		-
\$	7,439,130		(9,376,312)		
\$	44,125		-		(220,247)
			4,292,354		-
			2,985,244		-
			1,622,024		-
			2,276,627		-
			462,580		-
			17,375		103,530
			3,973		94,926
			51,550		6,000
			453,983		14,057
			12,165,710		218,513
			2,789,398		(1,734)
			55,650,582		3,405,998
		\$	58,439,980	\$	3,404,264

#### Holmes County, Florida Balance Sheet Governmental Funds

		County							
			Tr	ansportation					
September 30, 2021	Ge	SHIP							
Assets									
Cash and cash equivalents	\$	5,750,329	\$	6,316,204	\$	927,881			
Accounts receivable		171,011		5,603		-			
Due from other governments		791,824		401,573		180,000			
Due from other funds		36,688		1,847		-			
Inventory		-		80,201		-			
Restricted assets:									
Cash and cash equivalents		-		-					
Total assets	\$	6,749,852	\$	6,805,428	\$	1,107,881			
the billiance						_			
Liabilities	<b>~</b>	404 224	۸.	420 422	۲.				
Accounts payable	\$	184,321	\$	428,433	\$	-			
Accrued liabilities		120,549		51,238		-			
Unearned revenue		1,759,927		2,217,188		1,107,881			
Due to other governments		65,861		1,327		-			
Due to other funds		1,728		-					
Total liabilities		2,132,386		2,698,186		1,107,881			
Fund Balances									
Nonspendable		_		80,201		_			
Restricted		787,893		4,027,041		_			
Assigned		3,829,573		4,027,041		_			
Assigned		3,023,373		<u> </u>					
Total fund balances		4,617,466		4,107,242					
Total liabilities and fund balances	\$	6,749,852	\$	6,805,428	\$	1,107,881			

Nonmajor	Total				
Governmental	Governmental				
Funds	Funds				
\$ 2,001,552	\$ 14,995,966				
24,766	201,380				
204,797	1,578,194				
437	38,972				
-	80,201				
 78,042	78,042				
\$ 2,309,594	\$ 16,972,755				
\$ 49,282	\$ 662,036				
25,456	197,243				
134,411	5,219,407				
114,973	182,161				
37,244	38,972				
361,366	6,299,819				
-	80,201				
1,914,009	6,728,943				
34,219	 3,863,792				
1,948,228	10,672,936				
\$ 2,309,594	\$ 16,972,755				



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

September 30, 2021		
Total fund balances - governmental funds		\$10,672,936
Amounts reported for governmental activities in the statement of net different because:	position are	
Capital assets used in governmental activities are not current financia therefore, are not reported in the funds.  Governmental capital assets, net	l resources and,	60,639,163
Prepaid items are recorded as an expenditure in governmental funds	when paid	
rather than as an asset until consumed, as reported on the Statement of Net Position	·	12,700
Other post-employment benefit ("OPEB") related deferred outflows, deferred inflows and net OPEB obligation represent an acquisition or consumption of net assets that applies to a future period and, therefore, are not reported as liabilities or assets in the governmental funds.		
Deferred outflows related to post-employment benefits	66,290	
Deferred inflows related to post-employment benefits	(160,247)	
Deferred outflows related to pension liabilities	2,619,063	
Deferred inflows related to pension liabilities	(8,163,709)	
Net pension liabilities	(4,184,262)	
Other post-employment benefit obligation	(518,480)	(10,341,345)
Other liabilities not due and payable in the current period		
and therefore not reported in the governmental fund are		
as follows:		
Accrued interest	(16,798)	
Capital leases	(61,158)	
Notes and bonds payable	(1,940,984)	

Compensated absences

Net position of governmental activities

(524,534)

(2,543,474)

\$58,439,980

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

			County Transportation
For the year ended September 30, 2021	G	eneral Fund	Trust
Revenues			
Taxes	\$	9,032,470	\$ 1,622,024
Licenses and permits		244,759	-
Intergovernmental		2,372,104	7,066,822
Charges for services		1,201,486	-
Fines and forfeitures		16,483	-
Investment earnings		28	3,937
Miscellaneous revenue		395,730	33,417
Total revenues		13,263,060	8,726,200
Expenditures			
Current			
General government		3,357,162	-
Public safety		6,307,819	-
Economic environment		140,549	-
Physical environment		358,659	-
Human services		494,459	-
Culture and recreation		606,966	-
Transportation		500	6,525,379
Capital outlay		797,371	4,261,033
Debt service		103,610	23,318
Total expenditures		12,167,095	10,809,730
Excess (deficiency) of revenues			
over (under) expenditures		1,095,965	(2,083,530)
Other Financing Sources (Uses)			
Proceeds from issuance of debt		349,090	-
Proceeds from sale of capital assets		16,750	314,890
Transfers in		35,146	1,396,250
Transfers out		(1,624,946)	(9,603)
Reversion to State of Florida		-	-
Net other financing sources (uses)		(1,223,960)	1,701,537
Net change in fund balances		(127,995)	(381,993)
Fund balances, beginning of year		4,745,461	4,489,235
Fund balances, end of year	\$	4,617,466	\$ 4,107,242

SHIP         Governmental Funds         Governmental Funds           \$ - \$ - \$ 10,654,494         - 244,759           725,485         1,705,875         11,870,286           - 699,008         1,900,494           - 406,337         422,820           - 8         3,973           - 36,769         465,916           725,485         2,847,997         25,562,742           - 1,226,281         4,583,443           - 685,323         6,993,142           725,485         - 866,034           - 51,950         546,409           - 438,396         1,045,362           - 51,910         5,110,314           - 228,686         355,614           725,485         2,682,546         26,384,856           - 51,910         5,110,314         - 228,686           725,485         2,682,546         26,384,856           - 165,451         (822,114)           - 228,696         1,660,092           - (25,543)         (1,660,092)           - (34,417)         (34,417)           - 168,736         646,313           - 334,187         (175,801)           - 1,614,041         10,848,737           \$ 1,948,228         \$ 10,			Nonmajor		Total
\$ - \$ - \$ 10,654,494 244,759 725,485 1,705,875 11,870,286 - 699,008 1,900,494 - 406,337 422,820 - 8 3,973 - 36,769 465,916  725,485 2,847,997 25,562,742  - 1,226,281 4,583,443 - 685,323 6,993,142 725,485 - 866,034 358,659 - 51,950 546,409 - 438,396 1,045,362 6,525,879 - 51,910 5,110,314 - 228,686 355,614  725,485 2,682,546 26,384,856  - 165,451 (822,114)  - 228,696 1,660,092 - (25,543) (1,660,092) - (34,417) (34,417) - 168,736 646,313 - 334,187 (175,801) - 1,614,041 10,848,737			Governmental		Governmental
		SHIP	Funds		Funds
					_
	¢	_	\$ -	\$	10 654 494
725,485       1,705,875       11,870,286         -       699,008       1,900,494         -       406,337       422,820         -       8       3,973         -       36,769       465,916         725,485       2,847,997       25,562,742         -       1,226,281       4,583,443         -       685,323       6,993,142         725,485       -       866,034         -       -       358,659         -       51,950       546,409         -       438,396       1,045,362         -       -       6,525,879         -       51,910       5,110,314         -       228,686       355,614         725,485       2,682,546       26,384,856         -       165,451       (822,114)         -       -       331,640         -       228,696       1,660,092         -       (34,417)       (34,417)         -       (36,736)       646,313         -       334,187       (175,801)         -       1,614,041       10,848,737	Ą	_	- -	Ų	
- 699,008 1,900,494 - 406,337 422,820 - 8 3,973 - 36,769 465,916  725,485 2,847,997 25,562,742  - 1,226,281 4,583,443 - 685,323 6,993,142  725,485 - 866,034 - 358,659 - 51,950 546,409 - 438,396 1,045,362 - 6,525,879 - 51,910 5,110,314 - 228,686 355,614  725,485 2,682,546 26,384,856  - 165,451 (822,114)  - 228,696 1,660,092 - (25,543) (1,660,092) - (34,417) (34,417)  - 168,736 646,313 - 334,187 (175,801) - 1,614,041 10,848,737		725.485	1.705.875		
- 406,337 422,820 - 8 3,973 - 36,769 465,916  725,485 2,847,997 25,562,742  - 1,226,281 4,583,443 - 685,323 6,993,142 725,485 - 866,034 - 358,659 - 51,950 546,409 - 438,396 1,045,362 - 6,525,879 - 51,910 5,110,314 - 228,686 355,614  725,485 2,682,546 26,384,856  - 165,451 (822,114)  - 228,696 1,660,092 - (25,543) (1,660,092) - (34,417) (34,417)  - 168,736 646,313 - 334,187 (175,801) - 1,614,041 10,848,737		-			
- 8 3,973 - 36,769 465,916  725,485 2,847,997 25,562,742  - 1,226,281 4,583,443 - 685,323 6,993,142  725,485 - 866,034 358,659 - 51,950 546,409 - 438,396 1,045,362 6,525,879 - 51,910 5,110,314 - 228,686 355,614  725,485 2,682,546 26,384,856  - 165,451 (822,114)  - 228,696 1,660,092 - (25,543) (1,660,092) - (34,417) (34,417)  - 168,736 646,313  - 334,187 (175,801) - 1,614,041 10,848,737		-			
- 36,769 465,916  725,485 2,847,997 25,562,742  - 1,226,281 4,583,443 - 685,323 6,993,142  725,485 - 866,034 358,659 - 51,950 546,409 - 438,396 1,045,362 6,525,879 - 51,910 5,110,314 - 228,686 355,614  725,485 2,682,546 26,384,856  - 165,451 (822,114)  - 228,696 1,660,092 - (25,543) (1,660,092) - (34,417) (34,417)  - 168,736 646,313  - 334,187 (175,801) - 1,614,041 10,848,737		-			•
- 1,226,281 4,583,443 - 685,323 6,993,142 725,485 - 866,034 358,659 - 51,950 546,409 - 438,396 1,045,362 6,525,879 - 51,910 5,110,314 - 228,686 355,614  725,485 2,682,546 26,384,856  - 165,451 (822,114)  - 228,696 1,660,092 - (25,543) (1,660,092) - (34,417) (34,417) - 168,736 646,313  - 334,187 (175,801) - 1,614,041 10,848,737		-	36,769		
- 1,226,281 4,583,443 - 685,323 6,993,142 725,485 - 866,034 358,659 - 51,950 546,409 - 438,396 1,045,362 6,525,879 - 51,910 5,110,314 - 228,686 355,614  725,485 2,682,546 26,384,856  - 165,451 (822,114)  - 228,696 1,660,092 - (25,543) (1,660,092) - (34,417) (34,417) - 168,736 646,313  - 334,187 (175,801) - 1,614,041 10,848,737					
- 685,323 6,993,142 725,485 - 866,034 358,659 - 51,950 546,409 - 438,396 1,045,362 6,525,879 - 51,910 5,110,314 - 228,686 355,614  725,485 2,682,546 26,384,856  - 165,451 (822,114)  - 228,696 1,660,092 - (25,543) (1,660,092) - (34,417) (34,417) - 168,736 646,313  - 334,187 (175,801) - 1,614,041 10,848,737		725,485	2,847,997		25,562,742
- 685,323 6,993,142 725,485 - 866,034 358,659 - 51,950 546,409 - 438,396 1,045,362 6,525,879 - 51,910 5,110,314 - 228,686 355,614  725,485 2,682,546 26,384,856  - 165,451 (822,114)  - 228,696 1,660,092 - (25,543) (1,660,092) - (34,417) (34,417) - 168,736 646,313  - 334,187 (175,801) - 1,614,041 10,848,737					
- 685,323 6,993,142 725,485 - 866,034 358,659 - 51,950 546,409 - 438,396 1,045,362 6,525,879 - 51,910 5,110,314 - 228,686 355,614  725,485 2,682,546 26,384,856  - 165,451 (822,114)  - 228,696 1,660,092 - (25,543) (1,660,092) - (34,417) (34,417) - 168,736 646,313  - 334,187 (175,801) - 1,614,041 10,848,737					
725,485       -       866,034         -       -       358,659         -       51,950       546,409         -       438,396       1,045,362         -       -       6,525,879         -       51,910       5,110,314         -       228,686       355,614         725,485       2,682,546       26,384,856         -       -       349,090         -       -       331,640         -       228,696       1,660,092         -       (25,543)       (1,660,092)         -       (34,417)       (34,417)         -       168,736       646,313         -       334,187       (175,801)         -       1,614,041       10,848,737		-	1,226,281		4,583,443
- 51,950 546,409 - 438,396 1,045,362 - 6,525,879 - 51,910 5,110,314 - 228,686 355,614  725,485 2,682,546 26,384,856  - 165,451 (822,114)  - 28,696 1,660,092 - (25,543) (1,660,092) - (34,417) (34,417)  - 168,736 646,313  - 334,187 (175,801) - 1,614,041 10,848,737		-	685,323		6,993,142
- 51,950 546,409 - 438,396 1,045,362 6,525,879 - 51,910 5,110,314 - 228,686 355,614  725,485 2,682,546 26,384,856  - 165,451 (822,114)  - 349,090 331,640 - 228,696 1,660,092 - (25,543) (1,660,092) - (34,417) (34,417)  - 168,736 646,313 - 334,187 (175,801) - 1,614,041 10,848,737		725,485	-		866,034
- 438,396 1,045,362 - 6,525,879 - 51,910 5,110,314 - 228,686 355,614  725,485 2,682,546 26,384,856  - 165,451 (822,114)  - 349,090 331,640 - 228,696 1,660,092 - (25,543) (1,660,092) - (34,417) (34,417)  - 168,736 646,313  - 334,187 (175,801) - 1,614,041 10,848,737		-	-		358,659
-		-	51,950		546,409
- 51,910 5,110,314 - 228,686 355,614  725,485 2,682,546 26,384,856  - 165,451 (822,114)  349,090 331,640 - 228,696 1,660,092 - (25,543) (1,660,092) - (34,417) (34,417)  - 168,736 646,313  - 334,187 (175,801) - 1,614,041 10,848,737		-	438,396		1,045,362
-       228,686       355,614         725,485       2,682,546       26,384,856         -       165,451       (822,114)         -       -       349,090         -       -       331,640         -       228,696       1,660,092         -       (25,543)       (1,660,092)         -       (34,417)       (34,417)         -       168,736       646,313         -       334,187       (175,801)         -       1,614,041       10,848,737		-	-		6,525,879
725,485		-	51,910		5,110,314
- 165,451 (822,114)  349,090 331,640 - 228,696 1,660,092 - (25,543) (1,660,092) - (34,417) (34,417)  - 168,736 646,313  - 334,187 (175,801) - 1,614,041 10,848,737		-	228,686		355,614
349,090 331,640 - 228,696 1,660,092 - (25,543) (1,660,092) - (34,417) (34,417)  - 168,736 646,313  - 334,187 (175,801) - 1,614,041 10,848,737		725,485	2,682,546		26,384,856
331,640 - 228,696 1,660,092 - (25,543) (1,660,092) - (34,417) (34,417)  - 168,736 646,313  - 334,187 (175,801) - 1,614,041 10,848,737		-	165,451		(822,114)
331,640 - 228,696 1,660,092 - (25,543) (1,660,092) - (34,417) (34,417)  - 168,736 646,313  - 334,187 (175,801) - 1,614,041 10,848,737		-	-		349,090
- 228,696 1,660,092 - (25,543) (1,660,092) - (34,417) (34,417) - 168,736 646,313 - 334,187 (175,801) - 1,614,041 10,848,737		-	-		
- (25,543) (1,660,092) - (34,417) (34,417)  - 168,736 646,313  - 334,187 (175,801) - 1,614,041 10,848,737		-	228,696		
- (34,417) (34,417)  - 168,736 646,313  - 334,187 (175,801) - 1,614,041 10,848,737		-			
- 334,187 (175,801) - 1,614,041 10,848,737		-	(34,417)		
- 1,614,041 10,848,737		-	168,736		646,313
- 1,614,041 10,848,737		_	334.187		(175.801)
		-			
	\$			\$	

#### Holmes County, Florida Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities

For the year ended September 30,	2021
Net change in fund balances - total governmental funds \$	(175,801)
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlay, reported as expenditures in governmental funds, are shown as capital assets in the Statement of Net Position.	5,103,514
Donated capital assets do not use current financial resources and are not reported in the governmental funds.	6,592
Depreciation expense on governmental capital assets is included in the governmental activities in the Statement of Activities.	(2,935,779)
In the statement of activities, the gain or loss on the disposal of capital assets is reported. Whereas in the governmental funds, total proceeds from disposals are	
reported. Thus, the change in net position differs from the change in fund balance by the net book value of the disposed capital assets.	(280,103)
Issuance of long-term debt is an other financing source in the governmental funds, but increases long-term liabilities in the statement of net position.	(349,090)
Repayment of note and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	294,569
Changes in deferred outflows and deferred inflows related to pension liability and net pension liability do not require the use of current financial resources	
and therefore are not reported as expenditures in the governmental funds.	1,159,771
Other postemployment benefit obligations reported in the statement of activities does not require the use of current financial resources and therefore, are not reported as an expenditure in governmental funds.	(11,110)
Compensated absences, accrued interest and prepaid items reported in the Statement of Activities do not require the use of current financial resources and	
therefore are not reported as expenditures in governmental funds.	(23,165)
Change in net position of governmental activities \$	2,789,398

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

				Variance
				with Final
				Budget
	Original	Final	Budgetary	Positive
For the year ended \( \mathbb{B}\)eptember 30, 2021	Budget	Budget	Basis	(Negative)
Revenues				
Taxes	\$ 8,193,158	\$ 8,193,158	\$ 9,032,470	\$ 839,312
Licenses and permits	171,904	171,904	244,759	72,855
Intergovernmental	695,726	1,982,059	2,372,104	390,045
Charges for services	1,170,441	1,185,477	1,201,486	16,009
Fines and forfeitures	39,832	39,832	16,483	(23,349)
Investment earnings	-	-	28	28
Miscellaneous	143,933	191,634	395,730	204,096
Total revenues	10,414,994	11,764,064	13,263,060	1,498,996
Expenditures				
Current				
General government	3,463,328	3,573,027	3,357,162	215,865
Public safety	5,658,781	6,174,902	6,307,819	(132,917)
Economic environment	158,469	299,466	140,549	158,917
Physical environment	393,837	393,837	358,659	35,178
Human services	555,776	567,559	494,459	73,100
Culture and recreation	167,129	692,363	606,966	85,397
Transportation	500	500	500	-
Capital outlay	1,260,687	1,191,293	797,371	393,922
Debt service	-	-	103,610	(103,610)
Total expenditures	11,658,507	12,892,947	12,167,095	725,852
Excess (deficiency) of revenues over				
(under) expenditures	(1,243,513)	(1,128,883)	1,095,965	2,224,848 -Continued-

# Holmes County, Florida General Fund Statement of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Continued)

				Variance with Final Budget
	Original	Final	Budgetary	Positive
For the year ended \( \mathbb{S} \)eptember 30, 2021	Budget	Budget	Basis	(Negative)
Other Financing Sources				
Proceeds from issuance of debt	-	-	349,090	349,090
Proceeds from sale of capital assets	-	16,750	16,750	-
Transfers in	-	9,603	35,146	25,543
Transfers out	(1,328,687)	(1,469,670)	(1,624,946)	(155,276)
Net other financing sources (uses)	(1,328,687)	(1,443,317)	(1,223,960)	219,357
Net change in fund balance	(2,572,200)	(2,572,200)	(127,995)	2,444,205
Fund balance, beginning of year	4,745,461	4,745,461	4,745,461	
Fund balance, end of year	\$ 2,173,261	\$ 2,173,261	\$ 4,617,466	\$ 2,444,205
Reconciliation of GAAP to Budgetary Ba GAAP basis revenues Non-budgeted revenues and other financing sources	sis \$ 10,414,994	\$ 11,764,064		\$ 1,498,996
Intergovernmental	-	-	(555,676)	(555,676)
Miscellaneous  Proceeds from issuance of debt	-	-	(111,510)	(111,510)
Budgetary basis revenues and other		 	(315,000)	(315,000)
financing sources	\$ 10,414,994	\$ 11,764,064	\$ 12,280,874	\$ 516,810
GAAP basis expenditures Non-budgeted expenditures	\$ 11,658,507	\$ 12,892,947	\$ 12,167,095	\$ 725,852
Public safety	-	-	(606,107)	606,107
Capital outlay		-	(376,079)	376,079
Budgetary basis expenditures	\$ 11,658,507	\$ 12,892,947	\$ 11,184,909	\$ 1,708,038

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

				Variance
				with Final
				Budget
	Original	Final		Positive
For the year ended September 30, 2021	Budget	Budget	Actual	(Negative)
Revenues				
Taxes	\$ 1,348,570	\$ 1,348,570	\$ 1,622,024	\$ 273,454
Intergovernmental	3,500,000	3,713,208	7,066,822	3,353,614
Investment earnings	12,538	12,538	3,937	(8,601)
Miscellaneous	20,423	20,423	33,417	12,994
Total revenues	4,881,531	5,094,739	8,726,200	3,631,461
Expenditures				
Transportation	7,813,467	8,234,350	6,525,379	1,708,971
Capital outlay	8,586,320	8,695,301	4,261,033	4,434,268
Debt Service	23,319	23,319	23,318	1
Total expenditures	16,423,106	16,952,970	10,809,730	6,143,240
Excess (deficiency) of revenues over				
(under) expenditures	(11,541,575)	(11,858,231)	(2,083,530)	9,774,701
Other Financing Sources				
Proceeds from sale of capital assets	130,000	160,000	314,890	154,890
Transfers in	1,492,072	2,186,318	1,396,250	(790,068)
Transfers out	(392,081)	(799,671)	(9,603)	790,068
Net other financing sources	1,229,991	1,546,647	1,701,537	154,890
Net change in fund balance	(10,311,584)	(10,311,584)	(381,993)	9,929,591
Fund balance, beginning of year	10,311,584	10,311,584	4,489,235	(5,822,349)
Fund balance, end of year	\$ -	\$ -	\$ 4,107,242	\$ 4,107,242

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

					Variance with Final
					Budget
	Original		Final		Positive
For the year ended September 30, 2021	Budget		Budget	Actual	(Negative)
Revenues					
Intergovernmental	\$ 350,000	\$	378,351	\$ 725,485	\$ 347,134
Expenditures					
Current					
Economic environment	1,546,055		1,574,406	725,485	848,921
Excess (deficiency) of revenues					
over (under) expenditures	(1,196,055)	(	(1,196,055)	-	1,196,055
Fund balance, beginning of year	 1,196,055		1,196,055	-	(1,196,055)
Fund balance, end of year	\$ -	\$	-	\$ -	\$ (1,196,055)

#### Holmes County, Florida Statement of Fiduciary Net Position Fiduciary Funds

	Custodial
September 30, 2021	Funds
	-
Assets	
Cash and cash equivalents	\$ 739,768
Receivables	3,855
Total assets	743,623
Liabilities	
Due to other governments	258,365
Due to individuals	102,461
Deposits	302,821
Total liabilities	663,647
Net Position	
Restricted for inmate welfare	79,976
Total net position	\$ 79,976

# Holmes County, Florida Statement of Changes in Fiduciary Net Position Fiduciary Funds

For the year ended September 30, 2021	Custodial Funds
Additions	
Funds held for others	\$ 15,634,849
Donations	645,667
Total additions	16,280,516
Deductions	
Current	
Funds held for others	15,634,849
Public Safety	587,828
Total deductions	16,222,677
Changes in net position	57,839
Net position - beginning of year, as originally stated	-
Restatement	 22,137
Net position - beginning of year, as restated	22,137
Net position - end of year	\$ 79,976

### Holmes County, Florida Notes to Financial Statements

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

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

#### Reporting Entity

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

The financial reporting entity consists of the County and its component unit, which is a legally separate organization for which the County is financially accountable. The County is financially accountable for legally separate organizations if County officials appoint a voting majority of an organization's governing body and either the County is able to impose its will on the organization, or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burden on the County. The County may also be financially accountable for organizations that are fiscally dependent on the County if there is a potential for the organization to provide specific financial benefits to the County or impose specific financial burdens on the County, regardless of whether the organizations have separate elected governing boards, governing boards appointed by higher levels of government, or jointly appointed boards. In evaluating the County as a reporting entity, management has considered all potential component units in accordance with Section 2100: Defining the Financial Reporting Entity of the GASB Codification.

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

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

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

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

#### **Blended Component Unit**

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

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

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

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

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

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

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

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

#### Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

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

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

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

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

As discussed earlier, the County has one discretely presented component unit, the Development Commission. The Development Commission is a major component unit and reported in a separate column in the government-wide financial statements.

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

#### **Fund Financial Statements**

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

The County reports the following major governmental funds:

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

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

SHIP accounts for state grant to improve housing.

The County also reports the following fiduciary fund type:

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

#### **Budgetary Information**

**Budgetary Basis of Accounting** 

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

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

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

# **Budgetary Information (continued)**

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

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

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

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

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

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

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

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

#### Excess of Expenditures over Appropriations

For the year ended September 30, 2021, expenditures exceeded appropriations within the public safety and debt service function of the General Fund by \$132,917 and \$103,610, respectively. The excess expenditures were a result of the County not budgeting \$982,186 of revenues and expenditures. A Reconciliation of GAAP to Budgetary Basis is presented on page 21 to show these unbudgeted revenues and expenditures. During fiscal year 2021, there were general fund supplemental budget appropriations of \$1,349,070 or 12.95% of the original budget. The following items represent the major additional appropriations:

#### **General Fund**

Various federal and state grants	\$ 1,301,369
Miscellaneous revenues	\$ 47,701

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

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

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

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

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

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

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

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

#### **Employee Benefits**

#### Compensated Absences

The County's compensated absences (PTO) policy varies between each of the constitutional officers and employees of the Board of County Commissioners. The amount of accrued PTO is generally determined by years of service and is available for use once accrued. PTO that will not be liquidated with expendable available financial resources are reported as long-term debt in the Statement of Net Position.

It is the County's policy to allow employees to accumulate unused paid time off. For the fiscal year ended September 30, 2021 for all governmental fund types, the liability relating to such vested unused paid time off to the extent of certain maximum hours is recorded in the accompanying government-wide financial statements. Expenditures for compensated absences in governmental funds are those paid during the current fiscal year and the amount unpaid at the end of the reporting period that normally would be liquidated with expendable available financial resources. Accumulated paid time off is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

#### **Pensions**

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

# Other Postemployment Benefits ("OPEB")

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

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

#### Cash and Cash Equivalents

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

#### Investments

The County's investments are limited to investments authorized by State Statutes. Historically, the County has only invested in Florida Prime Certificates and money market accounts. As governed by Florida Statute 218.415, the County is authorized to invest available surplus funds in the following:

- 1. The Local Government Surplus Funds Trust Fund (the SBA) or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act of 1969, as provided in Florida Statute 163.01.
- 2. Securities and Exchange Commission (SEC) registered money market funds with the highest credit quality rating from a nationally recognized rating agency.
- 3. Interest-bearing time deposits or savings accounts in state qualified public depositories, as defined in Florida Statute 280.02.
- 4. Direct obligations of the U.S. Treasury.

