

HAMILTON COUNTY, FLORIDA

ANNUAL FINANCIAL REPORT

For the Year Ended September 30, 2022

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HAMILTON COUNTY, FLORIDA

LIST OF PRINCIPAL OFFICIALS

September 30, 2022

Board of County Commissioners

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

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

ANNUAL FINANCIAL REPORT

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For the Year Ended September 30, 2022

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SHERIFF

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**INDEPENDENT
AUDITOR'S
REPORT**

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CERTIFIED PUBLIC ACCOUNTANT

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Jasper, FL 32052

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Board of County Commissioners
Hamilton County, Florida

Report on the Audit of the Financial Statements

Opinions

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Hamilton County, Florida, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise Hamilton County's basic financial statements as listed in the table of contents.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Hamilton County, Florida, as of September 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of Hamilton County, Florida and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Change in Accounting Principle

As described on Note 1 to the financial statements, in fiscal year 2022, the County adopted new accounting guidance, GASB Statement No. 87, Leases. My opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Hamilton

County, Florida's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Hamilton County, Florida's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Hamilton County, Florida's ability to continue as a going concern for a reasonable period of time.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis in Section I, analysis and budgetary comparison

information in Section II pages 45-48, pension trend information on pages 49-52, and OPEB trend information on page 53 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Hamilton County, Florida's basic financial statements. The combining nonmajor fund financial statements, combining fiduciary fund financial statements, nonmajor budgetary comparison schedules, and schedule of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the combining nonmajor fund financial statements, combining fiduciary fund financial statements, nonmajor budgetary comparison schedules, and schedule of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other information

Management is responsible for the other information included in the annual report. The other information comprises the nonmajor budgetary comparison schedule but does not include the basic financial statements and our auditor's report thereon. My opinions on the basic financial statements do not cover the other information, and I do not express an opinion or any form of assurance thereon.

In connection with my audit of the basic financial statements, my responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, I conclude that an uncorrected material misstatement of the other information exists, I am required to describe it in my report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued my report dated May 26, 2023, on my consideration of the Hamilton County, Florida's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of

that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Hamilton County, Florida's internal control over financial reporting and compliance.

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

Kenneth M. Daniels
Certified Public Accountant
May 26, 2023

HAMILTON COUNTY, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Fiscal Year Ended September 30, 2022

Our discussion and analysis of Hamilton County, Florida's (the County), financial performance provides an overview of the County's financial activities for the fiscal year ended September 30, 2022. Please read it in conjunction with the County's financial statements, which begin in Section II - page 1.

FINANCIAL HIGHLIGHTS

With assistance from the Florida Department of Transportation (DOT), the County completed the CR 137 project at a total cost of \$3.75 million. The SW 55th Drive Project is ongoing with a cost expected to exceed \$2.75 million.

The County continues to support economic development via an interlocal grant to the Hamilton County Development Authority in the amount of \$1.12 million. The grant was used to assist in the purchase of 23.70 acres, parcel #7339-000, at the Jennings, Florida, I-75 exit. Adjacent properties were purchased post year-end. The County and Authority are promoting development of the exit.

The County began multiple projects funded via grants from the State of Florida: construction of a Fire Station - budgeted cost of \$880,000; plans for an Emergency Operations Center - budgeted cost of \$200,000; drilling two wells for the I75-SR6 water system - budgeted cost of \$475,000; and construction of a boat ramp at Gibson Park - budgeted cost \$238,719.

The Suwannee Valley Nursing Center, upon its sale, granted \$908,000 of the sale proceeds, to the County. The funds were not restricted in their use. The donation was based on previous assistance provided by the County.

USING THIS ANNUAL REPORT

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

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

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

Reporting the County as a Whole

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

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

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

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

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

Reporting the County's Most Significant Funds

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

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

The County as Trustee

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

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

The County as a Whole

The County’s governmental Net Position decreased approximately \$786,000. The decrease was largely due to 1. the increase in pension liability associated with the County’s participation in the Florida Retirement System (FRS) after stellar returns on investments in the prior year and 2. depreciation of the governmental fixed assets. Other liabilities increased \$865,000 due to the advance payment of the Coronavirus State and Local Fiscal Recovery Fund in the amount of \$1.4 million. The amount was largely considered unearned at year end.

The County’s business-type activities Net Position decreased approximately \$695,000. This decrease was due to depreciation on the water/wastewater treatment facility and significant repairs ongoing at the facility.

Overall, the County’s Net Position increased by approximately \$1.48 million.

Deferred outflows of resources increased approximately \$709,000, deferred inflows of resources decreased \$7.2 million, and the Florida Retirement System (FRS) related pension liability increased \$8.1 million. All changes were largely the result of decreased investment returns for the FRS compared to the 2021 fiscal year.

A summary of the County’s Net Position follows:

Table 1
Net Position
(In Millions)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Statement of Net Position						
Current and other assets	\$ 23.09	\$ 21.71	\$ 1.85	\$ 2.13	\$ 24.94	\$ 23.84
Capital assets	<u>44.48</u>	<u>45.59</u>	<u>3.87</u>	<u>4.06</u>	<u>48.35</u>	<u>49.65</u>
Total assets	67.57	67.30	5.72	6.19	73.29	73.49
Deferred outflows of resources	<u>3.30</u>	<u>2.59</u>	<u>-</u>	<u>-</u>	<u>3.30</u>	<u>2.59</u>
Total assets & deferred outflows of resources	<u>\$ 70.87</u>	<u>\$ 69.89</u>	<u>\$ 5.72</u>	<u>\$ 6.19</u>	<u>\$ 76.59</u>	<u>\$ 76.08</u>
Other liabilities	\$ 2.07	\$ 1.20	\$ 0.08	\$ 0.05	\$ 2.15	\$ 1.25
Long term liabilities	<u>13.54</u>	<u>5.44</u>	<u>2.56</u>	<u>2.36</u>	<u>16.10</u>	<u>7.80</u>
Total liabilities	<u>15.61</u>	<u>6.64</u>	<u>2.64</u>	<u>2.41</u>	<u>18.25</u>	<u>9.05</u>
Deferred inflows of resources	<u>1.35</u>	<u>8.56</u>	<u>-</u>	<u>-</u>	<u>1.35</u>	<u>8.56</u>
Net position:						
Invested in Cap Assets	44.40	45.53	3.78	4.06	48.18	49.59
Restricted	5.42	5.70	-	-	5.42	5.70
Unrestricted	<u>4.09</u>	<u>3.46</u>	<u>(0.70)</u>	<u>(0.28)</u>	<u>3.39</u>	<u>3.18</u>
Total net position	<u>53.91</u>	<u>54.69</u>	<u>3.08</u>	<u>3.78</u>	<u>56.99</u>	<u>58.47</u>
Total liabilities, deferred inflows, and net position	<u>\$ 70.87</u>	<u>\$ 69.89</u>	<u>\$ 5.72</u>	<u>\$ 6.19</u>	<u>\$ 76.59</u>	<u>\$ 76.08</u>

Governmental Activities

In total, revenues increased \$265,000. CR 137, which was grant funded, was largely completed in the prior year and as a result road grant funding decreased (\$1.15 million 2022 vs. \$2.40 million in 2021). Culture/recreation revenues increased with the start of multiple projects indicated in the financial highlights section. Miscellaneous revenue increased approximately \$835,000 with a grant (return of funds) from the Suwannee Valley Nursing Center in the amount of \$908,000.

Economic environment expenses increased due to the economic development interlocal grant indicated in the financial highlights section. Culture and recreation expenses increased due to greater activity (post-covid) and multiple ongoing projects indicated in the financial highlights section.

Business-type Activities

The County's business-type activities current and other assets - decreased approximately \$289,000. This decrease was due to significant repairs at the I75/SR6 utility fund and increases in the cost of operating supplies (\$113,000 year-over-year).

Utility revenues (water/sewer and landfill charges) increased slightly due to increased utility usage at the I75/SR6 exchange (significant leak at exchange hotel in which sewer charges were adjusted).

A summary of the changes in Net Position is below:

Table 2
Changes in Net Position
(In Millions)

Statement of Activities	Governmental Activities		Business-type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Program revenues						
General government	\$ 3.23	\$ 2.99	\$ -	\$ -	\$ 3.23	\$ 2.99
Public safety	2.08	1.88	-	-	2.08	1.88
Physical environment	-	-	-	-	-	-
Transportation	2.79	3.83	-	-	2.79	3.83
Economic environment	0.42	0.79	-	-	0.42	0.79
Human services	0.17	0.58	-	-	0.17	0.58
Culture/recreation	0.58	0.35	-	-	0.58	0.35
Court related	0.70	0.52	-	-	0.70	0.52
Garbage/solid waste	-	-	0.25	0.28	0.25	0.28
Water/wastewater	-	-	0.22	0.16	0.22	0.16
General revenues						
Taxes						
Ad valorem	10.54	10.24	-	-	10.54	10.24
Tourist development	0.05	0.06	-	-	0.05	0.06
Fuel - voted	0.39	0.39	-	-	0.39	0.39
Fuel - local option	2.21	2.22	-	-	2.21	2.22
Discretionary sales	1.16	1.05	-	-	1.16	1.05
Commx services	0.01	0.01	-	-	0.01	0.01
Interest	0.05	0.03	-	-	0.05	0.03
Miscellaneous	1.09	0.26	-	-	1.09	0.26
Total revenues	<u>25.47</u>	<u>25.20</u>	<u>0.47</u>	<u>0.44</u>	<u>25.94</u>	<u>25.64</u>
Program expenses						
General government	4.48	3.90	-	-	4.48	3.90
Public safety	9.96	9.45	-	-	9.96	9.45
Physical environment	0.19	0.18	-	-	0.19	0.18
Transportation	6.37	5.87	-	-	6.37	5.87
Economic environment	1.79	1.36	-	-	1.79	1.36
Human services	0.72	0.77	-	-	0.72	0.77
Culture/recreation	1.51	1.06	-	-	1.51	1.06
Court related	0.96	0.83	-	-	0.96	0.83
Interest on long term debt	0.04	0.01	-	-	0.04	0.01
Garbage/solid waste	-	-	0.70	0.56	0.70	0.56
Water/wastewater combination	-	-	0.69	0.51	0.69	0.51
Total expenses	<u>26.02</u>	<u>23.43</u>	<u>1.39</u>	<u>1.07</u>	<u>27.41</u>	<u>24.50</u>

(Table 2 continued)	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Excess (deficiency) before extraordinary and special items and transfers	\$ (0.55)	\$ 1.77	\$ (0.92)	\$ (0.63)	\$ (1.47)	\$ 1.14
Special and extraordinary items and transfers						
Extraordinary item	-	-	-	-	-	-
Special items	-	0.21	-	-	-	0.21
Transfers	<u>(0.23)</u>	<u>(0.28)</u>	<u>0.23</u>	<u>0.28</u>	<u>-</u>	<u>-</u>
Total special items and transfers	<u>(0.23)</u>	<u>(0.07)</u>	<u>0.23</u>	<u>0.28</u>	<u>-</u>	<u>0.21</u>
Change in net position	(0.78)	1.70	(0.69)	(0.35)	(1.47)	1.35
Beginning net position	<u>54.69</u>	<u>52.99</u>	<u>3.77</u>	<u>4.12</u>	<u>58.46</u>	<u>57.11</u>
Ending net position	<u>\$ 53.91</u>	<u>\$ 54.69</u>	<u>\$ 3.08</u>	<u>\$ 3.77</u>	<u>\$ 56.99</u>	<u>\$ 58.46</u>

The County's Funds

The County's General Fund's Fund Balance increased approximately \$846,000. An increase of approximately \$300,000 in ad valorem taxes and a grant from a local nonprofit in the amount of \$908,000, were offset by the expenditure for the grant to the Hamilton County Development Authority of \$1.12 million (see financial highlights above).

The Transportation Trust Fund's fund balance decreased by \$247,000, the result of increased fuel costs of \$126,000.

Overall, the governmental funds' fund balance increased \$573,000. The increase in ad valorem taxes and grant from the Suwannee Valley Nursing Center were the primary reasons.

The County's Enterprise Funds' Net Position decreased approximately \$350,000, the result of depreciation of plant and equipment. The landfill required additional funding from the County's General Fund in the amount of \$226,156.

See the detail below.

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

<u>Governmental Funds</u>	<u>2022</u>	<u>2021</u>	<u>\$ Change</u>	<u>Percent Change</u>
Total fund balances	\$ 21.08	\$ 20.51	\$ 0.57	2.8%
<u>Unreserved Fund Balance</u>				
<u>Major Funds</u>	<u>2022</u>	<u>2021</u>	<u>\$ Change</u>	<u>Percent Change</u>
General	\$ 15.56	\$ 14.81	\$ 0.75	5.1%
Transportation Trust	3.56	3.81	(0.25)	-6.6%

(Table 3 continued)

Landfill Enterprise Fund			
Change in Net Assets:			
Invested in Capital Assets			
<u>2022</u>	<u>2021</u>	<u>\$ Change</u>	<u>Percent Change</u>
\$ 1.18	\$ 1.24	\$ (0.06)	-4.8%
Unrestricted			
<u>2022</u>	<u>2021</u>	<u>\$ Change</u>	<u>Percent Change</u>
\$ (0.88)	\$ (0.73)	\$ (0.15)	-20.5%
I75/SR6 Utility Fund			
Change in Net Assets:			
Invested in Capital Assets			
<u>2022</u>	<u>2021</u>	<u>\$ Change</u>	<u>Percent Change</u>
\$ 2.59	\$ 2.81	\$ (0.22)	-7.8%
Unrestricted			
<u>2022</u>	<u>2021</u>	<u>\$ Change</u>	<u>Percent Change</u>
\$ 0.18	\$ 0.45	\$ (0.27)	-60.0%

GENERAL FUND BUDGETARY HIGHLIGHTS

Detailed budget reviews by the Board of County Commissioners continued in fiscal year 2021-22 to ensure that the budgeted amounts are realistic and expenditures are incurred as budgeted. Post year-end, budgets were amended to reflect unexpected revenue sources and funding needs.

General Fund’s final budget exceeded the original by approximately \$258,000 due to the recognition of unanticipated receipts within the Sheriff’s Office.

Actual receipts and balances exceeded the budgeted by \$6 million due to taxes (\$900,000 greater than budgeted), miscellaneous revenues (grant from Suwannee Valley Nursing Center) and budgetary fund balance (\$4 million greater than budgeted). The actual amounts expended were \$9.5 million less than the appropriated amounts due to budgeted reserves.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As indicated in the table below, the County has approximately \$104 million invested in capital assets such as land (including road rights-of-way), buildings, recreation facilities, landfill disposal facilities, roads, bridges, boat ramps, water/waste water facilities, and equipment. The above amount represents an increase of approximately \$3 million over the previous year’s total.

Fiscal year 2022’s major additions included the following (in millions):

Buildings, improvements, and roads	\$6.93
Equipment	1.07

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

	Governmental		Business-type		Totals	
	Activities		Activities			
	2022	2021	2022	2021	2022	2021
Land	\$ 1.87	\$ 1.74	\$ 0.27	\$ 0.27	\$ 2.14	\$ 2.01
Construction in progress	2.79	7.83	0.05	-	2.84	7.83
Buildings	10.50	9.91	-	-	10.50	9.91
Improvements other than buildings	64.65	58.31	9.75	9.75	74.40	68.06
Equipment, furniture, and vehicles	12.74	11.87	1.17	1.01	13.91	12.88
Right-to-use assets	<u>0.13</u>	<u>-</u>	<u>0.01</u>	<u>-</u>	<u>0.14</u>	<u>-</u>
Totals	<u>\$ 92.68</u>	<u>\$ 89.66</u>	<u>\$ 11.25</u>	<u>\$ 11.03</u>	<u>\$ 103.93</u>	<u>\$ 100.69</u>

Capital asset additions budgeted for fiscal year 2022-23 are approximately \$685,000 (buildings and equipment) in the General Fund and \$5.45 million in the Transportation Trust Fund (roads and equipment).

Debt

The County increased its outstanding liabilities due to its pension liability under GASB 68.

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

	Governmental		Business-type		Totals	
	Activities		Activities			
	2022	2021	2022	2021	2022	2021
Est. liability for closure	\$ -	\$ -	\$ 2.49	\$ 2.36	\$ 2.49	\$ 2.36
Compensated absences	0.76	0.67	0.03	0.02	0.79	0.69
OPEB liability	0.18	0.05	-	-	0.18	0.05
Installment purchases	0.03	0.26	0.09	-	0.12	0.26
Right-to-use leases	0.06	-	-	-	0.06	-
Pension liability	<u>12.78</u>	<u>4.69</u>	<u>-</u>	<u>-</u>	<u>12.78</u>	<u>4.69</u>
Totals	<u>\$ 13.81</u>	<u>\$ 5.67</u>	<u>\$ 2.61</u>	<u>\$ 2.38</u>	<u>\$ 16.42</u>	<u>\$ 8.05</u>

2022-23 BUDGET AND CURRENTLY KNOWN FACTS

2022-23 Budget

A summary of the County's 2022-23 budget is as follows:

General Fund – The Board of County Commissioners budgeted a cash balance forward of \$12.2 million and revenues of \$25.5 million. Appropriations total \$25.3 million with budgeted reserves of \$12.8 million.

Transportation Trust Fund – A cash balance forward of \$3.1 million and revenues of \$6.9 million, fund appropriations of \$7.1 million with a budgeted reserve of \$2.5 million.

Enterprise Fund – Tipping fees for landfill waste are budgeted at \$179,000. The State's Consolidated Waste Grant is budgeted at \$94,000.

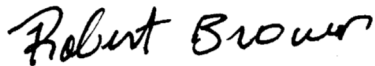
I75/SR6 Water/Wastewater Fund – utility revenues are budgeted at \$98,000 and expenses of \$302,000.

Currently Known Facts


The Board of County Commissioners remains active in seeking economic development opportunities for the County. Working with the Hamilton County Development Authority, emphasis has been on developing the Jennings, Florida, I75 exit. The State's first exit on the major roadway.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

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



Robert Brown
Chairman, Hamilton County Board of County Commissioners



Greg Godwin
Clerk of the Circuit Court, Hamilton County

**BASIC
FINANCIAL STATEMENTS**

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HAMILTON COUNTY, FLORIDA

STATEMENT OF NET POSITION

September 30, 2022

	Governmental <u>Activities</u>	Business-type <u>Activities</u>	<u>Total</u>
Assets			
Cash	\$ 21,800,239	\$ 133,681	\$ 21,933,920
Accounts receivable	462,978	16,915	479,893
Due from other governmental units	729,495	159,739	889,234
Prepaid item	100,000	-	100,000
Restricted assets			
Cash	-	1,535,479	1,535,479
Capital assets			
Land and construction in progress	4,665,804	324,569	4,990,373
Other capital assets, net of depreciation	<u>39,813,694</u>	<u>3,554,632</u>	<u>43,368,326</u>
Total capital assets	<u>44,479,498</u>	<u>3,879,201</u>	<u>48,358,699</u>
Total assets	<u>67,572,210</u>	<u>5,725,015</u>	<u>73,297,225</u>
Deferred outflows of resources			
OPEB	126,079	-	126,079
Pensions	<u>3,175,214</u>	<u>-</u>	<u>3,175,214</u>
Total deferred outflows of resources	<u>3,301,293</u>	<u>-</u>	<u>3,301,293</u>
Total assets and deferred outflows of resources	<u>\$ 70,873,503</u>	<u>\$ 5,725,015</u>	<u>\$ 76,598,518</u>
Liabilities, deferred inflows of resources, and net position			
Liabilities			
Accounts payable	\$ 319,316	\$ 28,257	\$ 347,573
Contracts payable	-	-	-
Due to other governmental units	40,365	-	40,365
Payroll withholding/taxes	1,922	-	1,922
Unearned revenue	1,426,222	-	1,426,222
Deposits	-	1,300	1,300
Other current liabilities	6,318	-	6,318
Long-term liabilities			
Due within one year			
Installment purchase	27,231	30,474	57,705
Compensated absences	213,769	25,056	238,825
Right-to-use leases	27,060	1,211	28,271
OPEB liability	2,284	-	2,284
Pension liability	2,514	-	2,514
Due within more than one year			
Installment purchase	-	69,086	69,086
Compensated absences	548,084	-	548,084
Right-to-use leases	31,222	1,035	32,257
Estimated liability for landfill post-closure	-	2,491,400	2,491,400
OPEB liability	184,035	-	184,035
Pension liability	<u>12,780,421</u>	<u>-</u>	<u>12,780,421</u>
Total liabilities	<u>15,610,763</u>	<u>2,647,819</u>	<u>18,258,582</u>

(Continued)

See notes to financial statements.

HAMILTON COUNTY, FLORIDA

STATEMENT OF NET POSITION

September 30, 2022

	Governmental <u>Activities</u>	Business-type <u>Activities</u>	<u>Total</u>
Deferred inflows of resources			
OPEB	\$ 185,349	\$ -	\$ 185,349
Pensions	<u>1,167,297</u>	<u>-</u>	<u>1,167,297</u>
Total deferred inflows of resources	<u>1,352,646</u>	<u>-</u>	<u>1,352,646</u>
Net position			
Net investment in capital assets	44,393,985	3,777,395	48,171,380
Restricted			
Transportation	3,563,747	-	3,563,747
Other purposes	1,859,925	-	1,859,925
Unrestricted (deficit)	<u>4,092,437</u>	<u>(700,199)</u>	<u>3,392,238</u>
Total net position	<u>53,910,094</u>	<u>3,077,196</u>	<u>56,987,290</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 70,873,503</u>	<u>\$ 5,725,015</u>	<u>\$ 76,598,518</u>

HAMILTON COUNTY, FLORIDA

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities							
General government	\$ 4,484,534	\$ 386,683	\$ 2,841,595	\$ -	\$ (1,256,256)	\$ -	\$ (1,256,256)
Public safety	9,964,320	1,469,159	578,804	35,900	(7,880,457)	-	(7,880,457)
Physical environment	197,544	-	-	-	(197,544)	-	(197,544)
Transportation	6,374,188	18,609	1,621,601	1,146,710	(3,587,268)	-	(3,587,268)
Economic environment	1,798,825	-	350,410	68,640	(1,379,775)	-	(1,379,775)
Human services	722,711	400	171,820	-	(550,491)	-	(550,491)
Culture/recreation	1,513,213	75,787	510,364	-	(927,062)	-	(927,062)
Court related	966,227	481,231	220,359	-	(264,637)	-	(264,637)
Interest on long term debt	4,335	-	-	-	(4,335)	-	(4,335)
Total governmental activities	<u>26,025,897</u>	<u>2,431,869</u>	<u>6,294,953</u>	<u>1,251,250</u>	<u>(16,047,825)</u>	<u>-</u>	<u>(16,047,825)</u>
Business type activities							
Garbage/solid waste services	704,060	144,955	-	102,536	-	(456,569)	(456,569)
Water/wastewater combination services	<u>694,343</u>	<u>166,963</u>	<u>-</u>	<u>57,203</u>	<u>-</u>	<u>(470,177)</u>	<u>(470,177)</u>
	<u>1,398,403</u>	<u>311,918</u>	<u>-</u>	<u>159,739</u>	<u>-</u>	<u>(926,746)</u>	<u>(926,746)</u>
Total government	<u>\$ 27,424,300</u>	<u>\$ 2,743,787</u>	<u>\$ 6,294,953</u>	<u>\$ 1,410,989</u>	<u>(16,047,825)</u>	<u>(926,746)</u>	<u>(16,974,571)</u>
General revenues							
Taxes							
Ad valorem					10,537,606	-	10,537,606
Tourist development					54,750	-	54,750
Fuel - voted					386,604	-	386,604
Fuel - local option					2,206,136	-	2,206,136
Discretionary sales surtax					1,161,850	-	1,161,850
Communications services					5,894	-	5,894
Interest earnings					46,546	5,098	51,644
Miscellaneous					1,090,501	-	1,090,501
Transfers					(226,156)	226,156	-
Total general revenues and transfers					<u>15,263,731</u>	<u>231,254</u>	<u>15,494,985</u>
Change in net position					<u>(784,094)</u>	<u>(695,492)</u>	<u>(1,479,586)</u>
Net position - beginning					54,695,862	3,772,688	58,468,550
Prior period adjustment (see Note 1.)					(1,674)	-	(1,674)
Net position - beginning, as restated					<u>54,694,188</u>	<u>3,772,688</u>	<u>58,466,876</u>
Net position - ending					<u>\$ 53,910,094</u>	<u>\$ 3,077,196</u>	<u>\$ 56,987,290</u>

HAMILTON COUNTY, FLORIDA

**BALANCE SHEET
GOVERNMENTAL FUNDS**

September 30, 2022

	General Fund	County Transportation Trust Fund	Other Governmental Funds	Total Governmental Funds
Assets				
Cash	\$ 16,456,916	\$ 3,440,748	\$ 1,894,141	\$ 21,791,805
Accounts receivable	659,088	15,441	3,483	678,012
Allowance for doubtful accounts	(215,034)	-	-	(215,034)
Interfund receivables	49,628	-	47,958	97,586
Due from other governmental units	403,078	284,695	41,721	729,494
Prepaid item	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>100,000</u>
Total assets	<u><u>\$ 17,453,676</u></u>	<u><u>\$ 3,740,884</u></u>	<u><u>\$ 1,987,303</u></u>	<u><u>\$ 23,181,863</u></u>
Liabilities and fund balances				
Liabilities				
Accounts payable	\$ 177,267	\$ 141,064	\$ 985	\$ 319,316
Interfund payables	37,053	-	52,098	89,151
Due to other governmental units	1,245	-	39,120	40,365
Compensated absences	178,246	35,523	-	213,769
Payroll taxes and other withholding	1,922	-	-	1,922
Unearned revenues	1,391,384	-	34,838	1,426,222
Other current liabilities	<u>5,434</u>	<u>550</u>	<u>337</u>	<u>6,321</u>
Total liabilities	<u>1,792,551</u>	<u>177,137</u>	<u>127,378</u>	<u>2,097,066</u>
Fund balances				
Nonspendable - prepaid item	100,000	-	-	100,000
Restricted for:				
Transportation	-	3,563,747	-	3,563,747
Other purposes	-	-	1,859,925	1,859,925
Unassigned	<u>15,561,125</u>	<u>-</u>	<u>-</u>	<u>15,561,125</u>
Total fund balances	<u>15,661,125</u>	<u>3,563,747</u>	<u>1,859,925</u>	<u>21,084,797</u>
Total liabilities and fund balances	<u><u>\$ 17,453,676</u></u>	<u><u>\$ 3,740,884</u></u>	<u><u>\$ 1,987,303</u></u>	<u><u>\$ 23,181,863</u></u>

HAMILTON COUNTY, FLORIDA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION

September 30, 2022

Total fund balances for governmental funds \$ 21,084,797

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

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

Land	1,874,250
Construction in progress	2,791,554
Buildings	10,498,883
Accumulated depreciation - buildings	(4,520,641)
Improvements other than buildings (infrastructure)	64,648,708
Accumulated depreciation - improvements other than buildings	(33,946,750)
Equipment	12,743,768
Accumulated depreciation - equipment	(9,666,831)
Right-to-use lease assets	133,669
Accumulated depreciation - right-to-use assets	<u>(77,112)</u>
Total capital assets (See Note 4.)	<u>44,479,498</u>

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

Deferred outflows related to OPEB	126,079
Deferred outflows related to pensions	3,175,214
Deferred inflows related to OPEB	(185,349)
Deferred inflows related to pensions	(1,167,297)

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

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

Balances at September 30, 2022, are as follows:

Installment purchases - current	(27,231)
Compensated absences - long-term	(548,084)
Right-to-use leases - short-term	(27,060)
Right-to-use leases - long-term	(31,222)
OPEB liability - short-term	(2,281)
OPEB liability - long-term	(184,035)
Pension liability - short-term	(2,514)
Pension liability - long-term	<u>(12,780,421)</u>
Total long-term debt	<u>(13,602,848)</u>
Total net assets of governmental activities	<u>\$ 53,910,094</u>

HAMILTON COUNTY, FLORIDA

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

For the Year Ended September 30, 2022

	<u>General Fund</u>	<u>County Transportation Trust Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues				
Taxes	\$ 11,665,379	\$ 2,592,740	\$ 54,750	\$ 14,312,869
Licenses and permits	142,403	-	-	142,403
Intergovernmental revenues	3,513,763	2,768,311	805,685	7,087,759
Charges for services	1,805,477	18,609	462,074	2,286,160
Fines and forfeitures	8,274	-	215,866	224,140
Interest	37,798	4,434	4,314	46,546
Miscellaneous	<u>1,256,495</u>	<u>15,553</u>	<u>27,395</u>	<u>1,299,443</u>
Total revenues	<u>18,429,589</u>	<u>5,399,647</u>	<u>1,570,084</u>	<u>25,399,320</u>
Expenditures				
Current				
General government	4,272,147	-	12,302	4,284,449
Public safety	8,815,820	-	440,568	9,256,388
Physical environment	197,544	-	-	197,544
Transportation	-	3,008,785	-	3,008,785
Economic environment	1,245,407	-	511,230	1,756,637
Human services	716,518	-	-	716,518
Culture/recreation	1,341,150	-	-	1,341,150
Court related	369,693	-	596,535	966,228
Capital outlay	935,993	2,072,622	6,868	3,015,483
Debt service				
Principal	45,188	946	5,707	51,841
Interest	<u>3,941</u>	<u>101</u>	<u>292</u>	<u>4,334</u>
Total expenditures	<u>17,943,401</u>	<u>5,082,454</u>	<u>1,573,502</u>	<u>24,599,357</u>
Excess (deficiency) of revenues over expenditures	<u>486,188</u>	<u>317,193</u>	<u>(3,418)</u>	<u>799,963</u>

(Continued)

See notes to financial statements.

