



Holmes County, Florida

FINANCIAL STATEMENTS

September 30, 2023



	Page
FINANCIAL SECTION	
Independent Auditor's Report	1
Management's Discussion and Analysis	5
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position	15
Statement of Activities	17
Fund Financial Statements	
Balance Sheet – Governmental Funds.....	18
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	19
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	20
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	21
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	
General Fund	22
County Transportation Trust.....	24
SHIP	25
Statement of Fiduciary Net Position – Fiduciary Funds.....	26
Statement of Changes in Fiduciary Net Position – Fiduciary Funds	27
Notes to Financial Statements.....	28
Required Supplementary Information	
Schedule of Changes in Total OPEB Liability and Related Ratios.....	71
Schedule of Employer's Proportionate Share of the Net Pension Liability – Florida Retirement System Pension Plan.....	72
Schedule of Employer Contributions – Florida Retirement System Pension Plan.....	73
Schedule of Employer's Proportionate Share of the Net Pension Liability – Health Insurance Subsidy Program.....	74
Schedule of Employer Contributions – Health Insurance Subsidy Program.....	75
Notes to Required Supplementary Information	76
Other Supplementary Information	
Combining Financial Statements	
Description of Nonmajor Governmental Funds	77
Combining Balance Sheet – Nonmajor Governmental Funds	78
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds.....	80



	Page
Description of Fiduciary Funds	82
Combining Statement of Fiduciary Net Position - Fiduciary Funds	83
Combining Statement of Changes in Fiduciary Net Position - Fiduciary Funds.....	84
 REPORTS ON INTERNAL CONTROL AND COMPLIANCE MATTERS	
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 <i>Government Auditing Standards</i>	85
Independent Auditor’s Report on Compliance for Each Major Federal Program and Each Major State Project and on Internal Control Over Compliance Required by Uniform Guidance and Chapter 10.550 Rules of the Auditor General of the State of Florida	87
Schedule of Expenditures of Federal Awards and State Financial Assistance.....	90
Notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance	93
Schedule of Findings and Questioned Costs.....	95
Independent Accountant’s Report on Examination of Compliance with Specified Florida Statute Sections.....	97
Independent Auditor’s Management Letter.....	98
 FINANCIAL STATEMENTS AND COMPLIANCE REPORTS FOR CONSTITUTIONAL OFFICERS	
Clerk of the Circuit Court	101
Property Appraiser.....	139
Supervisor of Elections.....	165
Sheriff.....	189
Tax Collector	222

Holmes County, Florida

Principal Officers

Board of County Commissioners

Jeff Good District 1
Brandon Newsom District 2
Phillip Music District 3
Earl Stafford District 4
Clint Erickson District 5

Tax Collector

Harry B. Bell, III

Sheriff

John Tate

Property Appraiser

Bryan A. Bell

Supervisor of Elections

Therisa Meadows

Clerk of the Circuit Court

Sam Bailey



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INDEPENDENT AUDITOR’S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Holmes County, Florida (the “County”), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the County’s basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County, as of September 30, 2023 and the respective changes in financial position and the respective budgetary comparison for each major fund thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

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 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 County'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

Our 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*, we:

- 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 County'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 our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are 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, on pages 5 through 14, schedule of changes in total OPEB liability and related ratios, schedule of employer's proportionate share of the net pension liability – Florida Retirement Systems Pension Plan, schedule of employer contributions – Florida Retirement Systems Pension Plan, schedule of employer's proportionate share of the net pension liability – Health Insurance Subsidy Program and schedule of employer contributions – Health Insurance Subsidy Program, on pages 70 through 76, 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 (GASB), who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual non-major fund financial statements and combining and individual statement of fiduciary net position schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by Title 2 U.S. Code of *Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and Chapter 10.550, Local Governmental Audits, *Rules of the Auditor General* of the State of Florida, and neither schedule is a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relate 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 our opinion, the combining and individual nonmajor fund financial statements combining and individual statement of fiduciary net position schedules, the schedule of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2024, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

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

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

Enterprise, Alabama

March 25, 2024

Holmes County, Florida Management's Discussion and Analysis

As management of Holmes County, Florida (the "County"), we offer readers of the County's financial statements this narrative overview of the financial activities of the County for the fiscal year ended September 30, 2023 compared to September 30, 2022. Our intent is to provide a brief, objective, and easily readable analysis of the County's financial performance for the year and its financial position at September 30, 2023. To obtain a complete picture of the County's financial condition, this document should be read in conjunction with the accompanying financial statements.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at September 30, 2023 by \$58,475,774 (net position).
- Governmental Fund balances decreased \$102,939 to \$11,653,586.
- The General Fund balance decreased \$639,481 to \$4,834,557.
- General Fund revenues increased by \$1,552,568 or 9.84%.
- The County's outstanding capital leases, notes payable and bonded debt decreased \$429,518 or 15.77%.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

Holmes County, Florida Management's Discussion and Analysis

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

The government-wide financial statements can be found on pages 15-17.

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

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

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

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

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

Holmes County, Florida
Management's Discussion and Analysis

The governmental funds financial statements can be found on pages 18-25.

Notes to Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 28 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The County's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$58,475,774 at September 30, 2023, a decrease of \$1,591,934. The decrease was primarily due to an increase in the County's pension liability.

Holmes County's Net Position – Governmental Activities

<i>As of September 30,</i>	2023	2022
Assets		
Current and other assets	\$ 16,061,396	\$ 15,786,113
Capital assets, net	61,968,693	61,809,002
Total assets	78,030,089	77,595,115
Deferred Outflows of Resources	3,962,831	3,469,819
Liabilities		
Long-term liabilities outstanding	17,209,203	15,038,248
Other liabilities	3,954,558	4,281,603
Total liabilities	21,163,761	19,319,851
Deferred Inflows of Resources	2,353,385	1,677,375
Net Position		
Net investment in capital assets	59,674,590	59,085,381
Restricted	7,517,887	7,069,715
Unrestricted (deficit)	(8,716,703)	(6,087,388)
Net position - beginning	58,475,774	58,439,980
Prior period adjustment	-	(14,463)
Net position - beginning, as restated	58,475,774	(58,425,517)
Total net position	\$ 58,475,774	\$ 60,067,708

At September 30, 2023, \$59,674,590 of the County's net position reflect its investment in capital assets (e.g. land, buildings, infrastructure, and equipment) less any related outstanding debt used

Holmes County, Florida
Management's Discussion and Analysis

to acquire those assets. This percentage reflects a .99% increase of net investment in capital assets from the prior year. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional 12.86% or \$7,517,887 of the County's net position represents resources that are dedicated or subject to restrictions on how they may be used. Unrestricted net deficit of \$8,716,703 reflects a \$2,629,315 increase.