#### Receivables

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

#### **Interfund Activities and Transactions**

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

#### *Inventories and Prepaid Items*

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

#### Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position (continued)

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

#### Restricted Assets

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

#### Capital Assets

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

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

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

#### Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County had deferred outflows at year end related to various actuarial assumption changes and valuations related to the County's portion of the Florida Retirement System Pension Plan and Retiree Health

#### Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position (continued)

Insurance Subsidy Program annual valuations and retirement contribution payments made by the County after the valuation date of the Florida Retirement System's latest valuation but before the end of the County's fiscal year. In addition, the County had deferred outflows at year-end related to their other postemployment benefit plan (OPEB).

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The County had deferred inflows at year end related to various actuarial assumption changes and valuations related to the County's portion of the Florida Retirement System Pension Plan and Retiree Health Insurance Subsidy Program annual valuations. In addition, the County had deferred inflows at year-end related to their other postemployment benefit plan (OPEB). These amounts are recognized as inflows of resources in the period that they become available.

#### Unearned revenues

Unearned revenues are a liability that represents amounts received, but not yet earned.

#### Long-term Liabilities

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

#### Lease Obligations

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

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

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

#### Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position (continued)

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

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

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

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

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

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

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

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

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

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

#### Revenues and Expenditures/Expenses

#### **Property Taxes**

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

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

#### 2021 Property tax calendar:

Levy date - January 1, 2020
Levy date - November 1, 2020
Tax bills mailed - November 1, 2020

Collection dates - November 30, 2020: 4% discount

Through January 2, 2021: 3% discountThrough January 31, 2021: 2% discountThrough February 28, 2021: 1% discount

Delinquent date - April 1, 2021

Tax sale - 2020 delinquent property taxes - on or before June 1, 2021

# **Management Estimates and Assumptions**

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

#### **Subsequent Events**

Management has evaluated subsequent events through the date that the financial statements were available to be issued April 22, 2022 and determined there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these consolidated financial statements.

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

In January 2017, the GASB issued Statement No. 84, Fiduciary Activities. This Statement seeks to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. GASB 84 is effective for the fiscal years beginning after December 15, 2019. Additional information on changes to the financial statements related to the implementation of this statement can be found in Note 9. The implementation of this statement resulted in a restatement to beginning fund balance and net position for one non-major fund and an additional Statement on Changes in Fiduciary Net Position.

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

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

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

#### Recently Issued and Implemented Accounting Pronouncements (continued)

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

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

In January 2020, the GASB issued Statement No. 92, Omnibus 2020. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about the following:

- The effective date of Statement No. 87, Leases, and Implementation Guide No. 2019-3, Leases, for interim financial reports,
- Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan,
- The applicability of Statements No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68, as amended, and No. 74, Financial Reporting for Post-employment Benefit Plans Other Than Pension Plans, as amended, to reporting assets accumulated for postemployment benefits,
- The applicability of certain requirements of Statement No. 84, Fiduciary Activities, to postemployment benefit arrangements,
- Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition,
- Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers,

#### Recently Issued and Implemented Accounting Pronouncements (continued)

- Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature, and
- Terminology used to refer to derivative instruments.

The requirements of this Statement are effective as follows:

- The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance.
- The requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74 are effective for fiscal years beginning after June 15, 2021.
- The requirements related to application of Statement 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities are effective for reporting periods beginning after June 15, 2021.
- The requirements related to the measurement of liabilities (and assets, if any) associated with asset retirement obligations in a government acquisition are effective for government acquisitions occurring in reporting periods beginning after June 15, 2021.

In May 2020, the GASB issued Statement No. 93, Replacement of Interbank Offered Rates. The objectives of this Statement are to address financial reporting issues that result from the replacement of an Interbank Offered Rate (IBOR) by providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment and clarification of the hedge accounting termination provisions when a hedged item is amended to replace the reference rate; replacing LIBOR as an appropriate benchmark interest rate for the evaluation of the effectiveness of an interest rate swap with a Secured Overnight Financing Rate or the Effective Federal Funds Rate; and providing exceptions to the lease modifications guidance in Statement 87 for lease contracts that are amended solely to replace an IBOR used to determine variable payments.

The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2022. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

In March 2020, the GASB issued Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements. The objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the

# Holmes County, Florida Notes to Financial Statements

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

#### Recently Issued and Implemented Accounting Pronouncements (continued)

Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement.

This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022.

In May 2020, the GASB issued GASB Statement No. 96, Subscription-Based Information Technology Arrangements. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Assets and liabilities resulting from SBITAs should be recognized and measured using the facts and circumstances that existed at the beginning of the fiscal year in which this Statement is implemented. Governments are permitted, but are not required, to include in the measurement of the subscription asset capitalizable outlays associated with the initial implementation stage and the operation and additional implementation stage incurred prior to the implementation of this Statement.

In June 2020, the GASB issued GASB 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. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and

# Recently Issued and Implemented Accounting Pronouncements (continued)

financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans

(Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this Statement that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021.

In October 2021, the GASB issued GASB Statement No. 98, The Annual Comprehensive Financial Report. This Statement establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. This Statement was developed in response to concerns raised by stakeholders that the common pronunciation of the acronym for comprehensive annual financial report sounds like a profoundly objectionable racial slur. This Statement's introduction of the new term is founded on a commitment to promoting inclusiveness. The requirements of this Statement are effective for fiscal years ending after December 15, 2021.

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

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

#### **Deposits and Investments**

Custodial Credit Risk

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

#### **Deposits and Investments (continued)**

losses over insurance and collateral will be recovered through assessments to all qualified public depositories of the same type as the depository in default. Under this method, the County's deposits are considered fully insured.

#### **Development Commission**

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

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

The Development Commission's investments at September 30, 2021 were comprised of the following, reported at fair value:

			N	1atu	rities (in yea	ars)		
			Less				More	
	Fair Value		than 1		1 - 5		than 5	Level
U.S. Government and agency securities Corporate bonds Mortgage-backed securities	\$ 381,412 900,060 376,478	\$	- 33,075 -	\$	94,354 411,366 11,643	\$	287,058 455,619 364,835	L1 L2 L2
Common stock	1,657,950 306,399	\$	33,075	\$	517,363	\$ :	1,107,512	L1
Total investments	\$ 1,964,349	=						

Fair Value Measurement - GASB Statement No. 72, Fair Value Measurement and Application, enhances comparability of governmental financial statements by requiring fair value measurement for certain assets and liabilities using a consistent definition and accepted valuation techniques. The standard establishes a hierarchy of inputs used to measure fair value that prioritizes inputs in to three categories – Level 1, Level 2, and Level 3 inputs – considering the relative reliability of inputs.

#### **Development Commission (continued)**

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of fair value hierarchy are as follows:

- Level 1 (L1): Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the County has the ability to access.
- Level 2 (L2): Inputs to the valuation methodology include:
  - quoted prices for similar assets or liabilities in active markets;
  - quoted prices for identical or similar assets or liabilities in inactive markets;
  - inputs other than quoted prices that are observable for the asset or liability;
  - inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3 (L3): Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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

#### Receivables

Accounts receivable consists primarily of ambulance billings with a balance of \$1,273,070 and an allowance for uncollectible accounts of \$1,109,436, net \$163,634. All other receivables totaling \$37,746 are considered collectible and no allowance for uncollectibles on those accounts is deemed necessary.

#### **Due from Other Governments**

Due from Other Governments of \$1,578,194 is comprised of various grant reimbursements, revenue sharing and taxes collected for the County by the State.

# **Interfund Balances**

Due to/from other funds consists of the following:

Receivable Fund	Payable Fund		Amount
General fund	Nonmajor governmental fund	Ś	36,688
Nonmajor governmental fund	Nonmajor governmental fund	,	437
Transportation fund	Nonmajor governmental fund		119
Transportation fund	General fund		1,728
Total		\$	38,972

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

# **Interfund Transfers**

Transfers to/from other funds consist of the following:

Transfer from	Transfer to		Amount
(1) Nonmajor governmental funds	General Fund	\$	25,543
(2) General Fund	Nonmajor governmental funds	•	228,696
(3) General Fund	Transportation Trust		1,396,250
(4) Transportation Trust	General Fund		9,603
			_
Total		\$	1,660,092

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

# Capital Assets

Capital assets activity for the fiscal year is as follows:

Governmental Activities         Increases         Decreases         Transfers         Balance           Capital assets, not being depreciated Land         \$ 5,939,431         \$ 120,492         \$ 1,050         \$ 1,018,945         \$ 6,058,873           Construction in progress         1,982,620         3,528,841         -         (1,118,945)         4,392,516           Capital assets, being depreciated         8,000,000         3,649,333         1,050         (1,118,945)         10,451,389           Capital assets, being depreciated         8,000,000         8,000,000         1,000,		E	Beginning				Ending
Capital assets, not being depreciated Land         \$ 5,939,431         \$ 120,492         \$ 1,050         \$ - \$ 6,058,873         6,058,873         6,058,873         6,058,873         6,058,873         6,058,873         6,058,873         6,058,873         7,000         1,118,945         6,058,873         4,392,516			Balance	Increases	Decreases	Transfers	Balance
Capital assets, not being depreciated Land         \$ 5,939,431         \$ 120,492         \$ 1,050         \$ 6,058,873         \$ 6,058,872         \$ 1,050         \$ 1,050         \$ 1,050         \$ 2,057,047,250         \$ 10,608,224         \$ 10,608,224         \$ 11,689,323         \$ 11,18,945         \$ 6,047,2726         \$ 6,047,2726         \$ 6,047,2726         \$ 6,047,2726         \$ 6,047,2726         \$ 6,047,2726         \$ 6,047,2726         \$ 6,047,2726         \$ 6,047,2726         \$ 6,047,2726         \$ 6,047,2726         \$ 6,047,2726         \$ 6,047,2726         \$ 6,047,2726         \$ 6,047,2726         \$ 6,047,2726         \$ 6,047,2726 <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>							
Land Construction in progress         \$5,939,431         \$120,492         \$1,050         \$ - \$6,058,873         \$6,047,226         \$6,047,226							
Construction in progress         1,982,620         3,528,841         - (1,118,945)         4,392,516           Capital assets, not being depreciated         7,922,051         3,649,333         1,050         (1,118,945)         10,451,389           Capital assets, being depreciated Buildings         10,447,342         168,833         7,951         - 10,608,224           Infrastructure         65,928,281         1,118,945         67,047,226           Machinery and equipment         11,438,172         1,291,940         1,040,789         - 11,689,323           Capital assets, being depreciated         87,813,795         1,460,773         1,048,740         1,118,945         89,344,773           Less accumulated depreciation for Buildings         5,424,028         295,769         5,202         - 5,714,595         5,714,595         1,601,830         2,65,29,021         6,913,383         704,485         26,529,021         4,927,191         1,601,830         3,744,955         - 39,156,999         704,485         39,156,999         704,485         39,156,999         704         - 39,156,999         704         39,156,999         704,485         39,156,999         704         39,156,999         704         30,186,999         704,485         30,187,774         30,187,774         30,187,774 </td <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>							
Capital assets, not being depreciated         7,922,051         3,649,333         1,050         (1,118,945)         10,451,389           Capital assets, being depreciated Buildings         10,447,342         168,833         7,951         - 10,608,224           Infrastructure         65,928,281         1,118,945         67,047,226           Machinery and equipment         11,438,172         1,291,940         1,040,789         - 11,689,323           Capital assets, being depreciated         87,813,795         1,460,773         1,048,740         1,118,945         89,344,773           Less accumulated depreciation for Buildings         5,424,028         295,769         5,202         - 5,714,595         1,7595         1,750,003         - 26,529,021         1,750,003         - 26,529,021         1,750,003         - 7,64,485         - 6,913,383         - 6,913,383         - 7,64,485         - 6,913,383         - 7,64,485         - 7,64,485         - 7,913,56,999         - 7,774         -	Land	\$	5,939,431	\$ 120,492	\$ 1,050	\$ -	
Capital assets, being depreciated           Buildings         10,447,342         168,833         7,951         - 10,608,224           Infrastructure         65,928,281         - 0         1,118,945         67,047,226           Machinery and equipment         11,438,172         1,291,940         1,040,789         - 11,689,323           Capital assets, being depreciated         87,813,795         1,460,773         1,048,740         1,118,945         89,344,773           Less accumulated depreciation for Buildings         5,424,028         295,769         5,202         - 5,714,595         1nfrastructure         24,927,191         1,601,830         - 26,529,021         Machinery and equipment         6,639,688         1,038,180         764,485         - 6,913,383           Total accumulated depreciation         36,990,907         2,935,779         769,687         - 39,156,999           Total capital assets being depreciated, net         50,822,888         (1,475,006)         279,053         1,118,945         50,187,774           Governmental activities capital assets, net         \$ 58,744,939         \$ 2,174,327         \$ 280,103         \$ - \$ 60,639,163           Depreciation expense was charged to the functions of government as follows:         \$ 238,230           Public safety         593,989         593,989	Construction in progress		1,982,620	3,528,841	-	(1,118,945)	4,392,516
Capital assets, being depreciated           Buildings         10,447,342         168,833         7,951         - 10,608,224           Infrastructure         65,928,281         - 2         1,118,945         67,047,226           Machinery and equipment         11,438,172         1,291,940         1,040,789         - 11,689,323           Capital assets, being depreciated         87,813,795         1,460,773         1,048,740         1,118,945         89,344,773           Less accumulated depreciation for Buildings         5,424,028         295,769         5,202         - 5,714,595         1nfrastructure         24,927,191         1,601,830         - 26,529,021         Machinery and equipment         6,639,688         1,038,180         764,485         - 6,913,383           Total accumulated depreciation         36,990,907         2,935,779         769,687         - 39,156,999           Total capital assets being depreciated, net         50,822,888         (1,475,006)         279,053         1,118,945         50,187,774           Governmental activities capital assets, net         \$ 58,744,939         \$ 2,174,327         \$ 280,103         \$ - \$ 60,639,163           Depreciation expense was charged to the functions of government as follows:         \$ 238,230           Public safety         593,989         593,989	Capital assets not being depreciated		7 022 0E1	2 640 222	1 050	/1 110 O/E\	10 /E1 200
Buildings	Capital assets, not being depreciated		7,322,031	3,043,333	1,030	(1,110,945)	10,431,383
Infrastructure	Capital assets, being depreciated						
Machinery and equipment         11,438,172         1,291,940         1,040,789         -         11,689,323           Capital assets, being depreciated         87,813,795         1,460,773         1,048,740         1,118,945         89,344,773           Less accumulated depreciation for Buildings         5,424,028         295,769         5,202         -         5,714,595           Infrastructure         24,927,191         1,601,830         -         -         26,529,021           Machinery and equipment         6,639,688         1,038,180         764,485         -         6,913,383           Total accumulated depreciation         36,990,907         2,935,779         769,687         -         39,156,999           Total capital assets being depreciated, net         50,822,888         (1,475,006)         279,053         1,118,945         50,187,774           Governmental activities capital assets, net         \$58,744,939         \$2,174,327         \$280,103         \$-         \$60,639,163           Depreciation expense was charged to the functions of government as follows:         \$238,230         \$93,985         \$93,985           Public safety         \$93,989         \$93,989         \$93,989         \$93,989         \$93,985         \$93,985         \$93,985         \$93,985         \$93,985         \$9	Buildings	1	.0,447,342	168,833	7,951	-	10,608,224
Capital assets, being depreciated         87,813,795         1,460,773         1,048,740         1,118,945         89,344,773           Less accumulated depreciation for Buildings         5,424,028         295,769         5,202         - 5,714,595         Infrastructure         24,927,191         1,601,830         - 26,529,021         - 26,529,021         Machinery and equipment         6,639,688         1,038,180         764,485         - 6,913,383           Total accumulated depreciation         36,990,907         2,935,779         769,687         - 39,156,999           Total capital assets being depreciated, net         50,822,888         (1,475,006)         279,053         1,118,945         50,187,774           Governmental activities capital assets, net         \$58,744,939         \$2,174,327         \$280,103         \$ - \$60,639,163           Depreciation expense was charged to the functions of government as follows:         S60,639,163         S60,639,163           Governmental Activities           General government         \$238,230         \$533,989           Physical environment         \$3,985           Transportation         2,057,620           Economic environment         2,094           Human services         18,321	Infrastructure	6	5,928,281	-	-	1,118,945	67,047,226
Less accumulated depreciation for Buildings       5,424,028       295,769       5,202       - 5,714,595         Infrastructure       24,927,191       1,601,830       - 26,529,021         Machinery and equipment       6,639,688       1,038,180       764,485       - 6,913,383         Total accumulated depreciation       36,990,907       2,935,779       769,687       - 39,156,999         Total capital assets being depreciated, net       50,822,888       (1,475,006)       279,053       1,118,945       50,187,774         Governmental activities capital assets, net       \$ 58,744,939       \$ 2,174,327       \$ 280,103       \$ - \$ 60,639,163         Depreciation expense was charged to the functions of government as follows:         Governmental Activities         General government       \$ 238,230         Public safety       \$ 593,989         Physical environment       3,985         Transportation       2,057,620         Economic environment       2,094         Human services       18,321	Machinery and equipment	1	1,438,172	1,291,940	1,040,789	-	11,689,323
Less accumulated depreciation for Buildings         5,424,028         295,769         5,202         5,714,595           Infrastructure         24,927,191         1,601,830         -         -         26,529,021           Machinery and equipment         6,639,688         1,038,180         764,485         -         6,913,383           Total accumulated depreciation         36,990,907         2,935,779         769,687         -         39,156,999           Total capital assets being depreciated, net         50,822,888         (1,475,006)         279,053         1,118,945         50,187,774           Governmental activities capital assets, net         \$ 58,744,939         \$ 2,174,327         \$ 280,103         \$ -         \$ 60,639,163           Depreciation expense was charged to the functions of government as follows:         Governmental Activities           General government         \$ 238,230           Public safety         \$ 593,989           Physical environment         \$ 2,057,620           Economic environment         2,094           Human services         18,321							
Buildings         5,424,028         295,769         5,202         5,714,595           Infrastructure         24,927,191         1,601,830         -         -         26,529,021           Machinery and equipment         6,639,688         1,038,180         764,485         -         6,913,383           Total accumulated depreciation         36,990,907         2,935,779         769,687         -         39,156,999           Total capital assets being depreciated, net         50,822,888         (1,475,006)         279,053         1,118,945         50,187,774           Governmental activities capital assets, net         \$ 58,744,939         \$ 2,174,327         \$ 280,103         \$ -         \$ 60,639,163           Depreciation expense was charged to the functions of government as follows:         Segment of government as follows:           General government public safety         \$ 238,230           Physical environment frame protection environment frame public environment frame p	Capital assets, being depreciated	8	7,813,795	1,460,773	1,048,740	1,118,945	89,344,773
Buildings         5,424,028         295,769         5,202         5,714,595           Infrastructure         24,927,191         1,601,830         -         -         26,529,021           Machinery and equipment         6,639,688         1,038,180         764,485         -         6,913,383           Total accumulated depreciation         36,990,907         2,935,779         769,687         -         39,156,999           Total capital assets being depreciated, net         50,822,888         (1,475,006)         279,053         1,118,945         50,187,774           Governmental activities capital assets, net         \$ 58,744,939         \$ 2,174,327         \$ 280,103         \$ -         \$ 60,639,163           Depreciation expense was charged to the functions of government as follows:         Segment of government as follows:           General government public safety         \$ 238,230           Physical environment frame protection environment frame public environment frame p							
Infrastructure			F 424 020	205 760	F 202		F 74.4 FOF
Machinery and equipment         6,639,688         1,038,180         764,485         - 6,913,383           Total accumulated depreciation         36,990,907         2,935,779         769,687         - 39,156,999           Total capital assets being depreciated, net         50,822,888         (1,475,006)         279,053         1,118,945         50,187,774           Governmental activities capital assets, net         \$ 58,744,939         \$ 2,174,327         \$ 280,103         \$ - \$ 60,639,163           Depreciation expense was charged to the functions of government as follows:           Governmental Activities         \$ 238,230           Public safety         \$ 93,989           Physical environment         3,985           Transportation         2,057,620           Economic environment         2,094           Human services         18,321	_			-	5,202	-	
Total accumulated depreciation         36,990,907         2,935,779         769,687         - 39,156,999           Total capital assets being depreciated, net         50,822,888         (1,475,006)         279,053         1,118,945         50,187,774           Governmental activities capital assets, net         \$ 58,744,939         \$ 2,174,327         \$ 280,103         \$ - \$ 60,639,163           Depreciation expense was charged to the functions of government as follows:         Governmental Activities           General government Public safety         \$ 238,230           Physical environment Transportation         \$ 3,985           Transportation Economic environment Human services         2,094           Human services         18,321					- 764 485	-	
Total capital assets being depreciated, net 50,822,888 (1,475,006) 279,053 1,118,945 50,187,774  Governmental activities capital assets, net \$58,744,939 \$2,174,327 \$280,103 \$-\$60,639,163  Depreciation expense was charged to the functions of governement as follows:  Governmental Activities  General government \$238,230 Public safety \$593,989 Physical environment 3,985 Transportation \$2,057,620 Economic environment 2,094 Human services \$18,321	Watermery and equipment		0,033,000	1,030,100	707,703		0,515,505
net         50,822,888         (1,475,006)         279,053         1,118,945         50,187,774           Governmental activities capital assets, net         \$ 58,744,939         \$ 2,174,327         \$ 280,103         \$ - \$ 60,639,163           Depreciation expense was charged to the functions of government as follows:           Governmental Activities           General government         \$ 238,230           Public safety         593,989           Physical environment         3,985           Transportation         2,057,620           Economic environment         2,094           Human services         18,321	Total accumulated depreciation	3	6,990,907	2,935,779	769,687	-	39,156,999
net         50,822,888         (1,475,006)         279,053         1,118,945         50,187,774           Governmental activities capital assets, net         \$ 58,744,939         \$ 2,174,327         \$ 280,103         \$ - \$ 60,639,163           Depreciation expense was charged to the functions of government as follows:           Governmental Activities           General government         \$ 238,230           Public safety         593,989           Physical environment         3,985           Transportation         2,057,620           Economic environment         2,094           Human services         18,321	Total capital assets being depreciated						
Governmental activities capital assets, net \$58,744,939 \$2,174,327 \$280,103 \$-\$60,639,163  Depreciation expense was charged to the functions of governement as follows:  Governmental Activities  General government \$238,230 Public safety \$593,989 Physical environment \$3,985 Transportation \$2,057,620 Economic environment \$2,094 Human services		5	in 822 888	(1 475 006)	279 053	1 118 945	50 187 774
net \$ 58,744,939 \$ 2,174,327 \$ 280,103 \$ - \$ 60,639,163  Depreciation expense was charged to the functions of government as follows:  Governmental Activities  General government \$ 238,230  Public safety \$ 593,989  Physical environment \$ 3,985  Transportation \$ 2,057,620  Economic environment \$ 2,094  Human services \$ 18,321	Tiet .		0,022,000	(1,173,000)	273,033	1,110,515	30,107,771
Depreciation expense was charged to the functions of governement as follows:  Governmental Activities  General government \$ 238,230  Public safety \$ 593,989  Physical environment \$ 3,985  Transportation \$ 2,057,620  Economic environment \$ 2,094  Human services \$ 18,321	Governmental activities capital assets,						
Governmental ActivitiesGeneral government\$ 238,230Public safety593,989Physical environment3,985Transportation2,057,620Economic environment2,094Human services18,321	net	\$ 5	8,744,939	\$ 2,174,327	\$ 280,103	\$ -	\$ 60,639,163
Governmental ActivitiesGeneral government\$ 238,230Public safety593,989Physical environment3,985Transportation2,057,620Economic environment2,094Human services18,321							
General government\$ 238,230Public safety593,989Physical environment3,985Transportation2,057,620Economic environment2,094Human services18,321	Depreciation expense was charged	to th	ne functio	ns of govern	ement as fo	llows:	
Public safety593,989Physical environment3,985Transportation2,057,620Economic environment2,094Human services18,321	Governmental Activities						
Public safety593,989Physical environment3,985Transportation2,057,620Economic environment2,094Human services18,321	General government					\$	238,230
Transportation2,057,620Economic environment2,094Human services18,321							593,989
Economic environment 2,094 Human services 18,321	Physical environment						3,985
Human services 18,321	Transportation						2,057,620
,	Economic environment						2,094
<b>A</b> 1	Human services						18,321
Culture and recreation 21,540	Culture and recreation						21,540
Total \$ 2,935,779	Total					\$	2,935,779

The Development Commission's capital assets are as follows:

September 30, 2021	Beginning Balance	lı	ncreases	Decreases	Ending Balance
Capital assets, not being depreciated Land Construction-in-progress	\$ 973,412 251,584	\$	768,797 -	\$ - (251,584)	\$ 1,742,209
Capital assets, not being depreciated	1,224,996		768,797	(251,584)	1,742,209
Capital assets, being depreciated Buildings and improvements Furniture and fixtures	1,022,969		340,958	- -	1,363,927
Capital assets, being depreciated	1,022,969		340,958	-	1,363,927
Less accumulated depreciation for Buildings and improvements	(23,614)		(43,076)	-	(66,690)
Total capital assets being depreciated, net	999,355		297,882	-	1,297,237
Capital assets, net	\$ 2,224,351	\$ 1	1,066,679	\$ (251,584)	\$ 3,039,446

#### **Unearned Revenue**

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

Arthropod grant	\$ 20,411
Ambulance Grant	114,000
American Rescue Plan	1,746,338
SHIP	1,107,881
FEMA grant	2,230,777
Total	\$ 5,219,407

# Long-Term Debt and Liabilities

The following is a summary of changes in long-term debt for the year ended September 30, 2021:

	Balance 10/01/20	Additions		Reductions	Balance 09/30/21	[	Oue Within One Year
Capital leases from							_
direct borrowings  Note payable from	\$ 64,969	\$ 34,090	\$	37,901	\$ 61,158	\$	30,169
direct borrowings Series 2012 revenue	\$ -	\$ 315,000	\$	82,242	\$ 232,758	\$	74,772
bonds Compensated	1,882,652	-		174,426	1,708,226		179,609
absences	502,765	413,144		391,375	524,534		52,454
Net pension liability	14,581,407	-		10,397,145	4,184,262		-
Net OPEB liability	608,505	-		90,025	518,480		
	\$ 17,640,298	\$ 762,234	\$	11,173,114	\$ 7,229,418	\$	337,004

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

#### Capital Leases from Direct Borrowings

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

	Capital Assets
Machinery and equipment Less: accumulated depreciation	\$ 142,153 (26,683)
Net leased machinery and equipment	\$ 115,470

Future lease debt service is as follows:

Fiscal Year Ending September 30,	I	Long-Term Debt
зертенные 30,		Dent
2022	\$	31,841
2023		31,841
Total minimum lease payments		63,682
Less: amount representing interest		(2,524)
Present value of future minimum lease payments	\$	61,158

#### Revenue Bonds

Public Improvement Refunding Revenue Bonds Series 2012 - The County issued revenue bonds on December 21, 2012, to provide funds to finance the cost of refunding the outstanding Public Improvement Refunding Revenue Bond, Series 2011, to fund the reserve for the bonds and to pay certain expenses related to the issuance and sale of the bonds. The interest rate on the bonds is 2.95%. Interest and principal is payable semiannually on June 1 and December 1. The original issue was for \$3,025,479 with principal payments beginning December 1, 2013 through December 1, 2029. The bonds were secured by a lien and pledge of the County's Guaranteed Entitlement and Half-Cent Sales tax. For the current year, principal and interest and revenue from the pledge sources were \$228,686 and \$984,734, respectively. Annual principal and interest payments on the bond are expected to require an estimated 25% of the pledged revenues. The outstanding principal payment installments of the bonds may be prepaid in whole prior to their respective payment date, at the option of the County, at any time, at the price of par and accrued interest to the prepayment date, plus a premium equal to 1% of the principal payment installments to be prepaid.