HAMILTON COUNTY, FLORIDA

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

For the Year Ended September 30, 2022

	General Fund	County Transportation Trust Fund	Other Governmental Funds	Total Governmental Funds
Other financing sources (uses)				
Interfund transfers in	\$ 641,927	\$ -	\$ 55,403	\$ 697,330
Interfund transfers out	<u>(281,559)</u>	<u>(564,955)</u>	<u>(76,973)</u>	<u>(923,487)</u>
Total other financing sources (uses)	<u>360,368</u>	<u>(564,955)</u>	<u>(21,570)</u>	<u>(226,157)</u>
Net change in fund balances	846,556	(247,762)	(24,988)	573,806
Fund balances - beginning	<u>14,814,569</u>	<u>3,811,509</u>	<u>1,884,913</u>	<u>20,510,991</u>
Fund balances - ending	<u>\$ 15,661,125</u>	<u>\$ 3,563,747</u>	<u>\$ 1,859,925</u>	<u>\$ 21,084,797</u>

HAMILTON COUNTY, FLORIDA

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

For the Year Ended September 30, 2022

Net change in fund balances - total governmental funds \$ 573,806

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

Capital outlay	3,015,483
Depreciation	(4,276,803)

Governmental funds do not recognize donations of capital assets; however, in statement of activities the donation is reported at fair market value

Donated land	68,640
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Governmental funds report principal reductions as expenditures. However, in the statement of activities the expenditure is eliminated. The payment reduces long-term liabilities in the statement of net assets.

Principal reductions	51,841
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Pension costs are recorded in the statement of activities under the accrual basis of accounting; however, the expenditure is not recorded in the governmental funds until paid. The change in the contributions verses the expense is:

FRS Pension/HIS Expense	(151,639)
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In governmental funds, the long-term portion of accrued annual leave and future employee benefits that will likely be paid in the future are not recorded under the modified accrual basis of accounting.

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

OPEB benefits	1,695
Adjustment to accrued annual leave	<u>(67,117)</u>

Change in net position of governmental activities	<u>\$ (784,094)</u>
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HAMILTON COUNTY, FLORIDA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

September 30, 2022

	<u>Landfill Enterprise</u>	<u>I75/SR6 Utility</u>	<u>Total</u>
Assets			
Current assets			
Cash	\$ 1,175	\$ 132,506	\$ 133,681
Accounts receivable	9,218	7,697	16,915
Due from other governments	<u>102,536</u>	<u>57,203</u>	<u>159,739</u>
Total current assets	<u>112,929</u>	<u>197,406</u>	<u>310,335</u>
Noncurrent assets			
Restricted assets - expendable			
Cash	<u>1,535,479</u>	<u>-</u>	<u>1,535,479</u>
Capital assets			
Land	110,391	156,975	267,366
Construction in progress	-	57,203	57,203
Buildings and improvements	3,882,537	-	3,882,537
Infrastructure	-	5,864,482	5,864,482
Equipment	1,134,201	43,210	1,177,411
Right-to-use leased equipment	5,869	-	5,869
Accumulated depreciation	<u>(3,847,308)</u>	<u>(3,528,359)</u>	<u>(7,375,667)</u>
Net capital assets	<u>1,285,690</u>	<u>2,593,511</u>	<u>3,879,201</u>
Total noncurrent assets	<u>2,821,169</u>	<u>2,593,511</u>	<u>5,414,680</u>
Total assets	<u>\$ 2,934,098</u>	<u>\$ 2,790,917</u>	<u>\$ 5,725,015</u>
Liabilities			
Current liabilities			
Accounts payable	\$ 16,548	\$ 11,709	\$ 28,257
Installment purchase payable	30,474	-	30,474
Compensated absences	25,056	-	25,056
Deposits	-	1,300	1,300
Right-to-use lease payable	<u>1,211</u>	<u>-</u>	<u>1,211</u>
Total current liabilities	<u>73,289</u>	<u>13,009</u>	<u>86,298</u>
Noncurrent liabilities			
Installment purchase payable	69,086	-	69,086
Right-to-use lease payable	1,035	-	1,035
Estimated liability for landfill post-closure	<u>2,491,400</u>	<u>-</u>	<u>2,491,400</u>
Total noncurrent liabilities	<u>2,561,521</u>	<u>-</u>	<u>2,561,521</u>
Total liabilities	<u>2,634,810</u>	<u>13,009</u>	<u>2,647,819</u>
Net position			
Net investment in capital assets	1,183,884	2,593,511	3,777,395
Unrestricted (deficit)	<u>(884,596)</u>	<u>184,397</u>	<u>(700,199)</u>
Total net position	<u>299,288</u>	<u>2,777,908</u>	<u>3,077,196</u>
Total liabilities and net position	<u>\$ 2,934,098</u>	<u>\$ 2,790,917</u>	<u>\$ 5,725,015</u>

See notes to financial statements.

HAMILTON COUNTY, FLORIDA

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

For the Year Ended September 30, 2022

	<u>Landfill</u> <u>Enterprise</u>	<u>I75/SR6</u> <u>Utility</u>	<u>Total</u>
Operating Revenues			
Physical environment			
Garbage/solid waste revenue	\$ 144,955	\$ -	\$ 144,955
Service charges - water utility	-	62,178	62,178
Service charges - sewer/wastewater utility	-	87,697	87,697
Service charges - late fees	-	2,603	2,603
Sales of scrap	<u>14,485</u>	<u>-</u>	<u>14,485</u>
Total operating revenues	<u>159,440</u>	<u>152,478</u>	<u>311,918</u>
Operating Expenses			
Garbage/solid waste services			
Personal services	258,720	-	258,720
Operating expenses	<u>440,896</u>	<u>-</u>	<u>440,896</u>
Total garbage and solid waste services	<u>699,616</u>	<u>-</u>	<u>699,616</u>
Water-sewer Combination Services			
Operating expenses	<u>-</u>	<u>694,343</u>	<u>694,343</u>
Total operating expenses	<u>699,616</u>	<u>694,343</u>	<u>1,393,959</u>
Operating income (loss)	<u>(540,176)</u>	<u>(541,865)</u>	<u>(1,082,041)</u>
Nonoperating revenues (expenses)			
Intergovernmental revenue			
State Grants	102,536	57,203	159,739
Interest revenue	4,834	264	5,098
Interest expense	<u>(4,444)</u>	<u>-</u>	<u>(4,444)</u>
Total nonoperating revenues (expenses)	<u>102,926</u>	<u>57,467</u>	<u>160,393</u>
Income (loss) before transfers	(437,250)	(484,398)	(921,648)
Transfers in			
General Fund	<u>226,156</u>	<u>-</u>	<u>226,156</u>
Change in net position	(211,094)	(484,398)	(695,492)
Total net position - beginning	<u>510,382</u>	<u>3,262,306</u>	<u>3,772,688</u>
Total net position - ending	<u>\$ 299,288</u>	<u>\$ 2,777,908</u>	<u>\$ 3,077,196</u>

HAMILTON COUNTY, FLORIDA

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS**

For the Year Ended September 30, 2022

	<u>Landfill</u> <u>Enterprise</u>	<u>I75/SR6</u> <u>Utility</u>	<u>Total</u>
Cash flows from operating activities			
Cash received from customers	\$ 170,852	\$ 154,671	\$ 325,523
Cash paid to employees/employee benefits	(256,709)	-	(256,709)
Cash paid to suppliers/others	<u>(182,389)</u>	<u>(397,956)</u>	<u>(580,345)</u>
Net cash provided (used) by operating activities	<u>(268,246)</u>	<u>(243,285)</u>	<u>(511,531)</u>
Cash flows from non-capital financing activities			
State grants received	114,557	-	114,557
Interfund transfers	<u>226,156</u>	<u>-</u>	<u>226,156</u>
Cash provided by non-capital financing activities	<u>340,713</u>	<u>-</u>	<u>340,713</u>
Cash flows from capital and related financing activities			
Installment note	156,731	-	156,731
Purchase of capital assets	(166,405)	(76,049)	(242,454)
Principal payments on installment purchase and lease	(58,349)	-	(58,349)
Interest payments on installment purchase and lease	<u>(4,444)</u>	<u>-</u>	<u>(4,444)</u>
Cash provided by (used for) capital and related financing activities	<u>(72,467)</u>	<u>(76,049)</u>	<u>(148,516)</u>
Cash flows from investing activities			
Purchases of certificates of deposit	(4,834)	-	(4,834)
Interest received	<u>4,834</u>	<u>264</u>	<u>5,098</u>
Cash provided (used) by investing activities	<u>-</u>	<u>264</u>	<u>264</u>
Net increase (decrease) in cash and cash equivalents	-	(319,070)	(319,070)
Cash and cash equivalents, beginning	<u>1,175</u>	<u>451,576</u>	<u>452,751</u>
Cash and cash equivalents, ending (see below)	<u>\$ 1,175</u>	<u>\$ 132,506</u>	<u>\$ 133,681</u>
Reconciliation of operating income (loss) to net cash provided by operating activities			
Operating income (loss)	<u>\$ (540,176)</u>	<u>\$ (541,865)</u>	<u>\$ (1,082,041)</u>
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:			
Depreciation	128,112	297,332	425,444
(Increase) decrease in current assets			
Accounts receivable	11,412	2,493	13,905
Increase (decrease) in current liabilities			
Accounts payable	1,327	(945)	382
Accrued compensated absences	2,011	-	2,011
Customer deposits	-	(300)	(300)
Landfill closure liability	<u>129,068</u>	<u>-</u>	<u>129,068</u>
Total adjustments	<u>271,930</u>	<u>298,580</u>	<u>570,510</u>
Net cash provided (used) by operating activities	<u>\$ (268,246)</u>	<u>\$ (243,285)</u>	<u>\$ (511,531)</u>
Cash per statement of net position			
Cash operating	\$ 1,175	\$ 132,506	\$ 133,681
Cash restricted	<u>1,535,479</u>	<u>-</u>	<u>1,535,479</u>
Total cash per statement of net position	1,536,654	132,506	1,669,160
Less: Certificate of deposit	<u>(1,535,479)</u>	<u>-</u>	<u>(1,535,479)</u>
Cash per the statement of cash flows	<u>\$ 1,175</u>	<u>\$ 132,506</u>	<u>\$ 133,681</u>

HAMILTON COUNTY, FLORIDA

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND**

September 30, 2022

	Custodial Fund
Assets	
Cash	\$ <u>1,205,247</u>
Liabilities	
Due to other governments:	
Hamilton County Board of County Commissioners	8,434
Other governmental units	134,779
State of Florida	558,437
Due to individuals	<u>18</u>
Total liabilities	<u>701,668</u>
Fiduciary net position	
Held for others	\$ <u><u>503,579</u></u>

HAMILTON COUNTY, FLORIDA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND

For the Year Ended September 30, 2022

	Custodial Funds
Additions	
Taxes	\$ 17,861,580
Fines and forfeits	2,070,428
Deposits (tax deeds)	212,568
Fees	2,631,849
Other fees and collections	385,823
Registry deposits	130,069
Bonds - bail, cash, and forfeiture	130,001
Interest	718
Total additions	<u>23,423,036</u>
Deductions	
Distributions	
Other governments	20,041,261
Tax deeds	75,215
Individuals and other	337,829
Bonds	85,075
Fees	2,630,050
Commissary sales	75,838
Total deletions	<u>23,245,268</u>
Change in net position	177,768
Net position - beginning	<u>325,811</u>
Net position - ending	<u>\$ 503,579</u>

HAMILTON COUNTY, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

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

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

B. Basis of Presentation, Basis of Accounting

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

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

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

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

The statement of activities presents a comparison, reporting the gross and net costs, between direct expenses and program revenues for the different business-type activities of the County and for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and are clearly identifiable to a particular function. There are no indirect expense allocations.

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

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

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

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities. Subsidies and grants to the proprietary funds, which finance either capital or current operations, are reported as non-operating revenue.

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

The fiduciary funds are used to report assets held in a trustee or custodial capacity for others and therefore are not available to supple County programs. The fiduciary reporting focus is on net position and changes in net position and are reported using the accrual basis of accounting.

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

The County reports the following major governmental funds:

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

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

The County reports the following major enterprise funds:

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

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

The County reports the following fund type:

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

Measurement Focus, Basis of Accounting

Government-wide, Proprietary, and Fiduciary Financial Statements:

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

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

Governmental Fund Financial Statements:

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

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

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

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

Restricted and unrestricted resources:

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

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

Cash and cash equivalents

For the statement of cash flows, cash includes amounts in demand deposits and short-term money market investment accounts.

Inventories

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

Capital Assets

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

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

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

Pensions

In the government-wide statement of net position, liabilities are recognized for the County's proportionate share of each pension plan's net pension liability. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about the fiduciary net position of the Florida Retirement System

(FRS) defined benefit plan and the Health Insurance Subsidy (HIS) defined benefit plan and additions to/deductions from the FRS's and the HIS's fiduciary net position have been determined on the same basis as they are reported by the FRS and the HIS plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

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

Other post-employment benefits (OPEB)

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

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

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

Long-term Liabilities

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

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

Compensated Absences

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

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

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

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

The County recognizes a portion of the compensated absences as current. The current portion represents the percentage of the total used in the prior year.

Deferred Outflows/Inflows of Resources

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

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

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

Net Position Flow Assumption

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

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

Fund Balance Flow Assumptions

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

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

Interfund Activity

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

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

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

Governmental Funds - Fund Balances

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

The County does not have a policy regarding the commitment or assignment of fund balances. As a result, the County does not report any committed fund balance.

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

Property Tax Calendar

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

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

Restricted Assets

The Enterprise Fund is required by Florida law to establish and maintain prescribed amounts of resources (consisting of deposits with First Federal Savings Bank of Florida) that can only be used to pay for post closure expenses and closure costs of its landfill. At September 30, 2022, the County had deposits of \$1,535,479 restricted for this purpose.

Estimates

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

Leases

The County determines if an arrangement is a lease at inception. Lessee arrangements are included in lease assets and lease liabilities in the statements of net position. Lease assets represents the County's control of the right-to-use an underlying asset for the lease term, as specified in the contract. Lease assets are recognized at the commencement date of the lease liability. Right-to-use lease assets are depreciated in a systematic manner over the shorter of the lease term or asset's useful life. The related right-to-use liability is also recognized at the commencement date of the lease liability based on the present value of expected lease payments over the lease term. Interest is recognized ratably over the lease term. Payments for short-term leases of one year or less are recognized as expenses.

D. Restricted Net position

The government-wide statement of net position reports \$5,423,672 of restricted net position, none of which is restricted by enabling legislation.

E. Change in Accounting Principle

Governmental Accounting Standards Board Statement (GASB) No. 87: The County implemented GASB 87 which improves the accounting and financial reporting for leases by governments. It requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows/outflows of resources based on the payment provisions of the contract. Under this Statement, the County is required to recognize a lease liability and an intangible right-to-use lease asset.

F. Prior Period Adjustment

Due to the implementation of GASB 87, the County's Government-wide, Business-type and Enterprise Fund (Landfill) accounts including beginning net position were adjusted as follows:

Account description	Government-wide		Business-type and Enterprise Fund (Landfill)	
	Debit	Credit	Debit	Credit
Right-to-use leased equipment	\$ 133,669	\$ -	\$ 5,869	\$ -
Right-to-use leased equipment accumulated depreciation	-	51,224	-	2,452
Right-to-use leases payable	-	84,119	-	3,424
Net position	<u>1,674</u>	<u>-</u>	<u>7</u>	<u>-</u>
Totals	<u>\$ 135,343</u>	<u>\$ 135,343</u>	<u>\$ 5,876</u>	<u>\$ 5,876</u>

NOTE 2. DEPOSITS AND INVESTMENTS

Deposits with Financial Institutions - The County's cash at September 30, 2022, consists of legally authorized demand deposits in institutions, which are certified as Qualified Public Depositories under the Florida Public Deposits Act. Therefore, the County's deposits at September 30, 2022, are insured

through the Federal Deposit Insurance Corporation and Bureau of Collateral Management, Florida Department of Financial Services.

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

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

During the year ended September 30, 2022, the County complied with the above requirements.

The County's cash deposits/investments at September 30, 2022, consisted of the following:

<u>Deposits</u>	<u>Balance</u>
Board of County Commissioners (BCC)	\$ 22,338,017
Clerk of Circuit Court	1,163,835
Property Appraiser	107,533
Sheriff	896,661
Supervisor of Elections	5,238
Tax Collector	154,928
Total deposits	<u>\$ 24,666,212</u>

NOTE 3. RECEIVABLES/DUE FROM OTHER GOVERNMENTS

Accounts receivable represents billed amounts for EMS, the landfill, the I75/SR6 water/sewer utilities, fuel reimbursement and other miscellaneous charges.

<u>Activity</u>	<u>Miscellaneous Amounts</u>	<u>Billed Accounts (net)</u>	<u>Totals</u>
Governmental			
General	\$ 187,316	\$ 256,738	\$ 444,054
Special Revenue	18,924	-	18,924
Business-type			
Enterprise	<u>-</u>	<u>16,915</u>	<u>16,915</u>
Totals	<u>\$ 206,240</u>	<u>\$ 273,653</u>	<u>\$ 479,893</u>

The allowance for doubtful accounts is based on the County's estimate of the amounts deemed uncollectible. Annually the County uses the complement of the prior year's collections to determine the amount.

Due from other government units at September 30, 2022, consists of the following:

<u>Activity</u>	<u>State of Florida</u>
Governmental	
General	\$ 403,078
Special Revenue	326,416
Business - type	
Landfill Enterprise	<u>159,739</u>
Total governmental and Business - type	<u>\$ 889,233</u>

The above amounts are largely for grant reimbursements and state shared revenues.

NOTE 4. CAPITAL ASSETS

	<u>Balance 10/1/2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 9/30/2022</u>
Governmental activities				
Capital assets not being depreciated				
Land	\$ 1,743,330	\$ 130,920	\$ -	\$ 1,874,250
Construction in progress	<u>7,831,770</u>	<u>1,596,493</u>	<u>6,636,709</u>	<u>2,791,554</u>
Total capital assets not being depreciated	<u>9,575,100</u>	<u>1,727,413</u>	<u>6,636,709</u>	<u>4,665,804</u>
Capital assets being depreciated				
Buildings and improvements	9,906,950	591,932	-	10,498,882
Improvements other than buildings	58,313,079	6,335,629	-	64,648,708
Machinery, furniture, equipment, and vehicles				
Board of County Commissioners	9,298,323	944,120	36,879	10,205,564
Sheriff (See Note 5.)	2,574,954	121,737	158,486	2,538,205
Right-to-use leased equipment *	<u>133,669</u>	<u>-</u>	<u>-</u>	<u>133,669</u>
Total capital assets being depreciated	<u>80,226,975</u>	<u>7,993,418</u>	<u>195,365</u>	<u>88,025,028</u>
Less accumulated depreciation for:				
Buildings and improvements	4,322,337	198,306	-	4,520,643
Improvements other than buildings	30,998,119	2,948,630	-	33,946,749
Machinery, furniture, equipment, and vehicles				
Board of County Commissioners	6,503,636	911,958	36,879	7,378,715
Sheriff	2,254,582	192,019	158,486	2,288,115
Right-to-use leased equipment *	<u>51,224</u>	<u>25,888</u>	<u>-</u>	<u>77,112</u>
Total accumulated depreciation	<u>44,129,898</u>	<u>4,276,801</u>	<u>195,365</u>	<u>48,211,334</u>
Total capital assets being depreciated net	<u>36,097,077</u>	<u>3,716,617</u>	<u>-</u>	<u>39,813,694</u>
Governmental activity capital assets, net	<u>\$ 45,672,177</u>	<u>\$ 5,444,030</u>	<u>\$ 6,636,709</u>	<u>\$ 44,479,498</u>

	Balance <u>10/1/2021</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>9/30/2022</u>
Business-type activities				
Capital assets not being depreciated				
Land	\$ 267,366	\$ -	\$ -	\$ 267,366
Construction in progress	-	<u>57,203</u>	-	<u>57,203</u>
Total capital assets not being depreciated	<u>\$ 267,366</u>	<u>\$ 57,203</u>	<u>\$ -</u>	<u>\$ 324,569</u>
Capital assets being depreciated				
Buildings and landfill improvements	3,882,537	-	-	3,882,537
Water/wastewater plant	5,864,482	-	-	5,864,482
Equipment	1,016,150	185,250	23,989	1,177,411
Right-to-use leased equipment *	<u>5,869</u>	-	-	<u>5,869</u>
Total capital assets being depreciated	<u>10,769,038</u>	<u>185,250</u>	<u>23,989</u>	<u>10,930,299</u>
Less accumulated depreciation for				
Buildings and improvements	2,822,580	74,234	-	2,896,814
Water/wastewater plant	3,224,234	293,224	-	3,517,458
Machinery, equipment, furniture, and vehicles	924,947	56,811	23,989	957,769
Right-to-use leased equipment *	<u>2,452</u>	<u>1,174</u>	-	<u>3,626</u>
Total accumulated depreciation	<u>6,974,213</u>	<u>425,443</u>	<u>23,989</u>	<u>7,375,667</u>
Total capital assets being depreciated, net	<u>3,794,825</u>	<u>(240,193)</u>	-	<u>3,554,632</u>
Total business-type assets, net	<u>\$ 4,062,191</u>	<u>\$ (240,193)</u>	<u>\$ -</u>	<u>\$ 3,879,201</u>

Depreciation expense was charged to functions as follows:

Governmental activities

Function

General Government

Legislative	\$ 54,186
Executive	267
Financial & administrative	50,672
Other general government	<u>82,937</u>

Total general government

188,062

Public safety

Law enforcement	134,804
Fire control	146,436
Corrections	54,843
Protective inspections	517
Emergency and disaster relief	96,046
Ambulance and rescue services	<u>83,831</u>

Total public safety

516,477

Transportation

Road and street	<u>3,407,568</u>
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Economic environment

Industry development	44,637
Veterans' Services	<u>12,598</u>

Total economic environment

57,235

Human services

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

Total human services

6,193

Culture/recreation

Libraries	16,661
Parks and recreation	80,066
Cultural services	<u>4,539</u>

Total culture/recreation

101,266

Totals

\$ 4,276,801

Business-type activities

Function

Physical environment

Garbage/solid waste control services	\$ 128,112
Water/sewer combination services	<u>297,331</u>

Total physical environment

\$ 425,443

*The beginning balances of right-to-use leased equipment and the associated accumulated depreciation were adjusted as part of the implementation of GASB Statement No. 87, Leases, as discussed in Note 1.