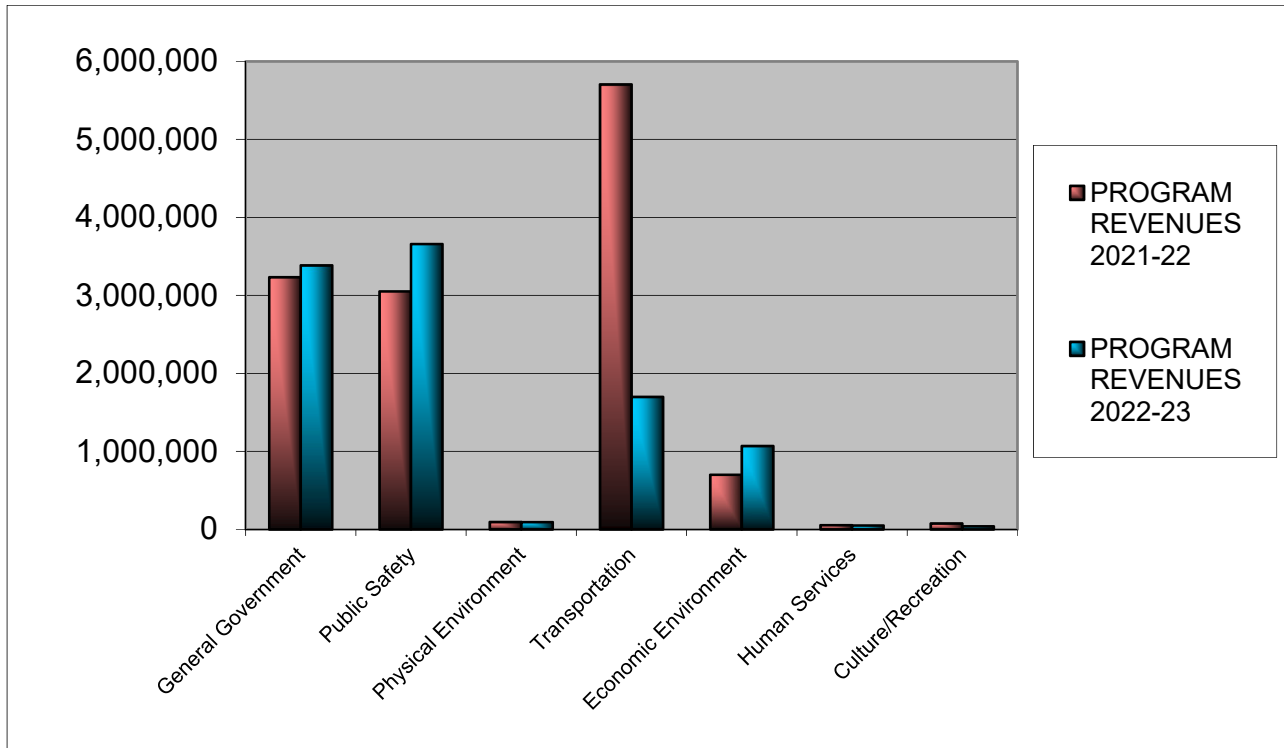
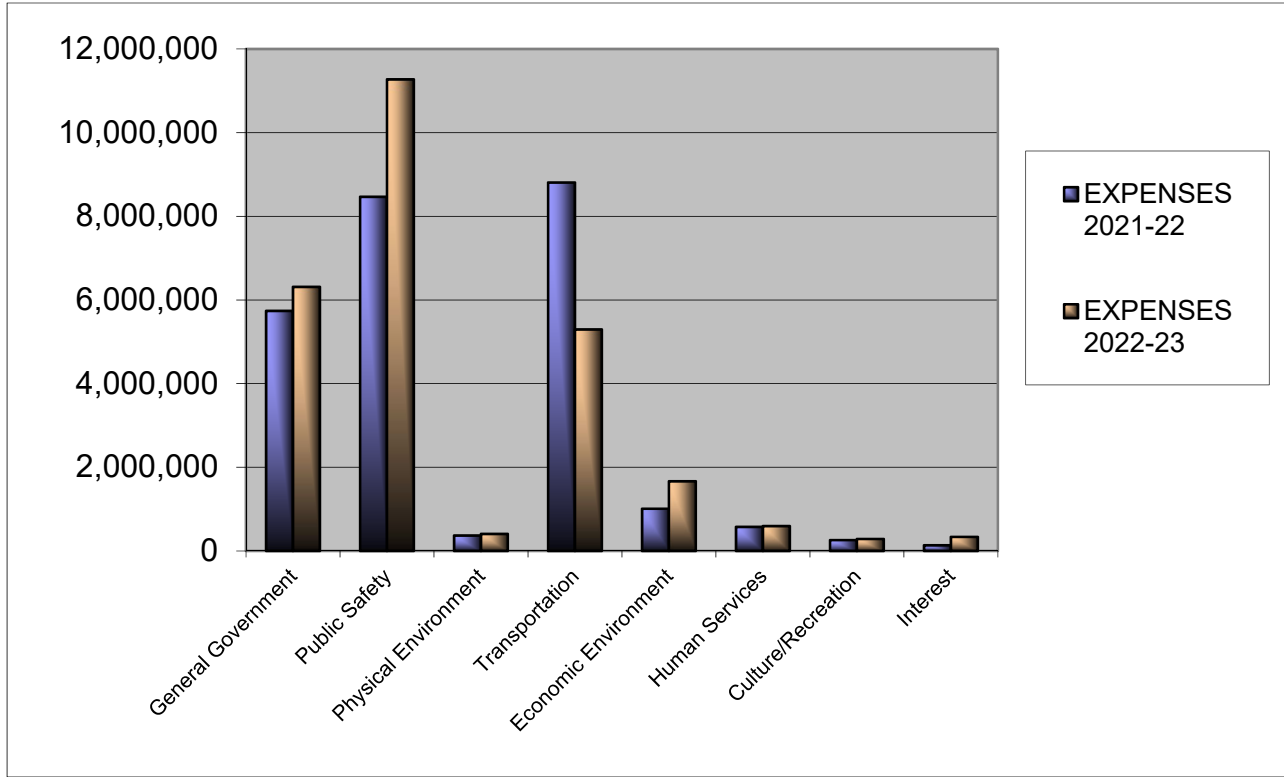
Governmental Activities decreased the County's net position by \$1,591,934 compared to an increase of \$1,642,191 in the prior year.

Holmes County's Changes in Net Position – Governmental Activities

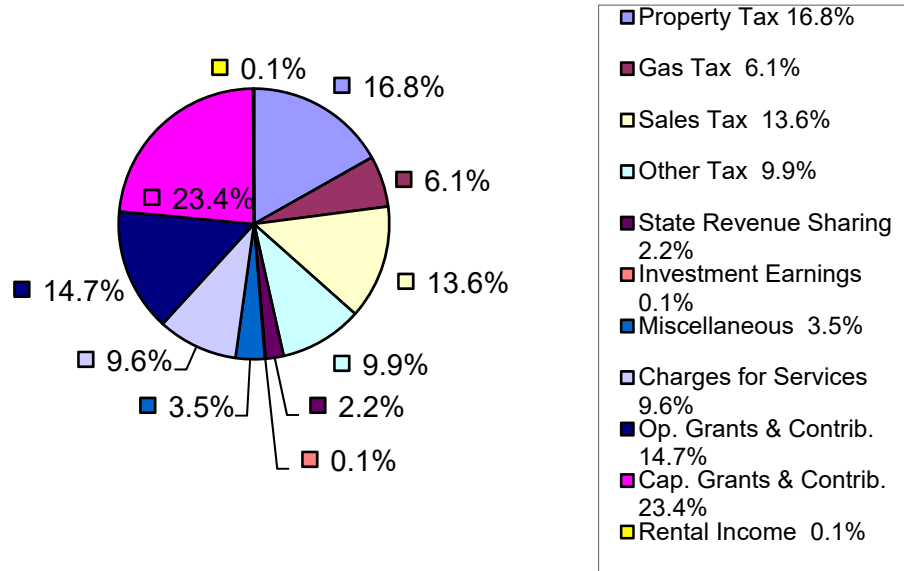
<i>Fiscal years ended September 30,</i>	2023	2022
Revenues:		
Program revenues:		
Charges for services	\$ 2,904,247	\$ 2,586,447
Operating grants and contributions	3,898,159	3,988,586
Capital grants and contributions	3,187,317	6,337,713
General revenues:		
Property taxes	4,931,784	4,537,736
Other taxes	8,100,840	8,019,371
Other	1,551,381	1,529,594
Total revenues	24,573,728	26,999,447
Expenses:		
General government	6,311,793	5,737,138
Public safety	11,273,421	8,466,231
Physical environment	406,146	367,623
Transportation	5,293,511	8,807,237
Economic environment	1,665,197	1,008,903
Human services	594,054	575,618
Culture/Recreation	285,715	259,316
Interest	335,825	135,190
Total expenses	26,165,662	25,357,256
Change in net position	(1,591,934)	1,642,191
Net position - beginning	60,067,708	58,425,517
Total net position - ending	\$ 58,475,774	\$ 60,067,708