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

Year Ending
-------------

September 30,		Principal	Interest	Total
2022	\$	179,609 \$	47,312 \$	226,921
2022	Ş	185,127	47,312 3 41,922	220,921
		•	•	•
2024		190,442	36,371	226,813
2025		196,102	30,656	226,758
2026		201,930	24,771	226,701
2027 - 2030		755,016	37,783	792,799
	<b>,</b>	4 700 226 6	240.045 6	4 007 044
	<u> </u>	<u>1,708,226 \$</u>	218,815 \$	1,927,041

#### Note Payable

The Sheriff entered into a promissory note on January 28, 2021, to provide funds to finance the cost of vehicles. The interest rate on the note is 3.53%. Interest and principal is payable annually on March 1<sup>st</sup>. The original issue was for \$315,000 with principal payments beginning March 1, 2021 through March 1, 2024.

The following table sets forth the annual debt service requirements on the note payable:

#### Year Ending

September 30,	Principal	Interest	Total
2022	\$ 74,772 \$	8,441 \$	83,213
2023	77,586	5,627	83,213
2024	80,400	2,814	83,214
	\$ 232,758 \$	16,882 \$	249,640

#### **Development Commission**

The Development Commission has a note payable from Regions Bank maturing July 20, 2030. The current rate of interest is 3.35% and interest payments are due quarterly. The outstanding balance on the note payable was \$1,034,000 and \$1,140,000 at September 30, 2021 and 2020, respectively.

The Development Commission also has an owner-financed note payable on the purchase of 97.260 acres of land located in Holmes County that was purchased in December 2020. The balance is to be paid in five annual installments of \$153,760 until the balance is fully paid. The outstanding balance on the note payable was \$622,390 and \$0 at September 30, 2021 and 2020, respectively.

The Development Commission entered into a contract with the Holmes County School Board to pay \$150,000 within 30 days of the Holmes County School Board vacating the middle school property.

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

Net Position Restricted by Enabling Legislation

The government-wide Statement of Net Position reports \$6,728,943 of restricted net position, of which \$6,130,680 was restricted by enabling legislation.

**Governmental Fund Balances** 

Fund balance is comprised of the following:

\$ 3,829,573

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

Neverandahla Fund Balanca			
Nonspendable Fund Balance County Transportation Trust			
Inventory		\$	80,201
		<u> </u>	, -
Restricted Fund Balances			
General Fund			
Debt service	\$ 228,696		
Grants	236		
Tourist development	401,169		
Code enforcement	157,792		
Total general fund		\$	787,893
County Transportation Trust			
Transportation			4,027,041
Nonmajor governmental funds			
Child support enforcement	490,406		
Law enforcement	19		
Public safety	260,564		
Court operations	342,140		
Judicial facilities	392,191		
Court innovations	186,752		
Domestic violence	93,934		
Florida arts	1,418		
Drivers education	19,077		
Criminal justice education	1,037		
Boater improvement	8,352		
Animal Control	1,890		
Crime prevention	26,131		
Debt service	78,042		
Court technology	12,056	i	
Total nonmajor governmental funds			1,914,009
Total restricted fund balance		\$	6,728,943
Assigned Fund Balance			
General Fund			
EMPG grant match	\$ 10,000		
Capital projects	768,217		
2022 budget appropriations	3,051,356		

Total general fund

Nonmajor governmental funds			
Mosquito control	32,923		
Culture and recreation – library	1,273		
Public safety	23		
Total nonmajor government funds		34,2:	19
Total assigned fund balances	ţ	3,863,79	92

#### **Note 3: RETIREMENT PLANS**

#### Florida Retirement System Pension Plan

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

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

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

Participating employer contributions are based upon state-wide rates established by the State of Florida. These rates are applied to employee salaries as follows: regular employees-10.82% DROP Program-18.34%, special risk employees-25.89%, senior management-29.01% and elected officials-51.42%. The rate applied to employee salaries for employee contributions was 3.00% for all classifications with the exception of DROP program participants who do not make contributions.

The County's contributions to the System pension plan for the years ended September 30, 2021 and 2020 were \$1,171,226 and \$1,046,313 respectively, and equal to the actuarially determined contributions for each year. The County's contributions to the Retiree Health Insurance Subsidy

#### Florida Retirement System Pension Plan (continued)

Program ("HIS") for the years ended September 30, 2021 and 2020 were \$107,551 and \$98,814 respectively, and equal to the actuarially determined contributions for each year. These contributions were paid by their due date. Total payroll for the County employees covered by the System pension plan and HIS was \$6,578,203 the year ended September 30, 2021. The County's total payroll was \$6,889,735 for the same period.

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

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions. At September 30, 2021, the County reported a liability of \$2,010,985 for its proportionate share of the collective net pension liability for the System Pension Plan ("Pension Plan"). The net pension liability was measured as of June 30, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021. The County's proportion of the collective net pension liability was based on the employers' shares of contributions to the Pension Plan relative to the total employer contributions of all participating employers. At June 30, 2021, the System's proportion of the Pension Plan was 0.026622%, which was a decrease of 0.002194% from its proportion measured as of June 30, 2020.

For the year ended September 30, 2021, the County recognized pension benefit of \$1,222,438. At September 30, 2021, the County reported deferred outflows and deferred inflows of resources related to the Pension Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 344,686	\$ -
Changes of assumptions	1,376,016	-
Net difference between projected and actual earnings on		
pension plan investments	-	7,015,822
Changes in proportion and differences between employer		
contributions and proportionate share of contributions	180,028	926,676
Employer contributions subsequent to the measurement date	309,468	
<u>Total</u>	\$ 2,210,198	\$ 7,942,498

\$309,468 of deferred outflows resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2022.

#### Florida Retirement System Pension Plan (continued)

The balance of deferred outflows and deferred inflows of resources will be recognized in pension expense as follows:

Year Ended	Deferred Outflows of	Deferred Inflows of	Pension Expense,
September 30,	Resources	Resources	Net
2022 2023 2024 2025 2026	\$ 404,410 \$ 404,410 404,410 404,410 283,090	1,951,121 \$ 1,951,121 1,951,121 1,951,119 138,016	1,546,711 1,546,711 1,546,711 1,546,709 145,074
<u>Total</u>	\$ 1,900,730 \$	7,942,498 \$	6,331,916

Actuarial assumptions. The total pension liability for the Pension Plan was determined by an actuarial valuation as of June 30, 2021 using the following actuarial assumptions, applied to all periods included in the measurement:

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

<sup>\*</sup> Net of pension plan investment expense

The actuarial assumptions used in the actuarial valuation as of June 30, 2021 for the Pension Plan were based on the results of an investigation of the economic and demographic experience for the System based upon participant data as of June 30, 2018.

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

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

#### Florida Retirement System Pension Plan (continued)

			Compound	
		Annual	Annual	
	Target	Arithmetic	(Geometric)	Standard
Asset Class	Allocation (1)	Return*	Return	Deviation
Cash	1.0%	2.1%	2.1%	1.1%
Fixed Income	20.0%	3.8%	3.7%	3.3%
Global equity	54.2%	8.2%	6.7%	17.8%
Real estate (property)	10.3%	7.1%	6.2%	13.8%
Private equity	10.8%	11.7%	8.5%	26.4%
Strategic Investments	3.7%	5.7%	5.4%	8.4%
Total	100%			

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

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

Sensitivity of the County's proportionate share of the net pension liability to changes in the discount rate. The following table presents the County's proportionate share of the net pension liability calculated using the discount rate of 6.80% for the Pension Plan, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.80%) or 1-percentage point higher (7.80%) than the current rate:

		Current	
	1%	Discount	1%
	Decrease	Rate	Increase
	(5.80%)	(6.80%)	(7.80%)
County's proportionate share of collective net pension liability	\$ 8,993,260 \$	2,010,985	\$ (3,825,414)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued System Comprehensive Annual Financial Report for the fiscal year ended June 30, 2021. The supporting actuarial information is included in the GASB Statement No. 68 Report for the System prepared as of June 30, 2021. The auditor's report dated January 19, 2022 on the total pension liability, total deferred outflows of resources, total deferred inflows of resources, total pension expense for the sum of all participating entities as of June 30, 2021 along with supporting schedules is also available. The additional financial and actuarial information is available from the following website:

<sup>\*</sup> Includes assumed rate of inflation of 2.40%

#### **Health Insurance Subsidy Program**

Chapter 112, Florida Statutes, established the HIS, a cost-sharing multiple-employer defined benefit pension plan to assist retired members of any State-administered retirement system in paying the costs of health insurance. Contributions to the HIS plan are included in contributions to the Pension Plan noted above. The Pension Plan contributes 1.66% of each covered employee's salary to the HIS Plan. The remainder is contributed to the Pension Plan, with the exception for 0.04% that is contributed to administrative expenses.

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

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions. At September 30, 2021, the County reported a liability of \$2,173,277 for its proportionate share of the collective net pension liability. For the Health Insurance Subsidy program ("HIS Plan"), the net pension liability was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The County's proportion of the collective net pension liability was based on the employers' shares of contributions to the HIS Plan relative to the total employer contributions of all participating employers. At June 30, 2021, the System's proportion of the HIS Plan was 0.017717%, which was an increase of 0.000584% from its proportion measured as of June 30, 2020.

For the year ended September 30, 2021, the County recognized HIS Plan pension expense of \$62,667. At September 30, 2021, the County reported deferred outflows and deferred inflows of resources related to the HIS Plan from the following sources:

	Deferred	Deferred
	Outflows of	Inflows of
	Resources	<u>Resources</u>
Differences between expected and actual experience	\$ 72,723	\$ 910
Changes of assumptions	170,771	89,545
Net difference between projected and actual earnings on		
Pension plan investments	2,266	-
Changes in proportion and differences between employer		
contributions and proportionate share of contributions	134,558	130,756
Employer contributions subsequent to the measurement date	28,547	<u>-</u>
<u>Total</u>	\$ 408,865	\$ 221,211

#### Health Insurance Subsidy Program (continued)

\$28,547 of deferred outflows resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2022. Amounts reported as deferred outflows and deferred inflows of resources related to the HIS Plan will be recognized in the pension's expense as follows:

Year Ended	Deferred Outflows of	Deferred Inflows of	Pension Expense,
September 30,	Resources	Resources	Net
2022 2023 2024	\$ 70,576 \$ 70,576 70,576	40,965 \$ 40,965 40,965	29,611 29,611 29,611
2025	70,574	40,965	29,609
2026	70,009	40,965	29,044
<u>Thereafter</u>	28,007	16,386	11,621
Total	\$ 380,318 \$	221,211 \$	159,107

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

Inflation	2.40%
Investment rate of return*	2.16%
Projected salary increases	3.25%

<sup>\*</sup> Net of pension plan investment expense

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

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

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

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

# Holmes County, Florida Notes to Financial Statements

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

Sensitivity of the County's proportionate share of the net pension liability to changes in the discount rate. The following table presents the County's proportionate share of the net pension liability calculated using the discount rate of 2.16% for the HIS Plan as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (1.16%) or 1-percentage point higher (3.16%) than the current rate:

	1%	Current	1%	
	Decrease	Discount Rate	Increase	
	(1.16%)	(2.16%)	(3.16%)	
County's proportionate share of collective				
net pension liability	\$ 2,512,519	\$ 2,173,277 \$	1,895,344	

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued System Comprehensive Annual Financial Report for the fiscal year ended June 30, 2021. The supporting actuarial information is included in the GASB Statement No. 68 Report for the System prepared as of June 30, 2021. The auditor's report dated January 19, 2022 on the total pension liability, total deferred outflows of resources, total deferred inflows of resources, total pension expense for the sum of all participating entities as of June 30, 2021 along with supporting schedules is also available. The additional financial and actuarial information is available from the following website:

http://www.dms.myflorida.com/workforce operations/retirement/publications.

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

#### Plan Description

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

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

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

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

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

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

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

The benefit is payable immediately upon retirement for life.

#### **Funding Policy**

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

#### Membership

At September 30, 2021, there were no terminated employees entitled to benefits but not yet receiving them. The membership of the Plan consisted of:

Active employees	107
Retirees and beneficiaries currently receiving benefits	8
Total membership	115
Participating employers	1

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

#### **Net OPEB Liability**

The County's net OPEB liability is reported herein as of September 30, 2021 for the County's fiscal year and reporting period of October 1, 2020 to September 30, 2021. The values shown for this fiscal year and reporting period are based on a measurement date of September 30, 2020 and the corresponding measurement period of October 1, 2020 to September 30, 2021. The measurement of the total OPEB liability is based on a valuation date of October 1, 2020. The following shows the changes in the County's net OPEB liability:

	Increases (Decreases)			
	Total OPEB	Plan Fiduciary	Net OPEB	
	Liability	<b>Net Pension</b>	Liability	
	(a)	(b)	(a)+(b)	
Balance at October 1, 2020	\$ 608,505	\$ -	\$ 608,505	
Service cost	36,246	-	36,246	
Interest cost	15,292	-	15,292	
Difference between expected and actual experience	(41,538)	-	(41,538)	
Changes in assumptions	(68,948)	-	(68,948)	
Benefit payments	(31,077)	-	(31,077)	
Net changes	(90,025)	-	(90,025)	
Balance at September 30, 2021	\$ 518,480	\$ -	\$ 518,480	

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

	1%	1% Current		
	Decrease	Discount Rate	Increase	
	1.43%	2.43%	3.43%	
Net OPEB liability	\$ 561,632	\$ 518,480	\$ 479,919	

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

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

	Trend	<b>Current Trend</b>		Trend
	Rate	Rate, then		Rate
	Minus	9.00% graded		Plus
	1.00%	down	to 5.00%	1.00%
Net OPEB liability	\$ 467,195	\$	518,480	\$ 578,556

For the year ended September 30, 2021, the County recognized OPEB expense of \$11,110.

At September 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to the OPEB Plan from the following sources:

		Deferred		Deferred	
	Ou	tflows of	Inf	lows of	
	R	esources	Res	ources	
Balance at October 1, 2020	\$	73,608	\$	66,430	
Amortization payments		(7,318)		(16,669)	
Demographic gain/loss		-		41,538	
Changes in assumptions		-		68,948	
Balance at September 30, 2021	\$	66,290	\$	160,247	

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

Year Ended September 30,	OPEB Expense, Net
2021	\$ (9,351)
2022	(9,351)
2023	(9,351)
2024	(9,351)
2025	(9,351)
Thereafter	(47,202)
	\$ (93,957)

Actuarial Methods and Assumptions - The valuation report dated April 22, 2022 for the fiscal year end date of September 30, 2021 was prepared using GAAP and practices, and relied on unaudited census data and medical claims data reported by the County. Projections of benefits for financial reporting purposes are based on the substantive plan (the Plan as understood by the employer and the Plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used included techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

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

In the September 30, 2021 actuarial valuation, the entry age normal actuarial cost method was used to determine the Plan's funding liabilities and assets. The actuarial assumption included a 2.43% discount rate, general wage increases of 3.0% and a healthcare cost trend rate for the year-ended September 30, 2021 of 0.00%, then 9.00% for the year-ended September 30, 2022 graded down by 1.00% per year to 5.00% for the year-ended September 30, 2026 and later fiscal years. The discount rate represents the S&P Municipal Bond 20-year High Grade yield curve rates as of September 30, 2021. Mortality rates were based on the PUB-2010 Mortality Table (without income adjustments), with full generational improvements in mortality using Scale MP-2020.

#### **Note 5: COMMITMENTS AND CONTINGENCIES**

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

Construction Commitments - The County had open contract commitments for road construction projects as of September 30, 2021, as follows:

Contract amounts	Ş	4,306,707
Amount expended through September 30, 2021		1,853,348
Remaining commitment on contract	\$	2,453,359

#### **Note 6: RISK MANAGEMENT**

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

#### **Note 7: LITIGATION**

The County is involved in several litigations and claims arising in the ordinary course of operations. In the opinion of management, the range of potential recoveries or liabilities would not materially affect the financial position of the County at September 30, 2021. Accordingly, no accruals for loss contingency have been made in the accompanying financial statements.

# Holmes County, Florida Notes to Financial Statements

#### **Note 8: UNCERTAINTIES**

In March 2020, the World Health Organization made the assessment that the outbreak of the novel coronavirus (COVID-19) can be characterized as a pandemic. As a result, uncertainties have arisen that may have a significant negative impact on the ongoing operating activities and the future results of the Town. The occurrence and extent of such an impact will depend on future developments, including (i) the and spread of the virus, (ii) government quarantine measures, (iii) voluntary and precautionary restrictions on travel or meetings, (iv) the effects on the financial markets, and (v) the effects on the economy overall, all of which are uncertain as of April 22, 2022.

#### **Note 9: RESTATEMENT OF BEGINNING BALANCES**

As discussed in Note 1, the implementation of GASB Statement No. 84 required the County to restate the beginning fund balance for one non-major fiduciary fund. A reconciliation of the prior period ending fund balance to the current year beginning fund balance is as follows:

# Fiduciary fundsBeginning fund balance\$ -Adjustment to move unspent portion of restricted revenue from<br/>liability to restricted fund balance22,137Beginning fund balance, as restated\$ 22,137

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

As of and for the year ended September 30,	2021	2020	2019	2018
Total OPEB Liability				
Service cost	\$ 36,246 \$	40,567 \$	33,204 \$	32,853
Interest	15,292	12,734	19,331	18,096
Differences between expected and actual experience	(41,538)	77,934	, -	-
Changes of assumptions	(68,948)	(72,981)	3,314	-
Benefit payments	(31,077)	(8,379)	(7,921)	(9,018)
Net change in total OPEB liability	(90,025)	49,875	47,928	41,931
Total OPEB liability - beginning	608,505	558,630	510,702	468,771
Total OPEB liability - ending (a)	 518,480	608,505	558,630	510,702
Plan Fiduciary Net Position				
Contributions - employer	31,077	8,379	7,921	9,018
Benefit payments	(31,077)	(8,379)	(7,921)	(9,018)
Net change in plan fiduciary net position	-	-	-	-
Plan fiduciary net position - beginning	-	-	-	-
Plan fiduciary net position - ending (b)	-	-	-	
Net OPEB liability - ending (a) - (b)	\$ 518,480 \$	608,505 \$	558,630 \$	510,702
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%
Covered-employee payroll	\$ 3,938,487 \$	4,132,337 \$	3,964,061 \$	3,964,061
Net OPEB liability as a percentage of covered-employee payroll	13.16%	14.73%	14.09%	12.88%
Contributions as a percentage of covered-employee payroll	0.79%	0.20%	0.20%	0.23%

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

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

As of and for the year ended June 30,	2021	2020	2019
Employer's proportion of the net pension liability	0.026622%	0.028816%	0.030612%
Employer's proportionate share of the net pension liability	\$ 2,010,985	\$ 12,489,420	\$ 10,542,400
Employer's covered payroll*	\$ 6,526,663	\$ 6,276,796	\$ 6,035,130
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	30.81%	198.98%	174.68%
Plan fiduciary net position as a percentage of the total pension liability	96.40%	78.85%	82.61%

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

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

2018	2017	2016	2015
0.029778%	0.029280%	0.029259%	0.029483%
\$ 8,969,236	\$ 8,660,918	\$ 7,387,877	\$ 3,808,127
\$ 6,034,655	\$ 5,770,369	\$ 5,412,180	\$ 5,397,160
148.63%	150.09%	136.50%	70.56%
84.26%	83.89%	84.88%	92.00%

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

As of and for the year ended September 30,	2021	2020	2019
Contractually required contribution**	\$ 1,171,226	\$ 1,046,313	\$ 1,018,651
Contributions in relation to the actuarially determined contribution	1,171,226	1,046,313	1,018,651
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Employer's covered payroll*	\$ 6,578,203	\$ 6,229,286	\$ 6,090,888
Contributions as a percentage of covered payroll	17.80%	16.80%	16.72%

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

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

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

2018	2017	2017		2016				
\$ 931,242	\$ 828,761	\$	757,755	\$	737,281			
931,242	828,761		757,755		737,281			
\$ -	\$ -	\$	-	\$				
\$ 6,059,238	\$ 5,789,294	\$	5,423,471	\$	5,408,518			
15.37%	14.32%		13.97%		13.63%			

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

As of and for the year ended June 30,	2021	2020	2019
Employer's proportion of the net pension liability	0.017717%	0.017134%	0.018354%
Employer's proportionate share of the net pension liability	\$ 2,173,277	\$ 2,091,987	\$ 2,053,618
Employer's covered payroll*	\$ 6,526,663	\$ 6,276,796	\$ 6,035,130
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	33.30%	33.33%	34.03%
Plan fiduciary net position as a percentage of the total pension liability	3.00%	3.00%	2.63%

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

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

2018	2017	2016	2015
0.018254%	0.017968%	0.017436%	0.017001%
\$ 1,932,055	\$ 1,921,232	\$ 2,032,105	\$ 1,733,791
\$ 6,034,655	\$ 5,770,369	\$ 5,412,180	\$ 5,397,160
32.02%	33.29%	37.55%	32.12%
2.15%	1.64%	0.97%	0.50%

## Schedule of Employer Contributions Health Insurance Subsidy Program Last Seven Fiscal Years (1)

As of and for the year ended September 30,	2021	2020	2019
Contractually required contribution**	\$ 107,551	\$ 98,814	\$ 101,109
Contributions in relation to the actuarially determined contribution	107,551	98,814	101,109
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Employer's covered payroll*	\$ 6,578,203	\$ 6,229,286	\$ 6,090,888
Contributions as a percentage of covered payroll	1.63%	1.59%	1.66%

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

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

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

	2018	2017	2016	2015
\$	100,583	\$ 96,102	\$ 90,030	\$ 89,781
	100,583	96,102	90,030	89,781
\$	-	\$ -	\$ -	\$ 
\$	6,059,238	\$ 5,789,294	\$ 5,423,471	\$ 5,408,518
	1.66%	1.66%	1.66%	1.66%

## NOTES TO REQUIRED SUPPLEMENTAL INFORMATION

#### Note 1: POSTEMPLOYMENT BENEFITS PLAN

The defined benefit OPEB plan does not have any assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the pension OPEB Plan.

The following actuarial assumptions changed in 2021:

- The discount rate was increased from 2.14% to 2.43%
- Healthcare cost trend rate decreased from 6.50% graded down to 5.00% to 0.00% for the year-ended September 30, 2021, then 9.00% for the year-ended September 30, 2022 graded down by 1.00% per year to 5.00%.
- The implied monthly subsidy at age 62 for the year-ended September 30, 2021 was changed from \$347.75 for the PPO 3359 plan, \$642.00 for the PPO 5771 plan, and \$749.00 for the PPO 5902 plan to \$400.00 for the retiree and \$325.00 for the retiree 's spouse under the PPO 3359 plan, \$575.00 for the retiree and \$475.00 for the retiree 's spouse under the PPO 5771 plan, and \$575.00 for the retiree and \$450.00 for the retiree 's spouse under the PPO 5902 plan
- Mortality improvement scale was updated from Scale MP-2018 to Scale MP-2020.

## Note 2: FLORIDA RETIREMENT SYSTEMS (FRS)

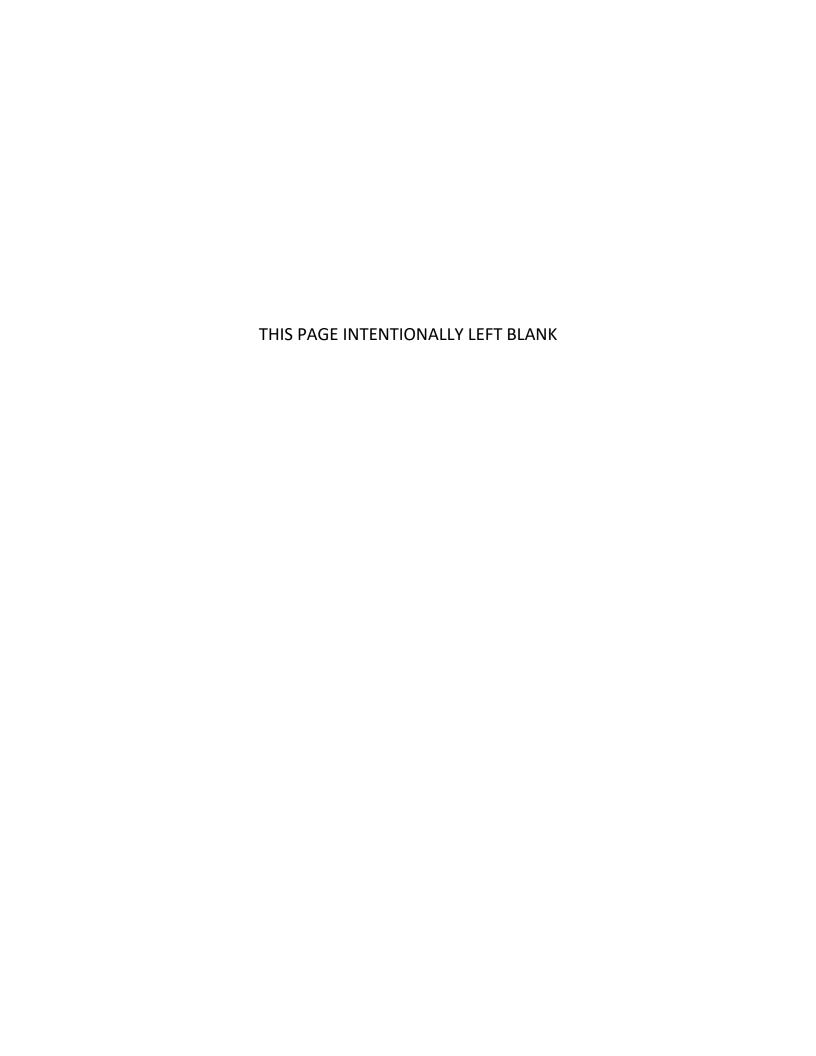
The following actuarial assumptions changed in 2021:

• Actuarial valuation date updated from June 30, 2020 to June 30, 2021.