NOTE 5. UNEARNED REVENUE

Unearned revenue (amounts received in advance of being earned or meeting eligibility requirements other than time) at September 30, 2022, includes grant amounts received prior to earning (expending) the funds. The amounts were as follows:

<u>Grant advance to:</u>	<u>Amount</u>
HCBC	\$ 1,386,563
Sheriff	34,838
Supervisor of Elections	<u>4,821</u>
Total unearned funds	<u>\$ 1,426,222</u>

NOTE 6. LONG-TERM LIABILITIES

Long-term liabilities of the County at September 30, 2022, include installment purchases payable (see below), right-to-use leases payable (see Note 1 and below), other noncurrent liabilities (see Note 9), and compensated absences (see Note 1).

Governmental Activities

Installment Purchase

The County has an installment purchase agreement for equipment with a historical cost and accumulated depreciation of \$125,277 and \$75,166, respectively. The amounts are included in the County’s capital asset depreciation. Information on the County’s installment purchase agreement is as follows:

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

Right-to-Use Leases

The County (including its Constitutional Officers) has nineteen right-to-use leases for copiers and postage machines. The leases carry an imputed interest rate of 2.75 percent. The payments range from \$60 to \$251 monthly. The payments generally are over a three to five-year period.

Governmental Activities

Future minimum payments for the governmental right-to-use and installment purchase payable are as follows:

Fiscal year ending September 30,	<u>Right-to-use leases payable</u>		
	<u>Payments</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 28,327	\$ 27,061	\$ 1,266
2024	17,299	16,679	619
2025	9,300	9,027	273
2026	4,236	4,141	96
2027	<u>1,383</u>	<u>1,375</u>	<u>8</u>
Totals	<u>\$ 60,545</u>	<u>\$ 58,283</u>	<u>\$ 2,262</u>

Fiscal year ending September 30,	<u>Installment purchase payable</u>		
	<u>Payments</u>	<u>Principal</u>	<u>Interest</u>
2023	<u>\$ 28,515</u>	<u>\$ 27,231</u>	<u>\$ 1,284</u>

Business-type Activities

Installment Purchase

The County has an installment purchase agreement for equipment with a historical cost and accumulated depreciation of \$156,731 and \$52,097, respectively. The amounts are included in the County’s capital asset depreciation. Information on the County’s installment purchase agreement is as follows:

Agreement with John Deere Financial, for the purchase of a 644 P Wheel Loader. The agreement requires five payments including interest of 2.75%.

Right-to-Use Leases

The County's Landfill has right-to-use lease for a copier. The leases carry an imputed interest rate of 2.75 percent. The payments are \$105 monthly and are over a five-year period.

The future minimum lease payments for the above items are indicated below.

Business-type Activities

Future minimum payments for the business-type right-to-use and installment purchase payable are as follows:

Fiscal year ending September 30,	<u>Right-to-use lease payable</u>		
	<u>Payments</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 1,258	\$ 1,211	\$ 47
2024	<u>1,048</u>	<u>1,035</u>	<u>13</u>
Totals	<u>\$ 2,306</u>	<u>\$ 2,246</u>	<u>\$ 60</u>

Fiscal year ending September 30,	<u>Installment purchase payable</u>		
	<u>Payments</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 33,210	\$ 30,474	\$ 2,736
2024	33,199	31,322	1,877
2025	33,187	32,195	992
2026	<u>5,654</u>	<u>5,569</u>	<u>85</u>
Totals	<u>\$ 105,250</u>	<u>\$ 99,560</u>	<u>\$ 5,690</u>

Changes in Long-Term Obligations

During the year ended September 30, 2022, the following changes occurred in the County's long-term obligations:

<u>Governmental Activities</u> <u>Long-term Obligations</u>	Balance			Balance		Amounts Due Within <u>One Year</u>
	October 1, 2021	<u>Additions</u>	<u>Deletions</u>	September 30, 2022		
Right-to-use leases payable *	\$ 84,119	\$ -	\$ 25,836	\$ 58,283	\$ 27,061	
Compensated absences	668,755	615,677	522,579	761,853	213,769	
Installment purchase payable	<u>53,235</u>	<u>-</u>	<u>26,004</u>	<u>27,231</u>	<u>27,231</u>	
Totals	<u>\$ 806,109</u>	<u>\$ 615,677</u>	<u>\$ 574,419</u>	<u>\$ 847,367</u>	<u>\$ 268,061</u>	

<u>Business-type</u> <u>Obligations</u>	Balance			Balance		Amounts Due Within <u>One Year</u>
	October 1, 2021	<u>Additions</u>	<u>Deletions</u>	September 30, 2022		
Right-to-use leases payable *	\$ 3,424	\$ -	\$ 1,178	\$ 2,246	\$ 1,211	
Installment purchase payable	-	156,731	57,171	99,560	30,474	
Estimated liability for landfill closure	2,362,332	129,068	-	2,491,400	-	
Compensated absences	<u>23,045</u>	<u>19,953</u>	<u>17,942</u>	<u>25,056</u>	<u>25,056</u>	
	<u>\$ 2,388,801</u>	<u>\$ 305,752</u>	<u>\$ 76,291</u>	<u>\$ 2,618,262</u>	<u>\$ 56,741</u>	

*The beginning balances of right-to-use leases payable were adjusted as part of the implementation of GASB Statement No. 87, *Leases*, as discussed in Note 1.

NOTE 7. INTERFUND ACTIVITIES

Interfund receivable and payables at September 30, 2022, were as follows:

<u>Major Funds</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General	\$ 49,628	\$ 37,053
Transportation Trust	-	-
CDBG	-	-
Total major funds	<u>49,628</u>	<u>37,053</u>
<u>Nonmajor Funds</u>		
Fine and Forfeiture (BCC)	7,017	-
Local Housing (SHIP)	3,888	-
CDBG	-	16,881
Emergency Management Fund	-	35,217
911 Communications Fund	37,053	-
Fine and Forfeiture (Clerk)	-	-
Total nonmajor funds	<u>47,958</u>	<u>52,098</u>
<u>Fiduciary Funds</u>	<u>-</u>	<u>8,435</u>
Total all funds	<u>\$ 97,586</u>	<u>\$ 97,586</u>

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

Interfund transfers made during the year ended September 30, 2022, were as follows:

<u>Major Funds</u>	<u>Interfund Transfer In</u>	<u>Interfund Transfers Out</u>
General	\$ 641,927	\$ 281,559
Transportation Trust	-	564,955
Landfill Enterprise	<u>226,157</u>	<u>-</u>
Total major funds	<u>868,084</u>	<u>846,514</u>
<u>Nonmajor Funds</u>		
Fine and Forfeiture (BCC)	-	4,100
CDBG	1,762	-
Sheriff's 911 Communications	-	72,873
Emergency Management	<u>53,641</u>	<u>-</u>
Total nonmajor funds	<u>55,403</u>	<u>76,973</u>
Total all funds	<u>\$ 923,487</u>	<u>\$ 923,487</u>

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

NOTE 8. INTERFUND ELIMINATIONS

The following interfund eliminations were made in the combined Countywide General Fund at September 30, 2022:

		Interfund	
	<u>Receivables</u>		<u>Payables</u>
HCBCB	\$ 383,422	\$	-
Clerk of Courts	-		28,255
Property Appraiser	-		107,533
Sheriff	-		221,358
Supervisor of Elections	-		562
Tax Collector	-		25,714
Totals	<u>\$ 383,422</u>	<u>\$</u>	<u>383,422</u>

		Interfund	
	<u>Transfers out</u>		<u>Transfers in</u>
HCBCB	\$ 7,676,445	\$	-
Clerk of Courts	-		344,992
Property Appraiser	-		816,366
Sheriff	-		6,103,858
Supervisor of Elections	-		382,518
Tax Collector	-		28,711
Totals	<u>\$ 7,676,445</u>	<u>\$</u>	<u>7,676,445</u>

NOTE 9. LANDFILL CLOSURE AND POSTCLOSURE COST

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

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

At September 30, 2022, \$2,491,400 is reported as the landfill closure and post-closure care liability based on 100% of the Landfill’s North and South Cells’ capacity having been used at September 30, 2022, and recognition of \$385,851 in closure costs (41.45% of capacity filled) and \$330,942 post-closure costs of the County’s Class III cell.

For the South Cell (North Cell is no longer required to escrow funds for next year’s expenses), the amount of \$1,774,607 represents the total cumulative liability including an annual adjustment for inflation – no additional amounts remain to be recognized except for annual inflation adjustments.

For the Class III Cell, closure costs of \$545,122 and post-closure costs of \$467,549 are yet to be recognized. The estimated remaining life of the Class III landfill is twenty-nine years. The estimated amounts are based on what it would cost to perform all closure and annual post-closure care in 2022. Actual costs of post-closure care and closure may be higher because of inflation, changes in technology, or changes in regulations.

The County is required by state and federal laws and regulations to make annual contributions to an escrow account to finance closure. The County is in compliance with these requirements, and at September 30, 2022,

restricted deposits of \$1,535,479 were held for this purpose. The deposits are reported as restricted assets on the Proprietary Funds' Statement of Net position.

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

NOTE 10. FUND BALANCE REPORTING

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

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

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

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

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

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

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

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

Nonspendable

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

Spendable

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

At September 30, 2022, the unassigned general fund balance was \$15,661,125 or eighty-seven percent of the General Fund's total expenditures.

A summary of the fund balances at September 30, 2022, is as follows:

Description	<u>General Fund</u>	<u>Transportation Trust Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>	<u>Restriction/Purpose</u>
Fund balances:					
Nonspendable					
Prepaid item	\$ 100,000	\$ -	\$ -	\$ 100,000	GASBS No. 54
Restricted for:					
Transportation	-	3,563,747	-	3,563,747	Florida Statutes Chapters 206 and 207
Other purposes:					
Fine & Forfeiture	-	-	377,590	377,590	Florida Statutes 938.15, 932.704, 775.083
SHIP	-	-	525,087	525,087	Florida Statutes 420.9072
Tourist Development	-	-	109,569	109,569	Florida Statutes 125.0104
Public Record Modernization	-	-	56,042	56,042	Florida Statutes 28.24
Inmate Welfare	-	-	126,867	126,867	Florida Statutes 951.23
911 Communications	-	-	664,770	664,770	Florida Statutes 365.172
Unassigned	<u>15,561,125</u>	<u>-</u>	<u>-</u>	<u>15,561,125</u>	-
Total fund balance	<u>\$ 15,661,125</u>	<u>\$ 3,563,747</u>	<u>\$ 1,859,925</u>	<u>\$ 21,084,797</u>	

NOTE 11. CONTINGENT LIABILITIES

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

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

NOTE 12. RISK MANAGEMENT

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

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

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

NOTE 13. FLORIDA RETIREMENT SYSTEM (FRS) - DEFINED BENEFIT PENSION PLAN

General Information

The FRS was created in Chapter 121, *Florida Statutes*, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program

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

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

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

The County's pension expense, FRS \$147,468 and HIS \$4,171 totaled \$151,639, for the fiscal year ended September 30, 2022.

FRS Pension Plan:

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

- Regular Class* – Members of the FRS who do not qualify for membership in the other classes.
- Elected County Officers Class* – Members who hold specified elective offices in local government.
- Senior Management Service Class (SMSC)* – Members in senior management level positions.
- Special Risk Class* – Members who are employed as law enforcement officers and meet the criteria to qualify for this class.

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

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

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

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an

FRS participating employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. Elected officials may also end DROP participation and postpone compliance until no longer holding office. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest.

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

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

The benefits received by retirees and beneficiaries are increased by a cost-of-living adjustment (COLA) each July based on their June benefit amount. The COLA is generally 3 percent per year. The COLA for retirements or DROP participation effective before August 1, 2011, is three percent per year. The COLA for retirees with an effective date or DROP begin date after August 1, 2011, will be the sum of the pre-July 2011 service credit divided by the total service credit at retirement multiplied by 3 percent. Each Pension Plan member with an effective retirement date of August 1, 2011, or after will have an individual COLA factor for retirement. FRS Pension Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

Contributions: The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the 2021-22 fiscal year were as follows:

Class	Percent of Gross Salary		Total Contribution Rate
	Employee	Employer (1)	
FRS, Regular	3.00%	9.10%	12.10%
FRS, Elected County Officers	3.00%	49.70%	52.70%
FRS, Senior Management Service	3.00%	27.29%	30.29%
FRS, Special Risk Regular	3.00%	24.17%	27.17%
FRS, Special Risk Administrative	3.00%	36.04%	39.04%
DROP - Applicable to member from all of the above classes	0.00%	16.68%	16.68%

Notes

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

The County’s contributions, including employee contributions, to the Plan totaled \$1,134,181 for the fiscal year ended September 30, 2022, and were as follows:

	FRS		
	<u>Employer</u>	<u>Employee</u>	<u>Total</u>
Board of County Commissioners	\$ 375,761	\$ 72,088	\$ 447,849
Clerk of Courts	104,965	14,522	119,487
Property Appraiser	51,858	5,052	56,910
Sheriff	355,302	47,092	402,394
Supervisor of Elections	61,356	5,220	66,576
Tax Collector	36,983	3,983	40,966
	<u>\$ 986,225</u>	<u>\$ 147,957</u>	<u>\$ 1,134,181</u>

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At September 30, 2022, the County reported a long-term liability of \$10,439,746 for its proportionate share of the Plan’s net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The County’s proportionate share of the net pension liability was based on the County’s 2021-22 fiscal year contributions relative to the 2021-22 fiscal year contributions of all participating members. At June 30, 2022, the County’s proportionate shares and increases(decreases) from its proportionate shares measured as of June 30, 2021, were as follows:

Hamilton County	<u>2022</u>	<u>2021</u>	<u>Change</u>
Board of County Commissioners	0.010764%	0.010808%	-0.000044%
Clerk of the Circuit Court	0.002726%	0.002897%	-0.000171%
Property Appraiser	0.001183%	0.001157%	0.000026%
Sheriff	0.011019%	0.010355%	0.000664%
Supervisor of Elections	0.001386%	0.001449%	-0.000062%
Tax Collector	0.000979%	0.001004%	-0.000025%
Total	<u>0.028057772%</u>	<u>0.027669965%</u>	<u>0.00038780727%</u>

For the fiscal year ended September 30, 2022, the County recognized pension expense of \$147,468. In addition, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

FRS <u>Description</u>	<u>Deferred outflows of resources</u>	<u>Deferred inflows of resources</u>
Difference between expected and actual experience	\$ 495,826	\$ -
Changes in assumptions	1,285,700	-
Investments	689,337	-
Employer specific changes in proportion	<u>330,575</u>	<u>(721,545)</u>
Total	<u>\$ 2,801,438</u>	<u>\$ (721,545)</u>

The deferred outflows of resources related to pensions, totaling \$331,088, resulting from County contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Hamilton County	Fiscal year ending September 30,					
	2023	2024	2025	2026	2027	Thereafter
Board of County Commissioners	\$ (2,186)	\$ (2,186)	\$ (2,186)	\$ (2,186)	\$ (1,093)	\$ -
Clerk of Courts	(8,538)	(8,538)	(8,538)	(8,538)	(4,269)	-
Property Appraiser	1,296	1,296	1,296	1,296	648	-
Sheriff	33,131	33,131	33,131	33,131	16,566	-
Supervisor of Elections	(3,118)	(3,118)	(3,118)	(3,118)	(1,559)	-
Tax Collector	(1,234)	(1,234)	(1,234)	(1,234)	(617)	-

Actuarial Assumptions: The total pension liability in the June 30, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40 percent
Salary increases	3.25 percent, average, including inflation
Investment rate of return	6.70 percent

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

The actuarial assumptions that determined the total pension liability as of June 30, 2022, were based on the results of an actuarial experience study July 1, 2013 – June 30, 2018. The valuation date was July 1, 2022, and Measurement date was June 30, 2022. Actuarial valuations are performed annually.

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

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.00%	2.60%	2.60%	1.10%
Fixed income	19.80%	4.40%	4.40%	3.20%
Global equity	54.00%	8.80%	7.30%	17.80%
Real estate	10.30%	7.40%	6.30%	15.70%
Private equity	11.10%	12.00%	8.90%	26.30%
Strategic investments	<u>3.80%</u>	6.20%	5.90%	7.80%
	<u>100.00%</u>			
Assumed inflation - mean			2.40%	1.30%

Note 1. As outlined in the FRS Pension Plan's investment policy available from Funds We Manage on the SBA's website at www.sbafla.com.

Discount Rate: The discount rate used to measure the total pension liability was 6.70 percent. The Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Sensitivity of the County’s Proportionate Share of the Net Position Liability to Changes in the Discount Rate: The following presents the County’s proportionate share of the net pension liability calculated using the discount rate of 6.70 percent, as well as what the County’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.70 percent) or 1 percentage-point higher (7.70 percent) than the current rate:

	1% Decrease <u>5.70%</u>	Current Discount <u>6.70%</u>	1% Increase <u>7.70%</u>
County's proportionate share of the net pension liability	\$ <u>18,054,825</u>	\$ <u>10,439,747</u>	\$ <u>4,072,636</u>

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

Payables to the Pension Plan: At September 30, 2022, the County and Constitutional Officers reported no amounts owed for contributions to the Plan required for the fiscal year ended September 30, 2022.

HIS Pension Plan

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

Benefits Provided: For the fiscal year ended June 30, 2022, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, *Florida Statutes*. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

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

The County’s contributions to the HIS Plan totaled \$135,181 for the fiscal year ended September 30, 2022, and were as follows:

HIS

Hamilton County, FL	<u>FRS</u>	<u>Inv</u>	<u>Total</u>
Board of County Commissioners	\$ 43,371	\$ 13,719	\$ 57,090
Clerk of Courts	8,379	2,492	10,872
Property Appraiser	6,911	-	6,911
Sheriff	34,886	17,699	52,585
Supervisor of Elections	2,888	-	2,888
Tax Collector	<u>3,991</u>	<u>1,044</u>	<u>5,035</u>
Total HIS contributions	<u>\$ 100,427</u>	<u>\$ 34,954</u>	<u>\$ 135,381</u>

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At September 30, 2022, the County reported a net pension liability of \$2,343,189 (current portion \$2,514; long-term portion \$2,340,675) for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The County's proportionate share of the net pension liability was based on the County's 2021-22 fiscal year contributions relative to the June 30, 2022, fiscal year contributions of all participating members.

At June 30, 2022, the County's proportionate shares and increases/decreases from its proportionate shares measured as of June 30, 2021, were as follows:

Hamilton County	<u>2022</u>	<u>2021</u>	<u>Change</u>
Clerk of the Circuit Court	0.001716%	0.001720%	-0.000004%
Board of County Commissioners	0.009384%	0.009259%	0.000124%
Property Appraiser	0.001118%	0.001117%	0.000001%
Tax Collector	0.000827%	0.000807%	0.000020%
Sheriff	0.008611%	0.007812%	0.000798%
Supervisor of Elections	0.000468%	0.000454%	0.000014%

For the fiscal year ended September 30, 2022, the County recognized pension expense of \$4,171. In addition, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

HIS <u>Description</u>	<u>Deferred outflows of resources</u>	<u>Deferred inflows of resources</u>
Difference between expected and actual experience	\$ 71,120	\$ (10,311)
Changes in assumptions	134,312	(362,490)
Investments	3,394	-
Employer specific changes in proportion	<u>164,950</u>	<u>(72,951)</u>
Total	<u>\$ 373,776</u>	<u>\$ (445,752)</u>

The deferred outflows of resources, totaling \$35,609 was related to pensions resulting from County contributions to the HIS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Hamilton County	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>Thereafter</u>
Clerk of the Circuit Court	\$ (63)	\$ (63)	\$ (63)	\$ (63)	\$ (63)	\$ (25)
Board of County Commissioners	2,214	2,214	2,214	2,214	2,214	886
Property Appraiser	19	19	19	19	19	8
Tax Collector	349	349	349	349	349	140
Sheriff	14,206	14,206	14,206	14,206	14,206	5,683
Supervisor of Elections	248	248	248	248	248	99

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

Inflation	2.40 percent
Salary Increases	3.25 percent, average, including inflation
Municipal Bond Rate	3.54 percent

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

The actuarial assumptions that determined the total pension liability as of June 30, 2022, were based on certain results of an actuarial experience study of the FRS for the period July 1, 2013 – June 30, 2018. HIS plan valuations occur on a biennial basis.

Discount Rate: The discount rate used to measure the total pension liability was 3.54 percent. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index. **Sensitivity of the County’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate:** The following presents the County’s proportionate share of the net pension liability calculated using the discount rate of 3.54 percent, as well as what the County’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (2.54 percent) or 1 percentage-point higher (4.54 percent) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount</u>	<u>1% Increase</u>
	<u>2.54%</u>	<u>3.54%</u>	<u>4.54%</u>
County's proportionate share of the net pension liability	<u>\$ 2,680,801</u>	<u>\$ 2,343,189</u>	<u>\$ 2,063,822</u>

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

Payables to the Pension Plan: At September 30, 2022, the County reported a payable of \$0 for the outstanding amount of contributions to the HIS Plan required for the fiscal year ended September 30, 2022.

FRS – Defined Contribution Pension Plan

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

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

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

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

Costs of administering plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of plan members. Allocations to the investment member’s accounts during the 2021-22 fiscal year were as follows:

Class	Contributions		
	<u>Employee</u>	<u>Employer</u>	<u>Total</u>
FRS, Regular	3.00%	11.91%	14.91%
FRS, Elected County/Local Officers	3.00%	57.00%	60.00%
FRS, Special Risk	3.00%	27.83%	30.83%
FRS, Senior Management Service	3.00%	31.57%	34.57%

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

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

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

The County's Investment Plan pension expense totaled \$440,455 for the fiscal year ended September 30, 2022, and was as follows:

Hamilton County, FL	Inv			
	<u>Retirement</u>	<u>HIS</u>	<u>PEORP</u>	<u>Total</u>
Board of County Commissioners	\$ 133,807	\$ 13,719	\$ 496	\$ 148,021
Clerk of Courts	26,608	2,492	90	29,190
Property Appraiser	-	-	-	-
Sheriff	237,929	17,699	640	256,267
Supervisor of Elections	-	-	-	-
Tax Collector	<u>5,894</u>	<u>1,044</u>	<u>38</u>	<u>6,976</u>
Total HIS contributions	<u>\$ 404,238</u>	<u>\$ 34,954</u>	<u>\$ 1,263</u>	<u>\$ 440,455</u>

NOTE 14. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

General Information

Plan description

Hamilton County, Florida, sponsors and administers the single-employer OPEB unfunded plan. The plan covers 158 active employees, three inactive employees and beneficiaries currently receiving benefits, and no inactive employees entitled to and not yet receiving benefits.

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

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

Benefits provided

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

Total OPEB Liability

The County's total OPEB liability of \$186,319, was measured as of September 30, 2022, and was determined by an actuarial valuation as of that date. The liability is reported as \$2,284 current and \$184,035 long-term. The current portion is the average of the annual expense change over the last five years.

Actuarial assumptions and other inputs: The total OPEB liability in the September 30, 2022, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate: 4.77% per annum; this rate was used to discount all future benefit payments and is based on the return on the S&P Municipal Bond 20-year High Grade index as of the measurement date.

Salary increases: 3.00% per annum

Cost of living increases: Retiree contributions, health insurance premiums, and the implied subsidy have been assumed to increase in accordance with the healthcare cost trend rates.

Healthcare cost trend rates: Increases in healthcare costs are assumed to be 8.00% for the 2021/22 fiscal year graded down by 0.50% per year to 5.00% for the 2027/28 and later fiscal years.

Age-related morbidity: Healthcare costs are assumed to increase at the rate of 3.50% for each year of age.

Implied subsidy: Because the insurance carrier charges the same monthly rate for health insurance regardless of age, an implied monthly subsidy of \$675.00 for the retiree and \$600.00 for the retiree's spouse has been assumed for the 2021/22 fiscal year at age 62; at other ages, the implied subsidy was developed based on the age-related morbidity assumption and, for other fiscal years, the implied subsidy was increased in accordance with the healthcare cost trend rates; the implied subsidy is assumed to disappear at age 65.

Mortality basis: Sex-distinct rates set forth in the PUB-2010 Mortality Table (without income adjustments) for general and public safety employees, with full generational improvements in mortality using Scale MP-2020.

Retirement: For general employees hired prior to July, 2011, retirement is assumed to occur at age 62 or at any age with 30 years of service; for general employees hired after June, 2011, retirement is assumed to occur at age 65 or at any age with 33 years of service; for firefighters and police officers hired prior to July, 2011, retirement is assumed to occur at age 55 or at any age with 25 years of service; for firefighters and police officers hired after June, 2011, retirement is assumed to occur at age 60 or at any age with 30 years of service.

Other decrements: Assumed employment termination is based on the Scale 155 table; assumed disability is based on the Wyatt 1985 Disability Study (Class 1 for general employees and Class 4 for firefighters and police officers).

Coverage election: 5% of eligible employees are assumed to elect medical coverage until age 65 upon retirement or disability in accordance with their current election as to coverage status.

Spousal age: Husbands are assumed to be three years older than wives.

Cobra: Future healthcare coverage provided solely pursuant to COBRA was not included in the OPEB valuation; because the COBRA premium is determined periodically based on plan experience, the COBRA premium to be paid by the participant is assumed to fully cover the cost of providing healthcare coverage during the relevant period.