Holmes County, Florida Management's Discussion and Analysis

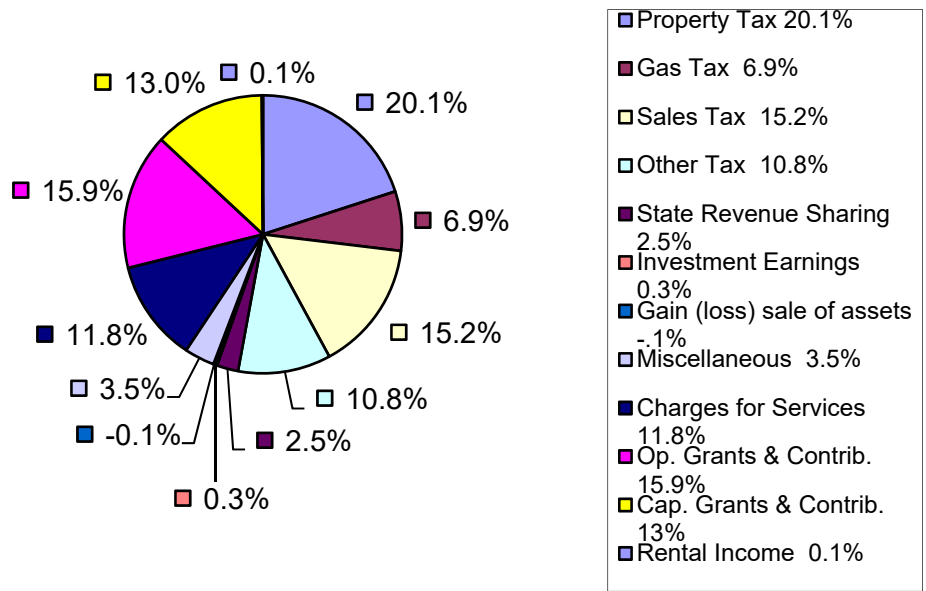
Expenses and Program Revenue-Governmental Activities



**Revenue By Source-Government Activities FY
2022**



**Revenue By Source-Government Activities FY
2023**



FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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

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

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

The County's governmental funds reported combined ending fund balances of \$11,653,586, a \$102,939 decrease from the prior year. There were no unassigned balances at September 30, 2023. Fund balances were nonspendable, restricted, committed or assigned to indicate that they are either restricted in what they can be used for or have been designated for particular purposes and therefore not available for spending.

The general fund is the chief operating fund of the County. At September 30, 2023, \$4,834,557 of the general fund was restricted or assigned to reflect budget commitments and judicially controlled funds, a decrease of \$639,481 or 11.68% from the prior year.

The transportation trust fund accounts for motor fuel taxes and various grant funds designated to finance road and bridge construction and maintenance. The use of this fund is restricted by state statute or the grantor for these designated purposes. The fund had a balance of \$4,845,133 at fiscal year-end. This was an increase of \$399,390 and was due to increased gas taxes and investment earnings as well as a decrease in road improvement activity.

The SHIP fund accounts for activity related to a state grant to improve housing. The use of this fund is restricted by the grant agreement for these designated purposes. For fiscal year 2023, the County expended \$845,724 for program services which is an increase of \$338,854 from fiscal year 2022.

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

Major Fund Information

	General Fund	County Transportation Trust	SHIP
Fiscal Year 2023			
Revenues and other sources	\$ 17,745,548	\$ 5,806,225	\$ 845,724
Expenditures and other uses	18,385,029	5,406,835	845,724
Increase (decrease) in fund balance	\$ (639,481)	\$ 399,390	\$ -

	General Fund	County Transportation Trust	SHIP
Fiscal Year 2022			
Revenues and other sources	\$ 15,804,027	\$ 9,689,373	\$ 506,870
Expenditures and other uses	14,947,455	9,350,872	506,870
Increase (decrease) in fund balance	\$ 856,572	\$ 338,501	\$ -

GENERAL FUND BUDGETARY HIGHLIGHTS

Budget and actual information for the major governmental funds is presented as part of the basic financial statements, beginning on page 22. The County adopted one Supplemental Budget and amended the budget five times during the year. The supplemental budget and amendments generally were to adjust for actual beginning balances and carryovers after closing the prior fiscal year, new grant sources and line item adjustments within departments.

The difference between the original and amended general fund budgeted expenditures was an increase of \$1,603,402 or 9.48%, with estimated revenues increasing by the same amount primarily from the American Rescue Plan (ARPA) Funds, Government Efficiency Center appropriations and Project Gateway loan payments.

CAPITAL ASSET AND DEBT ADMINISTRATION

The County's investment in capital assets for its governmental activities was \$61,968,693 at September 30, 2023 compared to \$61,809,002 for the prior year (net of accumulated depreciation).

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

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

Capital Assets, Net of Depreciation

<i>September 30,</i>	2023	2022
Land	\$ 6,058,873	\$ 6,058,873
Construction in progress	3,122,124	2,299,816
Buildings	10,793,190	10,616,694
Infrastructure	72,964,827	71,494,600
Equipment	13,011,434	12,357,011
Less: Accumulated depreciation	(44,648,721)	(41,980,762)
Right-to-use lease assets- Building	23,572	68,612
Right-to-use lease assets- Equipment	1,352,228	1,352,228
Less: Accumulated amortization	(708,834)	(458,070)
Total	\$ 61,968,693	\$ 61,809,002

Additional information on the County's capital assets can be found in Note 2 beginning on page 50.

Long-Term Debt

The County had a total bonded debt of \$1,343,670 at fiscal year end, a reduction of \$184,947 from the prior year. Total outstanding bonded debt is for series 2012 public improvement revenue bonds to finance the cost of the acquisition and construction of improvements to the County Jail and County Library.

Long-Term Debt – Governmental Activities

<i>September 30,</i>	2023	2022
Series 2012 Revenue bonds	\$ 1,343,670	\$ 1,528,617
Notes payable	80,400	157,986
Leases	870,033	1,037,018
Total	\$ 2,294,103	\$ 2,723,621

Additional information on the County's debt can be found in Note 2 beginning on page 53.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

* The unemployment rate for the County at fiscal year-end 2023 increased from 2.8% to 3.4%.

* The ad valorem tax millage rate is 9.4916 mills for the 2023-24 fiscal year.

Request For Information

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

Holmes County, Florida Statement of Net Position

	Primary Government	Component Unit
<i>September 30, 2023</i>	Governmental Activities	Development Commission
Assets		
Cash and cash equivalents	\$ 12,406,594	\$ 141,308
Investments	-	690,578
Receivables, net	217,385	8,741
Leases receivable	196,668	379,208
Prepaid items	18,980	-
Due from other governments	3,002,106	-
Inventory	141,588	-
Restricted assets		
Cash and cash equivalents	78,075	-
Investments	-	882,000
Capital assets		
Non-depreciable	9,180,997	5,257,621
Depreciable, net	52,120,730	1,410,790
Right-to-use lease assets, net	666,966	-
Total assets	78,030,089	8,770,246
Deferred Outflows of Resources		
Deferred outflows related to pension liability	3,910,721	-
Deferred outflows related to post-employment benefits	52,110	-
Total deferred outflows of resources	3,962,831	-
Liabilities		
Accounts payable	1,127,084	4,163
Accrued liabilities	220,454	-
Unearned revenue	1,782,283	-
Due to other governments	139,368	66,644
Unearned rent	2,450	14,314
Accrued interest payable	13,213	-
Non-current liabilities		
Due within one year	669,706	153,760
Due in more than one year	1,984,825	5,386,824
Net pension liability	14,835,818	-
Compensated absences	388,560	-
Total liabilities	21,163,761	5,625,705

-Continued-

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

Holmes County, Florida
Statement of Net Position (Continued)