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

The following actuarial assumptions changed in 2021:

• The municipal rate used to determine total pension liability was decreased from 2.21% to 2.16%



#### NONMAJOR GOVERNMENTAL FUNDS

#### SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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

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

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

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

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

## **DEBT SERVICE FUNDS**

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

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

					Special
September 30, 2021	Arthropod Emergency Control Services 911				Child Support
Assets					
Cash and cash equivalents Accounts receivable	\$ 55,186 -	\$	105,154 -	\$	479,049 17,484
Due from other governments	-		51,168		-
Due from other funds Restricted assets:	-		-		-
Cash and cash equivalents	<del>-</del>		-		
Total assets	\$ 55,186	\$	156,322	\$	496,533
Liabilities					
Accounts payable	\$ 36	\$	32,459	\$	5,433
Accrued liabilities	1,748		-		694
Unearned revenue  Due to other governments	20,411		-		-
Due to other funds	68		-		<u>-</u>
Total liabilities	22,263		32,459		6,127
Fund Balances					
Restricted	-		123,863		490,406
Assigned	32,923		-		-
Total fund balances	32,923		123,863		490,406
Total liabilities and fund balances	\$ 55,186	\$	156,322	\$	496,533

## Revenue Funds

Teen Court	Inmate Canteen	Community Development Block Grant	Federal Interdiction	Fine and Forfeiture
\$ 5,959 - - -	\$ 87,657 - - -	\$ - - 38,656 -	\$ 19 - - -	\$ 348,729 7,282 - -
-	-	-	-	
\$ 5,959	\$ 87,657	\$ 38,656	\$ 19	\$ 356,011
\$ - - - -	\$ - - - -	\$ 8,656 - - - 30,000	\$ - - - -	\$ 130 19,700 - -
-	-	38,656	-	19,830
5,959 -	87,657 -	-	19 -	336,181
 5,959	87,657	-	 19	336,181
\$ 5,959	\$ 87,657	\$ 38,656	\$ 19	\$ 356,011

-Continued-

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

			Special
		Commissioners	Record
September 30, 2021	Civil Trust	Trust	Modernization
Assets			
Cash and cash equivalents	\$ 3,987	\$ 843,150	\$ 7,881
Accounts receivable	-	-	-
Due from other governments	-	114,973	-
Due from other funds	-	437	-
Restricted assets:			
Cash and cash equivalents	-	-	
Total assets	\$ 3,987	\$ 958,560	\$ 7,881
Liabilities			
Accounts payable	\$ -	\$ 2,201	\$ -
Accrued liabilities	-	-	-
Unearned revenue	-	114,000	-
Due to other governments	-	114,973	-
Due to other funds	3,987	3,189	
Total liabilities	3,987	234,363	-
Fund Balances			
Restricted	-	722,901	7,881
Assigned	-	1,296	<u> </u>
Total fund balances	-	724,197	7,881
Total liabilities and fund balances	\$ 3,987	\$ 958,560	\$ 7,881

Reven	nue Funds			Deb	ot Service Fund		
							Total
							Nonmajor
	Court						Governmental
	Technology		Probation		Workcamp		Funds
\$	12,243	\$	52,538	\$	_	\$	2,001,552
	-		-		-		24,766
	-		-		-		204,797
	-		-		-		437
			-		78,042		78,042
\$	12,243	\$	52,538	\$	78,042	\$	2,309,594
Ļ		\$	367	\$		\$	40.292
\$	- 187	Ş	3,127	Ş	-	Ş	49,282 25,456
	107		5,127		-		134,411
	_		_		_		114,973
	_		_		_		37,244
	187		3,494		-		361,366
	12,056		49,044		78,042		1,914,009
			· 				34,219
	10.055		40.04		70.043		4.640.000
	12,056		49,044		78,042		1,948,228
\$	12,243	\$	52,538	\$	78,042	\$	2,309,594

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

	 Special Revenue Funds					
For the year ended September 30, 2021	Arthropod Control	Emergency Services 911		Child Support		
Revenues						
Intergovernmental	\$ 43,962	\$ 309,221	\$	87,111		
Fines and forfeitures	-	-		-		
Charges for services	7,889	-		1,777		
Investment earnings	3	-		-		
Miscellaneous	-	12,006		-		
Total revenues	51,854	321,227		88,888		
Expenditures						
Current						
General government	-	-		94,218		
Public safety	-	303,106		-		
Human services	51,950	-		-		
Economic environment	-	-		-		
Capital outlay	1,360	-		1,431		
Debt service	-	-		-		
Total expenditures	53,310	303,106		95,649		
Excess (deficiency) of revenues						
over (under) expenditures	(1,456)	18,121		(6,761)		
Other Financing Sources (Uses)						
Transfers in	-	-		-		
Transfers out	-	-		-		
Reversion to State of Florida	-	-		-		
Net other financing sources (uses)	-	-		-		
Net change in fund balances	(1,456)	18,121		(6,761)		
Fund balances, beginning	34,379	105,742		497,167		
Fund balances, ending	\$ 32,923	\$ 123,863	\$	490,406		

Teen Court	Inmate Canteen	Community Development Block Grant	Federal Interdiction	Fine and Forfeiture
\$ - - -	\$ - 205,694	\$ 437,632 - -	\$ - - -	\$ 306,194 243,316 260,527
- 8,038	-	-	- 4,859	- 4,705
8,038	205,694	437,632	4,859	814,742
- 5,117	- 162,279	- -	- 4,884	554,220 -
- - -	- - 45,844 -	437,632 - -	- - -	- - -
5,117	208,123	437,632	4,884	554,220
2,921	(2,429)	-	(25)	260,522
- - -	- - -	- - -	- - -	- - (34,417)
 -	-	<u>-</u>	<u>-</u>	(34,417)
2,921	(2,429)	-	(25)	226,105
 3,038	90,086	-	44	110,076
\$ 5,959	\$ 87,657	\$ 	\$ 19	\$ 336,181

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

Special	Revenue	Funds
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			Cor	mmissioners	Record
For the year ended September 30, 2021		Civil Trust		Trust	Modernization
Barrana					
Revenues	<b>ć</b>		<u> </u>	F24 7FF	¢
Intergovernmental	\$	-	\$	•	\$ -
Fines and forfeitures		-		163,021	-
Charges for services		24,585		-	8,039
Investment earnings		-		-	-
Miscellaneous		-		6,933	
Total revenues		24,585		691,709	8,039
		,		•	,
Expenditures					
Current					
General government		-		545,553	18,508
Public safety		932		63,774	-
Human services		-		-	-
Culture and recreation		-		764	-
Capital outlay		-		3,275	-
Debt service		-		-	
Total expenditures		932		613,366	18,508
- (1.6.)					
Excess (deficiency) of revenues		22.652		70 242	(40.460)
over (under) expenditures		23,653		78,343	(10,469)
Other Financing Sources (Uses)					
Transfers in		-		-	-
Transfers out		(23,653)		(1,890)	-
Reversion to State of Florida		-		-	
Not other Constitution (Const		(22.652)		/4 000\	
Net other financing sources (uses)		(23,653)		(1,890)	
Net change in fund balances		-		76,453	(10,469)
Fund balances, beginning				647,744	18,350
Fund balances, ending	\$		\$	724,197	\$ 7,881

Debt Service Fund

-					CDL SCIVICE I dila	-	<b>+</b>
							Total
							Nonmajor
							Governmental
Court	Technology		Probation		Workcamp		Funds
\$	-	\$	_	\$	-	\$	1,705,875
•	-	•	-	·	_	·	406,337
	23,758		166,739		-		699,008
	-		, -		5		. 8
	-		228		-		36,769
							,
	23,758		166,967		5		2,847,997
	42.702						4 226 204
	13,782		-		-		1,226,281
	-		145,231		-		685,323
	-		-		-		51,950
	-		-		-		438,396
	-		-		-		51,910
	-				228,686		228,686
	13,782		145,231		228,686		2,682,546
	13,702		143,231		220,000		2,002,340
	9,976		21,736		(228,681)		165,451
	•		•		, , ,		,
	-		-		228,696		228,696
	-		-		-		(25,543)
	-		-		-		(34,417)
					220 606		160 72 <i>6</i>
			-		228,696		168,736
	9,976		21,736		15		334,187
	3,3.0		,, 00		23		23.,20.
	2,080		27,308		78,027		1,614,041
\$	12,056	\$	49,044	\$	78,042	\$	1,948,228
	,000	т	.5,5 . 1	7	, 0,0 .2	Υ	=,5 :5,225



## FIDUCIARY FUNDS

## **CUSTODIAL FUNDS**

## **Tax Collector**

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

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

Department of Motor Vehicles ("DMV") - To account for the collection of motor vehicle and driver's license registration receipts and disbursement remitted to the Florida Department of Motor Vehicles.

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

## Sheriff

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

### **Clerk of Court**

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

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

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

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

# Holmes County, Florida Combining Statement of Fiduciary Net Position Fiduciary Funds

		Tax Collector					
September 30, 2021	Pr	DMV	Concealed Weapons				
Assets Cash and cash equivalents Receivables	\$	134,595 -	\$ 140,766 1,818	\$ 946 -			
Total assets		134,595	142,584	946			
Liabilities  Due to other governments  Due to individuals  Deposits		112,264 22,331 -	142,584 - -	946 - -			
Total liabilities		134,595	142,584	946			
Net Position Restricted		-	-				
Total net position	\$	- 9	\$ -	\$ -			

	Sheriff	 Clerk of the Court								
		General		Juror and		Registry of				
Inm	ate Trust	Agency		Witness		Court	С	ash Bonds		Total
\$	79,976	\$ 78,093	\$	2,571	\$	293,479	\$	9,342	\$	739,768
	-	2,037		-		-		-		3,855
	79,976	80,130		2,571		293,479		9,342		743,623
	-	-		2,571		-		-		258 <i>,</i> 365
	-	80,130		-		-		-		102,461
	-	-		-		293,479		9,342		302,821
	-	80,130		2,571		- 293,479		9,342		663,647
	79,976	-		-		-		-		79,976
\$	79,976	\$ 80,130	\$	2,571	\$	293,479	\$	9,342	\$	743,623

# Holmes County, Florida Combining Statement of Changes in Fiduciary Net Position Fiduciary Funds

	Tax Collector				
			Concealed		
For the year ended September 30, 2021	Property Tax DMV		Weapons		
Additions					
Funds held for others	\$ 9,645,623	\$ 3,126,692	\$ 39,702		
Donations	-	-			
Total additions	9,645,623	3,126,692	39,702		
Deductions					
Current					
Funds held for others	9,645,623	3,126,692	39,702		
Public Safety	-	-			
Total deductions	9,645,623	3,126,692	39,702		
Changes in net position	-	-	-		
Net position - beginning of year, as originally stated	-	-	-		
Restatement	-	-			
Net position - beginning of year, as restated	-	-	-		
Net position - end of year	\$ -	\$ -	\$ -		

	Sheriff	Clerk of the Court									
	General		General	Juror and		Registry of					
Inn	nate Trust		Agency		Witness		Court	Ca	ish Bonds		Total
\$	-	\$	2,479,574	\$	7,980	\$	301,035	\$	34,243	\$	15,634,849
	645,667		-		-		-		-		645,667
	645,667		2,479,574		7,980		301,035		34,243		16,280,516
	-		2,479,574		7,980		301,035		34,243		15,634,849
	587,828		-		-		-		-		587,828
	587,828		2,479,574		7,980		301,035		34,243		16,222,677
	57,839		-		-		-		-		57,839
	-		-		-		-		-		-
	22,137										22,137
	22,137		-		-		-		-		22,137
\$	79,976	\$	-	\$	-	\$	-	\$	-	\$	79,976



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Holmes County, Florida (the "County"), which comprise the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated April 22, 2022.

## **Internal Control Over Financial Reporting**

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

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

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

## **Compliance and Other Matters**

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

## **Purpose of this Report**

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

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

Carr, Riggs & Ungram, L.L.C.

Enterprise, Alabama April 22, 2022



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

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

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

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

## Management's Responsibility

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

## Auditors' Responsibility

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

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

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

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

## Report on Internal Control Over Compliance

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

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

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

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

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

arr, Riggs & Ungram, L.L.C.

Enterprise, Alabama April 22, 2022

## Holmes County, Florida Schedule of Expenditures of Federal Awards and State Financial Assistance For the Year Ended September 30, 2021

Federal Agency Pass-through	Assistance Listing	Contract/		Payments to
Grantor Program Title	Number	Grant Number	Expenditures	Subrecipients
<b>Department of Treasury</b> Pass-through Florida Housing Finance Corporation				
COVID-19 Coronavirus Relief Fund Pass-through Florida Executive Office of Governor	21.019	COVID-19 FHFC	\$ 28,349	\$ -
COVID-19 Coronavirus Relief Fund	21.019	COVID-19 Y2304	801,009	
Total CFDA 93.563			829,358	
COVID-19 Coronavirus State and Local Fiscal				
Recovery	21.027	COVID-19 1505-0271	140,997	-
Total Department of Treasury			970,355	
Department of Housing and Urban Development				
Pass-through Florida Department of				
Economic Opportunity				
Community Development Block Grants/State's				
Program and Non-Entitlement Grants in Hawaii	14.228	20DB-OO-02-42-01-H01	437,632	-
U.S. Department of Health and Human Services				
Pass-through Florida Department of Revenue				
Child Support Enforcement	93.563	CTS30	568	-
Child Support Enforcement	93.563	COC30	87,111	
Total CFDA 93.563/U.S. Department of Health and H	uman Service	es	87,679	-
U.S. Department of Justice				
Pass-through Florida Department of Law Enforcement				
COVID-19 Coronavirus Emergency Supplemental		COVID-19 2021-CESF-HOLM-		
Funding	16.034	1-C9-152	42,472	-
· ·		VOCA-2020-Holmes County	ŕ	
Crime Victims Assistance	16.575	Sheriff's O - 00736	38,253	-
Support for Adam Walsh Act Implementation				_
Grant Program	16.750	2020-AW-BX-0028	44,525	
Edward Byrne Memorial Justice Assistance	16.738	2020-JAGC-HOLM-2-5R-097	24,959	-
Edward Byrne Memorial Justice Assistance	16.738	2021-JAGC-HOLM-1-Y5-172	8,931	
Total CFDA 16.738			33,890	
Total U.S. Department of Justice			159,140	<u>-</u>

-Continued-

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

## Holmes County, Florida Schedule of Expenditures of Federal Awards and State Financial Assistance (Continued) For the Year Ended September 30, 2021

Federal/State Agency Pass-through	Assistance Listing/	Contract/		Payments to	
Grantor Program Title	CSFA Number	Grant Number	Expenditures	Subrecipients	
U.S. Election Assistance Commission					
Pass-through Florida Department of State					
COVID-19 2018 HAVA Election Security Grants	90.404	COVID-19 2020-001-HOL	19,183	_	
COVID-19 2018 HAVA Election Security Grants	90.404	OVID-19 21.e.es.000.00	32,120	_	
Total CFDA 90.404			51,303		
Help America Vote Act	90.401	2019-2020-003-HOL	8,361		
Theip America vote Act	50.401	2019-2020-003-HOL	0,301	<u>-</u> _	
Total U.S. Election Assistance Commission			59,664	-	
U.S. Department of Homeland Security					
Pass-through Florida Department of					
Emergency Management					
Disaster Grants - Public Assistance	97.036	14-FS-8Q-02-40-02-501	2,686,244	-	
Disaster Grants - Public Assistance	97.036	65923088	3,257	-	
Disaster Grants - Public Assistance	97.036	PA-00-02-40-02-055	368,906		
Total CFDA 97.036			3,058,407	<u>-</u>	
Pass-through Florida Executive Office of Governor					
Emergency Management Performance	97.042	G0168	33,760	-	
Emergency Management Performance	97.042	G0222	9,442	-	
Emergency Management Performance	97.042	G0212	5,610	-	
COVID-19 Emergency Management Performance	97.042	COVID-19 GS0140	5,485	-	
Total CFDA 97.042			54,297	-	
Total U.S. Department of Homeland Security			3,112,704	_	
				<u> </u>	
Total Expenditures of Federal Awards			\$ 4,827,174	<del>-</del>	
<b>Executive Office of the Governor</b>					
<b>Emergency Management Projects</b>	31.067	T0098	\$ 1,661	\$ -	
Emergency Management Programs	31.063	A0116	86,042	-	
Emergency Management Programs	31.063	A0166	28,658		
Total CSFA 31.063			114,700	<u>-</u>	
Total Executive Office of the Governor			116,361		

-Continued-

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

## Holmes County, Florida Schedule of Expenditures of Federal Awards and State Financial Assistance (Continued) For the Year Ended September 30, 2021

State   Number   Grant Number   Expenditures   Subrecipients	State Agency Pass-through	CSFA	•		Payments to
Small County Consolidated Grants   37.012   SC116   88,255   -	Grantor Program Title	Numbe	r Grant Number	Expenditures	Subrecipients
Florida Department of Agriculture and   Consumer Services   Mosquito Control   42.003   2020   27,414   - 40.00   42.003   2021   16,548   - 40.001   20.0	Florida Department of Environmental Protection				
Consumer Services         Mosquito Control         42.003         2020         27,414         -           Mosquito Control         42.003         2021         16,548         -           Total Florida Department of Agriculture and Consumer Services and CSFA 42.003         43,962           Florida Department of Law Enforcement Holmes County Jall - Immediate Need Repairs         71.036         320-5FA-FCO-29-K4-00         63,087         -           Florida Department of State and Secretary of State State Aid to Libraries         45.030         21-5T-66         38,540         -           Florida Housing Finance Corporation           State Housing Initiatives Partnership Program (SHIP)         40.901         HHRP         288,671         -           State Housing Initiatives Partnership Program (SHIP)         40.901         N/A         408,465         -           Total CSFA 40.901/Florida Housing Finance Corporation         697,136           Florida Department of Transportation           Small County Outreach Programs (SCOP)         55.009         43518835401         365,819         -           Small County Outreach Programs (SCOP)         55.009         44790915401         27,820         -           Small County Outreach Programs (SCOP)	Small County Consolidated Grants	37.012	SC116	88,255	
Consumer Services         Mosquito Control         42.003         2020         27,414         -           Mosquito Control         42.003         2021         16,548         -           Total Florida Department of Agriculture and Consumer Services and CSFA 42.003         43,962           Florida Department of Law Enforcement Holmes County Jall - Immediate Need Repairs         71.036         320-5FA-FCO-29-K4-00         63,087         -           Florida Department of State and Secretary of State State Aid to Libraries         45.030         21-5T-66         38,540         -           Florida Housing Finance Corporation           State Housing Initiatives Partnership Program (SHIP)         40.901         HHRP         288,671         -           State Housing Initiatives Partnership Program (SHIP)         40.901         N/A         408,465         -           Total CSFA 40.901/Florida Housing Finance Corporation         697,136           Florida Department of Transportation           Small County Outreach Programs (SCOP)         55.009         43518835401         365,819         -           Small County Outreach Programs (SCOP)         55.009         44790915401         27,820         -           Small County Outreach Programs (SCOP)	Florida Department of Agriculture and				
Mosquito Control   42.003   2020   27,414					
Mosquito Control   42.003   2021   16,548   -		42.003	2020	27.414	-
Florida Department of State and Secretary of State and Secretary of State State Aid to Libraries 45.030 21-ST-66 38,540 -  Florida Housing Finance Corporation State Housing Initiatives Partnership Program (SHIP) 40.901 HHRP 288,671 - State Housing Initiatives Partnership Program (SHIP) 40.901 N/A 408,465 -  Total CSFA 40.901/Florida Housing Finance Corporation  697,136  Florida Department of Transportation  697,136  Florida Department of Transportation  70.001 N/A 408,465 -  Total CSFA 55.009/Florida Department of Transportation  70.001 N/A 408,465 -  Florida Department of Management Services  70.001 N/A 408,465 -  Florida Department of Management Services  70.001 N/A 408,465 -  Florida Department of Management Services  70.001 N/A 408,465 -  Florida Department of Management Services  70.001 N/A 408,465 -  Florida Department of Management Services  70.001 N/A 408,465 -  Florida Department of Management Services  70.001 N/A 408,465 -  Florida Department of Management Services  70.001 N/A 408,465 -  Florida Department of Management Services  70.001 N/A 408,465 -  Florida Department of Management Services  70.001 N/A 408,465 -  Florida Department of Management Services  70.001 N/A 408,465 -  Florida Department of Management Services  70.001 N/A 408,465 -  Florida Department of Management Services  70.001 N/A 408,465 -  Florida Department of Management Services  70.001 N/A 408,465 -  Florida Department of Management Services	•			•	-
Florida Department of State and Secretary of State and Secretary of State State Aid to Libraries 45.030 21-ST-66 38,540 -  Florida Housing Finance Corporation State Housing Initiatives Partnership Program (SHIP) 40.901 HHRP 288,671 - State Housing Initiatives Partnership Program (SHIP) 40.901 N/A 408,465 -  Total CSFA 40.901/Florida Housing Finance Corporation  697,136  Florida Department of Transportation  697,136  Florida Department of Transportation  70.001 N/A 408,465 -  Total CSFA 55.009/Florida Department of Transportation  70.001 N/A 408,465 -  Florida Department of Management Services  70.001 N/A 408,465 -  Florida Department of Management Services  70.001 N/A 408,465 -  Florida Department of Management Services  70.001 N/A 408,465 -  Florida Department of Management Services  70.001 N/A 408,465 -  Florida Department of Management Services  70.001 N/A 408,465 -  Florida Department of Management Services  70.001 N/A 408,465 -  Florida Department of Management Services  70.001 N/A 408,465 -  Florida Department of Management Services  70.001 N/A 408,465 -  Florida Department of Management Services  70.001 N/A 408,465 -  Florida Department of Management Services  70.001 N/A 408,465 -  Florida Department of Management Services  70.001 N/A 408,465 -  Florida Department of Management Services  70.001 N/A 408,465 -  Florida Department of Management Services  70.001 N/A 408,465 -  Florida Department of Management Services	Total Florida Department of Agriculture and				
Florida Department of State and Secretary of State State Aid to Libraries 45.030 21-STA-66 38,540 -  Florida Housing Finance Corporation State Housing Initiatives Partnership Program (SHIP) 40.901 HHRP 288,671 - State Housing Initiatives Partnership Program (SHIP) 40.901 N/A 408,465 -  Total CSFA 40.901/Florida Housing Finance Corporation 697,136  Florida Department of Transportation Small County Outreach Programs (SCOP) 55.009 43518835401 365,819 - Small County Outreach Programs (SCOP) 55.009 44790915401 27,820 - Small County Outreach Programs (SCOP) 55.009 44790915401 1,854,096 - Small County Outreach Programs (SCOP) 55.009 44740713401 1,854,096 - Small County Outreach Programs (SCOP) 55.009 44240713401 1,854,096 - Small County Outreach Programs (SCOP) 55.009 43683915401 842,479 -  Total CSFA 55.009/Florida Department of Transportation 3,090,214 -  Florida Department of Management Services  Wireless 911 Emergency Telephone System Rural County Grant Program 72.001 19-04-14 23,212 - Wireless 911 Emergency Telephone System Rural County Grant Program 72.001 19-04-14 23,212 - Wireless 911 Emergency Telephone System Rural County Grant Program 72.001 19-04-14 23,212 - Wireless 911 Emergency Telephone System Rural County Grant Program 72.001 19-04-14 23,212 - Wireless 911 Emergency Telephone System Rural County Grant Program 72.001 Maintenance 1,500 -  Total CSFA 72.001/Florida Department of Management Services 171,348 -				43,962	
Florida Department of State and Secretary of State State Aid to Libraries 45.030 21-STA-66 38,540 -  Florida Housing Finance Corporation State Housing Initiatives Partnership Program (SHIP) 40.901 HHRP 288,671 - State Housing Initiatives Partnership Program (SHIP) 40.901 N/A 408,465 -  Total CSFA 40.901/Florida Housing Finance Corporation 697,136  Florida Department of Transportation Small County Outreach Programs (SCOP) 55.009 43518835401 365,819 - Small County Outreach Programs (SCOP) 55.009 44790915401 27,820 - Small County Outreach Programs (SCOP) 55.009 44790915401 1,854,096 - Small County Outreach Programs (SCOP) 55.009 44740713401 1,854,096 - Small County Outreach Programs (SCOP) 55.009 44240713401 1,854,096 - Small County Outreach Programs (SCOP) 55.009 43683915401 842,479 -  Total CSFA 55.009/Florida Department of Transportation 3,090,214 -  Florida Department of Management Services  Wireless 911 Emergency Telephone System Rural County Grant Program 72.001 19-04-14 23,212 - Wireless 911 Emergency Telephone System Rural County Grant Program 72.001 19-04-14 23,212 - Wireless 911 Emergency Telephone System Rural County Grant Program 72.001 19-04-14 23,212 - Wireless 911 Emergency Telephone System Rural County Grant Program 72.001 19-04-14 23,212 - Wireless 911 Emergency Telephone System Rural County Grant Program 72.001 Maintenance 1,500 -  Total CSFA 72.001/Florida Department of Management Services 171,348 -	Florida Department of Law Enforcement				
Florida Department of State and Secretary of State State Aid to Libraries 45.030 21-ST-66 38,540 -  Florida Housing Finance Corporation State Housing Initiatives Partnership Program (SHIP) 40.901 HHRP 288,671 - State Housing Initiatives Partnership Program (SHIP) 40.901 N/A 408,465 -  Total CSFA 40.901/Florida Housing Finance Corporation 697,136  Florida Department of Transportation Small County Outreach Programs (SCOP) 55.009 43518835401 365,819 - Small County Outreach Programs (SCOP) 55.009 44790915401 27,820 - Small County Outreach Programs (SCOP) 55.009 44240713401 1,854,096 - Small County Outreach Programs (SCOP) 55.009 43683915401 842,479 -  Total CSFA 55.009/Florida Department of Transportation 3,090,214 -  Florida Department of Management Services Wireless 911 Emergency Telephone System Rural County Grant Program 72.001 5B-GIS Data Support 146,636 - Wireless 911 Emergency Telephone System Rural County Grant Program 72.001 19-04-14 23,212 - Wireless 911 Emergency Telephone System Rural Wireless 912 Emergency Telephone System Rural Wireless 913 Emergency Telephone System Rural Wireless 914 Emergency Telephone System Rural Wireless 915 Emergency Telephone System Rural Wireless 916 Emergency Telephone System Rural Wireless 917 Emergency Telephone System Rural		71.036	020-SFA-FCO-29-K4-0C	63,087	-
Secretary of State State Aid to Libraries 45.030 21-ST-66 38,540 -  Florida Housing Finance Corporation State Housing Initiatives Partnership Program (SHIP) 40.901 HHRP 288,671 - State Housing Initiatives Partnership Program (SHIP) 40.901 N/A 408,465 -  Total CSFA 40.901/Florida Housing Finance Corporation 697,136  Florida Department of Transportation Small County Outreach Programs (SCOP) 55.009 43518835401 365,819 - Small County Outreach Programs (SCOP) 55.009 44790915401 27,820 - Small County Outreach Programs (SCOP) 55.009 44240713401 1,854,096 - Small County Outreach Programs (SCOP) 55.009 43683915401 842,479 -  Total CSFA 55.009/Florida Department of Transportation 3,090,214 -  Florida Department of Management Services Wireless 911 Emergency Telephone System Rural County Grant Program 72.001 58-GIS Data Support 146,636 - Wireless 911 Emergency Telephone System Rural County Grant Program 72.001 19-04-14 23,212 - Wireless 911 Emergency Telephone System Rural County Grant Program 72.001 Maintenance 1,500 -  Total CSFA 72.001/Florida Department of Management Services  Total CSFA 72.001/Florida Department of Management Services 171,348 -					
State Aid to Libraries					
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	<u> </u>			·	
Total Expenditures of State Financial Assistance \$ 4,308,903 \$ -	Total CSFA 72.001/Florida Department of Management	Services		171,348	-
	Total Expenditures of State Financial Assistance			\$ 4,308,903	\$ -

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

Holmes County, Florida
Notes to the Schedule of Expenditures of Federal Awards and
State Financial Assistance
For the Year Ended September 30, 2021

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

## **Basis of Presentation**

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

#### Note 2: INDIRECT COST RATE

The Uniform Guidance allows an organization to elect a 10% de minimis indirect cost rate. For the year ended September 30, 2021, the County did not elect to use this rate.