Changes: Since the prior measurement date, the discount rate was increased from 2.43% per annum to 4.77% per annum; the healthcare cost trend rates were increased from 6.00% for the 2021/22 fiscal year graded down to 5.00% for the 2023/24 and later fiscal years to the amounts shown above; and the monthly implied subsidy at age 62 for the 2021/22 fiscal year for the retiree and his spouse was decreased from \$692.25 and \$612.38, respectively, to \$675.00 and \$600.00, respectively.

Net OPEB liability at September 30, 2022:

Total OPEB liability *	\$	186,319
Less fiduciary net position		-
Net OPEB liability **	<u>\$</u>	<u>186,319</u>

* rolled forward from October 1, 2021

** recognized as follows:

Long-term obligations governmental activities	<u>\$</u>	<u>186,319</u>
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OPEB expense for Year Ending September 30, 2022

Service cost	\$	10,106
Other recognized changes in net pension		
Expected interest growth		12,604
Investment gain/loss		-
Demographic gain/loss		2,064
Employee contributions		-
Benefit payments & refunds		(19,739)
Administrative expenses		-
Changes in benefit terms		-
Assumption changes		(6,730)
OPEB expense *	<u>\$</u>	<u>(1,695)</u>

* expense recognized as follows:

Statement of Activities - governmental	<u>\$</u>	<u>(1,695)</u>
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Deferred Inflows of Resources and Deferred Inflows of Resources Related to OPEB

	Deferred Outflows of Resources	Deferred Inflows of Resources
Balance as of September 30, 2021	\$ 145,449	\$ 128,841
Change due to:		
Amortization payments	(19,370)	(24,036)
Investment gain/loss	-	-
Demographic gain/loss	-	5,557
Assumption changes	-	74,987
Total change	<u>(19,370)</u>	<u>56,508</u>
Balance as of September 30, 2022	<u>\$ 126,079</u>	<u>\$ 185,349</u>

Balance Equation

Net OPEB liability as of September 30, 2021	\$ 263,892
Plus OPEB expense for the year ending September 30, 2022	(1,695)
Minus employer contribution for the year ending September 30, 2022	-
Plus change in balance of deferred outflows of resources	(19,370)
Minus change in balance of deferred inflows of resources	<u>(56,508)</u>
Net OPEB liability as of September 30, 2022	<u>\$ 186,319</u>

	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability
Balance as of September 30, 2021	\$ 263,892	\$ -	\$ 263,892
Change due to:			
Service cost	10,106	-	10,106
Expected interest growth	12,604	-	12,604
Unexpected investment income	-	-	-
Demographic experience	(5,557)	-	(5,557)
Employer contributions	-	-	-
Employee contributions	-	-	-
Benefit payments & refunds	(19,739)	-	(19,739)
Administrative expenses	-	-	-
Changes in benefit terms	-	-	-
Assumption changes	<u>(74,987)</u>	<u>-</u>	<u>(74,987)</u>
Balance as of September 30, 2022	<u>\$ 186,319</u>	<u>\$ -</u>	<u>\$ 186,319</u>

Comparison of net OPEB liability using alternative discount rates

	Discount Rate minus 1.00%	4.77% Discount Rate	Discount Rate plus 1.00%
Total OPEB liability	\$ 218,018	\$ 186,319	\$ 160,233
Less fiduciary net position	<u>-</u>	<u>-</u>	<u>-</u>
Net OPEB liability	<u>\$ 218,018</u>	<u>\$ 186,319</u>	<u>\$ 160,233</u>

Comparison of net OPEB liability using alternative healthcare cost trend rates

	Trend rates minus 1.00%	8.00% graded down to 5.00%	Trend rates plus 1.00%
Total OPEB liability	\$ 156,311	\$ 186,319	\$ 223,098
Less fiduciary net position	<u>-</u>	<u>-</u>	<u>-</u>
Net OPEB liability	<u>\$ 156,311</u>	<u>\$ 186,319</u>	<u>\$ 223,098</u>

NOTE 15. ECONOMIC DEPENDENCY

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

NOTE 16. COMMITMENTS

At September 30, 2022, the County had the following construction/administration related commitments:

<u>Administrative & Engineering Services</u>	<u>Project</u>	<u>Contract Amount</u>	<u>Paid through September 30, 2022</u>	<u>Remaining Balance</u>
NFPS, Inc.	Gibson Park Boat Ramp	\$ 68,000	\$ 55,750	\$ 12,250
NFPS, Inc.	Five Hole Boat Ramp	113,000	-	113,000
NFPS, Inc.	Crossroads Fire Grant	84,775	5,500	79,275
Thomas Howell Ferguson	Grant administration	250,000	14,672	235,328

NOTE 17. CURRENT/FUTURE ACCOUNTING PRONOUNCEMENTS

The Governmental Accounting Standards Board (GASB) effective dates of upcoming pronouncements are as follows:

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

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

Statement No. 99, Omnibus 2022, varying effective dates

Statement No. 100 Accounting Changes and Error Corrections – effective for fiscal years beginning after June 15, 2023: FY 2023-24

Statement No. 101 Compensated Absences – effective for fiscal years beginning after December 15, 2023: FY 2024-25

The County is evaluating the effects that these statements will have on its financial statements for the year ending September 30, 2023, and beyond.

NOTE 18. SUBSEQUENT EVENTS

County management has evaluated subsequent events through the date of the audit report – May 26, 2023, and reports the following:

Grant awarded post year-end

The following grant was awarded to the County post year-end:

Community Development Block Grant	<u>Award</u> \$ 700,000
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Donations of land by Hamilton County Development Authority

Water Tower and Well Site - parcels 2881-05 and 3496.020	<u>Value</u> \$ 866,719
--	----------------------------

Construction Contracts

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

<u>Contractor</u>	<u>Amount</u>
Little and Williams	\$ 289,373
Curt's Construction	4,747,788

Significant purchases

The County purchased the following locations post year end:

<u>Description</u>	<u>Amount</u>
Joint purchase with Hamilton County Development Authority	\$ 89,608
Joint purchase with Hamilton County Development Authority	87,706

Economic Development Agreements

Green Point Research, LLC

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

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

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

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

Windstream Florida LLC

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

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HAMILTON COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

For the Year Ended September 30, 2022

	Original <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>	Variance with Final Budget Positive <u>(Negative)</u>
Budgetary fund balance	\$ 10,739,682	\$ 10,739,682	\$ 14,814,569	\$ 4,074,887
Estimated receipts				
Taxes	10,773,340	10,773,340	11,665,379	892,039
Licenses and permits	97,600	97,600	142,403	44,803
Intergovernmental revenues	3,222,296	3,222,296	3,513,763	291,467
Charges for services	1,987,273	1,987,273	1,805,477	(181,796)
Judgments, fines, and forfeits	11,216	11,216	8,274	(2,942)
Miscellaneous revenues	151,695	337,729	1,294,293	956,564
Other sources	<u>564,955</u>	<u>637,828</u>	<u>641,927</u>	<u>4,099</u>
Total estimated receipts and balances	<u>27,548,057</u>	<u>27,806,964</u>	<u>33,886,085</u>	<u>6,079,121</u>
Appropriations				
General government	4,551,838	4,551,838	5,002,030	(450,192)
Public safety	8,797,812	9,296,754	8,996,247	300,507
Physical environment	197,841	197,841	200,016	(2,175)
Economic environment	176,892	176,892	1,245,407	(1,068,515)
Human services	578,974	578,974	716,518	(137,544)
Culture/recreation	1,100,341	1,100,341	1,413,491	(313,150)
Other uses	11,772,895	11,562,274	281,559	11,280,715
Court related	<u>371,464</u>	<u>342,050</u>	<u>369,692</u>	<u>(27,642)</u>
Total appropriations	<u>27,548,057</u>	<u>27,806,964</u>	<u>18,224,960</u>	<u>9,582,004</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,661,125</u>	<u>\$ 15,661,125</u>

HAMILTON COUNTY, FLORIDA

**BUDGETARY COMPARISON SCHEDULE
COUNTY TRANSPORTATION TRUST FUND**

For the Year Ended September 30, 2022

	Original <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Budgetary fund balance	\$ 2,852,308	\$ 2,852,308	\$ 3,811,509	\$ 959,201
Estimated receipts				
Taxes	2,478,586	2,478,586	2,592,740	114,154
Intergovernmental revenue	10,511,888	10,511,888	2,768,311	(7,743,577)
Charges for services	11,459	11,459	18,609	7,150
Miscellaneous revenues	119,729	119,729	19,987	(99,742)
Other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total estimated receipts and balances	<u>15,973,970</u>	<u>15,973,970</u>	<u>9,211,156</u>	<u>(6,762,814)</u>
Appropriations				
Transportation				
Roads and bridges				
Personal services	2,075,860	2,075,860	2,099,242	(23,382)
Operating expenditures	549,120	549,120	896,659	(347,539)
Capital outlay	10,004,042	10,004,042	2,072,621	7,931,421
Debt service	-	-	1,048	(1,048)
Grants & Aids	12,884	12,884	12,884	-
Other uses	<u>564,955</u>	<u>564,955</u>	<u>564,955</u>	<u>-</u>
Total transportation	13,206,861	13,206,861	5,647,409	7,559,452
Reserves				
Reserve for contingencies	<u>2,767,109</u>	<u>2,767,109</u>	<u>-</u>	<u>2,767,109</u>
Total appropriations	<u>15,973,970</u>	<u>15,973,970</u>	<u>5,647,409</u>	<u>10,326,561</u>
Budgetary fund balance at year end	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,563,747</u>	<u>\$ 3,563,747</u>

HAMILTON COUNTY, FLORIDA

NOTES TO BUDGETARY COMPARISON SCHEDULES

September 30, 2022

NOTE 1. LEGAL COMPLIANCE - BUDGETS

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

1. Prior to July 15, the Clerk of the Circuit Court, the Budget Officer, submits to the Board of County Commissioners a tentative budget for the fiscal year commencing October 1.
2. Public hearings are conducted by the Board of County Commissioners to obtain taxpayer comments.
3. Prior to September 30, the Board of County Commissioners legally enacts the budget through passage of a resolution.
4. The Board of County Commissioners is authorized to amend fixed appropriations by motion to the extent that appropriations do not exceed the total approved budget of the fund; or appropriate for the special purpose intended, reserves or unanticipated receipts. Appropriations lapse at year end. No supplemental appropriations were necessary during the year. One amendment was made post year-end.
5. Formal budgetary integration is employed as a management control device in all governmental funds.
6. The legally amended budgetary data presented in the accompanying financial statements for the fiscal year ending September 30, 2022, are shown on the County's budgetary basis of accounting. Notes to the major fund budgetary comparison schedules reconcile GAAP basis revenues and expenditures to the budgeted amounts.
7. The County's annual operating budget serves as legal authorization for expenditures and the proposed means of financing them. For the Board of County Commissioners, the legal level of budgetary control is the fund level. Budgetary information is integrated into the accounting system and appropriations are controlled at the account level within each fund for management control purposes.

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

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

	General <u>Fund</u>	County Transportation <u>Trust Fund</u>
Sources/inflows of resources		
Financial statement major funds		
Actual amount (budgetary basis) of the estimated receipts and balances from the budgetary comparison schedules	\$ 33,886,085	\$ 9,211,156
Adjustments		
Budgetary fund balance is an amount available for appropriation but is not considered a revenue for GAAP reporting	(14,814,569)	(3,811,509)
Transfers in are available for appropriation but are not revenues for GAAP reporting	<u>(641,927)</u>	<u>-</u>
Total revenues reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 18,429,589</u>	<u>\$ 5,399,647</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total appropriations" from the budgetary comparison schedules	\$ 18,224,960	\$ 5,647,409
Transfers out are appropriations for budgeting purposes but are not expenditures for GAAP reporting	<u>(281,559)</u>	<u>(564,955)</u>
Total expenditures reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 17,943,401</u>	<u>\$ 5,082,454</u>

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Hamilton County, Florida's proportion of the net pension liability (asset)									
Board of County Commissioners	0.010764%	0.010808%	0.010510%	0.010356%	0.010367%	0.010518%	0.010512%	0.010343%	0.010106%
Clerk of Courts	0.002726%	0.002897%	0.003038%	0.003039%	0.003087%	0.003234%	0.003138%	0.003311%	0.002595%
Property Appraiser	0.001183%	0.001157%	0.001133%	0.001157%	0.001097%	0.001076%	0.001118%	0.001124%	0.001218%
Sheriff	0.011019%	0.010355%	0.012875%	0.012997%	0.012478%	0.012668%	0.013374%	0.012594%	0.013073%
Supervisor of Elections	0.001386%	0.001449%	0.001519%	0.001601%	0.001592%	0.000855%	0.000442%	0.000438%	0.000473%
Tax Collector	<u>0.000979%</u>	<u>0.001004%</u>	<u>0.000946%</u>	<u>0.000949%</u>	<u>0.000951%</u>	<u>0.001891%</u>	<u>0.002175%</u>	<u>0.002238%</u>	<u>0.001883%</u>
Total Hamilton County, Florida's proportion of the net pension liability (asset)	<u>0.028058%</u>	<u>0.027670%</u>	<u>0.030021%</u>	<u>0.030100%</u>	<u>0.029571%</u>	<u>0.030242%</u>	<u>0.030759%</u>	<u>0.030047%</u>	<u>0.029348%</u>
Hamilton County, Florida's proportionate share of the net pension liability (asset)									
Board of County Commissioners	\$ 4,005,145	\$ 816,422	\$ 4,552,616	\$ 3,566,318	\$ 3,119,528	\$ 3,111,042	\$ 2,654,379	\$ 1,335,887	\$ 616,604
Clerk of Courts	1,014,188	218,822	1,316,737	1,046,522	929,682	956,635	792,307	427,621	154,336
Property Appraiser	440,331	87,433	490,912	398,574	330,330	318,297	282,419	145,132	74,307
Sheriff	4,100,077	782,230	5,580,040	4,473,075	3,758,339	3,746,971	3,376,832	1,626,735	797,620
Supervisor of Elections	515,732	109,423	658,536	551,380	479,521	252,984	111,606	56,602	28,862
Tax Collector	<u>364,273</u>	<u>75,822</u>	<u>409,824</u>	<u>326,976</u>	<u>286,339</u>	<u>559,409</u>	<u>549,078</u>	<u>289,024</u>	<u>114,919</u>
Total Hamilton County, Florida's proportionate share of the net pension liability (asset)	<u>\$ 10,439,746</u>	<u>\$ 2,090,152</u>	<u>\$ 13,008,665</u>	<u>\$ 10,362,845</u>	<u>\$ 8,903,739</u>	<u>\$ 8,945,338</u>	<u>\$ 7,766,621</u>	<u>\$ 3,881,001</u>	<u>\$ 1,786,648</u>
Hamilton County, Florida's covered-employee payroll									
Board of County Commissioners	\$ 3,439,141	\$ 3,319,454	\$ 3,172,205	\$ 3,054,243	\$ 2,874,047	\$ 2,868,004	\$ 2,755,213	\$ 2,479,332	\$ 2,365,929
Clerk of Courts	654,908	612,999	618,153	592,483	554,936	563,159	537,991	546,589	574,229
Property Appraiser	416,337	404,042	372,143	363,828	338,606	348,671	328,070	321,473	321,325
Sheriff	3,167,753	2,846,192	2,822,802	2,953,120	2,683,182	2,834,688	2,646,264	2,775,732	2,683,352
Supervisor of Elections	174,002	160,633	150,713	140,632	135,878	138,603	118,771	111,594	110,701
Tax Collector	<u>303,331</u>	<u>293,847</u>	<u>262,223</u>	<u>257,418</u>	<u>252,234</u>	<u>245,318</u>	<u>241,082</u>	<u>236,843</u>	<u>236,695</u>
Total Hamilton County, Florida's covered-employee payroll	<u>\$ 8,155,474</u>	<u>\$ 7,637,166</u>	<u>\$ 7,398,239</u>	<u>\$ 7,361,724</u>	<u>\$ 6,838,883</u>	<u>\$ 6,998,443</u>	<u>\$ 6,627,391</u>	<u>\$ 6,471,563</u>	<u>\$ 6,292,231</u>
Hamilton County, Florida's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	128.01%	27.37%	175.83%	140.77%	130.19%	127.82%	117.19%	59.97%	28.39%
Plan fiduciary net position as a percentage of the total pension liability	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%	96.09%

Notes to Schedule

Note 1. Measurement Date

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

Note 2. Covered Employees

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

* Information is presented for those years available

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution									
Board of County Commissioners	\$ 447,849	\$ 466,796	\$ 458,414	\$ 423,580	\$ 377,002	\$ 301,339	\$ 285,252	\$ 271,033	\$ 253,693
Clerk of Courts	119,487	128,215	119,048	111,979	102,576	85,654	79,641	83,273	65,886
Property Appraiser	56,910	46,404	45,731	42,427	40,612	26,686	27,597	27,671	27,812
Sheriff	402,394	540,532	535,452	491,022	459,208	379,805	350,577	355,910	351,889
Supervisor of Elections	66,576	58,611	54,462	52,567	49,012	31,712	10,350	10,776	10,882
Tax Collector	<u>40,966</u>	<u>46,594</u>	<u>38,349</u>	<u>35,382</u>	<u>33,048</u>	<u>43,458</u>	<u>54,365</u>	<u>55,629</u>	<u>47,008</u>
Total Hamilton County, Florida, contractually required contribution	<u>1,134,181</u>	<u>1,287,152</u>	<u>1,251,456</u>	<u>1,156,957</u>	<u>1,061,457</u>	<u>868,654</u>	<u>807,782</u>	<u>804,292</u>	<u>757,170</u>
Contributions in relation to the contractually required contribution									
Board of County Commissioners	447,849	466,796	458,414	423,580	377,002	301,339	285,252	271,033	253,693
Clerk of Courts	119,487	128,215	119,048	111,979	102,576	85,654	79,641	83,273	65,886
Property Appraiser	56,910	46,404	45,731	42,427	40,612	26,686	27,597	27,671	27,812
Sheriff	402,394	540,532	535,452	491,022	459,208	379,805	350,577	355,910	351,889
Supervisor of Elections	66,576	58,611	54,462	52,567	49,012	31,712	10,350	10,776	10,882
Tax Collector	<u>40,966</u>	<u>46,594</u>	<u>38,349</u>	<u>35,382</u>	<u>33,048</u>	<u>43,458</u>	<u>54,365</u>	<u>55,629</u>	<u>47,008</u>
Total Hamilton County, Florida, contractually required contribution	<u>1,134,181</u>	<u>1,287,152</u>	<u>1,251,456</u>	<u>1,156,957</u>	<u>1,061,457</u>	<u>868,654</u>	<u>807,782</u>	<u>804,292</u>	<u>757,170</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Hamilton County, Florida's covered-employee payroll	<u>\$ 8,155,474</u>	<u>\$ 7,637,166</u>	<u>\$ 7,398,239</u>	<u>\$ 7,361,724</u>	<u>\$ 6,838,883</u>	<u>\$ 6,998,443</u>	<u>\$ 6,627,391</u>	<u>\$ 6,471,563</u>	<u>\$ 6,292,231</u>
Contributions as a percentage of covered-employee payroll	13.91%	16.85%	16.92%	15.72%	15.52%	12.41%	12.19%	12.43%	12.03%

Note 1. Covered Employees

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

* Information is presented for those years available

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Hamilton County, Florida's proportion of the net pension liability (asset)									
Board of County Commissioners	0.009383606%	0.0092592%	0.009014%	0.009060%	0.008765%	0.008546%	0.008443%	0.008105%	0.008030%
Clerk of Courts	0.001716252%	0.0017198%	0.001800%	0.001721%	0.001702%	0.001819%	0.001735%	0.001837%	0.001929%
Property Appraiser	0.001118412%	0.0011173%	0.001061%	0.001085%	0.000981%	0.001046%	0.001058%	0.001059%	0.001073%
Sheriff	0.008610673%	0.0078124%	0.008246%	0.008396%	0.008309%	0.008413%	0.008869%	0.009033%	0.008869%
Supervisor of Elections	0.000467596%	0.0004536%	0.000418%	0.000419%	0.000411%	0.000291%	0.000371%	0.000371%	0.000362%
Tax Collector	0.000826550%	0.0008069%	0.000752%	0.000765%	0.000767%	0.000766%	0.000778%	0.000781%	0.000789%
Total Hamilton County, Florida's proportion of the net pension liability (asset)	<u>0.022123%</u>	<u>0.021169%</u>	<u>0.021291%</u>	<u>0.021446%</u>	<u>0.020935%</u>	<u>0.020882%</u>	<u>0.021253%</u>	<u>0.021186%</u>	<u>0.021052%</u>
Hamilton County, Florida's proportionate share of the net pension liability (asset)									
Board of County Commissioners	\$ 993,874	\$ 1,135,782	\$ 1,100,654	\$ 1,013,742	\$ 927,667	\$ 913,810	\$ 983,995	\$ 826,570	\$ 750,791
Clerk of Courts	181,778	210,958	219,791	192,508	180,147	194,501	202,204	187,364	180,320
Property Appraiser	118,458	137,057	129,532	121,348	103,849	111,796	123,274	108,015	100,367
Sheriff	912,008	958,311	1,006,801	939,453	879,486	899,592	1,033,669	921,252	829,254
Supervisor of Elections	49,526	55,645	50,988	46,923	43,464	43,203	43,203	37,803	33,870
Tax Collector	87,545	98,983	91,871	85,645	81,177	81,936	90,614	79,605	73,809
Total Hamilton County, Florida's proportionate share of the net pension liability (asset)	<u>\$ 2,343,189</u>	<u>\$ 2,596,736</u>	<u>\$ 2,599,637</u>	<u>\$ 2,399,619</u>	<u>\$ 2,215,790</u>	<u>\$ 2,244,838</u>	<u>\$ 2,476,959</u>	<u>\$ 2,160,609</u>	<u>\$ 1,968,410</u>
Hamilton County, Florida's covered-employee payroll									
Board of County Commissioners	\$ 3,439,141	\$ 3,319,454	\$ 3,172,205	\$ 3,054,243	\$ 2,874,047	\$ 2,868,004	\$ 2,755,213	\$ 2,479,332	\$ 2,365,929
Clerk of Courts	654,908	612,999	618,153	592,483	554,936	563,159	537,991	546,589	574,229
Property Appraiser	416,337	404,042	372,143	363,828	338,606	348,671	328,070	321,473	321,325
Sheriff	3,167,753	2,846,192	2,822,802	2,953,120	2,683,182	2,834,688	2,646,264	2,775,732	2,683,352
Supervisor of Elections	174,002	160,633	150,713	140,632	135,878	138,603	118,771	111,594	110,701
Tax Collector	303,331	293,847	262,223	257,418	252,234	245,318	241,082	236,843	236,695
Total Hamilton County, Florida's covered-employee payroll	<u>\$ 8,155,474</u>	<u>\$ 7,637,166</u>	<u>\$ 7,398,239</u>	<u>\$ 7,361,724</u>	<u>\$ 6,838,883</u>	<u>\$ 6,998,443</u>	<u>\$ 6,627,391</u>	<u>\$ 6,471,563</u>	<u>\$ 6,292,231</u>
Hamilton County, Florida's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	28.73%	34.00%	35.14%	32.60%	32.40%	32.08%	37.37%	33.39%	31.28%
Plan fiduciary net position as a percentage of the total pension liability	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%	0.99%

Notes to Schedule

Note 1. Measurement Date

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

Note 2. Covered Employees

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

* Information is presented for those years available

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution									
Board of County Commissioners	\$ 57,090	\$ 55,103	\$ 52,659	\$ 50,701	\$ 47,709	\$ 46,315	\$ 45,107	\$ 31,240	\$ 28,391
Clerk of Courts	10,872	10,176	10,261	9,836	9,212	9,348	8,931	6,887	6,891
Property Appraiser	6,911	6,707	6,178	6,040	5,324	5,335	5,446	4,051	3,856
Sheriff	52,585	47,247	46,858	49,022	44,541	45,264	43,928	34,974	32,200
Supervisor of Elections	2,888	2,667	2,502	2,335	2,256	1,685	1,864	1,406	1,328
Tax Collector	<u>5,035</u>	<u>4,878</u>	<u>4,353</u>	<u>4,273</u>	<u>4,187</u>	<u>4,072</u>	<u>4,002</u>	<u>2,984</u>	<u>2,840</u>
Total Hamilton County, Florida, contractually required contribution	<u>135,381</u>	<u>126,777</u>	<u>122,811</u>	<u>122,207</u>	<u>113,229</u>	<u>112,020</u>	<u>109,278</u>	<u>81,542</u>	<u>75,506</u>
Contributions in relation to the contractually required contribution									
Board of County Commissioners	\$ 57,090	55,103	52,659	50,701	47,709	46,315	45,107	31,240	28,391
Clerk of Courts	10,872	10,176	10,261	9,836	9,212	9,348	8,931	6,887	6,891
Property Appraiser	6,911	6,707	6,178	6,040	5,324	5,335	5,446	4,051	3,856
Sheriff	52,585	47,247	46,858	49,022	44,541	45,264	43,928	34,974	32,200
Supervisor of Elections	2,888	2,667	2,502	2,335	2,256	1,685	1,864	1,406	1,328
Tax Collector	<u>5,035</u>	<u>4,878</u>	<u>4,353</u>	<u>4,273</u>	<u>4,187</u>	<u>4,072</u>	<u>4,002</u>	<u>2,984</u>	<u>2,840</u>
Total Hamilton County, Florida, contractually required contribution	<u>135,381</u>	<u>126,777</u>	<u>122,811</u>	<u>122,207</u>	<u>113,229</u>	<u>112,020</u>	<u>109,278</u>	<u>81,542</u>	<u>75,506</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hamilton County, Florida's covered-employee payroll	<u>\$ 8,155,474</u>	<u>\$ 7,637,166</u>	<u>\$ 7,398,239</u>	<u>\$ 7,361,724</u>	<u>\$ 6,838,883</u>	<u>\$ 6,998,443</u>	<u>\$ 6,627,391</u>	<u>\$ 6,471,563</u>	<u>\$ 6,292,231</u>
Contributions as a percentage of covered-employee payroll	1.66%	1.66%	1.66%	1.66%	1.66%	1.60%	1.65%	1.26%	1.20%

Note 1. Covered Employees

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

* Information is presented for those years available

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

<u>Measurement Date</u>	<u>Total OPEB Liability</u>	<u>Fiduciary Net Position</u>	<u>Net OPEB Liability</u>	<u>Funded Percentage</u>	<u>Covered Payroll</u>	<u>Net OPEB Liability as a % of Covered Payroll</u>
9/30/2022	\$ 186,319	\$ -	\$ 186,319	0.00%	\$ 6,679,835	2.79%
9/30/2021	263,892	-	263,892	0.00%	6,145,484	4.29%
9/30/2020	375,559	-	375,559	0.00%	6,251,424	6.01%
9/30/2019	214,226	-	214,226	0.00%	5,936,404	3.61%
9/30/2018	234,081	-	234,081	0.00%	5,670,706	4.13%
9/30/2017	234,170	-	234,170	0.00%	5,670,706	4.13%

* Information is presented for those years available

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

<u>Fiscal Year</u>	<u>Service Cost</u>	<u>Expected Interest Growth</u>	<u>Unexpected Investment Income</u>	<u>Demographic Experience</u>	<u>Employer Contribution</u>	<u>Employee Contribution</u>	<u>Benefit Payments & Refunds</u>	<u>Administrative Expenses</u>	<u>Changes in Benefit Terms</u>	<u>Assumption Changes</u>
2021-22	\$ 10,106	\$ 12,604	\$ -	\$ (5,557)	\$ -	0.00%	\$ (19,739)	\$ -	\$ -	\$ (74,987)
2020-21	12,673	9,222	-	(70,499)	-	0.00%	(17,573)	-	-	(45,490)
2019-20	13,646	4,666	-	132,478	-	0.00%	(19,755)	-	-	30,298
2018-19	11,358	8,305	-	(36,234)	-	0.00%	(27,147)	-	-	23,863
2017-18	8,313	8,521	-	-	-	0.00%	(16,923)	-	-	-

Note 1. Amortization Period

The amortization period for demographic experience and assumption changes was 9.74 years for the 2018-19 fiscal year, 9.62 years for the 2019-20 fiscal year, 9.49 years for the 2020-21 fiscal year, and 9.95 years for the 2021-22 fiscal year.