	Primary Government Governmental Activities	Component Unit Development Commission
<i>September 30, 2023</i>		
Deferred Inflows of Resources		
Deferred inflows related to leases	185,443	311,586
Unavailable revenue on settlement allocations	931,748	-
Deferred inflows related to pension liability	912,740	-
Deferred inflows related to post-employment benefits	323,454	-
<hr/>		
Total deferred inflows of resources	2,353,385	311,586
Net Position		
Net investment in capital assets	59,674,590	2,009,827
Restricted for		
Debt service	78,075	-
Capital projects	822,745	-
General government	1,618,699	-
Transportation	4,703,545	-
Public safety	294,823	-
Unrestricted (deficit)	(8,716,703)	823,128
<hr/>		
Total net position	\$ 58,475,774	\$ 2,832,955
<hr/>		

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

Holmes County, Florida Statement of Activities

For the year ended September 30, 2023

Program

Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions
Primary Government			
Governmental Activities			
General government	\$ 6,311,793	\$ 907,754	\$ 1,626,907
Public safety	11,273,421	1,988,166	1,203,807
Physical environment	406,146	-	93,109
Transportation	5,293,511	-	-
Economic environment	1,665,197	-	893,984
Human services	594,054	8,327	41,891
Culture and recreation	285,715	-	38,461
Interest	335,825	-	-
Total primary government	\$ 26,165,662	\$ 2,904,247	\$ 3,898,159
Component Unit			
Holmes County Development Commission	\$ 592,668	\$ -	\$ -

General Revenues

Taxes
Property taxes
Sales taxes
Gasoline taxes
Other taxes
State revenue sharing
Rental income
Investment earnings
Gain (loss) on sale of assets
Miscellaneous
Total general revenues
Change in net position
Net position, beginning of year
Net position, end of year

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

Revenues	Net (Expense) Revenue and Changes in Net Position		
	Capital	Primary	Component
	Grants and Contributions	Governmental Activities	Unit Development Commission
\$ 849,302	\$ (2,927,830)	\$ -	
465,938	(7,615,510)	-	
-	(313,037)	-	
1,697,732	(3,595,779)	-	
174,345	(596,868)	-	
-	(543,836)	-	
-	(247,254)	-	
-	(335,825)	-	
<u>\$ 3,187,317</u>	<u>(16,175,939)</u>	<u>-</u>	
<u>\$ 247,651</u>	<u>-</u>	<u>(345,017)</u>	

4,931,784	-
3,745,121	-
1,698,934	-
2,656,785	-
611,067	-
33,738	232,221
74,656	51,251
(36,106)	96,224
868,026	12,875
<u>14,584,005</u>	<u>392,571</u>
<u>(1,591,934)</u>	<u>47,554</u>
<u>60,067,708</u>	<u>2,785,401</u>
<u>\$ 58,475,774</u>	<u>\$ 2,832,955</u>

Holmes County, Florida
Balance Sheet – Governmental Funds

<i>September 30, 2023</i>	General Fund	County Transportation Trust	SHIP
Assets			
Cash and cash equivalents	\$ 5,225,699	\$ 4,678,757	\$ 608,049
Accounts receivable	217,385	-	-
Leases receivable	196,668	-	-
Due from other governments	2,316,811	361,236	-
Due from other funds	-	7,332	-
Inventory	-	141,588	-
Restricted assets			
Cash and cash equivalents	-	-	-
Total assets	\$ 7,956,563	\$ 5,188,913	\$ 608,049
Liabilities, Deferred Inflows of Resources, and Fund Balances			
Liabilities			
Accounts payable	\$ 781,950	\$ 98,065	\$ 74,980
Accrued liabilities	154,600	42,451	-
Unearned revenue	1,033,713	203,259	533,069
Due to other governments	2,058	5	-
Due to other funds	32,494	-	-
Total liabilities	2,004,815	343,780	608,049
Deferred inflows of resources			
Unavailable revenue on settlement allocations	931,748	-	-
Deferred inflows related to leases	185,443	-	-
Total deferred inflows of resources	1,117,191	-	-
Fund balances			
Nonspendable	-	141,588	-
Restricted	870,897	4,703,545	-
Assigned	3,963,660	-	-
Total fund balances	4,834,557	4,845,133	-
Total liabilities, deferred inflows of resources, and fund balances	\$ 7,956,563	\$ 5,188,913	\$ 608,049

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

Nonmajor Governmental Funds	Total Governmental Funds
\$ 1,894,089	\$ 12,406,594
-	217,385
-	196,668
324,059	3,002,106
34,346	41,678
-	141,588
<u>78,075</u>	<u>78,075</u>
<u>\$ 2,330,569</u>	<u>\$ 16,084,094</u>
\$ 172,089	\$ 1,127,084
23,403	220,454
14,692	1,784,733
137,305	139,368
9,184	41,678
<u>356,673</u>	<u>3,313,317</u>
-	931,748
-	185,443
-	1,117,191
-	141,588
1,943,445	7,517,887
30,451	3,994,111
<u>1,973,896</u>	<u>11,653,586</u>
<u>\$ 2,330,569</u>	<u>\$ 16,084,094</u>

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

September 30, 2023

Total fund balances - governmental funds		\$ 11,653,586
Amounts reported for governmental activities in the statement of net position are different because:		
Capital and right-to-use lease assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.		
Governmental capital and right-to-use lease assets, net		61,968,693
Prepaid items are recorded as an expenditure in governmental funds when paid rather than as an asset until consumed, as reported on the Statement of Net Position		
		18,980
Other post-employment benefit ("OPEB") related deferred outflows, deferred inflows and total OPEB obligation represent an acquisition or consumption of net assets that applies to a future period and, therefore, are not reported as liabilities or assets in the governmental funds.		
Deferred outflows related to post-employment benefits	\$ 52,110	
Deferred inflows related to post-employment benefits	(323,454)	
Deferred outflows related to pension liabilities	3,910,721	
Deferred inflows related to pension liabilities	(912,740)	
Net pension liabilities	(14,835,818)	
Other post-employment benefit obligation	(317,255)	(12,426,436)
Other liabilities not due and payable in the current period and, therefore, not reported in the governmental fund are as follows:		
Accrued interest	\$ (13,213)	
Lease obligations	(870,033)	
Notes and bonds payable	(1,424,070)	
Compensated absences	(431,733)	(2,739,049)
Net position of governmental activities		\$ 58,475,774

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

Holmes County, Florida
Statement of Revenues, Expenditures and Changes in Fund Balance –
Governmental Funds

<i>For the year ended September 30, 2023</i>	General Fund	County Transportation Trust
Revenues		
Taxes	\$ 10,395,358	\$ 1,698,934
Licenses and permits	290,235	-
Intergovernmental	4,409,726	1,697,732
Charges for services	1,502,917	-
Fines and forfeitures	16,149	-
Investment earnings	13,732	60,915
Miscellaneous revenue	695,798	44,673
Total revenues	17,323,915	3,502,254
Expenditures		
Current		
General government	3,674,720	-
Public safety	8,658,690	-
Economic environment	1,034,453	-
Physical environment	355,792	-
Human services	505,527	-
Culture and recreation	258,511	-
Transportation	1,300	2,693,018
Capital outlay	1,563,794	1,824,914
Debt service		
Principal	112,001	282,572
Interest	7,236	58,286
Total expenditures	16,172,024	4,858,790
Excess (deficiency) of revenues over (under) expenditures	1,151,891	(1,356,536)
Other Financing Sources (Uses)		
Proceeds from issuance of debt	150,000	-
Proceeds from sale of capital assets	15,500	-
Transfers in	256,133	2,303,971
Justice Administrative Commission	-	-
Transfers out	(2,213,005)	(548,045)
Net other financing sources (uses)	(1,791,372)	1,755,926
Net change in fund balances	(639,481)	399,390
Fund balances, beginning of year	5,474,038	4,445,743
Fund balances, end of year	\$ 4,834,557	\$ 4,845,133