### **Note 3: LOANS AND LOAN GUARANTEES**

The County did not have any loans or loan guarantee programs required to be reported on the Schedule for the fiscal year ended September 30, 2021.

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

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

#### **NOTE 5: SUBRECIPIENTS**

During the year ended September 30, 2021, the County had no subrecipients.

## **Note 6: NONCASH ASSISTANCE**

The County did not receive any noncash assistance or federally funded insurance during the fiscal year ended September 30, 2021.

# Holmes County, Florida Notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance For the Year Ended September 30, 2021

## **Note 7: CONTINGENCIES**

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

# Holmes County, Florida Schedule of Findings and Questioned Costs

## Section I - Summary of Auditors' Results

_					_	-	-					
F	ın	ar	•	$\sim$	•	tr	ıt.	0	m	0	n	tc

1. 2.	Type of auditors' report issued Internal control over financial re	eporting:	Unmodified			
	a. Material weaknesses iden	No				
	b. Significant deficiencies ide	Name meterd				
	material weaknesses? c. Noncompliance material to	None noted No				
	·					
Federa	l Awards					
1.	1. Type of auditors' report issued on compliance for major programs					
2.	, , ,					
	a. Material weaknesses ident		No			
	<ul><li>b. Significant deficiencies ide material weaknesses?</li></ul>	ntified not considered to be	Nananatad			
3.	Any audit findings disclosed that	t are required to be reported in	None noted			
Э.	accordance with 2CFR section 20	None noted				
4.	Identification of major programs					
	Assistance Listing Number	Federal Program				
	Listing Number	redetairiogiani				
	97.036	Disaster Grants – Public Assistance				
	21.019	COVID-19 Coronavirus Relief Fund				
5.	Dollar threshold used to distingu	uish between type A and type B programs	\$750,000			
6.						
State Projects						
State r	Tojects					
	. Type of auditors' report issued on compliance for major programs					
2.	, , ,					
	a. Material weaknesses ident		No			
	<ul><li>b. Significant deficiencies ide material weaknesses?</li></ul>	ntified not considered to be	None noted			
3	. Any audit findings disclosed that are required to be reported in					
3.	accordance with Florida Single A	None noted				
4.	Identification of major programs					
	CFSA Number	State Project				
	55.009	Small County Outreach Program (SCOP)				
5.	Dollar threshold used to distingu	uish between type A and type B programs	\$750,000			

-Continued-

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

#### **Section II - Financial Statements Findings**

No such findings to report.

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

No such findings to report.

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

The audit did not disclose any audit findings required to be reported pursuant to Section 10.557, Rules of the Auditor General. (Section 10.554(1)(I)1.f, Rules of the Auditor General).

#### Section V – Summary Schedule of Prior Audit Findings

There were no federal or state audit findings from the prior year to report.



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

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

We have examined Holmes County, Florida's (the "County") compliance with the following Florida Statute sections during the fiscal year ended September 30, 2021.

Section 365.172(10) Emergency communications number E911 system fund Section 365.173(2)(d) Emergency communications number E911 system fund

Section 218.415 Investment guidelines

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

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

In our opinion, the County complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2021.

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

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

Parr, Riggs & Ungram, L.L.C.

Enterprise, Alabama April 22, 2022



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#### **INDEPENDENT AUDITORS' MANAGEMENT LETTER**

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

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

We have audited the financial statements of Holmes County, Florida (the "County"), as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated April 22, 2022.

#### **Auditors' Responsibility**

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

#### **Other Reporting Requirements**

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditors' Report on Compliance for Each Major Federal Program and Major State Project and Report on Internal Control over Compliance, Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated March 29, 2021, should be considered in conjunction with this management letter.

#### **Prior Audit Findings**

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

#### **Financial Management**

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

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

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

#### **Additional Matters**

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

#### **Purpose of this Letter**

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

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

Carr, Riggs & Ungram, L.L.C.

Enterprise, Alabama April 22, 2022

### FINANCIAL STATEMENTS AND COMPLIANCE REPORTS FOR CONSTITUTIONAL OFFICERS

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



### **Table of Contents**



	Page
FINANCIAL SECTION Independent Auditors' Report	94
Basic Financial Statements Balance Sheet – Governmental Funds	97
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	98
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual – General Fund	99
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual – Fine and Forfeiture Fund	100
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual – Child Support Trust	101
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual – Probation Fund	102
Statement of Fiduciary Net Position – Fiduciary Funds	103
Statement of Changes in Fiduciary Net Position – Fiduciary Funds	104
Notes to Financial Statements	105
Combining Financial Statements  Description of Nonmajor Governmental Funds	120
Combining Balance Sheet – Nonmajor Governmental Funds	121
Nonmajor Governmental Funds	122
Description of Fiduciary Funds	123
Combining Statement of Fiduciary Net Position – Custodial Funds	124
Combining Statement of Changes in Fiduciary Net Position – Custodial Funds	125
REPORTS ON INTERNAL CONTROL AND COMPLIANCE MATTERS Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial	426
Statements Performed in Accordance with Government Auditing Standards	126



	Page
Independent Accountants' Report on Examination of Compliance with Specified Florida Statute Sections	128
MANAGEMENT LETTER	129



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#### INDEPENDENT AUDITORS' REPORT

Honorable Sam Bailey Clerk of the Circuit Court Holmes County, Florida

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

We have audited the accompanying financial statements of each major fund, the aggregate remaining nonmajor governmental funds, and the fiduciary fund types of the Holmes County, Florida Clerk of the Circuit Court (the "Clerk"), as of and for the year ended September 30, 2021 and the related notes to the financial statements, which collectively comprise the Clerk's basic financial statements, as listed in the table of contents.

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

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

#### **Auditors' Responsibility**

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

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

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

#### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund, the aggregate remaining nonmajor governmental funds and fiduciary fund types of the Clerk as of September 30, 2021, and the respective changes in financial position thereof and the budgetary comparison for the General Fund, Fine and Forfeiture Fund, Child Support Trust, and Probation Fund for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Emphasis of Matter**

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

As discussed in Note 1 to the financial statements ("Recently Issued and Implemented Accounting Pronouncements"), the Clerk adopted provisions of Governmental Accounting Standards Board ("GASB") Statement No. 84, Fiduciary Activities. Our opinion is not modified with respect to these matters.

#### **Other Matters**

#### Other Information

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

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

#### Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 4, 2022 on our consideration of the Clerk's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Clerk's internal control over financial reporting and compliance.

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

arr, Riggs & Ungram, L.L.C.

Enterprise, Alabama April 4, 2022

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

September 30, 2021		Fine and Forfeiture		
Assets				
Cash and cash equivalents	\$	34,599	\$	348,729
Due from other governmentals		5,095		7,282
Total assets	\$	39,694	\$	356,011
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$	14,205	\$	130
Accrued wages and benefits		12,191		19,700
Due to individuals		-		-
Unearned revenue		13,089		-
Due to Board of County Commissioners		209		
Total liabilities		39,694		19,830
Fund balances				
Restricted		-		336,181
Total liabilities and fund balances	¢	20.604	¢	256.011
Total liabilities and fund balances	\$	39,694	\$	356,011

							Total
(	Child Support				Nonmajor	G	Governmental
	Trust		Probation		Funds		Funds
\$	479,049	\$	52,538	\$	20,124	\$	935,039
	17,484		-		-		29,861
\$	496,533	\$	52,538	\$	20,124	\$	964,900
<del>7</del>	+30,333	<u> </u>	32,330	<u> </u>	20,124	<del></del>	304,300
\$	5,463	\$	-	\$	-	\$	19,798
	694		3,127		187		35,899
	-		367		-		367
	-		-		-		13,089
	-		-		-		209
	6,157		3,494		187		69,362
	490,376		49,044		19,937		895,538
\$	496,533	\$	52,538	\$	20,124	\$	964,900

## Holmes County, Florida Clerk of the Circuit Court Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds

			Fine and
For the year ended September 30, 2021	(	General Fund	Forfeiture
Revenues			
Intergovernmental	\$	-	\$ 306,194
Charges for services		73,297	260,527
Fines and forfeitures		-	243,316
Miscellaneous revenue		21,650	3,334
Total revenues		94,947	813,371
Expenditures			
General government			
Personnel services		396,085	512,224
Operating		68,629	41,996
Capital outlay		1,366	
Total expenditures		466,080	554,220
Excess of revenues over (under) expenditures		(371,133)	259,151
Other Financing Sources (Uses)			
Appropriations from Board of County Commissioners		371,342	-
Proceeds from Pandemic Recovery Plan		-	1,371
Reversions:			
Board of County Commissioners		(209)	-
Justice Administrative Commission		-	(34,417)
Net other financing sources (uses)		371,133	(33,046)
Net change in fund balances		-	226,105
Fund balances, beginning of year		-	110,076
Fund balances, end of year	\$		\$ 336,181

				Total
C	Child Support		Nonmajor	Governmental
	Trust	Probation	Funds	Funds
\$	87,111	\$ -	\$ -	\$ 393,305
	1,777	166,739	31,797	534,137
	-	-	-	243,316
	-	228	-	25,212
	88,888	166,967	31,797	1,195,970
	24.406	426.002	0.645	4 000 442
	24,106	126,083	9,645	1,068,143
	70,142 1,431	19,148	22,645	222,560 2,797
	1,431	-	-	2,797
	95,679	145,231	32,290	1,293,500
	(6,791)	21,736	(493)	(97,530)
	_	_	_	371,342
	-	-	-	1,371
	_	_	<u>-</u>	(209)
	-	-	-	(34,417)
		-	-	338,087
	(6,791)	21,736	(493)	240,557
	497,167	27,308	20,430	654,981
\$	490,376	\$ 49,044	\$ 19,937	\$ 895,538

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

					Variance with Final
					Budget
	Original	Final			Positive
For the year ended September 30, 2021	Budget	Budget	Actual	(	Negative)
					<u> </u>
Revenues					
Charges for services	\$ 59,650	\$ 73,394	\$ 73,297	\$	(97)
Miscellaneous revenue	28,000	28,000	21,650		(6,350)
Total revenues	87,650	101,394	94,947		(6,447)
Expenditures					
General government					
Personnel services	381,035	381,035	396,085		(15,050)
Operating expenditures	75,957	89,701	68,629		21,072
Capital improvement	2,000	2,000	1,366		634
Total expenditures	458,992	472,736	466,080		6,656
Excess of revenues over (under) expenditures	(371,342)	(371,342)	(371,133)		209
Other Financing Sources (Uses)					
Appropriations from Board of County					
Commissioners	371,342	371,342	371,342		-
Reversion to Board of County Commissioners	-	-	(209)		(209)
Net other financing sources (uses)	371,342	371,342	371,133		(209)
Net change in fund balance	-	-	-		-
Fund balance, beginning of year	-	-	-		
Fund balance, end of year	\$ -	\$ -	\$ -	\$	

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

For the year ended September 30, 2021	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Tot the year chaca september 30, 2021	Baaget	Baaget	7.0000.	(i togaii to)
Revenues				
Intergovernmental	\$ 301,239	\$ 301,239	\$ 306,194	\$ 4,955
Charges for services	140,802	140,802	260,527	119,725
Fines and forfeitures	125,944	125,944	243,316	117,372
Miscellaneous revenue	1,854	1,854	3,334	1,480
Total revenues	569,839	569,839	813,371	243,532
Expenditures				
General government				
Personnel services	533,368	533,368	512,224	21,144
Operating expenditures	36,471	36,471	41,996	(5,525)
Total expenditures	569,839	569,839	554,220	15,619
Excess of revenues over				
expenditures	-	-	259,151	259,151
Other Financing Sources				
Proceeds from Pandemic Recovery	-	-	1,371	1,371
Reversions:  Justice Administrative Commission	_	_	(34,417)	(34,417)
Justice Administrative commission			(34,417)	(34,417)
Net other financing sources (uses)	-	-	(33,046)	(33,046)
Net change in fund balance	-	-	226,105	226,105
Fund balance, beginning of year	110,076	110,076	110,076	
Fund balance, end of year	\$ 110,076	\$ 110,076	\$ 336,181	\$ 226,105

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

				Variance
				with Final
				Budget
	Original	Final		Positive
For the year ended September 30, 2021	Budget	Budget	Actual	(Negative)
Revenues				
Intergovernmental	\$ 62,400	\$ 62,400	\$ 87,111	\$ 24,711
Charges for services	1,600	1,600	1,777	177
Total revenues	64,000	64,000	88,888	24,888
Expenditures				
General government				
Personnel services	25,892	25,892	24,106	1,786
Operating expenditures	518,108	518,108	70,142	447,966
Capital outlay	-	-	1,431	(1,431)
Total expenditures	544,000	544,000	95,679	448,321
Excess of revenues over (under)				
expenditures	(480,000)	(480,000)	(6,791)	473,209
expenditures	(400,000)	(400,000)	(0,751)	473,203
Fund balance, beginning of year	497,167	497,167	497,167	-
Fund balance, end of year	\$ 17,167	\$ 17,167	\$ 490,376	\$ 473,209

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

				Variance
				with Final Budget
	Original	Final		Positive
For the year ended September 30, 2021	Budget	Budget	Actual	(Negative)
				<u> </u>
Revenues				
Charges for services	\$ 145,863	\$ 145,863	\$ 166,739	\$ 20,876
Miscellaneous revenue	50	50	228	178
Total revenues	145,913	145,913	166,967	21,054
Expenditures				
General government				
Personnel services	129,378	129,378	126,083	3,295
Operating expenditures	42,843	42,843	19,148	23,695
Capital improvement	1,000	1,000	-	1,000
Total expenditures	173,221	173,221	145,231	27,990
Excess of revenues over (under)				
expenditures	(27,308)	(27,308)	21,736	49,044
Fund balance, beginning of year	27,308	27,308	27,308	_
Fund balance, end of year	\$ -	\$ -	\$ 49,044	\$ 49,044

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

September 30, 2021	Custodial Fund				
Assets					
	ć 202.40F				
Cash and cash equivalents	\$ 383,485				
Accounts receivable	2,037				
Total assets	385,522				
Liabilities					
Deposits	302,821				
Due to individuals	80,130				
Due to other governments	2,571				
Total liabilities	385,522				
Net position	\$ -				

#### Holmes County, Florida Clerk of the Circuit Court Statement of Changes in Fiduciary Net Position

For the year ended September 30, 2021	Cu	stodial Funds
Additions Funds held for others	\$	2,822,832
Deductions		
Funds held for others		2,822,832
Change in Net Position		-
Net position - beginning of year		-
Net position - end of year	\$	-

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

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

#### **Reporting Entity**

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

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

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

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

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

#### Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)

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

#### **Fund Financial Statements**

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

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

The Clerk reports the following major governmental funds:

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

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

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

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

#### Fund Financial Statements (continued)

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

Additionally, the Clerk reports the following fiduciary fund type:

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

#### **Budgetary Information**

#### **Budgetary Basis of Accounting**

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

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

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

#### Excess of Revenues over Expenditures

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

#### **Budgetary Information (continued)**

Excess of Revenues over Expenditures (continued)

Pursuant to Section 28.37(2), Florida Statutes, all fees, service charges, court costs, and fines collected in excess of expenditures necessary to fund the Clerk's court operations for each fiscal year ending September 30th will be sent to the State of Florida Justice Administrative Commission (the "Commission"). Additionally, if revenues received in any given month exceed 1/12 of the projected revenues for the year, then that excess is to be remitted to the Commission as well. For the year ended September 30, 2021, excess court revenues exceeded 1/12 of revenue projections in the amount of \$34,417 and were remitted to the Commission.

#### **Employee Benefits**

#### Compensated Absences

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

#### Retirement Plan

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

#### Other Postemployment Benefits (OPEB)

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

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

#### Cash and Cash Equivalents

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

#### Investments

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

#### Receivables and Payables

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

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

#### *Inventories and Prepaid Items*

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

#### Capital Assets

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

#### Assets, Liabilities, and Net Position or Equity (continued)

Categories and Classification of Fund Equity

Fund balance flow assumptions — Sometimes the Clerk will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the Clerk's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

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

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

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

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

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

#### Assets, Liabilities, and Net Position or Equity (continued)

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

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

#### **Use of Estimates**

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

#### Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, April 4, 2022 and determined there was no event that required disclosure.

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

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. This Statement seeks to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. GASB 84 is effective for the fiscal years beginning after December 15, 2019. Additional information on changes to the financial statements related to the implementation of this statement can be found starting on page 104. As such, the Clerk presented a statement of fiduciary net position and changes in fiduciary net position for custodial funds.

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

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

#### Recently Issued and Implemented Accounting Pronouncements (continued)

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

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

In June 2017, the GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset.

Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

In June 2018, the GASB issued Statement No. 89, Accounting for Interest Cost Incurred Before the End of a Construction Period. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the

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

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

#### Recently Issued and Implemented Accounting Pronouncements (continued)

economic resources measurement focus. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020.

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

In January 2020, the GASB issued Statement No. 92, *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about the following:

- The effective date of Statement No. 87, Leases, and Implementation Guide No. 2019-3, Leases, for interim financial reports,
- Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan,
- The applicability of Statements No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68, as amended, and No. 74, Financial Reporting for Post-employment Benefit Plans Other Than Pension Plans, as amended, to reporting assets accumulated for postemployment benefits,
- The applicability of certain requirements of Statement No. 84, Fiduciary Activities, to postemployment benefit arrangements,
- Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs)
  in a government acquisition,
- Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers,

#### Recently Issued and Implemented Accounting Pronouncements (continued)

- Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature, and
- Terminology used to refer to derivative instruments.

The requirements of this Statement are effective as follows:

- The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance.
- The requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74 are effective for fiscal years beginning after June 15, 2021.
- The requirements related to application of Statement 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities are effective for reporting periods beginning after June 15, 2021.
- The requirements related to the measurement of liabilities (and assets, if any) associated with asset retirement obligations in a government acquisition are effective for government acquisitions occurring in reporting periods beginning after June 15, 2021.

In May 2020, the GASB issued Statement No. 93, Replacement of Interbank Offered Rates. The objectives of this Statement are to address financial reporting issues that result from the replacement of an Interbank Offered Rate (IBOR) by providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment and clarification of the hedge accounting termination provisions when a hedged item is amended to replace the reference rate; replacing LIBOR as an appropriate benchmark interest rate for the evaluation of the effectiveness of an interest rate swap with a Secured Overnight Financing Rate or the Effective Federal Funds Rate; and providing exceptions to the lease modifications guidance in Statement 87 for lease contracts that are amended solely to replace an IBOR used to determine variable payments.

The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2022. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements.* The objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor)

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

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

#### Recently Issued and Implemented Accounting Pronouncements (continued)

contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement.

This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022.

In May 2020, the GASB issued GASB Statement No. 96, Subscription-Based Information Technology Arrangements. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Assets and liabilities resulting from SBITAs should be recognized and measured using the facts and circumstances that existed at the beginning of the fiscal year in which this Statement is implemented. Governments are permitted, but are not required, to include in the measurement of the subscription asset capitalizable outlays associated with the initial implementation stage and the operation and additional implementation stage incurred prior to the implementation of this Statement.

In June 2020, the GASB issued GASB 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. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain

#### Recently Issued and Implemented Accounting Pronouncements (continued)

defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this Statement that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021.

In October 2021, the GASB issued GASB Statement No. 98, *The Annual Comprehensive Financial Report*. This Statement establishes the term *annual comprehensive financial report* and its acronym *ACFR*. That new term and acronym replace instances of *comprehensive annual financial report* and its acronym in generally accepted accounting principles for state and local governments. This Statement was developed in response to concerns raised by stakeholders that the common pronunciation of the acronym for comprehensive annual financial report sounds like a profoundly objectionable racial slur. This Statement's introduction of the new term is founded on a commitment to promoting inclusiveness. The requirements of this Statement are effective for fiscal years ending after December 15, 2021.

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

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

#### Cash and Cash Equivalents

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

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

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

#### Cash and Cash Equivalents (continued)

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

#### **Due from Other Governments**

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

Source	Amount
State of Florida	\$ 29,861

#### **Unearned Revenue**

Unearned revenue of \$13,089 represents grant revenues received but not earned as of September 30, 2021. The Holmes County Board of County Commissioners advanced the Clerk \$20,000 of FEMA grant proceeds during the year for administrative services related to FEMA grant projects. Revenues are recognized when qualified administrative expenditures are incurred on those FEMA projects.

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

The excess revenues over expenditures remitted to the Board after year end was \$209 in accordance with Section 218.36(2) Florida Statutes. This amount is reported as Reversion to Board of County Commissioners on the Statement of Revenues Expenditures and Changes in Fund Balance.

#### **Note 3: RETIREMENT PLAN**

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

The System's funding policy provides for monthly employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are adequate to accumulate sufficient assets to pay benefits when due (see rates below). Level percentage of payroll employer

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

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

contribution rates, established by state law, is determined using the entry-age actuarial funding method. If an unfunded actuarial liability re-emerges, future plan benefit changes, assumption changes, and methodology changes are amortized within 30 years, using level dollar amounts.

Except for gains reserved for rate stabilization, it is anticipated future actuarial gains and losses are amortized on a rolling 10% basis, as a level dollar amount.

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

Participating employer contributions are based upon State-wide rates established by the State of Florida. These rates applied to employee salaries at year end are as follows: DROP Program – 18.34%, regular employees – 10.82%, senior management – 29.01%, and elected officials – 51.42%. The rate applied to employee salaries for employee contributions was 3.00% for all classifications, with the exception of the DROP Program.

For the year ended September 30, 2021, total payroll for the Clerk's employees covered by the System was \$716,622 and total payroll was \$751,622. The Clerk's contributions to the plan for the years ended September 30, 2021, 2020 and 2019 were \$138,920, \$125,894, and \$120,758, respectively and were paid by the due date for the contribution.

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

#### **Note 4: COMMITMENTS AND CONTINGENCIES**

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

The Clerk receives a grant from the Federal government that is subject to review and audit by the funding source. Such reviews and audits could result in the discovery of unallowable activities and unallowable costs. Consequently, any of the funding sources may, at their discretion, request reimbursement for expenses or return of funds, or both, as a result of noncompliance by the Clerk

#### **Note 4: COMMITMENTS AND CONTINGENCIES (Continued)**

with the terms of the grants/contracts. In the opinion of the Clerk's management, such allowances, if any, would not be significant in relation to the financial statements of the Clerk.

#### Note 5: FINANCIAL DISCLOSURES REPORTED AT THE COUNTY-WIDE LEVEL

The following capital assets and compensated absences are in the custody of and accounted for by the Clerk and reported in the county-wide financial statements.

#### **Capital Assets**

Title in all capital assets owned by the County is retained by the Board of County Commissioners. The below noted capital asset information and activity is reported in the county-wide financial statements.

Summary of changes in capital assets during the year ended September 30, 2021:

	Balance 10/1/20	Additions	Deletions	Balance 9/30/21	
Governmental Activities					
Equipment	\$ 332,023 \$	1,366 \$	(40,273) \$	293,116	
Buildings and improvements	7,556	-	-	7,556	
Less: accumulated depreciation	282,009	21,714	40,273	263,450	
Capital assets, net	\$ 57,570 \$	(20,348) \$	- \$	37,222	

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

#### **Governmental Activities**

General government	<u> </u>	21	,714

#### **Compensated Absences**

Compensated absences that will not be liquidated with expendable available financial resources of the Clerk is the obligation of the County and reported in the county-wide financial statements.

Summary of changes in compensated absences for the year ended September 30, 2021.

	Balance 10/1/20	Additions	Deletions	Balance 9/30/21
Compensated absences	\$ 60,561	\$ 55,708	\$ 59,786	\$ 56,483

### **NONMAJOR GOVERNMENTAL FUNDS**

### **Special Revenue Funds**

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

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

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

	Special Revenue Funds						
				Court			
		Record		Technology			
September 30, 2021	Mod	dernization		Fund		Total	
Assets							
Cash and cash equivalents	\$	7,881	\$	12,243	\$	20,124	
Liabilities and Fund Balances							
Accrued wages and benefits	\$	-	\$	187	\$	187	
Fund balances							
Restricted		7,881		12,056		19,937	
Total liabilities and fund balances	\$	7,881	\$	12,243	\$	20,124	

# Holmes County, Florida Clerk of the Circuit Court Combining Statement of Revenues, Expenditures and Changes in Fund Balance Nonmajor Governmental Funds

	Special Revenue Funds						
For the year ended September 30, 2021	Mo	Record dernizati	Tec	Court chnology Fund		Total	
Revenues							
Charges for services	\$	8,039	\$	23,758	\$	31,797	
Expenditures							
General government							
Personnel services		-		9,645		9,645	
Operating		18,508		4,137		22,645	
Total expenditures		18,508		13,782		32,290	
Excess of revenues over (under) expenditures		(10,469)		9,976		(493)	
Fund balances, beginning of year		18,350		2,080		20,430	
8 0 100		- /		,		-,	
Fund balances, end of year	\$	7,881	\$	12,056	\$	19,937	

### **Fiduciary Funds**

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

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

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

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

# Holmes County, Florida Clerk of the Circuit Court Combining Statement of Fiduciary Net Position Custodial Funds

September 30, 2021	General Agency	Juror and Witness	Registry of Court	Cash Bonds	Total
Assets					
Cash and cash equivalents Accounts receivable	\$ 78,093 2,037	\$ 2,571 -	\$ 293,479 -	\$ 9,342 -	\$ 383,485 2,037
Total assets	80,130	2,571	293,479	9,342	385,522
Liabilities					
Deposits	-	-	293,479	9,342	302,821
Due to individuals	80,130	-	-	-	80,130
Due to other governments	-	2,571	-	-	2,571
Total liabilities	80,130	2,571	293,479	9,342	385,522
Net position	\$ -	\$ -	\$ -	\$ -	\$ -

# Holmes County, Florida Clerk of the Circuit Court Combining Statement of Changes in Fiduciary Net Position Custodial Funds

For the year ended September 30, 2021	General Juror and Agency Witness		Registry Cash of Court Bonds			
Additions Funds held for others	\$ 2,479,574	\$ 7,980 \$	301,035 \$	34,243	\$2,822,832	
<b>Deductions</b> Funds held for others	2,479,574	7,980	301,035	34,243	\$2,822,832	
Changes in net position	-	-	-	-	-	
Net position - beginning of year	-	-	-	-	-	
Net position - end of year	\$ -	\$ - \$	s - \$	-	\$ -	



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

Honorable Sam Bailey Clerk of the Circuit Court Holmes County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of each major fund, the aggregate remaining nonmajor governmental funds, and the fiduciary fund types of the Holmes County, Florida Clerk of the Circuit Court (the "Clerk"), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Clerk's financial statements, and have issued our report thereon dated April 4, 2022.