* Information is presented for those years available

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SUPPLEMENTARY INFORMATION

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HAMILTON COUNTY, FLORIDA

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS

September 30, 2022

	Fine & Forfeiture	CDBG	Local Housing (SHIP) Fund	Tourist Development	Public Records Modernization	Clerk's Fine & Forfeiture	Sheriff's Emerg. Mgt.	Sheriff's Inmate Welfare	Sheriff's 911 Commx	Total Nonmajor Special Revenue Funds
Assets										
Cash	\$ 370,765	\$ 14,381	\$ 521,199	\$ 106,756	\$ 56,042	\$ 36,222	\$ -	\$ 126,221	\$ 662,555	\$ 1,894,141
Accounts receivable	-	2,500	-	-	-	-	-	983	-	3,483
Interfund receivables	7,017	-	3,888	-	-	-	-	-	37,053	47,958
Due from other governmental units	-	-	-	3,006	-	3,498	35,217	-	-	41,721
Total assets	<u>\$ 377,782</u>	<u>\$ 16,881</u>	<u>\$ 525,087</u>	<u>\$ 109,762</u>	<u>\$ 56,042</u>	<u>\$ 39,720</u>	<u>\$ 35,217</u>	<u>\$ 127,204</u>	<u>\$ 699,608</u>	<u>\$ 1,987,303</u>
Liabilities and fund balances										
Liabilities										
Accounts payable	\$ 192	\$ -	\$ -	\$ 193	\$ -	\$ 600	\$ -	\$ -	\$ -	\$ 985
Interfund payables	-	16,881	-	-	-	-	35,217	-	-	52,098
Due to other governmental units	-	-	-	-	-	39,120	-	-	-	39,120
Unearned revenues	-	-	-	-	-	-	-	-	34,838	34,838
Other current liabilities	-	-	-	-	-	-	-	337	-	337
Total liabilities	<u>192</u>	<u>16,881</u>	<u>-</u>	<u>193</u>	<u>-</u>	<u>39,720</u>	<u>35,217</u>	<u>337</u>	<u>34,838</u>	<u>127,378</u>
Fund balances										
Restricted for:										
Other purposes	<u>377,590</u>	<u>-</u>	<u>525,087</u>	<u>109,569</u>	<u>56,042</u>	<u>-</u>	<u>-</u>	<u>126,867</u>	<u>664,770</u>	<u>1,859,925</u>
Total liabilities and fund balance	<u>\$ 377,782</u>	<u>\$ 16,881</u>	<u>\$ 525,087</u>	<u>\$ 109,762</u>	<u>\$ 56,042</u>	<u>\$ 39,720</u>	<u>\$ 35,217</u>	<u>\$ 127,204</u>	<u>\$ 699,608</u>	<u>\$ 1,987,303</u>

HAMILTON COUNTY, FLORIDA

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

For the Year Ended September 30, 2022

	<u>Fine & Forfeiture</u>	<u>CDBG</u>	<u>Local Housing (SHIP) Fund</u>	<u>Tourist Development</u>	<u>Public Records Modernization</u>	<u>Clerk's Fine & Forfeiture</u>	<u>Sheriff's Emerg. Mgt.</u>	<u>Sheriff's Inmate Welfare</u>	<u>Sheriff's 911 Commx</u>	<u>Total Nonmajor Special Revenue Funds</u>
Revenues										
Taxes	\$ -	\$ -	\$ -	\$ 54,750	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 54,750
Intergovernmental revenues	-	-	350,000	-	-	213,894	156,236	-	85,555	805,685
Charges for services	-	-	-	-	23,413	210,371	-	76,466	151,824	462,074
Fines and forfeitures	40,880	-	-	-	16	174,956	-	14	-	215,866
Interest	434	-	676	117	-	913	-	323	1,851	4,314
Miscellaneous	<u>793</u>	<u>-</u>	<u>23,687</u>	<u>-</u>	<u>-</u>	<u>838</u>	<u>2,077</u>	<u>-</u>	<u>-</u>	<u>27,395</u>
Total revenues	<u>42,107</u>	<u>-</u>	<u>374,363</u>	<u>54,867</u>	<u>23,429</u>	<u>600,972</u>	<u>158,313</u>	<u>76,803</u>	<u>239,230</u>	<u>1,570,084</u>
Expenditures										
Current										
General government	-	-	-	-	12,302	-	-	-	-	12,302
Public safety	11,340	-	-	-	-	-	203,524	38,799	186,905	440,568
Economic environment	-	1,762	476,407	33,061	-	-	-	-	-	511,230
Court related	-	-	-	-	-	596,535	-	-	-	596,535
Capital outlay	-	-	-	-	-	-	6,868	-	-	6,868
Debt service										
Principal	-	-	-	-	-	4,230	1,477	-	-	5,707
Interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>207</u>	<u>85</u>	<u>-</u>	<u>-</u>	<u>292</u>
Total expenditures	<u>11,340</u>	<u>1,762</u>	<u>476,407</u>	<u>33,061</u>	<u>12,302</u>	<u>600,972</u>	<u>211,954</u>	<u>38,799</u>	<u>186,905</u>	<u>1,573,502</u>

(Continued)
See notes to financial statements.

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

For the Year Ended September 30, 2022

	Fine & Forfeiture	CDBG	Local Housing (SHIP) Fund	Tourist Development	Public Records Modernization	Clerk's Fine & Forfeiture	Sheriff's Emerg. Mgt.	Sheriff's Inmate Welfare	Sheriff's 911 Commx	Total Nonmajor Special Revenue Funds
Excess (deficiency) of revenues over expenditures	<u>\$ 30,767</u>	<u>\$ (1,762)</u>	<u>\$ (102,044)</u>	<u>\$ 21,806</u>	<u>\$ 11,127</u>	<u>\$ -</u>	<u>\$ (53,641)</u>	<u>\$ 38,004</u>	<u>\$ 52,325</u>	<u>\$ (3,418)</u>
Other financing sources (uses)										
Interfund transfers in	-	1,762	-	-	-	-	53,641	-	-	55,403
Interfund transfers out	-	-	-	-	-	-	-	-	(72,873)	(72,873)
Transfers out to Constitutional Officers	<u>(4,100)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,100)</u>
Total other financing sources (uses)	<u>(4,100)</u>	<u>1,762</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>53,641</u>	<u>-</u>	<u>(72,873)</u>	<u>(21,570)</u>
Net change in fund balances	26,667	-	(102,044)	21,806	11,127	-	-	38,004	(20,548)	(24,988)
Fund balances at beginning of year	<u>350,923</u>	<u>-</u>	<u>627,131</u>	<u>87,763</u>	<u>44,915</u>	<u>-</u>	<u>-</u>	<u>88,863</u>	<u>685,318</u>	<u>1,884,913</u>
Fund balances at end of year	<u>\$ 377,590</u>	<u>\$ -</u>	<u>\$ 525,087</u>	<u>\$ 109,569</u>	<u>\$ 56,042</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 126,867</u>	<u>\$ 664,770</u>	<u>\$ 1,859,925</u>

HAMILTON COUNTY, FLORIDA

COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS

September 30, 2022

	Custodial Funds						Totals
	Registry of Courts	Bond Estreatures	Clerk's Trust	Child Support	Sheriff Inmate Custodial	Tax Collector Tax and Fees Custodial	
Assets							
Cash	\$ 49,664	\$ 190,016	\$ 830,817	\$ -	\$ 5,536	\$ 129,214	\$ 1,205,247
Due from individuals	-	-	-	-	-	-	-
Total assets	<u>49,664</u>	<u>190,016</u>	<u>830,817</u>	<u>-</u>	<u>5,536</u>	<u>129,214</u>	<u>1,205,247</u>
Liabilities							
Due to other governments:							
Hamilton County Board of County Commissioners	-	-	7,031	-	-	1,403	8,434
Other governmental units	-	-	7,022	-	-	127,757	134,779
State of Florida	-	-	558,401	-	-	36	558,437
Due to individuals	-	-	-	-	-	18	18
Total liabilities	<u>-</u>	<u>-</u>	<u>572,454</u>	<u>-</u>	<u>-</u>	<u>129,214</u>	<u>701,668</u>
Fiduciary net position							
Held for others	<u>\$ 49,664</u>	<u>\$ 190,016</u>	<u>\$ 258,363</u>	<u>\$ -</u>	<u>\$ 5,536</u>	<u>\$ -</u>	<u>\$ 503,579</u>

HAMILTON COUNTY, FLORIDA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS

For the Year Ended September 30, 2022

	Custodial Funds						Totals
	Registry of Courts	Bond Estreatures	Clerk's Trust	Child Support	Sheriff Inmate Custodial	Tax Collector Tax and Fees Custodial	
Additions							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,861,580	\$ 17,861,580
Fines and forfeits	-	-	2,070,428	-	-	-	2,070,428
Deposits (tax deeds)	-	-	212,568	-	-	-	212,568
Fees	-	-	-	1,799	-	2,630,050	2,631,849
Other fees and collections	-	-	80,741	110,141	194,941	-	385,823
Registry deposits	130,069	-	-	-	-	-	130,069
Bonds - bail, cash, and forfeiture	-	130,001	-	-	-	-	130,001
Interest	-	-	-	-	-	718	718
Total additions	<u>130,069</u>	<u>130,001</u>	<u>2,363,737</u>	<u>111,940</u>	<u>194,941</u>	<u>20,492,348</u>	<u>23,423,036</u>
Deductions							
Distributions							
Other governments	-	-	2,070,428	108,535	-	17,862,298	20,041,261
Tax deeds	-	-	75,215	-	-	-	75,215
Individuals and other	137,943	-	77,345	3,405	119,136	-	337,829
Bonds	-	85,075	-	-	-	-	85,075
Fees	-	-	-	-	-	2,630,050	2,630,050
Commissary sales	-	-	-	-	75,838	-	75,838
Total deletions	<u>137,943</u>	<u>85,075</u>	<u>2,222,988</u>	<u>111,940</u>	<u>194,974</u>	<u>20,492,348</u>	<u>23,245,268</u>
Changes in net position	(7,874)	44,926	140,749	-	(33)	-	177,768
Net position - beginning	<u>57,538</u>	<u>145,090</u>	<u>117,614</u>	<u>-</u>	<u>5,569</u>	<u>-</u>	<u>325,811</u>
Net position - ending	<u>\$ 49,664</u>	<u>\$ 190,016</u>	<u>\$ 258,363</u>	<u>\$ -</u>	<u>\$ 5,536</u>	<u>\$ -</u>	<u>\$ 503,579</u>

HAMILTON COUNTY, FLORIDA

**BUDGETARY COMPARISON SCHEDULE
FINE AND FORFEITURE FUND**

For the Year Ended September 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Budgetary/actual fund balance	\$ 337,817	\$ 337,817	\$ 350,923	\$ 13,106
Estimated receipts				
Fines and forfeits				
Judgments and fines	6,000	6,000	6,024	24
Other fines and/or forfeits	25,400	25,400	34,856	9,456
Miscellaneous revenues				
Interest	140	140	434	294
Miscellaneous	<u>-</u>	<u>-</u>	<u>793</u>	<u>793</u>
Total estimated receipts and balances	<u>369,357</u>	<u>369,357</u>	<u>393,030</u>	<u>23,673</u>
Appropriations				
Public safety				
Emergency services				
Operating expenditures	-	-	11,340	(11,340)
Other financing uses				
Interfund transfers out	-	-	4,100	(4,100)
Reserves	<u>369,357</u>	<u>369,357</u>	<u>-</u>	<u>369,357</u>
Total appropriations	<u>369,357</u>	<u>369,357</u>	<u>15,440</u>	<u>353,917</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 377,590</u>	<u>\$ 377,590</u>

HAMILTON COUNTY, FLORIDA

**BUDGETARY COMPARISON SCHEDULE
CDBG HOUSING CONSTRUCTION FUND**

For the Year Ended September 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Budgetary fund balance	\$ -	\$ -	\$ -	\$ -
Estimated receipts				
Intergovernmental revenue				
Federal grants				
Federal housing	335,434	335,434	-	(335,434)
Other financing sources				
Interfund transfer in	<u>-</u>	<u>-</u>	<u>1,762</u>	<u>1,762</u>
Total revenues	<u>335,434</u>	<u>335,434</u>	<u>1,762</u>	<u>(333,672)</u>
 Appropriations				
Economic environment				
Housing and urban development				
Operating expenditures	74,646	74,646	-	74,646
Grants and aids	<u>260,788</u>	<u>260,788</u>	<u>-</u>	<u>260,788</u>
Total housing and urban development	<u>335,434</u>	<u>335,434</u>	<u>-</u>	<u>335,434</u>
Other financing sources (uses)				
Interfund transfers out	<u>-</u>	<u>-</u>	<u>1,762</u>	<u>(1,762)</u>
Total appropriations	<u>335,434</u>	<u>335,434</u>	<u>1,762</u>	<u>333,672</u>
Budgetary fund balance at year end	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

HAMILTON COUNTY, FLORIDA

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

For the Year Ended September 30, 2022

	Original <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>	Variance with Final Budget Positive <u>(Negative)</u>
Budgetary fund balance	\$ 142,433	\$ 142,433	\$ 627,131	\$ 484,698
Estimated receipts				
Intergovernmental revenue				
Local Housing Assistance Program	350,000	350,000	350,000	-
Miscellaneous revenues				
Interest	125	125	676	551
Miscellaneous	-	-	23,686	23,686
Other financing sources				
Interfund transfer in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total estimated receipts and balances	<u>492,558</u>	<u>492,558</u>	<u>1,001,493</u>	<u>508,935</u>
Appropriations				
Economic environment				
Housing and urban development				
Operating expenditures	<u>492,558</u>	<u>492,558</u>	<u>476,406</u>	<u>16,152</u>
Other financing uses				
Interfund transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total appropriations	<u>492,558</u>	<u>492,558</u>	<u>476,406</u>	<u>16,152</u>
Budgetary fund balance at year end	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 525,087</u>	<u>\$ 525,087</u>

HAMILTON COUNTY, FLORIDA

**BUDGETARY COMPARISON SCHEDULE
TOURIST DEVELOPMENT FUND**

For the Year Ended September 30, 2022

	Original <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>	Variance with Final Budget Positive <u>(Negative)</u>
Budgetary fund balance	\$ 70,170	\$ 70,170	\$ 87,763	\$ 17,593
Estimated receipts				
Taxes				
Local option tourist development tax	56,000	56,000	54,750	(1,250)
Intergovernmental revenue	10,000	10,000	-	(10,000)
Miscellaneous revenues				
Interest	26	26	117	91
Other miscellaneous revenues	<u>4,940</u>	<u>4,940</u>	<u>-</u>	<u>(4,940)</u>
Total estimated receipts and balances	<u>141,136</u>	<u>141,136</u>	<u>142,630</u>	<u>1,494</u>
Appropriations				
Economic environment				
Industry development				
Personal services	11,731	11,731	11,658	73
Operating expenditures	41,858	41,858	21,403	20,455
Capital outlay	-	-	-	-
Grants and aids	-	-	-	-
Other uses (reserves)	<u>87,547</u>	<u>87,547</u>	<u>-</u>	<u>87,547</u>
Total industry development	<u>141,136</u>	<u>141,136</u>	<u>33,061</u>	<u>108,075</u>
Budgetary fund balance at year end	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 109,569</u>	<u>\$ 109,569</u>

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COMPLIANCE SECTION

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

To the Honorable Board of County Commissioners
Hamilton County, Florida

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standard* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Hamilton County, Florida, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Hamilton County, Florida's basic financial statements, and have issued my report thereon dated May 26, 2023.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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



Kenneth M. Daniels
Certified Public Accountant
May 26, 2023

HAMILTON COUNTY, FLORIDA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

For the Year Ended September 30, 2022

Federal/State Agency Pass through Entity Federal Program/State Project	Assistance Listing/ CSFA Number	Grant/Contract Number	Award Amount	Beginning Balance 10/1/2021	Revenue	Expenditures	Transfers to Subrecipients	Unearned Balance 9/30/2022
Federal Financial Assistance								
Department of the Treasury Coronavirus State and Local Fiscal Recovery Funds	21.027	-	<u>\$ 2,802,470</u>	<u>\$ -</u>	<u>\$ 14,672</u>	<u>\$ 14,672</u>	<u>\$ -</u>	<u>\$ 1,386,563</u>
Department of Homeland Security Florida Division of Emergency Management Emergency Management Performance Grants	97.042	G0232	43,891	-	23,244	23,244	-	-
Emergency Management Performance Grants	97.042	G0253	<u>13,926</u>	<u>-</u>	<u>13,926</u>	<u>13,926</u>	<u>-</u>	<u>-</u>
Total Emergency Management Performance Grants		Total 97.042	<u>57,817</u>	<u>-</u>	<u>37,170</u>	<u>37,170</u>	<u>-</u>	<u>-</u>
United States Department of Health and Human Services Florida Department of Revenue Child Support Enforcement	93.563	COC24	<u>171,820</u>	<u>-</u>	<u>171,820</u>	<u>171,820</u>	<u>-</u>	<u>-</u>
Election Assistance Commission Florida Department of State Help America Vote Act	90.404	MOA 2021-001-HAM	<u>71,665</u>	<u>9,523</u>	<u>18,655</u>	<u>18,655</u>	<u>-</u>	<u>4,821</u>
Total federal assistance			<u>3,103,772</u>	<u>9,523</u>	<u>242,317</u>	<u>242,317</u>	<u>-</u>	<u>1,391,384</u>
State Financial Assistance								
Executive Office of the Governor Division of Emergency Management Emergency Management Programs	31.063	A0199	105,806	-	83,799	83,799	-	-
Emergency Management Programs	31.063	A0269	<u>105,806</u>	<u>-</u>	<u>35,267</u>	<u>35,267</u>	<u>-</u>	<u>-</u>
Total Emergency Management Programs		Total 31.063	<u>211,612</u>	<u>-</u>	<u>119,066</u>	<u>119,066</u>	<u>-</u>	<u>-</u>
Florida Department of Transportation Small County Road Assistance Program	55.016	435585-2-54-01/G1D52	<u>3,750,000</u>	<u>-</u>	<u>1,146,710</u>	<u>1,146,710</u>	<u>-</u>	<u>-</u>
Florida Housing Finance Corporation State Housing Initiatives Partnership (SHIP) Program	40.901	-	<u>350,000</u>	<u>-</u>	<u>350,000</u>	<u>476,407</u>	<u>-</u>	<u>-</u>
Florida Department of Management Services Wireless 911 Emergency Telephone System	72.001	21-10-06	<u>52,187</u>	<u>-</u>	<u>52,083</u>	<u>52,083</u>	<u>-</u>	<u>-</u>
Florida Department of Management Services Prepaid Next Generation 911 (NG911) Program	72.003	S15-20-06-06	<u>52,250</u>	<u>-</u>	<u>33,471</u>	<u>33,471</u>	<u>-</u>	<u>-</u>
Florida Department of Highway Safety and Motor Vehicles Florida Arts License Plates Project	76.041	-	<u>114</u>	<u>-</u>	<u>114</u>	<u>114</u>	<u>-</u>	<u>-</u>

(Continued)
See notes to schedule.

HAMILTON COUNTY, FLORIDA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

For the Year Ended September 30, 2022

Federal/State Agency Pass through Entity <u>Federal Program/State Project</u>	Assistance Listing/ CSFA <u>Number</u>	Grant/Contract <u>Number</u>	Award <u>Amount</u>	Beginning Balance <u>10/1/2021</u>	<u>Revenue</u>	<u>Expenditures</u>	Transfers to Subrecipients	Unearned Balance <u>9/30/2022</u>
Florida Department of Law Enforcement	-	7G026	\$ 206,500	\$ -	\$ 51,625	\$ 51,625	\$ -	\$ -
Florida Department of Financial Services								
Grants and Aids - Local Government Fire Service Grants	43.009	FM711	880,000	-	5,500	5,500	-	-
Florida Division of Emergency Management								
Local Emergency Management and Mitigation Initiatives	31.064	F0035	200,000	-	30,400	30,400	-	-
Florida Department of State and Secretary of State								
State Aid to Libraries	45.030	-	268,787	-	268,787	268,787	-	-
Florida Fish and Wildlife Conservation Commission								
Florida Boating Improvement Program	77.006	19214	238,719	-	55,750	55,750	-	-
Florida Department of Environmental Protection								
Statewide Water Quality Restoration Projects	37.039	LPA0169	475,000	-	57,203	57,203	-	-
State of Florida, General Revenue Fund								
Pandemic Recovery Plan	-	Appropriation 737A	6,465	-	6,465	6,465	-	-
Florida Department of Environmental Protection								
Small County Consolidated Grants	37.012	SC212	105,536	-	102,536	102,536	-	-
Total state financial assistance			<u>6,797,170</u>	<u>-</u>	<u>2,279,710</u>	<u>2,406,117</u>	<u>-</u>	<u>-</u>
Total financial assistance			<u>\$ 9,900,942</u>	<u>\$ 9,523</u>	<u>\$ 2,522,027</u>	<u>\$ 2,648,434</u>	<u>\$ -</u>	<u>\$ 1,391,384</u>

Notes to Schedule:

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards and state financial assistance includes the federal and state grant award activity for Hamilton County, Florida, under the programs of the federal government and State of Florida for the year ended September 30, 2022. The information in this Schedule is presented in accordance with the requirements of Chapter 10.550, *Rules of the Auditor General*. Because the Schedule presents only a selected portion of the operations of Hamilton County, Florida, it is not intended to and does not present the financial position, changes in net assets/position, or cash flows of Hamilton County, Florida.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting for all governmental funds and accrual basis for the enterprise funds.

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

To the Honorable Board of County Commissioners
Hamilton County, Florida

Report on Compliance for Each Major State Project

Opinion on Each Major State Project

I have audited Hamilton County, Florida's compliance with the types of compliance requirements described in the Department of Financial Services' *State Projects Compliance Supplement* that could have a direct and material effect on each of the Hamilton County, Florida's major state projects for the year ended September 30, 2022. Hamilton County, Florida's major state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In my opinion, Hamilton County, Florida, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state projects for the year ended September 30, 2022.

Basis for Opinion on Each Major State Project

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of the Department of Financial Services' *State Projects Compliance Supplement*. My responsibilities under those standards and the *State Projects Compliance Supplement* are further described in the Auditor's Responsibilities for the Audit of Compliance section of my report.

I am required to be independent of Hamilton County, Florida, and to meet my other ethical responsibilities, in accordance with relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion on compliance for each major state project. My audit does not provide a legal determination of Hamilton County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Hamilton County, Florida's state projects.

Auditor's Responsibilities for the Audit of Compliance

My objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Hamilton County, Florida's compliance based on my audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the *State Projects Compliance Supplement* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Hamilton County, Florida's compliance with the requirements of each major state project as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the *State Projects Compliance Supplement*, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Hamilton County, Florida's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Hamilton County, Florida's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the *State Projects Compliance Supplement*, but not for the purpose of expressing an opinion on the effectiveness of Hamilton County, Florida's internal control over compliance. Accordingly, no such opinion is expressed.

I are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that I identified during the audit.

Report on Internal Control over Compliance

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

control over compliance, yet important enough to merit attention by those charged with governance.

My consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during my audit I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

My audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of my testing of internal control over compliance and the results of that testing based on the requirements of the *State Projects Compliance Supplement*. Accordingly, this report is not suitable for any other purpose.