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

SHIP	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 12,094,292
-	-	290,235
845,724	1,681,693	8,634,875
-	708,894	2,211,811
-	386,052	402,201
-	9	74,656
-	33,915	774,386
845,724	2,810,563	24,482,456
-	1,650,869	5,325,589
-	859,447	9,518,137
845,724	-	1,880,177
-	-	355,792
-	52,422	557,949
-	1,317	259,828
-	-	2,694,318
-	87,856	3,476,564
-	-	-
-	184,947	579,520
-	43,740	109,262
845,724	2,880,598	24,757,136
-	(70,035)	(274,680)
-	-	150,000
-	-	15,500
-	228,696	2,788,800
-	6,241	6,241
-	(27,750)	(2,788,800)
-	207,187	171,741
-	137,152	(102,939)
-	1,836,744	11,756,525
\$ -	\$ 1,973,896	\$ 11,653,586

Holmes County, Florida

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

<i>For the year ended September 30,</i>	<i>2023</i>
Net change in fund balances - total governmental funds	\$ (102,939)
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlay, reported as expenditures in governmental funds, are shown as capital assets in the Statement of Net Position.	3,437,488
Donated capital assets do not use current financial resources and are not reported in the governmental funds.	127,380
Depreciation and amortization expense on governmental capital assets is included in the governmental activities in the Statement of Activities.	(3,353,570)
In the statement of activities, the gain or loss on the disposal of capital assets is reported. Whereas in the governmental funds, total proceeds from disposals are reported. Thus, the change in net position differs from the change in fund balance by the net book value of the disposed capital assets.	(51,607)
Issuance of long-term debt is an other financing source in the governmental funds, but increases long-term liabilities in the statement of net position.	(150,000)
Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	579,520
Changes in deferred outflows and deferred inflows related to pension liability and net pension liability do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.	(2,167,859)
Other postemployment benefit obligations reported in the statement of activities does not require the use of current financial resources and therefore, are not reported as an expenditure in governmental funds.	16,416
Compensated absences, accrued interest and prepaid items reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	73,237
Change in net position of governmental activities	\$ (1,591,934)

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

Holmes County, Florida
General Fund

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

<i>For the year ended September 30, 2023</i>	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Taxes	\$ 9,225,030	\$ 9,225,030	\$ 10,395,358	\$ 1,170,328
Licenses and permits	300,593	300,593	290,235	(10,358)
Intergovernmental	4,088,050	5,300,665	4,409,726	(890,939)
Charges for services	1,245,024	1,260,617	1,502,917	242,300
Fines and forfeitures	41,606	41,606	16,149	(25,457)
Investment earnings	18	18	13,732	13,714
Miscellaneous	255,422	352,234	695,798	343,564
Total revenues	15,155,743	16,480,763	17,323,915	843,152
Expenditures				
Current				
General government	3,848,305	4,070,008	3,674,720	395,288
Public safety	7,503,873	7,795,255	8,658,690	(863,435)
Economic environment	2,902,004	3,115,146	1,034,453	2,080,693
Physical environment	417,682	435,618	355,792	79,826
Human services	599,582	602,771	505,527	97,244
Culture and recreation	239,855	269,352	258,511	10,841
Transportation	1,300	1,300	1,300	-
Capital outlay	1,286,325	2,112,878	1,563,794	549,084
Debt service				
Principal	112,001	112,001	112,001	-
Interest	7,236	7,236	7,236	-
Total expenditures	16,918,163	18,521,565	16,172,024	2,349,541
Excess (deficiency) of revenues over (under) expenditures	(1,762,420)	(2,040,802)	1,151,891	3,192,693

Continued-

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

Holmes County, Florida
General Fund

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

<i>For the year ended September 30, 2023</i>	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Other Financing Sources				
Proceeds from issuance of debt	-	-	150,000	150,000
Proceeds from sale of capital assets	-	-	15,500	15,500
Transfers in	-	228,382	256,133	27,751
Transfers out	(2,444,330)	(2,444,330)	(2,213,005)	231,325
Net other financing sources (uses)	(2,444,330)	(2,215,948)	(1,791,372)	424,576
Net change in fund balance	(4,206,750)	(4,256,750)	(639,481)	3,617,269
Fund balance, beginning of year	5,474,038	5,474,038	5,474,038	-
Fund balance, end of year	\$ 1,267,288	\$ 1,217,288	\$ 4,834,557	\$ 3,617,269

Reconciliation of GAAP to Budgetary Basis

GAAP basis revenues	\$ 15,155,743	\$ 16,480,763	\$ 17,323,915	\$ 843,152
Non-budgeted revenues and other financing sources				
Intergovernmental	-	-	(985,900)	(985,900)
Miscellaneous	-	-	(297,309)	(297,309)
Budgetary basis revenues and other financing sources	\$ 15,155,743	\$ 16,480,763	\$ 16,040,706	\$ (440,057)
GAAP basis expenditures	\$ 16,918,163	\$ 18,521,565	\$ 16,172,024	\$ 2,349,541
Non-budgeted expenditures				
Public safety	-	-	(1,257,652)	1,257,652
Capital outlay	-	-	(25,557)	25,557
Budgetary basis expenditures	\$ 16,918,163	\$ 18,521,565	\$ 14,888,815	\$ 3,632,750

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

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

<i>For the year ended September 30, 2023</i>	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Taxes	\$ 1,596,126	\$ 1,596,126	\$ 1,698,934	\$ 102,808
Intergovernmental	3,500,000	3,518,675	1,697,732	(1,820,943)
Investment earnings	3,588	3,588	60,915	57,327
Miscellaneous	12,825	12,825	44,673	31,848
Total revenues	5,112,539	5,131,214	3,502,254	(1,628,960)
Expenditures				
Transportation	3,451,554	3,519,877	2,693,018	826,859
Capital outlay	7,378,657	7,100,627	1,824,914	5,275,713
Debt Service				
Principal	22,467	22,467	282,572	(260,105)
Interest	852	852	58,286	(57,434)
Total expenditures	10,853,530	10,643,823	4,858,790	5,785,033
Excess (deficiency) of revenues over (under) expenditures	(5,740,991)	(5,512,609)	(1,356,536)	4,156,073
Other Financing Sources				
Transfers in	2,303,971	2,303,971	2,303,971	-
Transfers out	(319,663)	(548,045)	(548,045)	-
Net other financing sources	1,984,308	1,755,926	1,755,926	-
Net change in fund balance	(3,756,683)	(3,756,683)	399,390	4,156,073
Fund balance, beginning of year	4,445,743	4,445,743	4,445,743	-
Fund balance, end of year	\$ 689,060	\$ 689,060	\$ 4,845,133	\$ 4,156,073

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

Holmes County, Florida
SHIP Special Revenue Fund

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

<i>For the year ended September 30, 2023</i>	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	954,925	954,925	\$ 845,724	\$ (109,201)
Expenditures				
Current				
Economic environment	954,925	954,925	845,724	109,201
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -

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

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

<i>September 30, 2023</i>	Custodial Funds
Assets	
Cash and cash equivalents	\$ 769,686
Receivables	37
Due from other governments	7,893
<hr/>	
Total assets	\$ 777,616
<hr/>	
Liabilities	
Accounts payable	\$ 72,600
Due to other governments	232,596
Due to individuals	318,961
Deposits	67,014
<hr/>	
Total liabilities	691,171
Net Position	
Restricted for inmate welfare	86,445
<hr/>	
Total liabilities and net position	\$ 777,616
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The accompanying notes are an integral part of these financial statements.

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

<i>For the year ended September 30, 2023</i>	Custodial Funds
Additions	
Clerk of circuit and county courts revenue	\$ 2,683,045
Tax collections, auto tag fees, and other fees for other governments	11,908,060
Inmate deposits	629,600
Total additions	15,220,705
Deductions	
Current	
Payments of clerk of circuit and county courts distributions to other governments	2,683,045
Payments of tax, auto tag fees, and other fees to other governments	11,908,060
Public safety	625,213
Total deductions	15,216,318
Changes in net position	4,387
Net position - beginning of year	82,058
Net position - end of year	\$ 86,445

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

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

Reporting Entity

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

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

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

Discretely Presented Component Unit

The Holmes County Development Commission (the Development Commission) was created by an act of the Florida Legislature (LF 61-2270; HB 1593) on July 1, 1962 for the purpose of "performing such acts as shall be necessary for the sound planning for and development of Holmes County". The Development Commission has a September 30 year end and consists of a single proprietary fund. Complete financial statements of the Development Commission can be obtained from the Development Commission at 401 East McLaughlin Avenue, Bonifay, Florida 32425.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Blended Component Unit

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

Government-Wide and Fund Financial Statements

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

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

The proprietary and fiduciary funds are reported using the economic resources measurement focus and the accrual basis of accounting.