### **Internal Control Over Financial Reporting**

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

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

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

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

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

arr, Riggs & Ungram, L.L.C.

Enterprise, Alabama April 4, 2022



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

Honorable Sam Bailey Clerk of the Circuit Court Holmes County, Florida

We have examined the Holmes County, Florida Clerk of the Circuit Court's (the "Clerk") compliance with the following Florida Statute sections during the fiscal year ended September 30, 2021.

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

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

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

In our opinion, the Clerk complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2021.

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

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

arr, Riggs & Ungram, L.L.C.

Enterprise, Alabama April 4, 2022



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### **MANAGEMENT LETTER**

Honorable Sam Bailey Clerk of the Circuit Court Holmes County, Florida

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

We have audited the financial statements of the Holmes County, Florida Clerk of the Circuit Court (the "Clerk"), as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated April 4, 2022.

### **Auditors' Responsibility**

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

### **Other Reporting Requirements**

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Governmental Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 31, 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 we determine whether or not corrective actions have been taken to address significant findings and recommendations made in the preceding annual financial audit report. There were no recommendations made in the preceding financial report.

### **Financial Management**

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

### **Additional Matters**

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

### **Purpose of this Letter**

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

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

err, Riggs & Ungram, L.L.C.

Enterprise, Alabama April 4, 2022





### **Table of Contents**



	Page
FINANCIAL SECTION	
Independent Auditors' Report	132
Basic Financial Statements	
Balance Sheet – Governmental Funds	134
Statement of Revenues, Expenditures and Changes	
in Fund Balance – Governmental Funds	135
Statement of Revenues, Expenditures and Changes	
in Fund Balance – Budget and Actual – General Fund	136
Notes to Financial Statements	137
REPORTS ON INTERNAL CONTROL AND COMPLIANCE MATTERS	
Independent Auditors' Report on Internal Control Over Financial Reporting	
and on Compliance and Other Matters Based on an Audit of Financial	
Statements Performed in Accordance with Government Auditing Standards	150
Independent Accountants' Report on Compliance with Local Government	
Investment Policies	152
MANAGEMENT LETTER	153



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### **INDEPENDENT AUDITORS' REPORT**

Honorable Bryan Bell Property Appraiser Holmes County, Florida

### Report on the Financial Statements

We have audited the accompanying financial statements of the major fund of the Holmes County, Florida Property Appraiser (the "Property Appraiser"), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Property Appraiser's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### **Auditors' Responsibility**

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

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

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

### **Opinion**

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

### **Emphasis of Matter**

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida ("Rules"). In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of the major fund of Holmes County, Florida that is attributable to the Property Appraiser. They do not purport to, and do not present fairly the financial position of Holmes 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. Our opinion is not modified with respect to these matters.

### Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 4, 2022, on our consideration of the Property Appraiser's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Property Appraiser's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Property Appraiser's internal control over financial reporting and compliance.

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

arr, Riggs & Ungram, L.L.C.

Enterprise, Alabama April 4, 2022

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

September 30, 2021	General Fund		
Assets			
Cash and cash equivalents	\$	15,851	
Liabilities and Fund Balance			
Liabilities			
Due to Board of County Commissioners		15,851	
Total liabilities		15,851	
Fund balance		-	
Total liabilities and fund balance	\$	15,851	

## Holmes County, Florida Property Appraiser Statement of Revenues, Expenditures and Changes in Fund Balance Governmental Funds

For the year ended September 30, 2021		General Fund
Revenues		
Charges for services	\$	1,114
Interest and other	Ą	14
interest and other		
Total revenues		1,128
Expenditures		
General government		
Personnel services		527,672
Operating		73,994
Capital outlay		14,455
Total expenditures		616,121
Excess (deficiency) of revenues		
over (under) expenditures		(614,993)
Other Financing Sources (Uses)		
Appropriations from Board of County Commissioners		630,844
Reversion to Board of County Commissioners		(15,851)
Net other financing sources (uses)		614,993
Net change in fund balance		-
Fund balance, beginning of year		-
Fund balance, end of year	\$	_

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

				ariance with Final Budget
For the year anded Contember 20, 2021	Original	Final	Actual	Positive (Negative)
For the year ended September 30, 2021	Budget	Budget	Actual	(Negative)
Revenues				
Charges for services	\$ -	\$ -	\$ 1,114	\$ 1,114
Interest and other	-	-	14	14
Total revenues	-	-	1,128	1,128
Expenditures				
General government				
Personnel services	529,535	537,301	527,672	9,629
Operating	93,543	93,543	73,994	19,549
Capital outlay	-	-	14,455	(14,455)
Total expenditures	623,078	630,844	616,121	14,723
Excess (deficiencey) of revenues				
over (under) expenditures	(623,078)	(630,844)	(614,993)	15,851
Other Financing Sources (Uses)				
Appropriations from Board of	600.070	500.044	500.044	
County Commissioners	623,078	630,844	630,844	-
Reversion to Board of County  Commissioners			/1E 0E1\	/1E 0E1\
Commissioners		-	(15,851)	(15,851)
Net other financing sources (uses)	623,078	630,844	614,993	(15,851)
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	
Fund balance, end of year	\$ -	\$ -	\$ -	\$ 

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

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

### **Reporting Entity**

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

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

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

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

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

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

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

### **Fund Financial Statements**

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

The Property Appraiser reports the following major governmental fund:

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

### **Budgetary Information**

### **Budgetary Basis of Accounting**

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

### Excess of Revenues over Expenditures

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

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

### **Employee Benefits**

### Compensated Absences

It is the Property Appraiser's policy to allow employees to accumulate earned but unused paid time off benefits, which are eligible for payment upon separation of government service. Employees are allowed to accumulate up to a maximum of 90 working days. Accumulated paid time off is payable on termination at 100% of the value of the hours accumulated. If the employee retires, the full value of the hours accumulated will be paid out. Expenditures for compensated absences in governmental funds are those paid during the current fiscal year and the amount unpaid at the end of the reporting period that normally would be liquidated with expendable available financial resources. Accrued compensated absences that will not be liquidated with expendable available financial resources of the Property Appraiser are the obligation of the County and are reported at the county-wide level.

### Retirement Plan

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

### Other Postemployment Benefits (OPEB)

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

### Assets, Liabilities and Equity

### Cash and Cash Equivalents

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

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

### *Inventories and Prepaid Items*

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

### Capital Assets

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

### Categories and Classification of Fund Equity

Fund balance flow assumptions — Sometimes the Property Appraiser will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the Property Appraiser's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

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

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

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

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

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

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

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

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

### **Use of Estimates**

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

### Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, April 4, 2022, and determined there were no events that required disclosure.

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

### Recently Issued and Implemented Accounting Pronouncement

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. This Statement seeks to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. GASB 84 is effective for the fiscal years beginning after December 15, 2019. The implementation of this statement had no impact on the Property Appraiser's financial statements.

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

### Pronouncements Issued But Not yet Effective

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

In June 2017, the GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset.

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

### Pronouncements Issued But Not yet Effective (continued)

Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

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

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

In January 2020, the GASB issued Statement No. 92, *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about the following:

- The effective date of Statement No. 87, *Leases*, and Implementation Guide No. 2019-3, *Leases*, for interim financial reports,
- Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan,

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

### **Pronouncements Issued But Not yet Effective (continued)**

- The applicability of Statements No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68, as amended, and No. 74, Financial Reporting for Post-employment Benefit Plans Other Than Pension Plans, as amended, to reporting assets accumulated for postemployment benefits,
- The applicability of certain requirements of Statement No. 84, Fiduciary Activities, to postemployment benefit arrangements,
- Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition,
- Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers,
- Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature, and
- Terminology used to refer to derivative instruments.

### The requirements of this Statement are effective as follows:

- The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance.
- The requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74 are effective for fiscal years beginning after June 15, 2021.
- The requirements related to application of Statement 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities are effective for reporting periods beginning after June 15, 2021.
- The requirements related to the measurement of liabilities (and assets, if any) associated with asset retirement obligations in a government acquisition are effective for government acquisitions occurring in reporting periods beginning after June 15, 2021.

In May 2020, the GASB issued Statement No. 93, Replacement of Interbank Offered Rates. The objectives of this Statement are to address financial reporting issues that result from the replacement of an Interbank Offered Rate (IBOR) by providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment and clarification of the hedge accounting termination provisions when a hedged item is amended to replace the reference rate; replacing LIBOR as an appropriate benchmark interest rate for the evaluation of the effectiveness of an interest rate swap with a Secured Overnight Financing Rate or the Effective Federal Funds Rate; and providing exceptions to the lease modifications guidance in Statement 87

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

### Pronouncements Issued But Not yet Effective (continued)

for lease contracts that are amended solely to replace an IBOR used to determine variable payments.

The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2022. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

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

This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022.

In May 2020, the GASB issued GASB Statement No. 96, Subscription-Based Information Technology Arrangements. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Assets and liabilities resulting from SBITAs should be recognized and measured using the facts and circumstances that existed at the beginning of the fiscal year in which this Statement is implemented. Governments are permitted, but are not

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

### Pronouncements Issued But Not yet Effective (continued)

required, to include in the measurement of the subscription asset capitalizable outlays associated with the initial implementation stage and the operation and additional implementation stage incurred prior to the implementation of this Statement.

In June 2020, the GASB issued GASB 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. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this Statement that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021.

In October 2021, the GASB issued GASB Statement No. 98, The Annual Comprehensive Financial Report. This Statement establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. This Statement was developed in response to concerns raised by stakeholders that the common pronunciation of the acronym for comprehensive annual financial report sounds like a profoundly objectionable racial slur. This Statement's introduction of the new term is founded on a commitment to promoting inclusiveness. The requirements of this Statement are effective for fiscal years ending after December 15, 2021.

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

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

### Cash and Cash Equivalents

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

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

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

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

The excess revenues over expenditures remitted to the Board after year end was \$15,851 in accordance with Section 218.36(2) Florida Statutes. This amount is reported as Reversion to Board of County Commissioners on the Statement of Revenues, Expenditures and Changes in Fund Balance.

### **Note 3: RETIREMENT PLAN**

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

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

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

changes, and methodology changes are amortized within 30 years, using level dollar amounts. Except for gains reserved for rate stabilization, it is anticipated future actuarial gains and losses are amortized on a rolling 10% basis, as a level dollar amount.

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

Participating employer contributions are based upon State-wide rates established by the State of Florida. These rates applied to employee salaries at year end are as follows: regular employees - 10.82%, DROP Program - 18.34%, senior management - 29.01%, and elected officials - 51.42%. The rate applied to employee salaries for employee contributions was 3.00% for all classifications, with the exception of the DROP Program.

Total payroll for the Property Appraiser's employees covered by the System was \$352,322 for the year ended September 30, 2021. The Property Appraiser's total payroll was \$352,322 for the same period. The Property Appraiser's contributions to the plan for the years ended September 30, 2021, 2020, and 2019 were \$88,568, \$79,172, and \$80,079, respectively, and were paid by the due date for the contributions.

The Property Appraiser has no responsibility to the System other than to make the periodic payments required by State Statutes. The Florida Division of Retirement issues a publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing to Florida Division of Retirement, P.O. Box 9000, Tallahassee, Florida 32315-9000 or at the Division's website at dms.myflorida.com.

### Note 4: FINANCIAL DISCLOSURES REPORTED AT THE COUNTY-WIDE LEVEL

The following capital assets and compensated absences are in the custody of and accounted for by the Property Appraiser and reported in the county-wide financial statements.

### Capital Assets

Title in capital assets owned by the County is retained by the Board of County Commissioners. The below noted capital asset information and activity is reported in the county-wide financial statements.

### Note 4: FINANCIAL DISCLOSURES REPORTED AT THE COUNTY-WIDE LEVEL (Continued)

### Capital Assets (continued)

Summary of capital asset activity for the year ended September 30, 2021:

		Balance					Balance
	1	10/01/20	Increases	Decre	Decreases		9/30/21
Governmental Activities							
Capital assets, not being depreciated							
Construction in progress	\$	_	\$ 10,947	\$	-	\$	10,947
Capital assets, being depreciated							
Machinery and equipment		141,658	3,508		_		145,166
Less accumulated depreciation for		,	,				,
Machinery and equipment		(88,119)	(25,014)		-	(	113,133)
Total capital assets being							
depreciated, net		53,539	(21,506)		-		32,033
Captial assets, net	\$	53,539	\$ (10,559)	\$	_	\$	42,980
	r						
Depreciation expense was charged to the	runctioi	n of goverr	iment as follov	VS:			

Governmental Activities	
General government	\$ 25,014

### **Compensated Absences**

Compensated absences that will not be liquidated with expendable available financial resources of the Property Appraiser is the obligation of the County and reported in the county-wide financial statements.

Summary of changes in compensated absences for the year ended September 30, 2021:

	Balance			Balance		Due In
	10/01/20	Additions	Reductions	9/30/21	(	One Year
Compensated absences	\$ 45,655	\$32,120	\$ (28,890)	\$ 48,885	\$	4,889



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

The Honorable Bryan Bell Property Appraiser Holmes County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Holmes County, Florida Property Appraiser (the "Property Appraiser"), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Property Appraiser's financial statements, and have issued our report thereon dated April 4, 2022.

### **Internal Control Over Financial Reporting**

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

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

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

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

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

arr, Riggs & Ungram, L.L.C.

Enterprise, Alabama April 4, 2022



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### INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH LOCAL GOVERNMENT INVESTMENT POLICIES

Honorable Bryan Bell Property Appraiser Holmes County, Florida

We have examined the Holmes County, Florida Property Appraiser's (the "Property Appraiser") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2021. Management of the Property Appraiser is responsible for the Property Appraiser's compliance with the specified requirements. Our responsibility is to express an opinion on the Property Appraiser's compliance based on our examination.

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

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

In our opinion, the Property Appraiser complied, in all material respects, with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2021.

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

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

arr, Riggs & Ungram, L.L.C.

Enterprise, Alabama April 4, 2022



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### **MANAGEMENT LETTER**

Honorable Bryan Bell Property Appraiser Holmes County, Florida

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

We have audited the financial statements of the Holmes County, Florida Property Appraiser (the "Property Appraiser") as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated April 4, 2022.

### **Auditors' Responsibility**

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

### **Other Reporting Requirements**

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated April 4, 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 we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report except as noted below under the heading Prior Year Findings and Recommendations.

### 2012-02 - Disbursement Controls (Repeat)

Condition – Government Auditing Standards require auditors to consider internal controls over financial reporting as a basis for designing our auditing procedures. In documenting controls, a deficiency was noted in the segregation of duties over cash disbursements. The Chief Deputy

Property Appraiser's (Chief Deputy) responsibilities include recording accounts payable, check register review and approval, establishing vendor files and preparation of bank account reconciliations. The Chief Deputy is not an authorized check signer but has access to the general ledger and Information Technology (IT) rights to create vendors flies.

*Criteria* – Management is responsible for establishing and maintaining effective internal control over financial reporting.

Cause – Due to limited number of personnel involved in the cash disbursement process, some critical duties are not adequately segregated.

*Effect* — Controls over executing and recording disbursement transactions lacks optimum separation of duties by vesting significant components of the disbursement process with one person. The lack of adequate control procedures could result in the misuse or misappropriation of assets.

Recommendation – We recommend implementing control procedures to separate the bank reconciliation, check writing, check distribution and creating new vendor file responsibilities. The Chief Deputy's responsibilities should be limited to approving accounts payable and reviewing the distribution check register. Ideally, a third person should be forwarded signed checks directly from the check signers for distribution. New vendor authorizations should be required by someone independent of the disbursement process to create accounts payable vendor files. Additionally, we recommend that someone other than the Chief Deputy reconcile the bank accounts. If resources don't allow for that segregation then, as a minimum, a second reviewer should review the reconciliations and examine reconciling items. Ideally the accounts payable/payroll (cash disbursement), check signing and distribution and bank reconciling duties should be segregated.

View of Responsible Officials and Planned Corrective Actions — The Property Appraiser acknowledges the finding and is currently following several of the recommendations. Drafted checks are sent directly to the Property Appraiser for review, approval and signature and a third person distributes the checks. The Property Appraiser's Office does not currently have the funding to hire additional personnel to segregate all disbursement duties.

## **Financial Management**

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we noted recommendation 2012-02 in this management letter under Section 10.554(1)(i)1.

### **Additional Matters**

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we noted the following recommendation:

## 2021-01 - Payroll Controls

Condition – Employee timesheets were not properly and timely reviewed. Discrepancies were noted for timesheets submitted from April 2021 to September 2021.

Criteria – Management is responsible for approving timesheets and ensuring compliance with office policies and procedures. The Property Appraiser's policies require employees, for each pay period, to complete and sign a timesheet indicating hours worked and paid time off ("PTO").

Cause – Lack of timely and proper review of timesheets.

Effect – Reporting of inflated hours worked and under reporting of PTO. Resulted in inflated unused accrued leave available for future use or compensation upon separation from service.

Recommendation – We recommend, for each pay period prior to payroll checks being issued, the Property Appraiser timely review and approve all employees' timesheets. The review should include procedures to help ensure employees have accurately recorded time worked and PTO.

View of Responsible Officials and Planned Corrective Actions — The Property Appraiser acknowledges the finding and is currently following the recommendation. The Property Appraiser implemented a new payroll policy in October 2021 that requires all employees to provide timesheets prior to issuance of paychecks. Any discrepancies identified are remediated prior to the processing of payroll.

## **Purpose of this Letter**

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

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

arr, Riggs & Ungram, L.L.C.

Enterprise, Alabama April 4, 2022

# **Supervisor of Elections Holmes County, Florida FINANCIAL STATEMENTS** September 30, 2021

## **Table of Contents**



	Page
FINANCIAL SECTION	
Independent Auditors' Report	157
Basic Financial Statements	
Balance Sheet – Governmental Funds	159
Statement of Revenues, Expenditures and Changes in Fund Balance -	
Governmental Funds	160
Statement of Revenues, Expenditures and Changes in Fund Balance –	
Budget and Actual – General Fund	161
Notes to Financial Statement	162
REPORTS ON INTERNAL CONTROL AND COMPLIANCE MATTERS	
Independent Auditors' Report on Internal Control over Financial Reporting	
and on Compliance and Other Matters Based on an Audit of Financial	
Statements Performed in Accordance with Government Auditing Standards	175
Independent Accountants' Report on Compliance with Local Government	
Investment Policies	177
MANAGEMENT LETTER	178



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## **INDEPENDENT AUDITORS' REPORT**

Honorable Therisa A. Meadows Supervisor of Elections Holmes County, Florida

## **Report on Financial Statements**

We have audited the accompanying financial statements of the major fund of the Holmes County, Florida Supervisor of Elections (the "Supervisor of Elections"), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Supervisor of Elections' basic financial statements as listed in the table of contents.

## Management's Responsibility for the Financial Statements

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

## Auditors' Responsibility

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

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

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

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the major fund of the Supervisor of Elections as of September 30, 2021, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida ("Rules"). In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of the major fund of Holmes County, Florida that is attributable to the Supervisor of Elections. They do not purport to, and do not, present fairly the financial position of Holmes County, Florida as of September 30, 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. Our opinion is not modified with respect to these matters.

## Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 4, 2022 on our consideration of the Supervisor of Elections' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Supervisor of Election's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Supervisor of Elections' internal control over financial reporting and compliance.

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

arr, Riggs & Ungram, L.L.C.

Enterprise, Alabama April 4, 2022

## Holmes County, Florida Supervisor of Elections Balance Sheet Governmental Funds

September 30, 2021	General Fund		
Assets	\$ <u>-</u>		
Liabilities and Fund Balance	\$ -		

## Holmes County, Florida Supervisor of Elections Statement of Revenues, Expenditures and Changes in Fund Balance Governmental Funds

For the year ended September 30, 2021	General Fu				
Revenues					
Intergovernmental	\$	59,664			
	*	33,33			
Expenditures					
General government					
Personnel services		263,089			
Operating expenses		157,640			
Capital outlay		34,173			
Debt service					
Principal		17,045			
Total expenditures		471,947			
Excess (deficiency) of revenues					
over (under) expenditures		(412,283)			
Other Financing Sources					
Appropriations from Board of County Commissioners		378,193			
Capital lease proceeds		34,090			
Net other financing sources		412,283			
Not change in fund halance					
Net change in fund balance		-			
Fund balance, beginning of year		-			
Fund balance, end of year	\$	-			

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

					riance with Final Budget
	Original	Final		Г	Positive
For the year ended September 30, 2021	Budget	Budget	Actual		(Negative)
Revenues					
Intergovernmental	\$ -	\$ 21,805	\$ 59,664	\$	37,859
Expenditures					
General government					
Personnel services	282,303	282,303	263,089		19,214
Operating expenses	164,190	214,435	157,640		56,795
Capital outlay	4,000	4,000	34,173		(30,173)
Debt service					
Principal	-	-	17,045		(17,045)
Total expenditures	450,493	500,738	471,947		28,791
Excess (deficiency) of revenues					
over (under) expenditures	(450,493)	(478,933)	(412,283)		66,650
Other Financing Sources					
Appropriations from Board of					
County Commissioners	450,493	478,933	378,193		(100,740)
Capital lease proceeds	-	-	34,090		34,090
Net other financing sources	450,493	478,933	412,283		(66,650)
Net change in fund balance	-	-	-		-
Fund balance, beginning of year	-	-	-		
Fund balance, end of year	\$ -	\$ -	\$ -	\$	

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

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

## **Reporting Entity**

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

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

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

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

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

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

## **Fund Financial Statements**

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

The Supervisor of Elections reports the following major governmental fund:

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

## **Budgetary Information**

## **Budgetary Basis of Accounting**

Florida Statutes Chapter 129.201 and 129.03 details the preparation, adoption and administration of the Supervisor of Elections' annual budget. By June 1 of each year, the Supervisor of Elections shall submit to the Board a tentative budget for carrying out the duties of her office for the ensuing fiscal year. The Board has until September 30 to approve and/or modify the Supervisor of Elections' proposed budget during hearings held pursuant to Florida Statutes 129. The budgeted revenues and expenditures in the accompanying financial statements reflect all amendments approved by the Board. Budgetary control is maintained at the major object expenditure level. Expenditures may not legally exceed appropriations at the department level, and appropriations lapse at year-end. Budgetary changes within major object expenditure categories are made at the discretion of the Supervisor of Elections.

## Holmes County, Florida Supervisor of Elections Notes to Financial Statements

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

## Excess of Revenues over Expenditures

Pursuant to Section 129.202(1)(f), Florida Statutes, "all unexpended balances at the end of each fiscal year shall be returned to the Board and deposited to the County fund or funds from which payment was originally made." Rather than having an accounting system independent of the Board, the Supervisor of Elections is accounted for as a department by the Board. Therefore, appropriations by the Board will equal actual expenditures and the Supervisor of Elections will not report revenues in excess of expenditures.

## **Employee Benefits**

## **Compensated Absences**

The Supervisor of Elections' compensated absences policy allows employees to accumulate unused sick and vacation leave up to a maximum of 90 days of sick leave and 30 days of annual leave. Upon separating from service all employees will be paid 100% of accumulated annual leave and retiring employees will also be paid 100% of accumulated sick leave. Upon resignation employees with ten years of service will be paid one-half of accumulated sick leave. Employees with more than ten years seniority may accrue sick leave in excess of 90 days in a personal sick leave bank. Accrued leave in a personal sick leave bank may only be used in the event of a catastrophic illness.

Expenditures for compensated absences in governmental funds are those paid during the current fiscal year and the amount unpaid at the end of the reporting period that normally would be liquidated with expendable available financial resources. Accrued compensated absences that will not be liquidated with expendable available financial resources of the Supervisor of Elections are the obligation of the County and are reported at the county-wide level.

### Retirement Plan

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

## Other Postemployment Benefits (OPEB)

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

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

## Assets, Liabilities, and Equity

## Cash and Cash Equivalents

The Supervisor of Elections does not maintain a separate operating bank account. Operations are accounted for through a department within the Board's General Fund.

## **Inventories and Prepaid Items**

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

## Capital Assets

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

## Capital Leases

The Supervisor of Elections entered into an agreement as lessee for financing the acquisition of equipment during the year ended September 30, 2021. The lease agreement qualifies as a capital lease for accounting purposes, and is recorded in the county-wide financial statements at the present value of future minimum lease payments as of the lease inception date. The related assets are reported as capital assets in the county-wide financial statements.

## Categories and Classification of Fund Equity

Fund balance flow assumptions — Sometimes the Supervisor of Elections will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the Supervisor of Elections' policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

## Holmes County, Florida Supervisor of Elections Notes to Financial Statements

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

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

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

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

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

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

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

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

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

## **Use of Estimates**

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

## Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, April 4, 2022, and determined there were no events that required disclosure.

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

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. This Statement seeks to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. GASB 84 is effective for the fiscal years beginning after December 15, 2019. The implementation of this statement had no impact on the Supervisor of Elections' financial statements.

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

## Pronouncements Issued But Not yet Effective

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

## Holmes County, Florida Supervisor of Elections Notes to Financial Statements

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

## Pronouncements Issued But Not yet Effective (continued)

In June 2017, the GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset.

Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

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

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

In January 2020, the GASB issued Statement No. 92, *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about the following:

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

## Pronouncements Issued But Not yet Effective (continued)

- The effective date of Statement No. 87, *Leases*, and Implementation Guide No. 2019-3, *Leases*, for interim financial reports,
- Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan,
- The applicability of Statements No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68, as amended, and No. 74, Financial Reporting for Post-employment Benefit Plans Other Than Pension Plans, as amended, to reporting assets accumulated for postemployment benefits,
- The applicability of certain requirements of Statement No. 84, Fiduciary Activities, to postemployment benefit arrangements,
- Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition,
- Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers,
- Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature, and
- Terminology used to refer to derivative instruments.

## The requirements of this Statement are effective as follows:

- The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance.
- The requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74 are effective for fiscal years beginning after June 15, 2021.
- The requirements related to application of Statement 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities are effective for reporting periods beginning after June 15, 2021.
- The requirements related to the measurement of liabilities (and assets, if any) associated with asset retirement obligations in a government acquisition are effective for government acquisitions occurring in reporting periods beginning after June 15, 2021.

## Holmes County, Florida Supervisor of Elections Notes to Financial Statements

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

## Pronouncements Issued But Not yet Effective (continued)

In May 2020, the GASB issued Statement No. 93, Replacement of Interbank Offered Rates. The objectives of this Statement are to address financial reporting issues that result from the replacement of an Interbank Offered Rate (IBOR) by providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment and clarification of the hedge accounting termination provisions when a hedged item is amended to replace the reference rate; replacing LIBOR as an appropriate benchmark interest rate for the evaluation of the effectiveness of an interest rate swap with a Secured Overnight Financing Rate or the Effective Federal Funds Rate; and providing exceptions to the lease modifications guidance in Statement 87 for lease contracts that are amended solely to replace an IBOR used to determine variable payments.