Kenneth M. Daniels
Certified Public Accountant
May 26, 2023

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

For the Year Ended September 30, 2022

SUMMARY OF AUDITOR'S RESULTS

<u>Financial Statements</u>	
Type of auditor's report issued:	Unmodified
Internal control over financial reporting: Material weakness(es) identified? Significant deficiency(ies) identified?	No None reported
Noncompliance material to financial statements noted?	No
<u>Federal Awards and State Projects</u>	
Internal control over major programs/projects: Material weakness(es) identified? Significant deficiency(ies) identified?	No None reported
Type of auditor's report issued on compliance for major programs/projects:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Chapter 10.557 <i>Rules of the Auditor General</i> ?	No
Identification of major projects: State Projects State of Florida, Department of Transportation Small County Road Assistance Program State Housing Initiatives Partnership Program (SHIP)	State CSFA No. 55.016 40.901
Dollar threshold used to distinguish between Type A and Type B programs – state projects:	\$721,800
Auditee qualified as low-risk pursuant to the Uniform Guidance (not applicable for State projects)	N/A
Findings – Financial Statements Finding Number None	Finding -
Findings and Questioned Costs – Major State Projects Finding Number None	Finding -

Other Issues

Summary Schedule of Prior Year Audit Findings

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

Corrective Action Plan

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

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INDEPENDENT ACCOUNTANT'S REPORT

To the Honorable Board of County Commissioners
Hamilton County, Florida

I have examined Hamilton County, Florida's compliance with *Florida Statutes* 218.415 during the period October 1, 2021, to September 30, 2022. Management of Hamilton County is responsible for the County's compliance with the specified requirements. My responsibility is to express an opinion on Hamilton County, Florida's compliance based on my examination.

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

I am required to be independent of Hamilton County, Florida, and to meet my other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

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

In my opinion, Hamilton County, Florida, complied in all material respects, with the specified requirements indicated above during the period October 1, 2021, to September 30, 2022.



Kenneth M. Daniels
Certified Public Accountant
May 26, 2023

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INDEPENDENT ACCOUNTANT'S REPORT

To the Honorable Board of County Commissioners
Hamilton County, Florida

I have examined Hamilton County, Florida's compliance with *Florida Statutes* 365.172(10) and 365.173(2)(d) October 1, 2021, to September 30, 2022. Management of Hamilton County is responsible for the County's compliance with the specified requirements. My responsibility is to express an opinion on Hamilton County, Florida's compliance based on my examination.

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

I am required to be independent of Hamilton County, Florida, and to meet my other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

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

In my opinion, Hamilton County, Florida, complied in all material respects, with the specified requirements indicated above during the period October 1, 2021, to September 30, 2022.



Kenneth M. Daniels
Certified Public Accountant
May 26, 2023

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MANAGEMENT LETTER

To the Honorable Board of County Commissioners
Hamilton County, Florida

Report on the Financial Statements

I have audited the financial statements of Hamilton County, Florida, as of and for the fiscal year ended September 30, 2022, and have issued my report thereon dated May 26, 2023.

Auditor's Responsibility

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

Other Reporting Requirements

I have issued my Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major State Project and Report on Internal Control over Compliance; and Independent Accountant's Reports on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550 *Rules of the Auditor General*. Disclosures in those reports and schedule, which is dated May 26, 2023, should be considered in conjunction with this management letter.

Prior audit findings

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

The prior year's finding was cleared.

Current Year Audit Findings:

There were no current year audit findings.

Official Title and Legal Authority

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

Financial Condition and Management

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

Pursuant to Sections 10.554(1)(i)5. b. and 10.556(8), *Rules of the Auditor General*, I applied financial condition assessment procedures. It is management's responsibility to monitor Hamilton County's financial condition, and my financial condition assessment was based in part on representations made by management and the review of financial information provided by same. The financial condition assessment was performed as of September 30, 2022.

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

Special District Component Units

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

Additional Matters

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

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 Hamilton County Board Members, and

applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

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

Kenneth M. Daniels
Certified Public Accountant
May 26, 2023

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INDEPENDENT AUDITOR'S REPORT

Honorable Clerk of the Circuit Court
Hamilton County, Florida

Report on the Audit of the Financial Statements

Opinions

I have audited the financial statements of the major fund and the aggregate remaining fund information of the Hamilton County Clerk of the Circuit Court, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Hamilton County Clerk of the Circuit Court's financial statements, as listed in the table of contents.

In my opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the major fund and the aggregate remaining fund information for the Hamilton County Clerk of the Circuit Court, as of September 30, 2022, and the respective changes in financial position thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

I conducted my audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the Hamilton County Clerk of the Circuit Court and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Change in Accounting Principle

As discussed in Section II, Note 1 to the financial statements, in 2022, Hamilton County, Florida, adopted new accounting guidance, *GASB Statement No. 87, Leases*. My opinion is not modified with respect to this matter.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the *Rules of the Auditor General* of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of the major fund and the aggregate remaining fund information, only for that portion of the major funds, and the aggregate remaining fund information, of Hamilton County, Florida, that is attributable to the Hamilton County Clerk of the Circuit Court. They do not purport to, and do not, present fairly the financial position of Hamilton County, Florida, as of September 30, 2022, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. My opinion is not modified with respect to these matters.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Hamilton County Clerk of the Circuit Court's ability to continue as a going concern for twelve months beyond the financial statement date, including any known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the judgment made by a reasonable user made on the basis of these financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Hamilton County Clerk of the Circuit Court's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Hamilton County Clerk of the Circuit Court's ability to continue as a going concern for a reasonable period of time.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that I identified during the audit.

Required Supplementary Information

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

Supplementary Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Hamilton County Clerk of the Circuit Court's basic financial statements. The accompanying combining statement of fiduciary net position and statement of changes in fiduciary net position are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional

procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the combining fiduciary fund financial statements 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*, I have also issued my report dated May 26, 2023, on my consideration of the Hamilton County Clerk of the Circuit Court's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters included under the heading Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Hamilton County Clerk of the Circuit Court's internal control over financial reporting and compliance.



Kenneth M. Daniels
Certified Public Accountant
May 26, 2023

FINANCIAL STATEMENTS

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

**BALANCE SHEET
GOVERNMENTAL FUNDS**

September 30, 2022

	<u>General Fund</u>	<u>Public Records Modernization Trust Fund</u>	<u>Fine & Forfeiture Fund</u>	<u>Total Governmental Funds</u>
Assets				
Cash	\$ 1,075	\$ 56,042	\$ 36,222	\$ 93,339
Accounts receivable	646	-	-	646
Due from other governmental units				
State of Florida	<u>27,250</u>	<u>-</u>	<u>3,498</u>	<u>30,748</u>
Total assets	<u><u>\$ 28,971</u></u>	<u><u>\$ 56,042</u></u>	<u><u>\$ 39,720</u></u>	<u><u>\$ 124,733</u></u>
Liabilities and fund balances				
Liabilities				
Accounts payable	\$ 502	\$ -	\$ 600	\$ 1,102
Interfund payables				
Due to Clerk's Trust	17,433	-	-	17,433
Due to other governmental units				
Due to HCBCC - General Fund	10,822	-	-	10,822
Due to State of Florida	10	-	39,120	39,130
Other current liabilities	<u>204</u>	<u>-</u>	<u>-</u>	<u>204</u>
Total liabilities	<u><u>28,971</u></u>	<u><u>-</u></u>	<u><u>39,720</u></u>	<u><u>68,691</u></u>
Fund balances				
Restricted - public records modernization	<u>-</u>	<u>56,042</u>	<u>-</u>	<u>56,042</u>
Total liabilities and fund balances	<u><u>\$ 28,971</u></u>	<u><u>\$ 56,042</u></u>	<u><u>\$ 39,720</u></u>	<u><u>\$ 124,733</u></u>

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

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

For the Year Ended September 30, 2022

	General <u>Fund</u>	Public Records Modernization <u>Trust Fund</u>	Fine & Forfeiture <u>Fund</u>	Total Governmental <u>Funds</u>
Revenues				
Intergovernmental revenue				
Federal grant	\$ 171,820	\$ -	\$ 6,465	\$ 178,285
Article V Trust Fund	-	-	213,894	213,894
Charges for services				
General government	48,337	23,413	-	71,750
Court related	-	-	203,906	203,906
Fines and forfeits				
Fines	-	16	174,956	174,972
Miscellaneous				
Interest	79	-	913	992
Other miscellaneous	10,729	-	838	11,567
Total revenues	<u>230,965</u>	<u>23,429</u>	<u>600,972</u>	<u>855,366</u>
Expenditures				
Current				
General government				
Financial and administrative				
Personal services	425,174	-	-	425,174
Operating expenditures	55,040	-	-	55,040
Other general governmental services				
Personal services	66,000	-	-	66,000
Operating expenditures	26,317	12,302	-	38,619
Court related expenditures				
General administration				
Clerk of Court administration				
Personal services	-	-	187,783	187,783
Operating expenditures	-	-	39,635	39,635
Jury management				
Personal services	-	-	4,634	4,634
Operating expenditures	-	-	2,770	2,770
Circuit Court - Criminal				
Clerk of Court				
Personal services	-	-	106,283	106,283
Operating expenditures	-	-	3,331	3,331
Circuit Court - Civil				
Clerk of Court				
Personal services	-	-	17,937	17,937
Operating expenditures	-	-	834	834
Circuit Court - Family				
Clerk of Court				
Personal services	-	-	44,664	44,664
Operating expenditures	-	-	1,594	1,594
Circuit Court - Juvenile				
Clerk of Court				
Personal services	-	-	24,371	24,371
Operating expenditures	-	-	958	958

(Continued)

See notes to financial statements.

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

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

For the Year Ended September 30, 2022

	<u>General Fund</u>	<u>Public Records Modernization Trust Fund</u>	<u>Fine & Forfeiture Fund</u>	<u>Total Governmental Funds</u>
Expenditures - Court related (continued)				
Circuit Court - Probate				
Clerk of Court				
Personal services	\$ -	\$ -	\$ 5,515	\$ 5,515
Operating expenditures	-	-	276	276
County Court - Criminal				
Clerk of Court				
Personal services	-	-	42,935	42,935
Operating expenditures	-	-	1,291	1,291
County Court - Civil				
Clerk of Court				
Personal services	-	-	24,941	24,941
Operating expenditures	-	-	1,004	1,004
County Court - Traffic				
Clerk of Court				
Personal services	-	-	81,611	81,611
Operating expenditures	-	-	4,168	4,168
Debt service				
Principal	3,266	-	4,230	7,496
Interest	160	-	207	367
Total expenditures	<u>575,957</u>	<u>12,302</u>	<u>600,972</u>	<u>1,189,231</u>
Excess (deficiency) of revenues over expenditures	(344,992)	11,127	-	(333,865)
Other financing sources in (out)				
Interfund transfer HCBCC	<u>344,992</u>	<u>-</u>	<u>-</u>	<u>344,992</u>
Net change in fund balances	-	11,127	-	11,127
Fund balances at beginning of year	<u>-</u>	<u>44,915</u>	<u>-</u>	<u>44,915</u>
Fund balances at end of year	<u>\$ -</u>	<u>\$ 56,042</u>	<u>\$ -</u>	<u>\$ 56,042</u>

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

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND**

September 30, 2022

	Custodial Fund
Assets	
Cash	<u>\$ 1,070,497</u>
Liabilities	
Due to other governments:	
Hamilton County Board of County Commissioners	7,031
Other governmental units	7,022
State of Florida	<u>558,401</u>
Total liabilities	<u>572,454</u>
Fiduciary net position	
Held for others	<u>\$ 498,043</u>

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

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

For the Year Ended September 30, 2022

	<u>Custodial Fund</u>
Additions	
Fines and forfeits	
State of Florida	\$ 1,952,251
Hamilton County, Florida	67,060
Municipalities	38,809
Hamilton County School District	12,308
Deposits (tax deeds)	212,568
Clerk fees	1,799
Other fees and collections	190,882
Registry deposits	130,069
Bonds - bail, cash, and forfeiture	<u>130,001</u>
Total additions	<u>2,735,747</u>
 Deductions	
Fines and forfeits distributed to:	
State of Florida	2,068,787
Hamilton County, Florida	64,213
Municipalities	34,480
Hamilton County School District	11,483
Deposits distributed (tax deeds)	75,215
Distributions to individuals and others	218,693
Distributions of unclaimed funds (State of Florida)	<u>85,075</u>
Total deletions	<u>2,557,946.00</u>
 Change in net position	 177,801
 Net position - beginning	 <u>320,242</u>
Net position - ending	<u>\$ 498,043</u>

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

NOTES TO FINANCIAL STATEMENTS

September 30, 2022

NOTE 1. THE REPORTING ENTITY

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

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Basis of Presentation

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

The Clerk reports the following major funds:

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

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

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

The Clerk reports the following fund type:

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

The following Fiduciary Funds are maintained:

- Child Support Fund
- Registry of Court
- Bond Estreatures Fund
- Trust Fund

B. Measurement Focus and Basis of Accounting

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

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

C. Deposits

See Note 2 at Section II.

In accordance with GASB 34, \$7,017 of cash held in the Clerk’s Fiduciary Funds was reclassified from interfund payables into cash at the government-wide financial statements.

D. Receivables/Due from other governments

At September 30, 2022, the Clerk was owed the following amounts:

<u>Fund</u>	State of <u>Florida</u>	<u>Description</u>
General	\$ 27,250	Child Support Enforcement Grant
Fine and Forfeiture	3,498	Jury Funds
Total	<u>\$ 30,748</u>	

An amount of \$646 is owed to the Clerk for miscellaneous charges.

E. Inventories

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

F. Capital Assets

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

G. Due to Other Governments

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

At September 30, 2022, this balance was \$39,120 and is reported in the Clerk's Fine and Forfeiture Fund.

H. Compensated Absences

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

In the governmental funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as an expenditure and fund liability in the Board of County Commissioner's fund that will pay for them. The remainder of the compensated absences is reported as a long-term liability at the county wide financial statement level. See Note 6 Section II.

I. Change in Accounting Principle

Governmental Accounting Standards Board Statement (GASB) No. 87: The Clerk implemented GASBS 87 which “better meets the information needs of financial statement users by improving accounting and financial reporting for leases by governments”. In implementing GASB 87, the Clerk’s General Fund’s fund balance required no restatement.

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

See Note 13 at Section II.

NOTE 3. LEASE LIABILITIES

In fiscal year 2021-22, the Clerk implemented the guidance in GASBS No. 87, *Leases*, for accounting and reporting leases that had previously been reported as operating leases.

For purposes of discounting future payments, the County and its Constitutional Officers used an imputed interest rate of 2.75%.

The Clerk has the following right-to-use lease agreements with Great American Financial Services:

<u>Description</u>	<u>Monthly Payment</u>
Copystar CX 6002i	\$ 186
Copystar CX 5002i	177
Copystar CX 8002i	251
Kyocera Ecosys M3655	62

The leased equipment and accumulated depreciation of the right-to-use assets are indicated at Section II, Note 4. Information on the associated liability is at Section II, Note 6.

NOTE 4. INTERFUND BALANCES AND TRANSFERS

Amounts owed by and transfers from the Hamilton County Board of County Commissioners at September 30, 2022, into the Clerk’s General Fund are as follows:

Interfund balances and Activity:

Due to Hamilton County BCC	<u>\$ 10,822</u>	Budgetary excess
Budgetary transfers from BCC		
General Fund	<u>\$ 344,992</u>	Budgeted transfers

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**REQUIRED SUPPLEMENTARY
INFORMATION**

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

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

For the Year Ended September 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental revenue				
Federal grant	\$ 175,000	\$ 175,000	\$ 171,820	\$ (3,180)
Charges for services				
General government	44,000	44,000	48,337	4,337
Miscellaneous				
Interest	157	157	79	(78)
Other miscellaneous	<u>10,800</u>	<u>10,800</u>	<u>10,729</u>	<u>(71)</u>
Total revenues	<u>229,957</u>	<u>229,957</u>	<u>230,965</u>	<u>1,008</u>
Expenditures				
General government				
Financial and administrative				
Personal services	407,183	407,183	425,174	(17,991)
Operating expenditures	53,405	53,405	55,040	(1,635)
Debt service	<u>-</u>	<u>-</u>	<u>3,056</u>	<u>(3,056)</u>
Total financial and administrative	<u>460,588</u>	<u>460,588</u>	<u>483,270</u>	<u>(22,682)</u>
Other general government services				
Personal services	59,585	59,585	66,000	(6,415)
Operating expenditures	25,598	25,598	26,317	(719)
Debt service	-	-	370	(370)
Other uses	<u>40,000</u>	<u>40,000</u>	<u>-</u>	<u>40,000</u>
Total financial and administrative	<u>125,183</u>	<u>125,183</u>	<u>92,687</u>	<u>32,496</u>
Total expenditures	<u>585,771</u>	<u>585,771</u>	<u>575,957</u>	<u>9,814</u>
Excess (deficiency) of revenues over expenditures	<u>(355,814)</u>	<u>(355,814)</u>	<u>(344,992)</u>	<u>10,822</u>
Other financing sources (uses)				
Interfund transfer in - HCBCC	355,814	355,814	344,992	(10,822)
Interfund transfer out - Clerk's F&F	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>355,814</u>	<u>355,814</u>	<u>344,992</u>	<u>(10,822)</u>
Net change in fund balance	-	-	-	-
Fund balances at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

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

For the Year Ended September 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary fund balance, beginning	\$ -	\$ -	\$ 44,915	\$ 44,915
Resources (inflows)				
Charges for services				
General government	-	-	23,413	23,413
Judgments, fines, and forfeits				
General government	<u>-</u>	<u>-</u>	<u>16</u>	<u>16</u>
Total amounts available for appropriation	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 68,344</u>	<u>\$ 68,344</u>
Charges to appropriations (outflows)				
General government				
Operating expenditures	\$ -	\$ -	\$ 12,302	\$ (12,302)
Other uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total general government	-	-	12,302	(12,302)
Budgeted/ending reserves	<u>-</u>	<u>-</u>	<u>56,042</u>	<u>(56,042)</u>
Total appropriations and reserves	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 68,344</u>	<u>\$ (68,344)</u>

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

BUDGETARY COMPARISON SCHEDULE - FINE AND FORFEITURE FUND

For the Year Ended September 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental revenue				
Other financial assistance - federal source	\$ -	\$ -	\$ 6,465	\$ 6,465
Article V Trust Fund	213,492	213,492	213,894	402
Charges for services				
Court related	199,320	199,320	203,906	4,586
Judgments, fines, and forfeits				
Fines	199,000	199,000	174,956	(24,044)
Miscellaneous				
Interest	-	-	913	913
Other miscellaneous	-	-	838	838
Total revenues	<u>611,812</u>	<u>611,812</u>	<u>600,972</u>	<u>(10,840)</u>
Expenditures				
Court related expenditures				
General administration				
Clerk of Court administration				
Personal services	182,818	182,818	187,783	(4,965)
Operating expenditures	40,750	40,750	39,635	1,115
Debt service	-	-	1,067	(1,067)
Jury management				
Personal services	4,290	4,290	4,634	(344)
Operating expenditures	11,219	11,219	2,770	8,449
Debt service	-	-	28	(28)
Circuit Court - Criminal				
Clerk of Court				
Personal services	69,051	69,051	106,283	(37,232)
Operating expenditures	5,000	5,000	3,331	1,669
Debt service	-	-	1,067	(1,067)
Expert Witness Fees				
Operating expenditures	500	500	-	500
Circuit Court - Civil				
Clerk of Court				
Personal services	25,242	25,242	17,937	7,305
Operating expenditures	3,275	3,275	834	2,441
Debt service	-	-	133	(133)
Circuit Court - Family				
Clerk of Court				
Personal services	43,154	43,154	44,664	(1,510)
Operating expenditures	3,725	3,725	1,594	2,131
Debt service	-	-	420	(420)

(Continued)

See notes to budgetary comparison schedule. Section III – Page 16

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

BUDGETARY COMPARISON SCHEDULE - FINE AND FORFEITURE FUND

For the Year Ended September 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures - Court related (continued)				
Circuit Court - Juvenile				
Clerk of Court				
Personal services	\$ 39,634	\$ 39,634	\$ 24,371	\$ 15,263
Operating expenditures	4,000	4,000	958	3,042
Debt service	-	-	224	(224)
Circuit Court - Probate				
Clerk of Court				
Personal services	7,891	7,891	5,515	2,376
Operating expenditures	3,000	3,000	276	2,724
Debt service	-	-	58	(58)
County Court - Criminal				
Clerk of Court				
Personal services	43,735	43,735	42,935	800
Operating expenditures	3,500	3,500	1,291	2,209
Debt service	-	-	364	(364)
County Court - Civil				
Clerk of Court				
Personal services	30,465	30,465	24,941	5,524
Operating expenditures	3,447	3,447	1,004	2,443
Debt service	-	-	261	(261)
County Court - Traffic				
Clerk of Court				
Personal services	81,616	81,616	81,611	5
Operating expenditures	5,500	5,500	4,168	1,332
Debt service	-	-	815	(815)
Total expenditures	611,812	611,812	600,972	10,840
Excess (deficiency) of revenues over expenditures	-	-	-	-
Other financing sources (uses)				
Interfund transfer in	-	-	-	-
Net change in fund balance	-	-	-	-
Fund balances at beginning of year	-	-	-	-
Fund balances at end of year	\$ -	\$ -	\$ -	\$ -

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

NOTES TO BUDGETARY COMPARISON SCHEDULES

September 30, 2022

NOTE 1. BUDGET

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

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

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

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

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

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

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

		Public Records Modernization
Sources/inflows of resources		<u>Fund</u>
Financial statement major funds		
Total amounts available for appropriation	\$	68,344
Adjustments		
Budgetary fund balances are available for appropriation but are not considered revenue for GAAP reporting		(44,915)
Total revenues reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	\$	23,429

NOTE 3. EXPENDITURES IN EXCESS OF APPROPRIATIONS

The Clerk’s General Fund’s personal services, operating, and debt service expenditures exceeded its appropriations at the legal level of budgetary control. The budget was not exceeded by total expenditures. The Clerk did not adopt a budget for the Public Records Modernization Fund.

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SUPPLEMENTARY INFORMATION

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

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

September 30, 2022

	Custodial Funds				<u>Totals</u>
	<u>Registry of Courts</u>	<u>Bond Estreatures</u>	<u>Clerk's Trust</u>	<u>Child Support</u>	
Assets					
Cash	<u>\$ 49,664</u>	<u>\$ 190,016</u>	<u>\$ 830,817</u>	<u>\$ -</u>	<u>\$ 1,070,497</u>
Liabilities					
Due to other governments:					
Hamilton County Board of County Commissioners	-	-	7,031	-	7,031
Other governmental units	-	-	7,022	-	7,022
State of Florida	<u>-</u>	<u>-</u>	<u>558,401</u>	<u>-</u>	<u>558,401</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>572,454</u>	<u>-</u>	<u>572,454</u>
Fiduciary net position					
Held for others	<u>\$ 49,664</u>	<u>\$ 190,016</u>	<u>\$ 258,363</u>	<u>\$ -</u>	<u>\$ 498,043</u>

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

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

For the Year Ended September 30, 2022

	Custodial Funds				<u>Totals</u>
	<u>Registry of Courts</u>	<u>Bond Estreatures</u>	<u>Clerk's Trust</u>	<u>Child Support</u>	
Additions					
Fines and forfeits					
State of Florida	\$ -	\$ -	\$ 1,952,251	\$ -	\$ 1,952,251
Hamilton County, Florida	-	-	67,060	-	67,060
Municipalities	-	-	38,809	-	38,809
Hamilton County School District	-	-	12,308	-	12,308
Deposits (tax deeds)	-	-	212,568	-	212,568
Clerk fees	-	-	-	1,799	1,799
Other fees and collections	-	-	80,741	110,141	190,882
Registry deposits	130,069	-	-	-	130,069
Bonds - bail, cash, and forfeiture	<u>-</u>	<u>130,001</u>	<u>-</u>	<u>-</u>	<u>130,001</u>
Total additions	<u>130,069</u>	<u>130,001</u>	<u>2,363,737</u>	<u>111,940</u>	<u>2,735,747</u>
Deductions					
Distributions					
State of Florida	-	-	1,960,252	108,535	2,068,787
Hamilton County, Florida	-	-	64,213	-	64,213
Municipalities	-	-	34,480	-	34,480
Hamilton County School District	-	-	11,483	-	11,483
Tax deeds	-	-	75,215	-	75,215
Individuals and others	137,943	-	77,345	3,405	218,693
Bonds	<u>-</u>	<u>85,075</u>	<u>-</u>	<u>-</u>	<u>85,075</u>
Total deletions	<u>137,943</u>	<u>85,075</u>	<u>2,222,988</u>	<u>111,940</u>	<u>2,557,946</u>
Changes in net position	(7,874)	44,926	140,749	-	177,801
Net position - beginning	<u>57,538</u>	<u>145,090</u>	<u>117,614</u>	<u>-</u>	<u>320,242</u>
Net position - ending	<u>\$ 49,664</u>	<u>\$ 190,016</u>	<u>\$ 258,363</u>	<u>\$ -</u>	<u>\$ 498,043</u>

COMPLIANCE SECTION

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

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

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Hamilton County Clerk of the Circuit Court, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Hamilton County Clerk of the Circuit Court's financial statements, and have issued my report thereon dated May 26, 2023.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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



Kenneth M. Daniels
Certified Public Accountant
May 26, 2023

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INDEPENDENT ACCOUNTANT'S REPORT

Honorable Clerk of the Circuit Court
Hamilton County, Florida

I have examined the Hamilton County Clerk of the Circuit Court's compliance with *Florida Statutes* 218.415 during the period October 1, 2021, to September 30, 2022. Management of the Hamilton County Clerk of the Circuit Court is responsible for the Clerk of the Circuit Court's compliance with the specified requirements. My responsibility is to express an opinion on the Hamilton County Clerk of the Circuit Court's compliance based on my examination.

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

I am required to be independent of the Hamilton County Clerk of the Circuit Court and to meet my other ethical responsibilities in accordance with relevant ethical requirements related to the engagement.

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

In my opinion, the Hamilton County Clerk of the Circuit Court complied in all material respects, with the specified requirements indicated above during the period October 1, 2021, to September 30, 2022.