Government-Wide Financial Statements

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

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements

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

The County reports the following major governmental funds:

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

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

SHIP accounts for state grant to improve housing.

The County reports the following fiduciary fund type:

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

Budgetary Information

Budgetary Basis of Accounting

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

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Information (continued)

Budgetary Basis of Accounting (continued)

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

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

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

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

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

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

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

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

Excess of expenditures over appropriations

For the year ended September 30, 2023, expenditures exceeded appropriations within the public safety function of the General Fund by \$863,435. The excess expenditures were a result of the County not budgeting \$1,283,209 of revenues and expenditures. A Reconciliation of GAAP to Budgetary Basis is presented on page 23 to show these unbudgeted revenues and expenditures. During fiscal year 2023, there were general fund supplemental budget appropriations of \$1,603,402 or 9.48% of the original budget.

Holmes County, Florida
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

General Fund

The following items represent the major additional appropriations:

Various federal and state grants	\$ 1,228,208
Various operating costs	375,194

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

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

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

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

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

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

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Employee Benefits

Compensated Absences

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

It is the County's policy to allow employees to accumulate unused paid time off. For the fiscal year ended September 30, 2023 for all governmental fund types, the liability relating to such vested unused paid time off to the extent of certain maximum hours is recorded in the accompanying government-wide financial statements. Expenditures for compensated absences in governmental funds are those paid during the current fiscal year and the amount unpaid at the end of the reporting period that normally would be liquidated with expendable available financial resources. Accumulated paid time off is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Pensions

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

Other Postemployment Benefits ("OPEB")

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

Holmes County, Florida Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Cash and Cash Equivalents

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

Investments

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

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

Receivables

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

Interfund Activities and Transactions

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

Inventories and Prepaid Items

The County uses the consumption method to account for inventory with cost determined by the first-in, first-out method. Inventory is comprised primarily by equipment parts and bulk fuel reported in the Transportation Trust Fund. Certain payments to vendors reflect cost applicable to future accounting periods and are recorded as prepaid items in the government-wide statements. At the fund level, expenditures are recognized when the available finance resource is expended.

Holmes County, Florida
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Restricted Assets

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

Capital Assets

Capital assets, which include property, plant, equipment, right-to-use assets, and infrastructure assets (e.g. roads, bridges, streets and sidewalks, and similar items) are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an individual cost of more than \$5,000 and an estimated useful life in excess of one year. Additions to capital assets are recorded at cost at the time of purchase. Donated capital assets are recorded at acquisition value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Capital assets inventory is maintained as required by Florida Statute 274 and Florida Administrative Code Sections 69(i)-73.002 and 69(i)-73.006.

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

<u>Capital asset classes</u>	<u>Lives</u>
Buildings	25 - 40
Building improvements	7 - 25
System infrastructure	20 - 40
Vehicles	5 - 10
Equipment	5 - 10
Improvements other than buildings	20 - 30
Right-to-use buildings	2 - 7
Right-to-use equipment	5 - 7

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

The County has two (2) items that qualify for reporting as deferred outflows of resources, the deferred outflows related to other postemployment benefits (OPEB) and the deferred outflows related to pensions, all reported in the government-wide statement of net position.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Deferred Outflows/Inflows of Resources (continued)

The deferred outflows related to pensions are an aggregate of items related to pensions as calculated in accordance with GASB Codification Section P20: Pension Activities – Reporting for Benefits Provided through Trusts That Meet Specified Criteria. The deferred outflows related to pensions and OPEB will be recognized as either pension or OPEB expense or a reduction in the pension or OPEB liability in future reporting years.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The County has four (4) items that qualify for reporting as deferred inflows of resources. The deferred inflows related to pensions are an aggregate of items related to pensions as calculated in accordance with GASB Codification Section P20: Pension Activities – Reporting for Benefits Provided through Trusts That Meet Specified Criteria. The deferred inflows related to pensions and OPEB will be recognized as a reduction to pension or OPEB expense in future reporting years. The deferred inflows related to leases relate to a tower lease in which the County is the lessor. Revenue will be recognized over the life of the lease. The County received \$12,098 and \$13,702 in principal and interest payments, respectively, during the year ended September 30, 2023. The deferred inflows related to settlement allocations relate to opioid settlements with the state of Florida that have been allocated to the County. This funding is maintained by a non-profit agency with authority over expenditure of the settlement over an eighteen year period.

Unearned revenues

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

Long-term Liabilities

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

Lease Obligations

GASB No. 87, *Leases*, was adopted October 1, 2021. Under this new guidance, all contracts allowing for the County to use another entity's asset for a period greater than 12 months must be recorded as both a right-of-use (ROU) asset and a lease liability. The lease liability is recorded at the present value of future lease payments, including fixed payments, variable payments based on an index or fixed rate and reasonably certain residual guarantees. The intangible leased asset is recorded for the same amount as the related lease liability plus any prepayments and initial direct costs to place the asset in service. Leased assets are amortized over the shorter of the useful life of the asset or

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Lease Obligations (continued)

the lease term. The lease liability is reduced for lease payments made, less the interest portion of the lease payment. Any contract not meeting the 12-month period requirement is recognized as rental expense.

The County uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the County uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of lease liability are composed of fixed payments and term options that the County is reasonably certain to exercise.

The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease receivable

The County and Commission records revenues from lease in accordance with GASB No. 87, *Leases*. The lease receivable is initially measured at the present value of the lease payments expected to be received during the lease term. The deferred lease inflow of resources is measured as the sum of the initial measurement of the lease receivable net of lease payments received. Lease receipts result in a reduction of the lease receivable and recognition of inflows of revenues. At September 30, 2023, the County's total lease receivable of \$196,668 was for the lease of towers. At September 30, 2023, the Commission's total lease receivable of \$379,208 was for the lease of buildings.

Categories and Classification of Net Position and Fund Equity

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

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Categories and Classification of Net Position and Fund Equity (continued)

restricted funds.

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

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

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

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

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

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

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

Unassigned – Unassigned fund balance is the residual classification.

Revenues and Expenditures/Expenses

Property Taxes

Property taxes in the County are levied by the Board. The millage levies are determined on the basis of estimates of revenue needs and the total taxable valuations within the jurisdiction of the Board.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenues and Expenditures/Expenses (continued)

Property Taxes (continued)

No aggregate ad valorem tax millage in excess of 10 mills on the dollar is levied against property of the County as specified in Florida Statute 200.071.

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

2023 Property tax calendar:

Lien date	- January 1, 2022
Levy date	- November 1, 2022
Tax bills mailed	- November 1, 2022
Collection dates	- November 30, 2022: 4% discount - Through January 2, 2023: 3% discount - Through January 31, 2023: 2% discount - Through February 28, 2023: 1% discount
Delinquent date	- April 1, 2023
Tax sale	- 2022 delinquent property taxes - on or before June 1, 2023

Management Estimates and Assumptions

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

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued March 25, 2024 and determined there were no events that occurred that required disclosure.

Recently Issued Accounting Pronouncements

In May 2019, the GASB issued Statement No. 91, Conduit Debt Obligations (GASB 91). The primary objectives of this statement are to provide a single method of reporting conduit debt obligations by

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued Accounting Pronouncements (continued)

issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021. The County adopted GASB 91 for the year ended September 30, 2023, and GASB 91 did not have a significant impact on the financial statements.

In March 2020, the GASB issued Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements (GASB 94). The objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022. The County adopted GASB 94 for the year ended September 30, 2023, and GASB 94 did not have a significant impact on the financial statements.