The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2022. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

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

This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022.

## Holmes County, Florida Supervisor of Elections Notes to Financial Statements

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

## Pronouncements Issued But Not yet Effective (continued)

In May 2020, the GASB issued GASB Statement No. 96, Subscription-Based Information Technology Arrangements. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Assets and liabilities resulting from SBITAs should be recognized and measured using the facts and circumstances that existed at the beginning of the fiscal year in which this Statement is implemented. Governments are permitted, but are not required, to include in the measurement of the subscription asset capitalizable outlays associated with the initial implementation stage and the operation and additional implementation stage incurred prior to the implementation of this Statement.

In June 2020, the GASB issued GASB 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. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this Statement that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021.

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

## Pronouncements Issued But Not yet Effective (continued)

In October 2021, the GASB issued GASB Statement No. 98, The Annual Comprehensive Financial Report. This Statement establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. This Statement was developed in response to concerns raised by stakeholders that the common pronunciation of the acronym for comprehensive annual financial report sounds like a profoundly objectionable racial slur. This Statement's introduction of the new term is founded on a commitment to promoting inclusiveness. The requirements of this Statement are effective for fiscal years ending after December 15, 2021.

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

## **Note 2: RETIREMENT PLAN**

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

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

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

## Note 2: RETIREMENT PLAN (Continued)

Participating employer contributions are based upon state-wide rates established by the State of Florida. These rates applied to employee salaries at year end are as follows: regular employees – 10.82%, DROP Program – 18.34%, senior management – 29.01% and elected officials – 51.42%. These rates applied to employee salaries at year end for employee contributions are 3.00% for all classifications, with the exception of the DROP program.

Total payroll for the Supervisor of Elections' employees covered by the System was \$166,804 for the year ended September 30, 2021. The Supervisor of Elections' total payroll was \$166,804 for the same period. The Supervisor of Elections' contribution to the plan for the years ended September 30, 2021, 2020 and 2019 was \$57,571, \$54,182, and \$53,644, respectively. These contributions were paid by the due date for the contribution.

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

## **Note 3: CONTINGENT LIABILITIES**

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

## Note 4: FINANCIAL DISCLOSURES REPORTED AT THE COUNTY-WIDE LEVEL

The following capital assets and long term debt are in the custody of and accounted for by the Supervisor of Elections and reported in the county-wide financial statements.

## **Capital Assets**

Title in capital assets owned by the County is retained by the Board of County Commissioners. The below noted capital asset information and activity is reported in the county-wide financial statements.

## Note 4: FINANCIAL DISCLOSURES REPORTED AT THE COUNTY-WIDE LEVEL (Continued)

## Capital Assets (continued)

Summary of capital asset activity for the year ended September 30, 2021:

		Balance						Balance
		10/01/20		Increases		Decrease	es :	9/30/21
Governmental Activities								
Capital assets, being depreciated								
Machinery and equipment	\$	246,065 \$	\$	34,090	\$	-	\$	280,155
Less accumulated depreciation for								
Machinery and equipment		(195,730)		(19,480)		-		(215,210)
Capital assets, net	\$	50,335 \$	\$	14,610	\$	-	\$	64,945
Depreciation expense was charged to	the fu	ınction of gov	vernr	ment as fo	llows	S:		
Governmental Activities								
General government							\$	19,480

## Long-Term Debt

Debt that will not be liquidated with expendable available financial resources of the Supervisor of Elections is the obligation of the County and reported in the county-wide financial statements.

Summary of long-term debt activity for the year ended September 30, 2021:

	Balance			Balance	Due In
	10/01/20	Additions	Reductions	9/30/21	One Year
Capital lease Compensated absences	\$ - \$ 4,052	34,090 5,377	\$ (17,045) \$ (6,285)	17,045 3,144	\$ 8,523 314
Total	\$ 4,052 \$	39,467	\$ (23,330) \$	20,189	\$ 8,837

The following is an analysis of equipment leased under capital leases as of September 30, 2021:

	Capital Assets
Machinery and equipment Less: accumulated depreciation	\$ 34,090 (568)
Net leased machinery and equipment	\$ 33,522



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

Honorable Therisa A. Meadows Supervisor of Elections Holmes County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Holmes County, Florida Supervisor of Elections (the "Supervisor of Elections") as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Supervisor of Elections' financial statements, and have issued our report thereon dated April 4, 2022.

## **Internal Control Over Financial Reporting**

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

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

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

## **Compliance and Other Matters**

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

## **Purpose of this Report**

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

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

arr, Kiggs & Ungram, L.L.C.

Enterprise, Alabama April 4, 2022



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### **GOVERNMENT INVESTMENT POLICIES**

Honorable Therisa A. Meadows Supervisor of Elections Holmes County, Florida

We have examined the Holmes County, Florida Supervisor of Elections' (the "Supervisor of Elections") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2021. Management of the Supervisor of Elections is responsible for the Supervisor of Elections' compliance with the specified requirements. Our responsibility is to express an opinion on the Supervisor of Elections' compliance based on our examination.

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

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

In our opinion, the Supervisor of Elections complied, in all material respects, with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2021.

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

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

rr, Riggs & Ungram, L.L.C.

Enterprise, Alabama April 4, 2022



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### MANAGEMENT LETTER

Honorable Therisa A. Meadows Supervisor of Elections Holmes County, Florida

## **Report on the Financial Statements**

We have audited the financial statements of the Holmes County, Florida Supervisor of Elections (the "Supervisor of Elections") as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated April 4, 2022.

## **Auditors' Responsibility**

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

## **Other Reporting Requirements**

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountants' Report on an Examination Conducted In Accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated April 4, 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 we determine whether or not corrective actions have been taken to address significant findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address significant findings and recommendations made in the preceding annual financial audit reports.

## **Financial Management**

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

### **Additional Matters**

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

## **Purpose of this Letter**

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

Carr, Riggs & Ungram, L.L.C.
CARR, RIGGS & INGRAM, L.L.C.

Enterprise, Alabama April, 4, 2022

# Sheriff **Holmes County, Florida FINANCIAL STATEMENTS September 30, 2021**

## **Table of Contents**



	Page
FINANCIAL SECTION Independent Auditors' Report	181
Basic Financial Statements  Balance Sheet – Governmental Funds	184
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	185
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund	186
Statement of Fiduciary Net Position – Fiduciary Funds	188
Statement of Changes in Fiduciary Net Position – Fiduciary Funds	189
Notes to Financial Statements	190
Combining and Individual Fund Statements  Description of Nonmajor Governmental Funds	206
Combining Balance Sheet – Nonmajor Governmental Funds	207
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	208
REPORTS ON INTERNAL CONTROL AND COMPLIANCE MATTERS Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements	
Performed in Accordance with Government Auditing Standards	209
Independent Accountants' Report on Compliance with Local Government  Investment Policies	211
MANAGEMENT LETTER	212



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### INDEPENDENT AUDITORS' REPORT

Honorable John Tate Sheriff Holmes County, Florida

## **Report on Financial Statements**

We have audited the accompanying financial statements of each major fund, the aggregate remaining nonmajor governmental funds and fiduciary fund type of the Holmes County, Florida Sheriff (the "Sheriff"), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements as listed in the table of contents.

## Management's Responsibility for the Financial Statements

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

## **Auditors' Responsibility**

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

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of each major fund, the aggregate remaining nonmajor governmental funds and the fiduciary fund of the Sheriff as of September 30, 2021, and the respective changes in financial position thereof and budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida ("Rules"). In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position, when applicable, of each major fund, fiduciary fund type, and the aggregate remaining nonmajor fund information, only for that portion of the each major fund, fiduciary fund type, and the aggregate remaining nonmajor fund information, of Holmes County, Florida that is attributable to the Sheriff. They do not purport to, and do not, present fairly the financial position of Holmes County, Florida as of September 30, 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. Our opinion is not modified with respect to these matters.

As discussed in Note 1 to the financial statements ("Recently Issued and Implemented Accounting Pronouncements"), the Sheriff, adopted provisions of Governmental Accounting Standards Board ("GASB") Statement No. 84, Fiduciary Activities. Our opinion is not modified with respect to these matters.

## **Other Matters**

## Other Information

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

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

## Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 4, 2022, on our consideration of the Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Sheriff's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Sheriff's internal control over financial reporting and compliance.

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

Carr, Riggs & Ungram, L.L.C.

Enterprise, Alabama April 4, 2022

# Holmes County, Florida Sheriff Balance Sheet Governmental Funds

	Emergency					
September 30, 2021		General Fund		Services 911	In	mate Canteen
Assets				_		
Cash and cash equivalents	\$		\$	105,154	Ş	87,657
Due from other governments		205,378		51,168		-
Total assets	\$	205,378	\$	156,322	\$	87,657
Liabilities and Fund Balances						_
Liabilities						
Bank overdraft	\$	54,456	\$	-	\$	-
Accounts payable		101,710		32,459		-
Accrued wages and benefits		37,655		-		-
Due to Board of County Commissioners		11,557		-		-
Total liabilities		205,378		32,459		-
Fund balances						
Restricted for						
Public safety - law enforcement		=		123,863		87,657
Total liabilities and fund balances	\$	205,378	\$	156,322	\$	87,657

			Total
	Nonmajor		Governmental
	Funds		Funds
\$	9,965	\$	202,776
•	-	·	256,546
			•
\$	9,965	\$	459,322
\$	-	\$	54,456
	-		134,169
	-		37,655
	3,987		15,544
	3,987		241,824
	5,978		217,498
\$	9,965	\$	459,322

## Holmes County, Florida Sheriff Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds

For the year ended September 30, 2021	General Fund	Emergency Services 911	Inmate Canteen
Tor the year ended september 30, 2021	General Fullu	Services 311	Canteen
Revenues			
Charges for services	\$ -	\$ -	\$ 205,694
Intergovernmental	555,676	309,221	-
Miscellaneous	111,510	12,006	
Total revenues	667,186	321,227	205,694
Expenditures			
Public safety			
Personnel services	3,180,202	72,968	-
Operating	984,086	230,138	162,279
Capital outlay	426,859	-	45,844
Debt Service			
Principal	82,242	-	-
Interest	4,323	-	
Total expenditures	4,677,712	303,106	208,123
Excess revenues over (under) expenditures	(4,010,526)	18,121	(2,429)
Other Financing Sources (Uses)			
Appropriations from Board of County			
Commissioners	3,707,083	_	_
Loan proceeds	315,000	_	_
Reversion to Board of County Commissioners	(11,557)	-	-
Total other financing courses (uses)	4 010 F26		
Total other financing sources (uses)	4,010,526		
Net change in fund balance	-	18,121	(2,429)
Fund balance - beginning of year	-	105,742	90,086
Fund balance - end of year	\$ -	\$ 123,863	\$ 87,657

Nonmajor Funds	Total Governmental Funds
\$ 24,585 - 12,897	\$ 230,279 864,897 136,413
37,482	1,231,589
- 10,933 -	3,253,170 1,387,436 472,703
-	82,242
 -	4,323
10,933	5,199,874
26,549	(3,968,285)
- - (22 652)	3,707,083 315,000
(23,653)	(35,210)
 (23,653)	3,986,873
2,896	18,588
3,082	198,910
\$ 5,978	\$ 217,498

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

				Variance With Final Budget
For the year and of Contember 20, 2021	Original		A atural	Positive
For the year ended September 30, 2021	Budget	Budget	Actual	(Negative)
Revenues				
Intergovernmental	\$ -	\$ -	\$ 555,676	\$ 555,676
Miscellaneous	-	-	111,510	111,510
Total revenues	-	-	667,186	667,186
Expenditures				
Public safety				
Personnel services	2,874,115	2,892,017	3,180,202	(288,185)
Operating	740,066	740,066	984,086	(244,020)
Capital outlay	75,000	75,000	426,859	(351,859)
Debt service				
Principal	-	-	82,242	(82,242)
Interest	-	_	4,323	(4,323)
Total expenditures	3,689,181	3,707,083	4,677,712	(970,629)
Excess of revenues over (under)				
expenditures	(3,689,181)	(3,707,083)	(4,010,526)	(303,443)
Other Financing Sources (Uses)				
Appropriations from Board of				
County Commissioners	3,689,181	3,707,083	3,707,083	_
Loan proceeds	-	-	315,000	315,000
Reversion to Board of County			,	•
Commissioners	-	-	(11,557)	(11,557)
Total other financing sources (uses)	3,689,181	3,707,083	4,010,526	303,443
Net change in fund balance	-	-	-	-
Fund balance - beginning of year	-	-	-	
Fund balance - end of year	\$ -	\$ -	\$ -	\$ -

-Continued-

# Holmes County, Florida Sheriff Statement of Revenues, Expenditures and Changes in Fund Balance Budget and Actual General Fund (Continued)

				Variance With Final
				Budget
	Original	Final		Positive
For the year ended September 30, 2021	Budget	Budget	Actual	(Negative)
Reconciliation of GAAP to Budgetary Basis				
GAAP basis revenues and other				
financing sources	\$ -	\$ -	\$4,689,269	\$ 4,689,269
Non-budgeted revenues and other				
financing sources				
Intergovernmental	-	-	(555,676)	(555,676)
Miscellaneous	-	-	(111,510)	(111,510)
Loan proceeds	-	-	(315,000)	(315,000)
Budgetary basis revenues				
and other financing sources	\$ -	\$ -	\$3,707,083	\$ 3,707,083
and other maneing sources	<del>-</del>	<u> </u>	73,707,003	7 3,707,003
GAAP basis expenditures	\$3,689,181	\$ 3.707.083	\$4,677,712	\$ (970,629)
Non-budgeted expenses	, -,,	<b>,</b> ,,,,,,,,,	, , - ,	(
Personnel services	-	-	(419,033)	419,033
Operating	-	-	(187,074)	187,074
Capital outlay	-	-	(376,079)	376,079
Budgetary basis expenditures	\$3,689,181	\$3,707,083	\$3,695,526	\$ 11,557

# Holmes County, Florida Sheriff Statement of Fiduciary Net Position Fiduciary Funds

		<b>Custodial Fund</b>		
September 30, 2021		Inmate Trust		
Assets Cash	ć	70.076		
Casii	\$	79,976		
Net Position				
Restricted for Inmate Purchases	\$	79,976		

# Holmes County, Florida Sheriff Statement of Changes in Fiduciary Net Position Fiduciary Funds

	Cus	todial Fund
For the year ended September 30, 2021	Ir	mate Trust
A deliaira na		
Additions	,	
Inmate Deposits	\$	645,667
Deductions		
Current		
Public Safety		587,828
Changes in Net Position		57,839
Net position - beginning of year		-
Restatement		22,137
Net Position - beginning of year, as restated		22,137
Net position - end of year	\$	79,976

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

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

### **Reporting Entity**

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

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

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

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

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

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

### Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)

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

### **Fund Financial Statements**

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

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

The Sheriff reports the following major governmental funds:

General Fund - To account for all revenue and expenditures applicable to the general operations of the Sheriff that are not required either legally or by GAAP to be accounted for in another fund.

Emergency Services 911 – Special revenue fund used to account for phone charges assessed for the purpose of providing emergency assistance.

*Inmate Canteen* - Special revenue fund used to account for proceeds from canteen sales to inmates. Excess revenues over expenditures from the Inmate Canteen Fund are used for inmate welfare.

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

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

### Fund Financial Statements (continued)

The Sheriff also reports the following fiduciary fund type:

Inmate Funds – This fund is custodial in nature and accounts for assets held in a trust capacity or as an agent for individuals. Custodial funds only report assets and liabilities and do not measure results of operations. These funds are accounted for on an accrual basis of accounting.

### **Budgetary Information**

### **Budgetary Basis of Accounting**

Florida Statutes Chapters 30.49 and 129.03 detail the preparation, adoption and administration of the Sheriff's annual budget. The Sheriff establishes an annual balanced budget for his office which displays the revenues available to the office and the functions for which the money is to be expended and submits it to the Board for approval. By June 1 of each year, the Sheriff shall certify to the Board a proposed budget of expenditures for carrying out the duties of his office for the ensuing fiscal year. The Board has until September 30 to approve and/or modify the Sheriff's proposed budget during hearings held pursuant to Florida Statutes 129. Once approved, any subsequent amendments must be approved by the Board.

A budget is maintained only for the General Fund. The remaining Special Revenue Funds are not budgeted and excess revenues over expenditures in the Special Revenue Funds remain with the Sheriff. Budgetary control is maintained at the major object expenditure level. Expenditures may not legally exceed appropriations at the department level, and appropriations lapse at year-end. Budgetary changes within major object expenditure categories are made at the discretion of the Sheriff.

The Sheriff's budget is prepared under a budgetary basis of accounting that differs from GAAP. The major differences are recognition of unanticipated grant revenue, intergovernmental revenues from sources other than the Board and expenditures and non-budgeted miscellaneous revenues and expenditures. The actual results of operations in the Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund are presented on a budgetary basis for budgetary accounting purposes. Adjustments to convert the results of operation of the General Fund at the end of the year from the budgetary basis of accounting to the GAAP basis of accounting are reported on the statement of budget and actual for General Fund.

### Excess of Revenues over Expenditures

Pursuant to Section 30.50(6), Florida Statutes, any excess revenues over expenditures determined as of the date specified in Section 30.50(5), Florida Statutes, "...shall be refunded to the Board of County Commissioners...". Excess revenues over expenditures returned to the Board as required by Florida Statues are accrued and reported as other financing (uses). All special revenue funds excess revenue, except civil trust, remains with the Sheriff.

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

### **Employee Benefits**

### Compensated Absences

It is the Sheriff's policy to allow employees to accumulate unlimited unused sick leave. Accumulated annual leave is limited to 160 hours for the first 10 years of employment, and 240 hours thereafter. Accumulated annual leave is payable upon termination at the full value of the hours accumulated, while sick leave is forfeited. Expenditures for compensated absences in governmental funds are those paid during the current fiscal year and the amount unpaid at the end of the reporting period that normally would be liquidated with expendable available financial resources. Accrued compensated absences that will not be liquidated with expendable available financial resources of the Sheriff are the obligation of the County and are reported at the county-wide level.

### Retirement Plan

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

### Other Postemployment Benefits (OPEB)

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

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

### Cash and Cash Equivalents

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

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

### Assets, Liabilities, and Net Position or Equity (continued)

### Receivables

Receivables – Amounts due from other governments are deemed to be fully collectable and no allowance for doubtful accounts is required.

### Inventories and Prepaid Items

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

### Capital Assets

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

### Capital Leases

The Sheriff periodically enters into lease agreements as lessee for financing the acquisition of vehicles. The lease agreements qualify as capital leases for accounting purposes, and are recorded in the county-wide financial statements at the present value of future minimum lease payments as of the lease inception date. The related assets are reported as capital assets in the county-wide financial statements.

### Categories and Classification of Fund Equity

Fund balance flow assumptions — The Sheriff funds outlays from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the Sheriff's policy

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

### Assets, Liabilities, and Net Position or Equity (continued)

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

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

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

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

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

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

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

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

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

### **Use of Estimates**

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

### **Subsequent Events**

Management has evaluated subsequent events through the date that the financial statements were available to be issued, April 4, 2022 and determined there were no events that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these consolidated financial statements.

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

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. This Statement seeks to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. GASB 84 is effective for the fiscal years beginning after December 15, 2019. The adoption of GASB No.84 had no impact on the Sheriff's financial statements.

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

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

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

### Recently Issued and Implemented Accounting Pronouncements (continued)

In June 2017, the GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset.

Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

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

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

In January 2020, the GASB issued Statement No. 92, Omnibus 2020. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about the following:

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

### Recently Issued and Implemented Accounting Pronouncements (continued)

- The effective date of Statement No. 87, Leases, and Implementation Guide No. 2019-3, Leases, for interim financial reports,
- Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan,
- The applicability of Statements No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68, as amended, and No. 74, Financial Reporting for Post-employment Benefit Plans Other Than Pension Plans, as amended, to reporting assets accumulated for postemployment benefits,
- The applicability of certain requirements of Statement No. 84, Fiduciary Activities, to postemployment benefit arrangements,
- Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition,
- Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers,
- Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature, and
- Terminology used to refer to derivative instruments.

### The requirements of this Statement are effective as follows:

- The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance.
- The requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74 are effective for fiscal years beginning after June 15, 2021.
- The requirements related to application of Statement 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities are effective for reporting periods beginning after June 15, 2021.
- The requirements related to the measurement of liabilities (and assets, if any) associated with asset retirement obligations in a government acquisition are effective for government acquisitions occurring in reporting periods beginning after June 15, 2021.

In May 2020, the GASB issued Statement No. 93, Replacement of Interbank Offered Rates. The objectives of this Statement are to address financial reporting issues that result from the replacement of an Interbank Offered Rate (IBOR) by providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment and clarification of the hedge accounting termination provisions when a hedged item is amended to replace the reference

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

### Recently Issued and Implemented Accounting Pronouncements (continued)

rate; replacing LIBOR as an appropriate benchmark interest rate for the evaluation of the effectiveness of an interest rate swap with a Secured Overnight Financing Rate or the Effective Federal Funds Rate; and providing exceptions to the lease modifications guidance in Statement 87 for lease contracts that are amended solely to replace an IBOR used to determine variable payments.

The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2022. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

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

This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022.

In May 2020, the GASB issued GASB Statement No. 96, Subscription-Based Information Technology Arrangements. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Assets and liabilities resulting from SBITAs should be recognized and measured using the facts and circumstances that existed at the beginning of the

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

### Recently Issued and Implemented Accounting Pronouncements (continued)

fiscal year in which this Statement is implemented. Governments are permitted, but are not required, to include in the measurement of the subscription asset capitalizable outlays associated with the initial implementation stage and the operation and additional implementation stage incurred prior to the implementation of this Statement.

In June 2020, the GASB issued GASB 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. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this Statement that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021.

In October 2021, the GASB issued GASB Statement No. 98, The Annual Comprehensive Financial Report. This Statement establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. This Statement was developed in response to concerns raised by stakeholders that the common pronunciation of the acronym for comprehensive annual financial report sounds like a profoundly objectionable racial slur. This Statement's introduction of the new term is founded on a commitment to promoting inclusiveness. The requirements of this Statement are effective for fiscal years ending after December 15, 2021.

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

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

### Cash and Cash Equivalents

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

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

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

### **Due From Other Governments**

Due from other governments at September 30, 2021 consisted of the following:

		General Fund		mergency vices 911
State of Florida	\$	87,501	\$	51,168
U.S. Department of Justice	*	44,525	,	-
Victims of Crime Act (VOCA) - August and September		22,231		-
Mobile Response		4,333		-
Holmes County Board of Education		28,400		-
Surplus Auction		5,551		-
U.S. Marshall		4,354		-
E-911		8,483		-
Total	\$	205,378	\$	51,168

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

The excess revenues over expenditures remitted to the Board after year end was \$11,557 in accordance with Section 30.50(6) Florida Statutes. This amount is reported as Reversion to Board of County Commissioners on the Statement of Revenues Expenditures and Changes in Fund Balance.

### **Note 3: RETIREMENT PLAN**

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

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

Except for gains reserved for rate stabilization, it is anticipated future actuarial gains and losses are amortized on a rolling 10% basis, as a level dollar amount.

The System provides for employees hired prior to July 1, 2011 vesting of benefits after six years of creditable service. Normal retirement benefits are available to employees who retire at or after age 62 with six or more years of service. For Special Risk Class members, normal retirement is age 55 with at least 6 years of Special Risk service, or 25 years of Special Risk service, regardless of age, or age 52 with 25 years of Special Risk service and military service. Early retirement is available after six years of service with a 5% reduction of benefits for each year prior to the normal retirement age. For those employees hired on or after July 1, 2011, the System provides for vesting of benefits after eight years of credible service. Normal retirement benefits are available to these employees who retire at or after age 65 with eight years of service with a 5% reduction of benefits for each year. For Special Risk Class members, normal retirement is age 60 with at least 8 years of Special Risk service, or 30 years of Special Risk service, regardless of age, or age 57 with 30 years of Special Risk service and military service. Retirement benefits are based upon age, average compensation and years-of-service credit where average compensation is computed as the average of an individual's five highest years of earnings.

Participating employer contributions are based upon state-wide rates established by the State of Florida. These rates applied to employee salaries at year end are as follows: regular employees – 10.82%, DROP Program – 18.34%, senior management – 29.01% and elected officials – 51.42%. These rates applied to employee salaries at year end for employee contributions are 3.00% for all classifications, with the exception of the DROP program.

Total payroll for the Sheriff's employees covered by the System was \$2,136,407 for the year ended September 30, 2021. The Sheriff's total payroll was \$2,193,315 for the same period. The Sheriff's contribution to the plan for the years ended September 30, 2021, 2020, and 2019 were \$476,769 \$419,017, and \$395,954, respectively, and were paid by the due date for the contributions.

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

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

### **Note 4: CONTINGENT LIABILITIES**

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

### **Note 5: LITIGATION**

The Sheriff is involved in various claims or potential claims arising in the normal course of business. It is the opinion of management that coverage provided by the Florida Sheriff's Self-Insurance Fund is adequate to eliminate any significant exposure resulting from those claims.

### **Note 6: PRIOR PERIOD ADJUSTMENTS**

As discussed in Note 1, the implementation of GASB Statement No. 84 required that the Sheriff reclassify inmate trust custodial fund from a liability to restricted Net Position until required for use by the inmates. As such, the beginning fund balance of the fiduciary fund was increased by \$22,137.

### Note 7: FINANCIAL DISCLOSURES REPORTED AT THE COUNTY-WIDE LEVEL

The following capital assets and long term debt are in the custody of and accounted for by the Sheriff and reported in the county-wide financial statements.

### Capital Assets

Title in capital assets owned by the County is retained by the Board of County Commissioners. The below noted capital asset information and activity is reported in the county-wide financial statements.

### Note 7: FINANCIAL DISCLOSURES REPORTED AT THE COUNTY-WIDE LEVEL

### Capital Assets (continued)

Capital asset activity for the fiscal year is as follows:

	Balance			Balance
	10/1/2020	Additions	Deletions	9/30/2021
Governmental Activities Capital assets depreciated: Machinery and equipment Less: accumulated depreciation	\$ 1,638,459 (1,105,659)	\$ 472,699 (226,835)	\$ (310,866) \$ 297,938	1,800,292 (1,034,556)
Total governmental activities capital assets, net	\$ 532,800	\$ 245,864	\$ (12,928) \$	765,736

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

Governmental Activities

Public safety \$ 226,835

### Long-Term Debt

Long-term debt that will not be liquidated with expendable available financial resources of the Sheriff is the obligation of the County and reported in the county-wide financial statements.