Kenneth M. Daniels
Certified Public Accountant
May 26, 2023

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INDEPENDENT ACCOUNTANT'S REPORT

Honorable Clerk of the Circuit Court
Hamilton County, Florida

I have examined the Hamilton County Clerk of the Circuit Court's compliance with *Florida Statutes* 28.35 and 28.36 during the period October 1, 2021, to September 30, 2022. Management of the Hamilton County Clerk of the Circuit Court is responsible for the Clerk of the Circuit Court's compliance with the specified requirements. My responsibility is to express an opinion on the Hamilton County Clerk of the Circuit Court's compliance based on my examination.

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

I am required to be independent of the Hamilton County Clerk of the Circuit Court and to meet my other ethical responsibilities in accordance with relevant ethical requirements related to the engagement.

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

In my opinion, the Hamilton County Clerk of the Circuit Court complied in all material respects, with the specified requirements indicated above during the period October 1, 2021, to September 30, 2022.



Kenneth M. Daniels
Certified Public Accountant
May 26, 2023

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INDEPENDENT ACCOUNTANT'S REPORT

Honorable Clerk of the Circuit Court
Hamilton County, Florida

I have examined the Hamilton County Clerk of the Circuit Court's compliance with *Florida Statutes* 61.181 during the period October 1, 2021, to September 30, 2022. Management of the Hamilton County Clerk of the Circuit is responsible for the Clerk of the Circuit Court's compliance with the specified requirements. My responsibility is to express an opinion on the Hamilton County Clerk of the Circuit Court's compliance based on my examination.

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

I am required to be independent of the Hamilton County Clerk of the Circuit Court and to meet my other ethical responsibilities in accordance with relevant ethical requirements related to the engagement.

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

In my opinion, the Hamilton County Clerk of the Circuit Court complied in all material respects, with the specified requirements indicated above during the period October 1, 2021, to September 30, 2022.



Kenneth M. Daniels
Certified Public Accountant
May 26, 2023

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MANAGEMENT LETTER

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

Report on the Financial Statements

I have audited the financial statements of the Hamilton County Clerk of the Circuit Court, as of and for the fiscal year ended September 30, 2022, and have issued my report thereon dated May 26, 2023.

Auditor's Responsibility

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

Other Reporting Requirements

I have issued my Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Reports on examinations conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550 *Rules of the Auditor General*. Disclosures in those reports, which are dated May 26, 2023, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

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

Financial Management

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

Additional Matters

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

Purpose of this Letter

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



Kenneth M. Daniels
Certified Public Accountant
May 26, 2023

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INDEPENDENT AUDITOR'S REPORT

Honorable Property Appraiser
Hamilton County, Florida

Report on the Audit of the Financial Statements

Opinions

I have audited the financial statements of the major fund of the Hamilton County Property Appraiser, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Hamilton County Property Appraiser's financial statements, as listed in the table of contents.

In my opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the major fund information for the Hamilton County Property Appraiser, as of September 30, 2022, and the respective changes in financial position thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

I conducted my audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the Hamilton County Property Appraiser and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Change in Accounting Principle

As discussed in Section II, Note 1 to the financial statements, in 2022, Hamilton County, Florida, adopted new accounting guidance, *GASB Statement No. 87, Leases*. My opinion is not modified with respect to this matter.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the *Rules of the Auditor General* of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of the major fund and the aggregate remaining fund information, only for that portion of the major funds, and the aggregate remaining fund information, of Hamilton County, Florida, that is attributable to the Hamilton County Property Appraiser. They do not purport to, and do not, present fairly the financial position of Hamilton County, Florida, as of September 30, 2022, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. My opinion is not modified with respect to these matters.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Hamilton County Property Appraiser's ability to continue as a going concern for twelve months beyond the financial statement date, including any known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the judgment made by a reasonable user made on the basis of these financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Hamilton County Property Appraiser's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Hamilton County Property Appraiser's ability to continue as a going concern for a reasonable period of time.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that I identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information in Section V pages 11-12 be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the financial statements, and other knowledge I obtained during my audit of the financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated May 26, 2023, on my consideration of the Hamilton County Property Appraiser's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters included under the heading Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. The purpose of that report is to describe the scope of my testing of internal control

over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Hamilton County Property Appraiser's internal control over financial reporting and compliance.

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

Kenneth M. Daniels
Certified Public Accountant
May 26, 2023

FINANCIAL STATEMENTS

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**HAMILTON COUNTY, FLORIDA
PROPERTY APPRAISER**

**BALANCE SHEET
GOVERNMENTAL FUNDS**

September 30, 2022

	<u>General Fund</u>
Assets	
Cash	<u>\$ 107,533</u>
Liabilities and fund balance	
Liabilities	
Due to other governmental units	
Hamilton County Board of County Commissioners	\$ 107,533
Fund balance - unassigned	<u> -</u>
Total liabilities and fund balance	<u>\$ 107,533</u>

**HAMILTON COUNTY, FLORIDA
PROPERTY APPRAISER**

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

For the Year Ended September 30, 2022

	<u>General Fund</u>
Expenditures	
Current	
General government services	
Financial and administrative	
Personal services	\$ 593,819
Operating expenditures	186,364
Capital outlay	
General government services	
Financial and administrative	34,281
Debt service	
General government services	
Principal	1,721
Interest	<u>181</u>
Total expenditures	<u>816,366</u>
Excess (deficiency) of revenues over expenditures	(816,366)
Other financing sources	
Interfund transfers in - HCBCC	<u>816,366</u>
Net change in fund balance	-
Fund balance at beginning of year	<u>-</u>
Fund balance at end of year	<u><u>\$ -</u></u>

**HAMILTON COUNTY, FLORIDA
PROPERTY APPRAISER**

NOTES TO FINANCIAL STATEMENTS

September 30, 2022

NOTE 1. THE REPORTING ENTITY

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

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Basis of Presentation

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

The Property Appraiser reports the following major fund:

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

B. Measurement Focus and Basis of Accounting

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

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

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

C. Deposits

See Note 2 at Section II.

D. Inventories

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

E. Capital Assets

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

F. Compensated Absences

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

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

absences are reported as a long-term liability at the county wide financial statement level. See Note 6 Section II.

G. Change in Accounting Principle

Governmental Accounting Standards Board Statement (GASB) No. 87: The Property Appraiser implemented GASBS 87 which “better meets the information needs of financial statement users by improving accounting and financial reporting for leases by governments”. In implementing GASB 87, the Property Appraiser’s General Fund’s fund balance required no restatement.

NOTE 2. LEASE LIABILITIES

In fiscal year 2021-22, the Property Appraiser implemented the guidance in GASBS No. 87, *Leases*, for accounting and reporting leases that had previously been reported as operating leases.

The Property Appraiser has the following lease agreements:

Minimum lease payments over the next five years:

<u>Totals by lease</u>		<u>Principal</u>		<u>Interest</u>
Copystar CX 3253ci copier	\$	5,534	\$	349
iX-3 Mailing System		<u>1,548</u>		<u>38</u>
Totals	\$	<u><u>7,082</u></u>	\$	<u><u>387</u></u>

<u>Totals Year Ending September 30,</u>		<u>Principal</u>		<u>Interest</u>
2023	\$	2,220	\$	169
2024		1,751		110
2025		1,262		70
2026		1,298		34
2027		<u>551</u>		<u>4</u>
Total	\$	<u><u>7,082</u></u>	\$	<u><u>387</u></u>

For purposes of discounting future payments, the County and its Constitutional Officers used an imputed interest rate of 2.75%.

The leased equipment and accumulated depreciation of the right-to-use assets are indicated at Section II, Note 4. Information on the associated liability is at Section II, Note 6.

NOTE 3. FLORIDA RETIRMENT SYSTEM (FRS) - DEFINED BENEFIT PENSION PLAN

See Note 13 at Section II.

NOTE 4. INTERFUND ACTIVITY

Transfers from the Hamilton County Board of County Commissioners at September 30, 2022, were as follows:

\$813,366 Budgetary transfers

The Property Appraiser returned \$107,533 in excess budget transfers post year end. The amount was due to the Board of County Commissioners at September 30, 2022.

**REQUIRED SUPPLEMENTARY
INFORMATION**

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**HAMILTON COUNTY, FLORIDA
PROPERTY APPRAISER**

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

For the Year Ended September 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues				
Charges for services				
County officer fees	\$ -	\$ -	\$ -	\$ -
Expenditures				
General Government Services				
Personal services	605,689	605,689	593,819	11,870
Operating expenditures	248,771	248,771	186,364	62,407
Capital Outlay	36,500	36,500	34,281	2,219
Debt service	-	-	1,902	(1,902)
Other uses	<u>14,000</u>	<u>14,000</u>	-	<u>14,000</u>
Total expenditures	<u>904,960</u>	<u>904,960</u>	<u>816,366</u>	<u>88,594</u>
Excess (deficiency) of revenues over expenditures	<u>(904,960)</u>	<u>(904,960)</u>	<u>(816,366)</u>	<u>88,594</u>
Other financing sources (uses)				
Transfers from HCBCC General Fund	<u>904,960</u>	<u>904,960</u>	<u>816,366</u>	<u>(88,594)</u>
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**HAMILTON COUNTY, FLORIDA
PROPERTY APPRAISER**

NOTES TO BUDGETARY COMPARISON SCHEDULE

September 30, 2022

NOTE 1. BUDGET

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

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

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

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

The Property Appraiser made no supplemental budgetary amendments between object level codes during the year ended September 30, 2022.

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

NOTE 2. Budget Over-expenditure

Contrary to the legal level of budgetary control (the object level), the Property Appraiser over-expended debt service expenditures in the amount of \$1,902 (adoption of GASBS No. 87).

COMPLIANCE SECTION

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CERTIFIED PUBLIC ACCOUNTANT

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

To the Honorable Property Appraiser
Hamilton County, Florida

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Hamilton County Property Appraiser, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Hamilton County Property Appraiser's financial statements, and have issued my report thereon dated May 26, 2023.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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



Kenneth M. Daniels
Certified Public Accountant
May 26, 2023

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INDEPENDENT ACCOUNTANT'S REPORT

Honorable Property Appraiser
Hamilton County, Florida

I have examined the Hamilton County Property Appraiser's compliance with *Florida Statutes* 218.415 during the period October 1, 2021, to September 30, 2022. Management of the Hamilton County Property Appraiser is responsible for the Property Appraiser's compliance with the specified requirements. My responsibility is to express an opinion on Hamilton County Property Appraiser's compliance based on my examination.

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

I am required to be independent and to meet my other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

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

In my opinion, the Hamilton County Property Appraiser complied in all material respects, with the specified requirements indicated above during the period October 1, 2021, to September 30, 2022.



Kenneth M. Daniels
Certified Public Accountant
May 26, 2023

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MANAGEMENT LETTER

The Honorable Property Appraiser
Hamilton County, Florida

Report on the Financial Statements

I have audited the financial statements of the Hamilton County Property Appraiser, as of and for the fiscal year ended September 30, 2022, and have issued my report thereon dated May 26, 2023.

Auditor's Responsibility

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

Other Reporting Requirements

I have issued my Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550 *Rules of the Auditor General*. Disclosures in those reports, which are dated May 26, 2023, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

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

Financial Management

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

Additional Matters

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

Purpose of this Letter

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



Kenneth M. Daniels
Certified Public Accountant
May 26, 2023

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INDEPENDENT AUDITOR'S REPORT

Honorable Sheriff
Hamilton County, Florida

Report on the Audit of the Financial Statements

Opinions

I have audited the financial statements of the major fund and the aggregate remaining fund information of the Hamilton County Sheriff, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Hamilton County Sheriff's financial statements, as listed in the table of contents.

In my opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the major fund and the aggregate remaining fund information for the Hamilton County Sheriff, as of September 30, 2022, and the respective changes in financial position thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

I conducted my audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the Hamilton County Sheriff and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Change in Accounting Principle

As discussed in Section II, Note 1 to the financial statements, in 2022, Hamilton County, Florida, adopted new accounting guidance, *GASB Statement No. 87, Leases*. My opinion is not modified with respect to this matter.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the *Rules of the Auditor General* of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of the major fund and the aggregate remaining fund information, only for that portion of the major funds, and the aggregate remaining fund information, of Hamilton County, Florida, that is attributable to the Hamilton County Sheriff. They do not purport to, and do not, present fairly the financial position of Hamilton County, Florida, as of September 30, 2022, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. My opinion is not modified with respect to these matters.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Hamilton County Sheriff's ability to continue as a going concern for twelve months beyond the financial statement date, including any known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the judgment made by a reasonable user made on the basis of these financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Hamilton County Sheriff's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Hamilton County Sheriff's ability to continue as a going concern for a reasonable period of time.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that I identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information in Section V pages 15-20 be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the financial statements, and other knowledge I obtained during my audit of the financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated May 26, 2023, on my consideration of the Hamilton County Sheriff's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters included under the heading Independent Auditor's Report on

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

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

Kenneth M. Daniels
Certified Public Accountant
May 26, 2023

FINANCIAL STATEMENTS

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**HAMILTON COUNTY, FLORIDA
SHERIFF**

**BALANCE SHEET
GOVERNMENTAL FUNDS**

September 30, 2022

	General Fund	Emergency Management Fund	Inmate Welfare Fund	911 Communications Fund	Total Governmental Funds
Assets					
Current assets					
Cash	\$ 102,350	\$ -	\$ 126,221	\$ 662,555	\$ 891,126
Accounts receivable	-		983	-	983
Interfund receivables	21,107	-	-	-	21,107
Due from other governmental units					
HCBCC - General Fund	-	-	-	37,053	37,053
State of Florida	-	35,217	-	-	35,217
Prepaid items	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>100,000</u>
Total assets	<u>\$ 223,457</u>	<u>\$ 35,217</u>	<u>\$ 127,204</u>	<u>\$ 699,608</u>	<u>\$ 1,085,486</u>
Liabilities and Fund Balances					
Liabilities					
Current liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Payroll withholding	949	-	-	-	949
Interfund payables	-	21,107	-	-	21,107
Due to other governmental units					
HCBCC - General Fund	221,358	14,110	-	-	235,468
Unearned revenues	-	-	-	34,838	34,838
Other current liabilities	<u>1,150</u>	<u>-</u>	<u>337</u>	<u>-</u>	<u>1,487</u>
Total liabilities	<u>223,457</u>	<u>35,217</u>	<u>337</u>	<u>34,838</u>	<u>293,849</u>
Fund balances					
Restricted for:					
Other purposes	<u>-</u>	<u>-</u>	<u>126,867</u>	<u>664,770</u>	<u>791,637</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 223,457</u>	<u>\$ 35,217</u>	<u>\$ 127,204</u>	<u>\$ 699,608</u>	<u>\$ 1,085,486</u>

**HAMILTON COUNTY, FLORIDA
SHERIFF**

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

For the Year Ended September 30, 2022

	General <u>Fund</u>	Emergency Management <u>Fund</u>	Inmate Welfare <u>Fund</u>	911 Communications <u>Fund</u>	Total Governmental <u>Funds</u>
Revenues					
Intergovernmental	\$ -	\$ 156,236	\$ -	\$ 85,555	\$ 241,791
Charges for services	99,000	-	76,466	151,824	327,290
Fines and forfeits	-	-	14	-	14
Interest	-	-	323	1,851	2,174
Miscellaneous revenues	<u>87,032</u>	<u>2,077</u>	<u>-</u>	<u>-</u>	<u>89,109</u>
Total revenues	<u>186,032</u>	<u>158,313</u>	<u>76,803</u>	<u>239,230</u>	<u>660,378</u>
Expenditures					
Current					
Public safety					
Law enforcement					
Personal services	2,276,229	-	-	-	2,276,229
Operating expenditures	612,525	-	-	-	612,525
Corrections					
Personal services	1,929,438	-	-	-	1,929,438
Operating expenditures	759,784	-	38,799	-	798,583
Emergency services					
Emergency management					
Personal services	642,312	128,960	-	-	771,272
Operating expenditures	19,062	43,957	-	-	63,019
911 Mapping					
Personal services	-	21,484	-	-	21,484
Operating expenditures	-	9,123	-	-	9,123
Emergency communications					
Personal services	-	-	-	-	-
Operating expenditures	-	-	-	186,905	186,905
Courts - General Operations					
Courthouse security					
Personal services	9,000	-	-	-	9,000
Operating expenditures	1,309	-	-	-	1,309
Capital outlay					
Public safety					
Law enforcement					
Capital outlay	114,869	-	-	-	114,869

(Continued)
See notes to financial statements.

**HAMILTON COUNTY, FLORIDA
SHERIFF**

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

For the Year Ended September 30, 2022

	<u>General Fund</u>	<u>Emergency Management Fund</u>	<u>Inmate Welfare Fund</u>	<u>911 Communications Fund</u>	<u>Total Governmental Funds</u>
Expenditures (continued)					
Emergency services					
Emergency Management					
Capital outlay	\$ -	\$ 6,868	\$ -	\$ -	\$ 6,868
Debt service					
Principal	2,212	1,477	-	-	3,689
Interest	<u>124</u>	<u>85</u>	<u>-</u>	<u>-</u>	<u>209</u>
Total expenditures	<u>6,366,864</u>	<u>211,954</u>	<u>38,799</u>	<u>186,905</u>	<u>6,804,522</u>
Excess (deficiency) of revenues over expenditures	(6,180,832)	(53,641)	38,004	52,325	(6,144,144)
Other financing sources (uses)					
Transfers - interfund	72,873	-	-	(72,873)	-
Transfers in HCBCC	<u>6,107,959</u>	<u>53,641</u>	<u>-</u>	<u>-</u>	<u>6,161,600</u>
Total other financing sources (uses)	<u>6,180,832</u>	<u>53,641</u>	<u>-</u>	<u>(72,873)</u>	<u>6,161,600</u>
Net change in fund balances	-	-	38,004	(20,548)	17,456
Fund balances at beginning of year	<u>-</u>	<u>-</u>	<u>88,863</u>	<u>685,318</u>	<u>774,181</u>
Fund balances at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 126,867</u>	<u>\$ 664,770</u>	<u>\$ 791,637</u>

**HAMILTON COUNTY, FLORIDA
SHERIFF**

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND**

September 30, 2022

	Custodial <u>Fund</u>
Assets	
Cash	\$ <u>5,536</u>
Liabilities	
Due to individuals	<u>-</u>
Fiduciary net position	
Held for others	\$ <u><u>5,536</u></u>

**HAMILTON COUNTY, FLORIDA
SHERIFF**

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

For the Year Ended September 30, 2022

	Custodial <u>Fund</u>
Additions	
Fees and collections	
Collections from inmates	\$ <u>194,941</u>
Deductions	
Commissary sales	75,838
Distribution to individuals and others	
Bond fees	88,434
Indigent packs	573
Medical	7,252
Work release	47
Inmate withdrawals	<u>22,830</u>
Total deletions	<u>194,974</u>
Change in net position	(33)
Net position - beginning	<u>5,569</u>
Net position - ending	<u>\$ <u>5,536</u></u>

**HAMILTON COUNTY, FLORIDA
SHERIFF**

NOTES TO FINANCIAL STATEMENTS

September 30, 2022

NOTE 1. THE REPORTING ENTITY

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

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Basis of Presentation

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

The Sheriff reports the following major funds:

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

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

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

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

The Sheriff reports the following fund types:

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

B. Measurement Focus and Basis of Accounting

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

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

C. Deposits

See Note 2 at Section II.

D. Receivables/Due from other governments

At September 30, 2022, the Sheriff was owed the following amounts:

	General Fund	Emergency Management Fund	Inmate Welfare Fund	911 Communications Fund	Total
Accounts receivable - miscellaneous	\$ -	\$ -	\$ 983	\$ -	\$ 983
State of Florida - grant payments	-	35,217	-	-	35,217
Totals	<u>\$ -</u>	<u>\$ 35,217</u>	<u>\$ 983</u>	<u>\$ -</u>	<u>\$ 36,200</u>

E. Prepaid items

Prepaid items consist of fuel purchased in advance by the Sheriff and not consumed by fiscal year end. The balance at September 30, 2022, was \$100,000.

F. Inventories

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

G. Capital Assets

The Sheriff reports purchased assets at cost. Donated fixed assets are recorded at their estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add value to the asset or materially extend the assets' lives are not capitalized. The Sheriff's fixed asset purchases, in excess of \$5,000, are capitalized and reported at the county wide financial statement level. Details of the Sheriff's capital assets (equipment) including estimated useful lives and intangible right-to-use assets are at Note 4 in Section II.

H. Intangible Right-to-Use Assets

In fiscal year 2021-22, the Sheriff implemented the guidance in GASBS No. 87, *Leases*, and recognized the value of copiers and postage machines leased under long-term contracts.

See Note 2 below for the terms of the leases.

I. Compensated Absences

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

In the governmental funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as an expenditure and fund liability in the Board of County Commissioner's fund that will pay for them. The remainder of the compensated absences is reported as a long-term liability at the county wide financial statement level. See Note 6 Section II.

J. Change in Accounting Principle

Governmental Accounting Standards Board Statement (GASB) No. 87: The Sheriff implemented GASB 87 which "better meets the information needs of financial statement users by improving accounting and financial reporting for leases by governments". In implementing GASB 87, the Sheriff's General Fund's fund balance required no restatement.

NOTE 2. LEASE LIABILITIES

In fiscal year 2021-22, the Sheriff implemented the guidance in GASBS No. 87, *Leases*, for accounting and reporting leases that had previously been reported as operating leases.

The Sheriff has the following right-to-use lease agreements:

<u>Lessor</u>	<u>Equipment leased</u>	<u>Interest rate</u>	<u>Term (years)</u>	<u>Payment</u>
Great America Financial Services Corporation	Kyocera Ecosys M3655	2.75%	5	\$ 60
Great America Financial Services Corporation	Kyocera Ecosys M6535	2.75%	5	62
Ricoh USA Inc	Ricoh IMC3000	2.75%	5	130
Pitney Bowes	SendPro C Series Vs 4	2.75%	5	218

For purposes of discounting future payments, the County and its Constitutional Officers used an interest rate of 2.75%. (See above.)

The leased equipment and accumulated depreciation of the right-to-use assets are indicated at Section II, Note 4. The liabilities associated with the above right-to-use leases are reported at Section II, Note 6.

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

See Note 13 at Section II.

NOTE 4. CONTINGENT LIABILITIES

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

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

NOTE 5. RISK MANAGEMENT

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

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

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

NOTE 6. INTERFUND BALANCES AND ACTIVITY

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

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>	<u>Purpose</u>
Major Funds			
Sheriff's General Fund	\$ 21,107	\$ -	Interfund loan for grant expenditures
Emergency Management Fund	-	21,107	Interfund loan for grant expenditures
Totals	<u>\$ 21,107</u>	<u>\$ 21,107</u>	

<u>Fund</u>	<u>Interfund Transfer</u>	<u>Interfund Transfer</u>	<u>Purpose</u>
Major Funds			
Sheriff's General Fund	\$ 72,873	\$ -	Reimbursement of expenditures
Emergency Management Fund	-	72,873	Reimbursement of expenditures
Totals	<u>\$ 72,873</u>	<u>\$ 72,873</u>	

During the year ended September 30, 2022, the Hamilton County Board of County Commissioners made budgetary transfers of \$6,107,959 to the Sheriff's General Fund and \$53,641 to the Emergency Management Fund for grant match and 911 Mapping.

The interfund payables/receivables indicated above were the result of reimbursements for grant related expenditures and short-term loans (grant funds receivable).

NOTE 7. COMMITMENTS

The Sheriff has entered into the following agreements:

Food Service

The Sheriff has an agreement with Summit Food Service, LLC. (Summit), for the food services at the Hamilton County Jail. The agreement began March 22, 2022 and remains in effect until March 25, 2023, and can be renewed annually. Summit agrees to provide products in connection with Food Service for the Sheriff's inmates, employees, guests, and other persons at the Hamilton County Jail. The Sheriff pays Summit cost plus 25% for all products and services provided.

Inmate Telephone Services

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

Inmate Medical Care

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

Law Enforcement Services

The Sheriff has an agreement with the Town of White Springs, Florida, for law enforcement services. The Sheriff will provide law enforcement services on a full-time basis and duly perform all necessary and appropriate functions, actions, and responsibilities of a police and law enforcement agency for the Town. The agreement renews annually for twelve-month periods unless notified by either party of the intent to terminate. The Town pays \$8,250 monthly for the service.