In May 2020, the GASB issued GASB Statement No. 96, Subscription-Based Information Technology Arrangements (GASB 96). This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Assets and liabilities resulting from SBITAs

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued Accounting Pronouncements (continued)

should be recognized and measured using the facts and circumstances that existed at the beginning of the fiscal year in which this Statement is implemented. Governments are permitted, but are not required, to include in the measurement of the subscription asset capitalizable outlays associated with the initial implementation stage and the operation and additional implementation stage incurred prior to the implementation of this Statement. The County adopted GASB 96 for the year ended September 30, 2023, and GASB 96 did not have a significant impact on the financial statements.

In April 2022, GASB issued Statement No. 99, Omnibus 2022 (GASB 99). This Statement seeks to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

The practice issues addressed by this Statement are as follows:

- Classification and reporting of derivative instruments within the scope of Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, that do not meet the definition of either an investment derivative instrument or a hedging derivative instrument.
- Clarification of provisions in Statement No. 87, *Leases*, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives.
- Clarification of provisions in Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, related to the determination of the PPP term and (b) recognition and measurement of installment payments and the transfer of the underlying PPP asset.
- Clarification of provisions in Statement No. 96, *Subscription-Based Information Technology Arrangements*, related to the SBITA term, classification of a SBITA as a short-term SBITA, and recognition and measurement of a subscription liability.
- Extension of the period during which the LIBOR is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt.
- Accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP).
- Disclosures related to nonmonetary transactions.
- Pledges of future revenues when resources are not received by the pledging government.
- Clarification of provisions in Statement No. 34, *Basic Financial Statements— and Management's Discussion and Analysis—for State and Local Governments*, as amended, related to the focus of the government-wide financial statements.
- Terminology updates related to certain provisions of Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*.
- Terminology used in Statement No. 53 to refer to resource flows statements.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued Accounting Pronouncements (continued)

The requirements of this Statement are effective as follows:

- The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement No. 34, as amended, and terminology updates related to Statement No. 53 and Statement No. 63 are effective upon issuance.
- The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.
- The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement No. 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

The County adopted the applicable provisions GASB 99 related to leases, PPPs, and SBITAs for the year ended September 30, 2023, and GASB 99 did not have a significant impact on the financial statements.

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

In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections* (GASB 100). GASB 100 prescribes accounting and financial reporting for (1) each category of accounting change and (2) error corrections. GASB 100 also addresses how accounting changes and error corrections should be displayed in financial statements, disclosed in notes, and presented in required supplementary information and supplementary information. The requirements of GASB 100 are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

In June 2022, GASB issued Statement No. 101, *Compensated Absences* (GASB 101). The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

GASB Statement No. 102, *Certain Risk Disclosures*. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued Accounting Pronouncements (continued)

statements are issued. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter.

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

Note 2: DETAILED NOTES ON ALL FUNDS

Deposits and Investments

Custodial Credit Risk

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

Development Commission

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

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

Holmes County, Florida
Notes to Financial Statements

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Development Commission (continued)

The Development Commission's investments at September 30, 2023 were comprised of the following, reported at fair value:

	Fair Value	Maturities (in years)				Level
		Less than 1	1 - 5	5 - 10	More than 10	
September 30, 2023						
U.S. Government and agency securities	\$ 350,405	\$ 34,075	\$ 142,766	\$ 38,735	\$ 134,829	L1
Corporate bonds	567,800	27,409	317,238	147,062	76,091	L2
Mortgage-backed securities	396,217	-	25,444	30,134	340,639	L2
	1,314,422	\$ 61,484	\$ 485,448	\$ 215,931	\$ 551,559	
Common stock	258,156					
Total investments	\$ 1,572,578					

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

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

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

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

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

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

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Development Commission (continued)

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

Highway 179 Corridor

Reporting entity – The Highway 79 Corridor Authority (the Authority) was formed as a legal entity and public body pursuant to Chapters 125, 166 and 163, Florida Statutes and an Interlocal Agreement dated June 11, 2018 (the Interlocal Agreement) by and between the City of Bonifay, Holmes County, and Washington County (the Authority Members), each a local government located in the State of Florida. The Authority is fiscally dependent on the County and Washington County, Florida for operations and a financial burden exists as defined by GASB Statement No. 14, *The Financial Reporting Entity*, paragraph 21. The Authority is reported as a discretely presented component unit by Washington County, Florida. The purpose of the Authority is to foster and assist economic development and acquire, plan for, develop, fund, construct, own, maintain, manage, improve, operate, and at its option, dispose of the Authority facilities and projects within the Corridor Area.

Holmes County, Florida
Notes to Financial Statements

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Highway 179 Corridor (continued)

The Authority has a fiscal year end of September 30. Condensed financial statements for the Authority are shown below:

<i>As of September 30,</i>	2023
Total current assets	\$ 87,248
Net property and equipment	2,517,230
Total assets	\$ 2,604,478
Total current liabilities	\$ 48,119
Net position	2,556,359
Total liabilities and net position	\$ 2,604,478
 <i>For the year ended September 30,</i>	 2023
Total operating revenues	\$ -
Total operating expenses	236,186
Income (loss) from operations	(236,186)
Capital grants	120,000
Increase in net position	(116,186)
Net position - beginning of year	2,672,545
Net position - end of year	\$ 2,556,359

Holmes County, Florida
Notes to Financial Statements

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Highway 179 Corridor (continued)

Net cash provided (used) by:		
Operating activities	\$	(107,320)
Noncapital financing activities		120,000
Capital and related financing activities		33,529
<hr/>		
Net decrease in cash and cash equivalents	\$	46,209
<hr/>		

The separate audited financial statements of the Authority may be obtained from the Authority's finance department.

Receivables

Accounts receivable for the County consists primarily of ambulance billings with a balance of \$1,384,414 and an allowance for uncollectible accounts of \$1,171,104, net \$213,310. All other receivables totaling \$4,075 are considered collectible and no allowance for uncollectibles on those accounts is deemed necessary.

The Commission had a receivable for the financed portion from the sale of 227 acres that was repaid during the year ended September 30, 2023. The property sold on February 16, 2022, for \$477,500, with a down payment at closing of \$52,100, and the balance financed for one year.

Due from Other Governments

Due from Other Governments is comprised of various grant reimbursements, revenue sharing and taxes collected for the County by the State of \$2,070,358, and an allocation by the State of Florida from litigation settlements of \$931,748.

Holmes County, Florida
Notes to Financial Statements

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Interfund Balances

Due to/from other funds consists of the following:

Receivable Fund	Payable Fund	Amount
Transportation fund	General fund	\$ 7,332
Nonmajor governmental fund	Nonmajor governmental fund	9,184
Nonmajor governmental fund	General fund	25,162
Total		\$ 41,678

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

Interfund Transfers

Transfers to/from other funds consist of the following:

Transfer from	Transfer to	Amount
(1) Nonmajor governmental funds	General Fund	\$ 27,750
(1) Transportation Trust	General Fund	228,383
(2) General Fund	Nonmajor governmental funds	228,696
(1) Transportation Trust	Transportation Trust	319,662
(3) General Fund	Transportation Trust	1,984,309
Total		\$ 2,788,800

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

Holmes County, Florida
Notes to Financial Statements

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Capital Assets

Capital assets activity for the fiscal year is as follows:

	October 1, 2022	Increases	Decreases	Transfers	September 30, 2023
Governmental Activities					
Capital assets, not being depreciated					
Land	\$ 6,058,873	\$ -	\$ -	\$ -	\$ 6,058,873
Construction in progress	2,299,816	2,174,460	-	(1,352,152)	3,122,124
Capital assets, not being depreciated	8,358,689	2,174,460	-	(1,352,152)	9,180,997
Capital assets, being depreciated					
Buildings	10,616,694	176,496	-	-	10,793,190
Infrastructure	71,494,600	118,075	-	1,352,152	72,964,827
Machinery and equipment	12,357,011	1,095,837	441,414	-	13,011,434
Capital assets, being depreciated	94,468,305	1,390,408	441,414	1,352,152	96,769,451
Less accumulated depreciation for					
Buildings	6,000,995	290,784	-	-	6,291,779
Infrastructure	28,184,669	1,669,829	-	-	29,854,498
Machinery and equipment	7,795,098	1,097,153	389,807	-	8,502,444
Total accumulated depreciation	41,980,762	3,057,766	389,807	-	44,648,721
Total capital assets being depreciated, net	52,487,543	(1,667,358)	51,607	1,352,152	52,120,730