The following is a summary of changes in long-term debt:

	1	Balance .0/01/20	Additions	R	eductions	Balance 9/30/21	C	Due in One Year
Compensated absences Note payable	\$	99,608	\$ 122,342 315,000	\$	82,848 82,242	\$ 139,102 232,758	\$	13,910 74,772
Total	\$	99,608	\$ 437,342	\$	165,090	\$ 371,860	\$	88,682

The Sheriff entered into a note payable for financing the acquisition of vehicles.

### Note 7: FINANCIAL DISCLOSURES REPORTED AT THE COUNTY-WIDE LEVEL

### Long-Term Debt (continued)

The following is a schedule of principal and interest payments on notes payable at September 30, 2021:

	l	Long-term	
		Debt	
2022	\$	83,213	
2023		83,213	
2024		83,214	
Total minimum payments		249,640	
Less: amount representing interest		(16,882)	
Note payable	\$	232,758	

### **NONMAJOR GOVERNMENTAL FUNDS**

### **Special Revenue Funds**

Federal Interdiction - Used to account for proceeds from federally seized assets. These proceeds can only be used to purchase equipment for the department.

*Civil Trust* - Used to account for fees charged and related expenses in serving legal documents. Any excess fees over expenditures are remitted to the Board.

*Teen Court* - Used to account for funds received from the Clerk to administer Teen Court.

### Holmes County, Florida Sheriff Combining Balance Sheet Nonmajor Governmental Funds

	Special Revenue Funds						
	1	Federal		Civil	Teen		
September 30, 2021	Inter	diction		Trust	Court	Total	
Assets							
Cash and cash equivalents	\$	19	\$	3,987	5,959 \$	9,965	
Liabilities and Fund Balances							
Liabilities							
Due to Board of County Commissioners		-		3,987	-	3,987	
Fund balances							
Restricted for:							
Public safety - law enforcement		19		-	5,959	5,978	
Total liabilities and fund balances	\$	19	\$	3,987 \$	5,959 \$	9,965	

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

Special Revenue Funds						
Federal			Civil	Teen		
Interdiction			Trust	Court		Total
\$	-	\$	24,585 \$	-	\$	24,585
	4,859		-	8,038		12,897
	4 050		24 505	0.020		27 402
	4,659		24,565	8,038		37,482
	4,884		932	5,117		10,933
	(25)		23,653	2,921		26,549
	-		(23,653)	-		(23,653)
	(25)		-	2,921		2,896
	44		_	3 038		3,082
	<del></del>			3,030		3,002
\$	19	\$	- \$	5,959	\$	5,978
	\$	\$ - 4,859 4,859 4,884 (25)	Federal Interdiction  \$ - \$ 4,859  4,859  4,884  (25)	Federal Interdiction         Civil Trust           \$ - \$ 24,585 \$ 4,859 -         \$ 4,859 -           4,884 932         23,653           - (23,653)         - 444 -	Federal Interdiction         Civil Teen Court           \$ - \$ 24,585 \$ - 4,859 - 8,038           4,859 24,585 8,038           4,884 932 5,117           (25) 23,653 2,921           - (23,653) - 2,921           44 - 3,038	Federal Interdiction         Civil Teen Court           \$ - \$ 24,585 \$ - \$ 4,859 - 8,038           4,859 24,585 8,038           4,884 932 5,117           - (25) 23,653 2,921           - (25) - 2,921           44 - 3,038



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

Honorable John Tate Sheriff Holmes County, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of each major fund, the aggregate remaining nonmajor governmental funds and fiduciary fund type of Holmes County, Florida Sheriff (the "Sheriff") as of and for the year ended September 30, 2021, and the related notes to the financial statements, and have issued our report thereon dated April 4, 2022.

### **Internal Control Over Financial Reporting**

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying management letter as item 2010-01 to be a material weakness.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying management letter as item 2021-01 to be a significant deficiency.

### **Compliance and Other Matters**

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

### **Sheriff's Response to Findings**

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

### **Purpose of this Report**

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

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

arr, Riggs ! Ungram, L.L.C.

Enterprise, Alabama April 4, 2022



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### INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH LOCAL GOVERNMENT INVESTMENT POLICIES

Honorable John Tate Sheriff Holmes County, Florida

We have examined the Holmes County, Florida Sheriff's (the "Sheriff") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2021. Management is responsible for the Sheriff's compliance with the specified requirements. Our responsibility is to express an opinion on the Sheriff's compliance based on our examination.

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

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

In our opinion, the Sheriff complied, in all material respects, with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies* for the year ended September 30, 2021.

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

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

rr, Riggs & Ungnam, L.L.C.

Enterprise, Alabama April 4, 2022



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### **MANAGEMENT LETTER**

Honorable John Tate Sheriff Holmes County, Florida

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

We have audited the financial statements of the Holmes County, Florida Sheriff (the "Sheriff") as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated April 4, 2022.

### **Auditors' Responsibility**

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

### **Other Reporting Requirements**

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountants' Report on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated April 4, 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 we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address significant findings and recommendations made in the preceding and second preceding annual financial audit report except as noted below under the heading Prior Year Findings and Recommendations.

### PRIOR YEAR FINDINGS AND RECOMMENDATIONS

### 2010-01 - Segregation of Duties (Repeat)

Condition - Government Auditing Standards require auditors to consider internal controls over financial reporting as a basis for designing auditing procedures. In documenting controls, a deficiency was noted in the segregation of duties over cash disbursements. The Finance Director's responsibilities include accounts payable, check register review and approval, and preparation of bank account reconciliations. The Finance Director is not an authorized check signer. In addition, the Finance Director has Information Technology (IT) rights to create vendors and general ledger access and authorization.

*Criteria* - Management is responsible for establishing and maintaining effective internal controls over financial reporting.

Cause - Due to the limited number of personnel involved in the cash disbursement process, control duties are not adequately segregated.

*Effect* - Controls over executing and recording disbursement transactions lack optimum separation of duties by vesting most of the disbursement responsibility with one person. The lack of adequate control procedures could result in the misuse or misappropriation of assets.

Recommendation - We recommend that control procedures be implemented to separate the accounts payable, bank reconciliation, and check writing responsibilities. The Finance Director's responsibilities should be limited to approving accounts payable and reviewing the distribution check register. Once checks are drafted, they should be forwarded along with supporting documentation directly to the check signers for review, approval and signatures. A third person should be forwarded the signed checks directly from the check signers for distribution. In addition, no one should have unilateral IT rights to create accounts payable vendor files, generate checks and reconcile the bank accounts.

View of Responsible Officials and Planned Corrective Actions - The Sheriff acknowledges the finding. Drafted checks are sent directly to the Sheriff for review, approval and signature and a third person distributes the checks. The Sheriff's Office does not currently have the funding to hire additional personnel to segregate all disbursement duties.

### **Financial Management**

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we noted the recommendation 2010-01-Segregation of Duties identified above under Section 10.554(1)(i)1. In connection with our audit, we noted the following recommendation:

### 2021-01 - Bank Reconciliations

Condition - A deficiency was noted in the preparation of bank reconciliations. Bank statements in some instances were accumulated for several months before being reconciled to the appropriate general ledger control accounts. As a contributing factor to the bank accounts not being reconciled timely payables of \$1,183 due to the BCC in October 2021 were not discovered until the bank

reconciliations were performed in 2022. \$750 and \$433 due the BCC in October 2021 were remitted in January and March 2022 respectively.

*Criteria* - Timely preparation of complete and accurate bank reconciliations is a key to maintaining adequate control over both cash receipts and disbursements.

Cause – Bank reconciliations were not performed until months after year end.

Effect - Not reconciling accounts timely increases the potential that errors or other problems might not be recognized and resolved on a timely basis. Also, it is easier and less time-consuming to reconcile accounts closer to the transactions original dates.

Recommendation - We recommend that all bank accounts be reconciled each month prior to the end of the following month.

*View of Responsible Officials and Planned Corrective Actions* - The Sheriff acknowledges the finding and will implement corrective action for 2021.

### **Additional Matters**

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we identified noncompliance with Florida Statute 30.50(6). The Sheriff did not remit \$1,183 of excess fees in a timely manner. The Sheriff remitted \$385.97 and \$797.03 to the Holmes County Board of County Commissioners on January 13 and February 28, 2022, respectively.

### **Purpose of this Letter**

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

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

err, Riggs & Ungram, L.L.C.

Enterprise, Alabama April 4, 2022



# **Tax Collector Holmes County, Florida FINANCIAL STATEMENTS** September 30, 2021

### Table of Contents

	Page
FINANCIAL SECTION Independent Auditors' Report	216
Financial Statements  Balance Sheet – Governmental Funds	219
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds	220
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual – General Fund	221
Statement of Fiduciary Net Position – Fiduciary Funds	222
Statement of Changes in Fiduciary Net Position – Fiduciary Funds	223
Notes to Financial Statements	224
Combining and Individual Fund Statements  Description of Fiduciary Funds	237
Combining Statement of Fiduciary Net Position - Custodial Funds	238
Combining Statement of Changes in Fiduciary Net Position - Custodial Funds	239
REPORTS ON INTERNAL CONTROL AND COMPLIANCE MATTERS Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial	240
Statements Performed in Accordance with Government Auditing Standards	240
Independent Accountants' Report on Compliance with Local Government  Investment Policies	242
MANAGEMENT LETTER	243



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### **INDEPENDENT AUDITORS' REPORT**

Honorable Harry B. Bell, III Tax Collector Holmes County, Florida

### **Report on Financial Statements**

We have audited the accompanying financial statements of the major fund and fiduciary fund type of the Holmes County, Florida Tax Collector (the "Tax Collector"), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Tax Collector's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

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

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

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the major fund and fiduciary fund type of the Tax Collector, as of September 30, 2021, and the respective changes in financial position thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Emphasis of Matter**

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida ("Rules"). In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position, where applicable, of the major fund and fiduciary fund types, only for that portion of the major fund and fiduciary fund types of Holmes County, Florida that is attributable to the Tax Collector. They do not purport to, and do not, present fairly the financial position of Holmes County, Florida as of September 30, 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. Our opinion is not modified with respect to these matters.

As discussed in Note 1 to the financial statements ("Recently Issued and Implemented Accounting Pronouncements"), the Tax Collector adopted provisions of Governmental Accounting Standards Board ("GASB") Statement No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to these matters.

### **Other Matters**

### Other Information

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

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

### Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 4, 2022 on our consideration of the Tax Collector's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts, and grant agreements and other matters. The purpose of that report is to solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Tax Collector's internal control over financial reporting and compliance.

Carr, Riggs & Chypan, L.L.C.
CARR, RIGGS & INGRAM, L.L.C.

Enterprise, Alabama April 4, 2022

## Holmes County, Florida Tax Collector Balance Sheet Governmental Funds

September 30, 2021	ı	General Fund
Assets		
Due from other funds	\$	14,111
Liabilities and Fund Balance		
Liabilities		
Ledger overdraft	\$	8,389
Accrued wages and benefits		3,689
Due to Board of County Commissioners		215
Due to other funds		1,818
Total liabilities		14,111
Fund balance		-
Total liabilities and fund balance	\$	14,111

## Holmes County, Florida Tax Collector Statement of Revenues, Expenditures and Changes in Fund Balance Governmental Funds

For the year ended September 30, 2021		General Fund
Revenues		
Charges for services	\$	374,767
Interest	•	14
Total revenues		374,781
Expenditures		
General government		
Personnel services		440,851
Operating		114,902
Total expenditures		555,753
Excess revenues over (under) expenditures		(180,972)
Other Financing Sources (Uses)		
Appropriations from Board of County Commissioners		181,187
Reversion to Board of County Commissioners		(215)
Net other financing sources		180,972
Net change in fund balance		-
Fund balance - beginning of year		
Fund balance - end of year	\$	

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

				Variance With Final
				Budget
	Original			Positive
For the year ended September 30, 2021	Budget	Final Budget	Actual	(Negative)
Revenues				
Charges for services	\$ 380,769	\$ 382,061	\$ 374,767	\$ (7,294)
Interest	14	14	14	۶ (۲,254) -
- Interest	<u> </u>			
Total revenues	380,783	382,075	374,781	(7,294)
Expenditures				
General government				
Personnel services	478,051	443,243	440,851	2,392
Operating	83,919	120,019	114,902	5,117
Total expenditures	561,970	563,262	555 <i>,</i> 753	7,509
Excess revenues over (under) expenditures	(181,187)	(181,187)	(180,972)	215
Other Financing Sources (Uses)				
Appropriations from Board of				
County Commissioners	181,187	181,187	181,187	-
Reversion to Board of County				
Commissioners	-	-	(215)	(215)
Net other financing sources (uses)	181,187	181,187	180,972	(215)
Net change in fund balance	-	-	-	-
Fund balance - beginning of year	-	-	-	-
Fund balance - end of year	\$ -	\$ -	\$ -	\$ -

## Holmes County, Florida Tax Collector Statement of Fiduciary Net Position Fiduciary Funds

September 30, 2021	Cı	Custodial Funds		
Assets				
Cash	\$	276,307		
Due from other funds		1,818		
Total assets		278,125		
Total assets		270,123		
Liabilities				
Due to other governments		255,794		
Due to individuals		22,331		
Total liabilities		278,125		
Net position	\$			

## Holmes County, Florida Tax Collector Statement of Changes in Fiduciary Net Position Fiduciary Funds

September 30, 2021	(	Custodial Funds
Additions		
Contributions:		
Funds Held for Others	\$	12,812,017
Deductions		
Funds Held for Others		12,812,017
Change in net position		-
Net position - beginning of year		
Net position - end of year	\$	-

### Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

### Reporting Entity

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

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

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

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

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

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

only current assets and current liabilities are included in the balance sheet. Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they present a summary of sources and uses of "available spendable resources" during a period.

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

### **Fund Financial Statements**

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

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

The Tax Collector reported the following major governmental fund:

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

The Tax Collector also reported the following fiduciary fund type:

Custodial Funds – These funds are custodial in nature and account for assets held in a trust capacity or as an agent for individuals, other governmental units, and/or other funds. Custodial funds only report assets and liabilities and do not measure results of operations.

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

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

### **Budgetary Information**

### **Budgetary Basis of Accounting**

Florida Statutes, Chapter 195.087 details the preparation, adoption, and administration of the Tax Collector's annual budget. On or before August 1 of each year, the Tax Collector submits an annual budget to the Department of Revenue (the "Department"). If the Department finds the budget inadequate or excessive, it shall return such budget to the Tax Collector, together with its ruling thereon. The Tax Collector shall revise the budget as required and resubmit it to the Department. After final approval by the Department, there shall be no reduction or increase by the Tax Collector or Board without the approval of the Department. Budgetary control is maintained at the major object expenditure level. Expenditures may not legally exceed appropriations at the department level, and appropriations lapse at year-end. Budgetary changes within major object expenditure categories are made at the discretion of the Tax Collector.

### Excess Revenue over Expenditures

Pursuant to Section 218.36(2), Florida Statutes, whenever a tax collector has excess revenue over expenditures determined as of the fiscal year end, "....he or she shall distribute the excess to each governmental unit in the same proportion as the fees paid by the governmental unit bear to the total fee income of his or her office."

### **Employee Benefits**

### Compensated Absences

It is the Tax Collector's policy to allow employees to accumulate unused sick leave and vacation benefits up to a maximum of 40 days of sick leave and 40 days of annual leave. Accumulated annual leave is payable on termination at the full value of the hours accumulated, while sick leave is only payable on termination at 50% of the value of the hours accumulated if employed for ten years or longer or 100% for an employee who retires from service retirement. Expenditures for compensated absences in governmental funds are those paid during the current fiscal year and the amount unpaid at the end of the reporting period that normally would be liquidated with expendable available financial resources. Accrued compensated absences that will not be liquidated with expendable available financial resources of the Tax Collector are the obligation of the County and are reported at the county-wide level.

### Retirement Plan

The Tax Collector and all qualified County employees participates in The Florida Retirement System (the "System"). The System's financial statements are prepared using the economic resources measurement focus and accrual basis of accounting in accordance with the requirements of the

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

### Employee Benefits (continued)

GASB. The Plan is considered a component unit of the State of Florida and is included in the State's Comprehensive Annual Financial Report. Assets, liabilities and cash inflows/outflows related to the Tax Collector are combined with all the County's participants and reported in the County's government-wide financial statements.

### Other Postemployment Benefits (OPEB)

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

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

### Cash and Cash Equivalents

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

### *Inventories and Prepaid Items*

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

### Capital Assets

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

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

### Assets, Liabilities, and Net Position or Equity (continued)

Categories and Classification of Fund Equity

Fund balance flow assumptions — Sometimes the Tax Collector will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the Tax Collector' policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

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

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

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

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

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

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

### Assets, Liabilities, and Net Position or Equity (continued)

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

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

### **Use of Estimates**

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

### **Subsequent Events**

Management has evaluated subsequent events through the date that the financial statements were available to be issued, April 4, 2022 and determined there were no events that required disclosure.

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

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. This Statement seeks to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. GASB 84 is effective for the fiscal years beginning after December 15, 2019. Additional information on changes to the financial statements related to the implementation of this statement can be found on page 222 As such, the Tax Collector presented a statement of fiduciary net position and changes in fiduciary net position for custodial funds.

In August 2018, the GASB issued Statement No. 90, Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose

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

### Recently Issued and Implemented Accounting Pronouncements (continued)

government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. The requirements should be applied retroactively, except for the provisions related to (1) reporting a majority equity interest in a component unit and (2) reporting a component unit if the government acquires a 100 percent equity interest. Those provisions should be applied on a prospective basis. The implementation of this statement had no impact on the financial statements.

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

In June 2017, the GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset.

Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

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

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

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

### Recently Issued and Implemented Accounting Pronouncements (continued)

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

In January 2020, the GASB issued Statement No. 92, *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about the following:

- The effective date of Statement No. 87, Leases, and Implementation Guide No. 2019-3, Leases, for interim financial reports,
- Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan,
- The applicability of Statements No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68, as amended, and No. 74, Financial Reporting for Post-employment Benefit Plans Other Than Pension Plans, as amended, to reporting assets accumulated for postemployment benefits,
- The applicability of certain requirements of Statement No. 84, Fiduciary Activities, to postemployment benefit arrangements,
- Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition,
- Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers,
- Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature, and
- Terminology used to refer to derivative instruments.

### The requirements of this Statement are effective as follows:

- The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance.
- The requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74 are effective for fiscal years beginning after June 15, 2021.

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

### Recently Issued and Implemented Accounting Pronouncements (continued)

- The requirements related to application of Statement 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities are effective for reporting periods beginning after June 15, 2021.
- The requirements related to the measurement of liabilities (and assets, if any) associated with asset retirement obligations in a government acquisition are effective for government acquisitions occurring in reporting periods beginning after June 15, 2021.

In May 2020, the GASB issued Statement No. 93, Replacement of Interbank Offered Rates. The objectives of this Statement are to address financial reporting issues that result from the replacement of an Interbank Offered Rate (IBOR) by providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment and clarification of the hedge accounting termination provisions when a hedged item is amended to replace the reference rate; replacing LIBOR as an appropriate benchmark interest rate for the evaluation of the effectiveness of an interest rate swap with a Secured Overnight Financing Rate or the Effective Federal Funds Rate; and providing exceptions to the lease modifications guidance in Statement 87 for lease contracts that are amended solely to replace an IBOR used to determine variable payments.

The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2022. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

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

This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an

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

### Recently Issued and Implemented Accounting Pronouncements (continued)

exchange or exchange-like transaction. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022.

In May 2020, the GASB issued GASB Statement No. 96, Subscription-Based Information Technology Arrangements. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Assets and liabilities resulting from SBITAs should be recognized and measured using the facts and circumstances that existed at the beginning of the fiscal year in which this Statement is implemented. Governments are permitted, but are not required, to include in the measurement of the subscription asset capitalizable outlays associated with the initial implementation stage and the operation and additional implementation stage incurred prior to the implementation of this Statement.

In June 2020, the GASB issued GASB 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. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this Statement that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021.

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

### Recently Issued and Implemented Accounting Pronouncements (continued)

In October 2021, the GASB issued GASB Statement No. 98, The Annual Comprehensive Financial Report. This Statement establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. This Statement was developed in response to concerns raised by stakeholders that the common pronunciation of the acronym for comprehensive annual financial report sounds like a profoundly objectionable racial slur. This Statement's introduction of the new term is founded on a commitment to promoting inclusiveness. The requirements of this Statement are effective for fiscal years ending after December 15, 2021.

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

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

### Cash and Cash Equivalents

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

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

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

The Tax Collector does not have a written investment policy but historically has placed surplus funds in interest bearing depository accounts with local banking institutions. At September 30, 2021, all deposits were fully insured by the Federal Deposit Insurance Corporation and the multiple financial institution collateral pool required by Chapter 280, Florida Statutes.

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

Excess revenues over expenditures of \$215 were returned to the Board by October 31, 2021 as required by Florida Statutes Section 218.36(2). This amount is reported as Reversion to Board of County Commissioners on the Statement of Fund Revenues, Expenditures and Changes in Fund Balance – Governmental Funds.

### **Note 3: RETIREMENT PLAN**

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

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

The System provides for those employees hired prior to July 1, 2011 vesting of benefits after six years of creditable service. Normal retirement benefits are available to employees who retire at or after age 62 with six or more years of service. Early retirement is available after six years of service with a 5% reduction of benefits for each year prior to the normal retirement age. For those employees hired on or after July 1, 2011, the System provides for vesting of benefits after eight years of credible service.

Normal retirement benefits are available to these employees who retire at or after age 65 with eight years of service with a 5% reduction of benefits for each year. Retirement benefits are based upon age, average compensation, and years-of-service credit where average compensation is computed as the average of an individual's five highest years of earnings.

Participating employer contributions are based upon State-wide rates established by the State of Florida. These rates applied to employee salaries at year end are as follows: regular employees – 10.82%, DROP Program – 18.34%, senior management – 29.01% and elected officials – 51.42%. These rates applied to employee salaries at year end for employee contributions are 3.00% for all classifications, with the exception of the DROP program.

Total payroll for the Tax Collector's employees covered by the System was \$283,149 for the year ended September 30, 2021. The Tax Collector's total payroll was \$304,338 for the same period. The Tax Collector's contributions to the plan for the years ended September 30, 2021, 2020, and 2019 were \$83,361, \$76,147, and \$73,912, respectively, and were paid by the due date for the contributions.

The Tax Collector has no responsibility to the System other than to make the periodic payments required by State Statutes. The Florida Division of Retirement issues a publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing Florida Division of Retirement, PO Box 9000, Tallahassee, FL 32315-9000 or at the Division's website at dms.myflorida.com.

### Note 4: FINANCIAL DISCLOSURES REPORTED AT COUNTY-WIDE LEVEL

The following capital assets and compensated absences are in the custody of and accounted for by the Tax Collector and reported in the county-wide financial statements.

### **Capital Assets**

Title in all capital assets owned by the County is retained by the Board and the below noted capital asset information and activity is reported on the county-wide financial statements.

Capital asset activity for the fiscal year is as follows:

	Balance		5.1	Balance
	10/01/20	Additions	Deletions	9/30/21
Governmental Activities				
Capital assets depreciated:				
Machinery and equipment	\$ 116,326	\$ -	\$ -	\$ 116,326
Improvements	25,911	-	-	25,911
Less accumulated depreciation:				
Machinery and equipment	(101,622)	(12,318)	-	(113,940)
				_
Total governmental activities				
capital assets, net	\$ 40,615	\$ (12,318)	\$ -	\$ 28,297

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

Governmental Activities	
General government	\$ 12,318

### **Compensated Absences**

Compensated absences that will not be liquidated with expendable available financial resources of the Tax Collector is the obligation of the County and reported in the county-wide financial statements.

Summary of changes in compensated absences for the year ended September 30, 2021.

		Balance					Balance	D	ue in One
	1	0/1/2020	Additions	Re	eductions	9/	30/2021		Year
Compensated Absences	\$	17,514	\$ 17,474	\$	27,943	\$	7,045	\$	705

### **Fiduciary Funds**

*Property Tax* – To account for the collection and disbursement of local property taxes.

Department of Motor Vehicles ("DMV") - To account for the collection of motor vehicle and driver's license registration receipts and subsequent remittance of licenses and permits.

Concealed Weapons ("CWIS") – To account for the collection of concealed weapons licenses registration receipts and subsequent remittance of licenses and permits.

## Holmes County, Florida Tax Collector Combining Statement of Fiduciary Net Position Custodial Funds

September 30, 2021	Property Tax		DMV			CWIS		Total	
Assets									
	\$	134,595	\$	140,766	\$	946	ç	276,307	
Cash and cash equivalents	Ą	154,595	Ą	•	Ą	940	Ą	•	
Due from other funds		-		1,818				1,818	
Total assets	\$	134,595	\$	142,584	\$	946	\$	278,125	
Liabilities									
Due to other governments	\$	112,264	\$	142,584	\$	946	\$	255,794	
Due to individuals		22,331		-		-		22,331	
Total liabilities		134,595		142,584		946		278,125	
Net Position		-		-		-			
Total liabilities and net position	\$	134,595	\$	142,584	\$	946	\$	278,125	

## Holmes County, Florida Tax Collector Combining Statement of Changes in Fiduciary Net Position Custodial Funds

			-	Total
			Cust	odial
For the year ended September 30, 2021	Property Tax	DMV	CWIS F	unds
Additions:				
Funds held for others	\$ 9,645,623	\$ 3,126,692 \$	39,702 \$ 12,81	2,017
Deductions:				
Funds held for others	9,645,623	3,126,692	39,702 12,81	2,017
Change in net position	-	-	-	-
Net position - beginning of year	-	-	-	
Net position - end of year	\$ -	\$ - \$	- \$	-



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

Honorable Harry B. Bell, III Tax Collector Holmes County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the major fund and fiduciary fund type of the Holmes County, Florida Tax Collector (the "Tax Collector"), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Tax Collector's financial statements, and have issued our report thereon dated April 4, 2022.

### **Internal Control Over Financial Reporting**

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

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

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

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

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

Carr, Kiggs & Ungham, L.L.C.

Enterprise, Alabama April 4, 2022



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### INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH LOCAL GOVERNMENT INVESTMENT POLICIES

Honorable Harry B. Bell III Tax Collector Holmes County, Florida

We have examined the Holmes County, Florida's Tax Collector's (the "Tax Collector") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2021. Management is responsible for the Tax Collector's compliance with the specified requirements. Our responsibility is to express an opinion on the Tax Collector's compliance with the specified requirements based on our examination.

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

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

In our opinion, the Tax Collector complied, in all material respects, with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2021.

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

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

arr, Riggs & Ungram, L.L.C.

Enterprise, Alabama April 4, 2022



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### **MANAGEMENT LETTER**

Honorable Harry B. Bell, III Tax Collector Holmes County, Florida

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

We have audited the financial statements of the Holmes County, Florida Tax Collector (the "Tax Collector"), as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated April 4, 2022.

### **Auditors' Responsibility**

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

### **Other Reporting Requirements**

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountants' Report on and examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated April 4, 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 we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.

### **Financial Management**

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

### **Additional Matters**

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

### **Purpose of this Letter**

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

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

arr, Riggs & Chopan, L.L.C.

Enterprise, Alabama April 4, 2022