**REQUIRED SUPPLEMENTARY
INFORMATION**

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**HAMILTON COUNTY, FLORIDA
SHERIFF**

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

For the Year Ended September 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ -	\$ 99,000	\$ 99,000	\$ -
Miscellaneous revenues	-	87,034	87,032	(2)
Total revenues	<u>-</u>	<u>186,034</u>	<u>186,032</u>	<u>(2)</u>
Expenditures				
Public safety				
Law enforcement				
Personal services	2,330,050	2,276,229	2,276,229	-
Operating expenditures	473,947	712,525	612,525	100,000
Capital outlay	-	114,868	114,868	-
Debt service	-	873	872	1
Other uses	10,000	-	-	-
Total law enforcement	<u>2,813,997</u>	<u>3,104,495</u>	<u>3,004,494</u>	<u>100,001</u>
Corrections				
Personal services	1,980,836	1,929,438	1,929,438	-
Operating expenditures	508,553	759,785	759,784	1
Capital outlay	-	-	-	-
Debt service	-	1,464	1,464	-
Other uses	10,000	-	-	-
Total corrections	<u>2,499,389</u>	<u>2,690,687</u>	<u>2,690,686</u>	<u>1</u>
Emergency communications				
Personal services	622,528	642,312	642,312	-
Operating expenditures	19,200	19,062	19,062	-
Capital outlay	2,500	-	-	-
Total emergency communications	<u>644,228</u>	<u>661,374</u>	<u>661,374</u>	<u>-</u>
Total public safety	<u>5,957,614</u>	<u>6,456,556</u>	<u>6,356,554</u>	<u>100,002</u>
Courts - General Operations				
Courthouse security				
Personal services	37,973	9,000	9,000	-
Operating expenditures	1,750	1,309	1,309	-
Capital outlay	-	-	-	-
Total courthouse security	<u>39,723</u>	<u>10,309</u>	<u>10,309</u>	<u>-</u>
Total expenditures	<u>5,997,337</u>	<u>6,466,865</u>	<u>6,366,863</u>	<u>100,002</u>

(Continued)

See notes to budgetary comparison schedule. Section V - Page 15

**HAMILTON COUNTY, FLORIDA
SHERIFF**

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

For the Year Ended September 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Excess (deficiency) of revenues over expenditures	\$ (5,997,337)	\$ (6,280,831)	\$ (6,180,831)	\$ 100,000
Other financing sources (uses)				
Interfund transfers - 911	-	72,873	-	(72,873)
Interfund transfers - HCBCC	<u>5,997,337</u>	<u>6,207,958</u>	<u>6,180,831</u>	<u>(27,127)</u>
Total other financing sources	<u>5,997,337</u>	<u>6,280,831</u>	<u>6,180,831</u>	<u>(100,000)</u>
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**HAMILTON COUNTY, FLORIDA
SHERIFF**

BUDGETARY COMPARISON SCHEDULE - INMATE WELFARE FUND

For the Year Ended September 30, 2022

	<u>Budgeted Amounts</u>			<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>			
Budgetary fund balance, beginning	\$ 25,000	\$ 30,000	\$ 88,863	\$ 58,863	
Revenues (inflows)					
Charges for services	26,500	76,466	76,466	-	
Fines and forfeits	-	14	14	-	
Interest	100	323	323	-	
Total amounts available for appropriation	51,600	106,803	165,666	58,863	
Charges to appropriation (outflows)					
Corrections					
Operating expenditures	31,100	38,799	38,799	-	
Capital outlay	10,000	-	-	-	
Grants and aids	500	-	-	-	
Other uses	10,000	68,004	-	68,004	
Total charges to appropriations	51,600	106,803	38,799	68,004	
Budgeted reserves	-	-	-	-	
Total appropriations and reserves	51,600	106,803	38,799	68,004	
Budgetary fund balance, ending	\$ -	\$ -	\$ 126,867	\$ 126,867	

**HAMILTON COUNTY, FLORIDA
SHERIFF**

BUDGETARY COMPARISON SCHEDULE - 911 COMMUNICATIONS

For the Year Ended September 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Budgetary fund balance, beginning	\$ 200,000	\$ 200,000	\$ 685,318	\$ (485,318)
Resources (inflows)				
Intergovernmental	44,250	183,104	85,555	97,549
Charges for services	46,760	54,277	151,824	(97,547)
Interest	<u>2,500</u>	<u>1,851</u>	<u>1,851</u>	<u>-</u>
Total amounts available for appropriation	<u>293,510</u>	<u>439,232</u>	<u>924,548</u>	<u>(485,316)</u>
Charges to appropriations (outflows)				
Emergency communications				
Operating expenditures	65,500	186,906	186,905	1
Capital outlay	28,000	72,873	-	72,873
Other uses	<u>200,010</u>	<u>179,453</u>	<u>-</u>	<u>179,453</u>
Total charges to appropriations	<u>293,510</u>	<u>439,232</u>	<u>186,905</u>	<u>252,327</u>
Other financing sources				
Interfund transfer in - HCBCC	-	-	-	-
Interfund transfer out	<u>-</u>	<u>-</u>	<u>(72,873)</u>	<u>(72,873)</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>(72,873)</u>	<u>(72,873)</u>
Total appropriations and other financing sources	<u>293,510</u>	<u>439,232</u>	<u>259,778</u>	<u>179,454</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 664,770</u>	<u>\$ (664,770)</u>

**HAMILTON COUNTY, FLORIDA
SHERIFF**

BUDGETARY COMPARISON SCHEDULE - EMERGENCY MANAGEMENT FUND

For the Year Ended September 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 163,624	\$ 156,236	\$ 156,236	\$ -
Miscellaneous	<u> -</u>	<u> 2,077</u>	<u> 2,078</u>	<u> 1</u>
Total amounts available for appropriation	<u>163,624</u>	<u>158,313</u>	<u>158,314</u>	<u> 1</u>
 Expenditures				
Emergency services				
Emergency management				
Personal services	122,479	128,961	128,960	1
Operating expenditures	56,824	53,956	43,957	9,999
Capital outlay	11,521	6,868	6,868	-
Debt service	<u> -</u>	<u> 1,563</u>	<u> 1,562</u>	<u> 1</u>
Total emergency management	<u>190,824</u>	<u>191,348</u>	<u>181,347</u>	<u>10,001</u>
 911 Mapping				
Personal services	34,100	21,484	21,484	-
Operating expenditures	4,000	9,123	9,123	-
Capital outlay	<u> 2,500</u>	<u> 4,158</u>	<u> -</u>	<u> 4,158</u>
Total 911 mapping	<u>40,600</u>	<u>34,765</u>	<u>30,607</u>	<u>4,158</u>
Total expenditures	<u>231,424</u>	<u>226,113</u>	<u>211,954</u>	<u>14,159</u>
 Excess (deficiency) of revenues over expenditures	<u>(67,800)</u>	<u>(67,800)</u>	<u>(53,640)</u>	<u>14,160</u>
 Other financing sources				
Interfund transfer in - HCBC	67,800	67,800	53,640	(14,160)
Interfund transfer out	<u> -</u>	<u> -</u>	<u> -</u>	<u> -</u>
Total other financing sources	<u>67,800</u>	<u>67,800</u>	<u>53,640</u>	<u>(14,160)</u>
 Net change in fund balance	-	-	-	-
 Fund balance at beginning of year	<u> -</u>	<u> -</u>	<u> -</u>	<u> -</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**HAMILTON COUNTY, FLORIDA
SHERIFF**

NOTES TO BUDGETARY COMPARISON SCHEDULES

September 30, 2022

NOTE 1. BUDGET

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

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

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

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

	Inmate Welfare <u>Fund</u>	911 Communications <u>Fund</u>
Sources/inflows of resources		
Financial statement major funds		
Total amounts available for appropriation	\$ 165,666	\$ 924,548
Adjustments		
Budgetary fund balances are available for appropriation but are not considered revenue for GAAP reporting	<u>(88,863)</u>	<u>(685,318)</u>
Total revenues reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 76,803</u>	<u>\$ 239,230</u>

COMPLIANCE SECTION

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

To the Honorable Sheriff
Hamilton County, Florida

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Hamilton County Sheriff, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Hamilton County Sheriff's financial statements, and have issued my report thereon dated May 26, 2023.

Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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



Kenneth M. Daniels
Certified Public Accountant
May 26, 2023

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INDEPENDENT ACCOUNTANT'S REPORT

Honorable Sheriff
Hamilton County, Florida

I have examined the Hamilton County Sheriff's compliance with *Florida Statutes* 218.415 during the period October 1, 2021, to September 30, 2022. Management of the Hamilton County Sheriff is responsible for the Sheriff's compliance with the specified requirements. My responsibility is to express an opinion on Hamilton County Sheriff's compliance based on my examination.

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

I am required to be independent and to meet my other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

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

In my opinion, the Hamilton County Sheriff complied in all material respects, with the specified requirements indicated above during the period October 1, 2021, to September 30, 2022.



Kenneth M. Daniels
Certified Public Accountant
May 26, 2023

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MANAGEMENT LETTER

To the Honorable Sheriff
Hamilton County, Florida

Report on the Financial Statements

I have audited the financial statements of the Hamilton County Sheriff, as of and for the fiscal year ended September 30, 2022, and have issued my report thereon dated May 26, 2023.

Auditor's Responsibility

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

Other Reporting Requirements

I have issued my Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550 *Rules of the Auditor General*. Disclosures in those reports, which are dated May 26, 2023, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

Financial Management

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

Additional Matters

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

Purpose of this Letter

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



Kenneth M. Daniels
Certified Public Accountant
May 26, 2023

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INDEPENDENT AUDITOR'S REPORT

Honorable Supervisor of Elections
Hamilton County, Florida

Report on the Audit of the Financial Statements

Opinions

I have audited the financial statements of the major fund of the Hamilton County Supervisor of Elections, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Hamilton County Supervisor of Elections' financial statements, as listed in the table of contents.

In my opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the major fund for the Hamilton County Supervisor of Elections, as of September 30, 2022, and the respective changes in financial position thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

I conducted my audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the Hamilton County Supervisor of Elections and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Change in Accounting Principle

As discussed in Section II, Note 1 to the financial statements, in 2022, Hamilton County, Florida, adopted new accounting guidance, *GASB Statement No. 87, Leases*. My opinion is not modified with respect to this matter.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the *Rules of the Auditor General* of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of the major fund and the aggregate remaining fund information, only for that portion of the major funds, and the aggregate remaining fund information, of Hamilton County, Florida, that is attributable to the Hamilton County Supervisor of Elections. They do not purport to, and do not, present fairly the financial position of Hamilton County, Florida, as of September 30, 2022, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. My opinion is not modified with respect to these matters.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Hamilton County Supervisor of Elections' ability to continue as a going concern for twelve months beyond the financial statement date, including any known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the judgment made by a reasonable user made on the basis of these financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Hamilton County Supervisor of Elections' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Hamilton County Supervisor of Elections' ability to continue as a going concern for a reasonable period of time.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that I identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information in Section VII pages 10-11 be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the financial statements, and other knowledge I obtained during my audit of the financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated May 26, 2023, on my consideration of the Hamilton County Supervisor of Elections' internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters included under the heading Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based

on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Hamilton County Supervisor of Elections' internal control over financial reporting and compliance.

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

Kenneth M. Daniels
Certified Public Accountant
May 26, 2023

FINANCIAL STATEMENTS

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**HAMILTON COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS**

**BALANCE SHEET
GOVERNMENTAL FUNDS**

September 30, 2022

	<u>General Fund</u>
Assets	
Cash	\$ 5,237
Due from other governmental units	<u>145</u>
Total assets	<u>\$ 5,382</u>
Liabilities, deferred inflows of resources, and fund balance	
Liabilities	
Due to other governmental units	
Hamilton County Board of County Commissioners (HCBCC)	\$ 561
Unearned revenue	<u>4,821</u>
Total liabilities	<u>5,382</u>
Fund balance	
Unassigned	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 5,382</u>

**HAMILTON COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS**

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

For the Year Ended September 30, 2022

	<u>General Fund</u>
Federal grants	
General government - voter education	<u>\$ 18,655</u>
Expenditures	
Current	
General government services	
Financial and administrative	
Personal services	283,382
Operating expenditures	107,235
Capital outlay	
Equipment	<u>10,556</u>
Total expenditures	<u>401,173</u>
Excess (deficiency) of revenues over expenditures	(382,518)
Other financing sources	
Interfund transfers in - HCBCC	<u>382,518</u>
Net change in fund balance	-
Fund balance at beginning of year	<u>-</u>
Fund balance at end of year	<u><u>\$ -</u></u>

**HAMILTON COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS**

NOTES TO FINANCIAL STATEMENTS

September 30, 2022

NOTE 1. THE REPORTING ENTITY

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

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Basis of Presentation

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

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

The Supervisor reports the following major fund:

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

B. Measurement Focus and Basis of Accounting

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

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

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

C. Deposits

See Note 2 at Section II.

D. Inventories

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

E. Capital Assets

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

F. Compensated Absences

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

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

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

absences is reported as a long-term liability at the county wide financial statement level. See Note 6 at Section II.

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

See Note 13 at Section II.

NOTE 3. UNEARNED REVENUE

The unearned revenue is for revenue (voters' grant) received in advance of charges for services or goods being earned.

The unearned revenue amount at September 30, 2022, was \$4,821.

NOTE 4. INTERFUND TRANSFERS

Transfers were made from the Hamilton County Board of County Commissioners' General Fund into the Supervisor of Elections' General Fund in the amount of \$382,518. The budgeted transfers were made in accordance with *Florida Statutes* 129.201.

Post year-end, the Supervisor returned excess budget transfers and fees collected in the amount of \$561 to the Board of County Commissioners. The excess was owed at September 30, 2022.

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**REQUIRED SUPPLEMENTARY
INFORMATION**

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**HAMILTON COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS**

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

For the Year Ended September 30, 2022

	Budgeted Amounts		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Federal grants				
General government - voter education	\$ -	\$ -	\$ 18,655	\$ 18,655
Expenditures				
General Government Services				
Personal services	279,651	282,382	283,382	(1,000)
Operating expenditures	101,400	100,169	117,791	(17,622)
Other uses	<u>1,500</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>382,551</u>	<u>382,551</u>	<u>401,173</u>	<u>(18,622)</u>
Excess (deficiency) of revenues over expenditures	<u>(382,551)</u>	<u>(382,551)</u>	<u>(382,518)</u>	<u>33</u>
Other financing sources (uses)				
Interfund transfers - HCBCC	<u>382,551</u>	<u>382,551</u>	<u>382,518</u>	<u>(33)</u>
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**HAMILTON COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS**

NOTES TO BUDGETARY COMPARISON SCHEDULE

September 30, 2022

NOTE 1. Budget

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

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

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

The legal level of budgetary control is the object level classification. The Supervisor of Elections made one supplemental budgetary appropriation for the year ended September 30, 2022.

NOTE 2. Budget Over-expenditure

Contrary to the legal level of budgetary control (the object level), the Supervisor over-expended personal services and operating expenditures in the amount of \$18,622 due to expenditures incurred for the Voter Education Grant.

COMPLIANCE SECTION

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KENNETH M. DANIELS
CERTIFIED PUBLIC ACCOUNTANT

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

To the Honorable Supervisor of Elections
Hamilton County, Florida

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Hamilton County Supervisor of Elections, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Hamilton County Supervisor of Elections' financial statements, and have issued my report thereon dated May 26, 2023.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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



Kenneth M. Daniels
Certified Public Accountant
May 26, 2023

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INDEPENDENT ACCOUNTANT'S REPORT

Honorable Supervisor of Elections
Hamilton County, Florida

I have examined the Hamilton County Supervisor of Elections' compliance with *Florida Statutes* 218.415 during the period October 1, 2021, to September 30, 2022. Management of the Hamilton County Supervisor of Elections is responsible for the Supervisor of Elections' compliance with the specified requirements. My responsibility is to express an opinion on Hamilton County Supervisor of Elections' compliance based on my examination.

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

I am required to be independent and to meet my other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

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

In my opinion, the Hamilton County Supervisor of Elections complied in all material respects, with the specified requirements indicated above during the period October 1, 2021, to September 30, 2022.



Kenneth M. Daniels
Certified Public Accountant
May 26, 2023

KENNETH M. DANIELS
CERTIFIED PUBLIC ACCOUNTANT

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MANAGEMENT LETTER

The Honorable Supervisor of Elections
Hamilton County, Florida

Report on the Financial Statements

I have audited the financial statements of the Hamilton County Supervisor of Elections, as of and for the fiscal year ended September 30, 2022, and have issued my report thereon dated May 26, 2023.

Auditor's Responsibility

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

Other Reporting Requirements

I have issued my Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550 *Rules of the Auditor General*. Disclosures in those reports, which are dated May 26, 2023, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

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

Financial Management

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

Additional Matters

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

Purpose of this Letter

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



Kenneth M. Daniels
Certified Public Accountant
May 26, 2023

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INDEPENDENT AUDITOR'S REPORT

Honorable Tax Collector
Hamilton County, Florida

Report on the Audit of the Financial Statements

Opinions

I have audited the financial statements of the major fund and the aggregate remaining fund information of the Hamilton County Tax Collector, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Hamilton County Tax Collector's financial statements, as listed in the table of contents.

In my opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the major fund and the aggregate remaining fund information for the Hamilton County Tax Collector, as of September 30, 2022, and the respective changes in financial position thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

I conducted my audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the Hamilton County Tax Collector and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Change in Accounting Principle

As discussed in Section II, Note 1 to the financial statements, in 2022, Hamilton County, Florida, adopted new accounting guidance, *GASB Statement No. 87, Leases*. My opinion is not modified with respect to this matter.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the *Rules of the Auditor General* of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of the major fund and the aggregate remaining fund information, only for that portion of the major funds, and the aggregate remaining fund information, of Hamilton County, Florida, that is attributable to the Hamilton County Tax Collector. They do not purport to, and do not, present fairly the financial position of Hamilton County, Florida, as of September 30, 2022, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. My opinion is not modified with respect to these matters.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Hamilton County Tax Collector's ability to continue as a going concern for twelve months beyond the financial statement date, including any known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the judgment made by a reasonable user made on the basis of these financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Hamilton County Tax Collector's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Hamilton County Tax Collector's ability to continue as a going concern for a reasonable period of time.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that I identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information in Section VII pages 13-14 be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the financial statements, and other knowledge I obtained during my audit of the financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated May 26, 2023, on my consideration of the Hamilton County Tax Collector's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters included under the heading Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit

of the Financial Statements Performed in Accordance with *Government Auditing Standards*. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Hamilton County Tax Collector's internal control over financial reporting and compliance.

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

Kenneth M. Daniels
Certified Public Accountant
May 26, 2023

FINANCIAL STATEMENTS

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**HAMILTON COUNTY, FLORIDA
TAX COLLECTOR**

**BALANCE SHEET
GOVERNMENTAL FUNDS**

September 30, 2022

	<u>General Fund</u>
Assets	
Cash	<u>\$ 25,714</u>
Liabilities and fund balance	
Liabilities	
Due to other governmental units	
Hamilton County Board of County Commissioners (HCBCC)	\$ 25,714
Fund balance - unassigned	<u> -</u>
Total liabilities and fund balance	<u>\$ 25,714</u>

**HAMILTON COUNTY, FLORIDA
TAX COLLECTOR**

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

For the Year Ended September 30, 2022

	<u>General Fund</u>
Revenues	
Charges for services	
General government	\$ 504,368
Miscellaneous revenues	
Interest	<u>218</u>
Total revenues	<u>504,586</u>
 Expenditures	
Current	
General government services	
Financial and administrative	
Personal services	439,411
Operating expenditures	92,902
Debt service	
Principal	884
Interest	<u>99</u>
Total expenditures	<u>533,296</u>
 Excess (deficiency) of revenues over expenditures	 (28,710)
 Other financing sources	
Interfund transfers in (out) - HCBCC	<u>28,710</u>
 Net change in fund balance	 -
 Fund balance at beginning of year	 <u>-</u>
Fund balance at end of year	<u><u>\$ -</u></u>

**HAMILTON COUNTY, FLORIDA
TAX COLLECTOR**

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND**

September 30, 2022

Assets	Custodial <u>Fund</u>
Cash	\$ <u>129,214</u>
 Liabilities	
Due to other governments:	
Hamilton County Board of County Commissioners	1,403
Other governmental units	127,757
State of Florida	36
Due to others	<u>18</u>
Total liabilities	<u>129,214</u>
 Fiduciary net position	 <u>-</u>
Total net position	<u>\$ -</u>

**HAMILTON COUNTY, FLORIDA
TAX COLLECTOR**

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

For the Year Ended September 30, 2022

	<u>Custodial Fund</u>
Additions	
Taxes	
Taxes	\$ 17,004,473
Delinquent taxes	857,107
Fees	
State of Florida	
Fees - drivers licenses, fish and game, motor vehicle	1,407,945
Sales tax	1,102,627
Tax Collector fees	114,700
Miscellaneous fees	930
Hamilton County	3,848
Interest	<u>718</u>
Total additions	<u>20,492,348</u>
 Deductions	
Distributions to other governments	
Property taxes distributed to others	17,861,580
Interest distributed to other governments	718
Fees/taxes distributed	
State of Florida (motor vehicle, fish and game, driver's licenses, sales tax)	2,510,572
Tax Collector (ad valorem, motor vehicle, driver's licenses, other)	114,700
Hamilton County, Florida	3,848
Miscellaneous fees distributed	<u>930</u>
Total liabilities	<u>20,492,348</u>
 Change in net position	 -
 Net position - beginning	 <u>-</u>
Net position - ending	<u><u>\$ -</u></u>

**HAMILTON COUNTY, FLORIDA
TAX COLLECTOR**

NOTES TO FINANCIAL STATEMENTS

September 30, 2022

NOTE 1. THE REPORTING ENTITY

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

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

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Basis of Presentation

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

The Tax Collector reports the following major fund:

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

The Tax Collector reports the following fund types:

Fiduciary Fund – This Custodial Fund accounts for monies (including fees) collected and disbursed to other governmental units and individuals.

B. Measurement Focus and Basis of Accounting

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

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

C. Deposits

See Note 2 at Section II.

In accordance with GASB 34, \$1,403 of the Tax Collector's Custodial Fund's cash was reclassified into the County's at the County-wide Financial Statement Level.

D. Inventories

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

E. Capital Assets

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

Intangible Right-to-Use Assets

In fiscal year 2021-22, the Tax Collector implemented the guidance in GASBS No. 87, *Leases*, and recognized the value of the postage machines leased under long-term contracts.

See Note 2 below for the terms of the leases.

F. Compensated Absences

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

In the governmental funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as expenditure and fund liability in the Board of County Commissioner's fund that will pay for them. The remainder of the compensated absences is reported as a long-term liability at the county wide financial statement level. See Note 6 in Section II.

G. Change in Accounting Principle

Governmental Accounting Standards Board Statement (GASB) No. 87: The Tax Collector implemented GASB 87 which “better meets the information needs of financial statement users by improving accounting and financial reporting for leases by governments”. In implementing GASB 87, the Tax Collector’s General Fund’s fund balance required no restatement.

NOTE 2. LEASE LIABILITIES

In fiscal year 2021-22, the Tax Collector implemented the guidance in GASBA No. 87, *Leases*, for accounting and reporting leases that had previously been reported as operating leases.

The Tax Collector has the following lease agreement:

<u>Lessor</u>	<u>Equipment leased</u>	<u>Interest rate</u>	<u>Term (years)</u>	<u>Payment</u>
Ricoh USA Inc	Ricoh IMC2000	2.75%	5	\$ 105

For purposes of discounting future payments, the County and its Constitutional Officers used an interest rate of 2.75%.

The leased equipment and accumulated depreciation of the right-to-use assets are indicated at Section II, Note 6.

NOTE 3. INTERFUND TRANSFERS

Transfers were made from the Hamilton County Board of County Commissioners' General Fund into the Tax Collector's General Fund in the amount of \$28,710. The budgeted transfers were made in accordance with *Florida Statutes* 145.141.

Post year-end, the Tax Collector returned \$25,714, of excess transfers, to the Board of County Commissioners.

NOTE 4. FLORIDA RETIREMENT SYSTEM (FRS) – DEFINED BENEFIT PLAN

See Note 13 at Section II.

**REQUIRED SUPPLEMENTARY
INFORMATION**

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**HAMILTON COUNTY, FLORIDA
TAX COLLECTOR**

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

For the Year Ended September 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
Revenues				
Charges for services	\$ 516,096	\$ 516,096	\$ 504,368	\$ (11,728)
Miscellaneous revenues				
Interest	250	250	218	(32)
Total revenues	516,346	516,346	504,586	(11,760)
Expenditures				
General government services				
Personal services	443,640	443,640	439,411	4,229
Operating expenditures	127,131	127,131	92,902	34,229
Debt service	-	-	983	(983)
Total expenditures	570,771	570,771	533,296	37,475
Excess (deficiency) of revenues over expenditures	(54,425)	(54,425)	(28,710)	25,715
Other financing sources				
Interfund transfers in (out) - HCBCC	54,425	54,425	28,710	(25,715)
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ -	\$ -

**HAMILTON COUNTY, FLORIDA
TAX COLLECTOR**

NOTES TO BUDGETARY COMPARISON SCHEDULE

September 30, 2022

NOTE 1. BUDGET

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

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

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

The Tax Collector made no supplemental budgetary appropriations during the year ended September 30, 2022.

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

NOTE 2. BUDGET OVEREXPENDITURE

The Tax Collector exceeded the budgeted amount within the debt service object level code by \$983. The budget was not exceeded in total.

COMPLIANCE SECTION

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KENNETH M. DANIELS
CERTIFIED PUBLIC ACCOUNTANT

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

To the Honorable Tax Collector
Hamilton County, Florida

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Hamilton County Tax Collector, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Hamilton County Tax Collector's financial statements, and have issued my report thereon dated May 26, 2023.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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



Kenneth M. Daniels
Certified Public Accountant
May 26, 2023

KENNETH M. DANIELS
CERTIFIED PUBLIC ACCOUNTANT

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Jasper, FL 32052

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INDEPENDENT ACCOUNTANT'S REPORT

Honorable Tax Collector
Hamilton County, Florida

I have examined the Hamilton County Tax Collector's compliance with *Florida Statutes 218.415* during the period October 1, 2021, to September 30, 2022. Management of the Hamilton County Tax Collector is responsible for the Tax Collector's compliance with the specified requirements. My responsibility is to express an opinion on the Hamilton County Tax Collector's compliance with the specified requirements above based on my examination.

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

I am required to be independent and to meet my other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

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

In my opinion, the Hamilton County Tax Collector complied in all material respects, with the specified requirements indicated above during the period October 1, 2021, to September 30, 2022.



Kenneth M. Daniels
Certified Public Accountant
May 26, 2023

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MANAGEMENT LETTER

To the Honorable Tax Collector
Hamilton County, Florida

Report on the Financial Statements

I have audited the financial statements of the Hamilton County Tax Collector, as of and for the fiscal year ended September 30, 2022, and have issued my report thereon dated May 26, 2023.

Auditor's Responsibility

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

Other Reporting Requirements

I have issued my Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550 *Rules of the Auditor General*. Disclosures in those reports, which are dated May 26, 2023, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. See

Note 1 in Section II. The Hamilton County Tax Collector's financial statements included no component units.

Financial Management

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

Additional Matters

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

Purpose of this Letter

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



Kenneth M. Daniels
Certified Public Accountant
May 26, 2023

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