- Continued -

Holmes County, Florida
Notes to Financial Statements

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Capital Assets (continued)

	October 1, 2022	Increases	Decreases	Transfers	September 30, 2023
Right-to-use lease assets, being amortized					
Buildings	\$ 68,612	\$ -	\$ 45,040	\$ -	\$ 23,572
Equipment	1,352,228	-	-	-	1,352,228
Right-to-use lease assets, being amortized	1,420,840	-	45,040	-	1,375,800
Less accumulated amortization for					
Buildings	35,179	25,358	45,040	-	15,497
Equipment	422,891	270,446	-	-	693,337
Total accumulated amortization	458,070	295,804	45,040	-	708,834
Right-to-use lease assets being amortized, amortized, net	962,770	(295,804)	-	-	666,966
Governmental activities capital and right-to-use assets, net	\$ 61,809,002	\$ 211,298	\$ 51,607	\$ -	\$ 61,968,693

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

For the year ended September 30,	2023
Governmental Activities	
General government	\$ 316,371
Public safety	582,180
Physical environment	4,486
Transportation	2,403,979
Economic environment	1,720
Human services	31,056
Culture and recreation	13,778
Total depreciation and amortization expense	\$ 3,353,570

Holmes County, Florida
Notes to Financial Statements

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Capital Assets (continued)

The Development Commission's capital assets are as follows:

	October 1, 2022	Increases	Decreases	September 30, 2023
Capital assets, not being depreciated				
Land	\$ 957,667	\$ 4,419,714	\$ (119,760)	\$ 5,257,621
Capital assets, being depreciated				
Buildings and improvements	1,515,973	75,527	-	1,591,500
Less accumulated depreciation for				
Buildings and improvements	(123,700)	(57,010)	-	(180,710)
Total capital assets being depreciated, net	1,392,273	18,517	-	1,410,790
Capital assets, net	\$ 2,349,940	\$ 4,438,231	\$ (119,760)	\$ 6,668,411

Unearned Revenue

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

Arthropod grant	\$ 12,402
American Rescue Plan	1,033,553
SHIP	533,069
FEMA grant	203,259
Total	\$ 1,782,283

Holmes County, Florida
Notes to Financial Statements

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Long-Term Debt and Liabilities

The following is a summary of changes in long-term debt for the year ended September 30, 2023:

	Balance 10/01/22	Additions	Reductions	Balance 09/30/23	Due Within One Year
Leases	\$ 1,037,018	\$ 150,000	\$ 316,985	\$ 870,033	\$ 333,121
Note payable from direct borrowings	157,986	-	77,588	80,400	80,400
Series 2012 revenue bonds	1,528,617	-	184,947	1,343,670	190,442
Compensated absences	502,966	406,946	478,179	431,733	43,173
Net pension liability	12,102,003	4,286,062	1,552,247	14,835,818	-
Total OPEB liability	339,652	38,443	60,840	317,255	22,570
	<u>\$ 15,668,242</u>	<u>\$ 4,881,451</u>	<u>\$ 2,670,786</u>	<u>\$ 17,878,909</u>	<u>\$ 669,706</u>

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

Leases - Lessee

The County has entered into multiple lease agreements as lessee for equipment and buildings that qualify as leases for accounting purposes.

Holmes County, Florida
Notes to Financial Statements

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Leases - Lessee (continued)

The present value of the future minimum lease payments is as follows:

	Property Appraiser	Board	Total
2024	\$ 51,591	\$ 323,039	\$ 374,630
2025	51,591	323,039	374,630
2026	51,591	136,492	188,083
Total minimum payments	154,773	782,570	937,343
Less: amount representing interest	(4,773)	(62,537)	(67,310)
Present value of minimum capital lease payments	\$ 150,000	\$ 720,033	\$ 870,033
Gross capital asset value	\$ 206,364	\$ 1,375,800	\$ 1,582,164
Accumulated depreciation	(24,076)	(708,834)	(732,910)
Net capital asset value	\$ 182,288	\$ 666,966	\$ 849,254

Leases – Lessor

The County accounts for leases in accordance with GASB Statement No. 87, *Leases*. The County's operations consist of agreements for the use of towers on county property. These agreements are made up of various non-cancelable agreements, which expire between 2031 and 2034.

Holmes County, Florida
Notes to Financial Statements

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Leases – Lessor (continued)

The following is a schedule by years of minimum future revenues from non-cancelable agreements for the County as of September 30, 2023:

<i>For the years ended September 30,</i>	Principal	Interest	Total Future Minimum Lease Payments
2024	\$ 12,940	\$ 14,660	\$ 27,600
2025	13,839	13,761	27,600
2026	14,801	12,799	27,600
2027	15,830	11,770	27,600
2028	16,930	10,670	27,600
2029	18,108	9,492	27,600
2030	21,063	6,537	27,600
2031	19,840	4,960	24,800
2032	19,116	3,684	22,800
2033	20,445	2,355	22,800
2034	23,756	944	24,700
Total	\$ 196,668	\$ 91,632	\$ 288,300

The Commission's has leases that arise from their operations that consist of agreements for use of buildings from local businesses. The agreements are made up of various non-cancelable agreements for buildings, which expire between the years 2023 and 2029. The Commission recognized \$98,851 of lease principal and \$29,204 of lease interest for the year ended September 30, 2023.

The following is a schedule by years of minimum future revenues from non-cancelable agreements for the Commission as of September 30, 2023:

<i>For the years ended September 30,</i>	Principal	Interest	Total Future Minimum Lease Payments
2024	\$ 100,107	\$ 22,348	\$ 122,455
2025	76,224	16,430	92,654
2026	61,044	11,811	72,855
2027	60,675	7,580	68,255
2028	41,037	4,218	45,255
2029	40,121	1,365	41,486
Total	\$ 379,208	\$ 63,752	\$ 442,960

Holmes County, Florida
Notes to Financial Statements

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Revenue Bonds

Public Improvement Refunding Revenue Bonds Series 2012 - The County issued revenue bonds on December 21, 2012, to provide funds to finance the cost of refunding the outstanding Public Improvement Refunding Revenue Bond, Series 2011, to fund the reserve for the bonds and to pay certain expenses related to the issuance and sale of the bonds. The interest rate on the bonds is 2.95%. Interest and principal is payable semiannually on June 1 and December 1. The original issue was for \$3,025,479 with principal payments beginning December 1, 2013 through December 1, 2029. The bonds were secured by a lien and pledge of the County's Guaranteed Entitlement and Half-Cent Sales tax. For the current year, principal and interest and revenue from the pledge sources were \$228,687 and \$1,208,298, respectively. Annual principal and interest payments on the bond are expected to require an estimated 25% of the pledged revenues. The outstanding principal payment installments of the bonds may be prepaid in whole prior to their respective payment date, at the option of the County, at any time, at the price of par and accrued interest to the prepayment date, plus a premium equal to 1% of the principal payment installments to be prepaid.

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

Year Ending September 30,	Principal	Interest	Total
2024	\$ 190,442	\$ 36,371	\$ 226,813
2025	196,102	30,656	226,758
2026	201,930	24,771	226,701
2027	207,931	18,711	226,642
2028	214,110	12,471	226,581
2029-2030	333,155	6,600	339,755
	\$ 1,343,670	\$ 129,580	\$ 1,473,250

Note Payable

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

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

Year Ending September 30,	Principal	Interest	Total
2024	\$ 80,400	\$ 2,814	\$ 83,214

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Development Commission

The Development Commission has a note payable from Regions Bank maturing July 20, 2030. The current rate of interest is 3.35% and interest payments are due quarterly. The outstanding balance on the note payable was \$882,000 and \$982,000 at September 30, 2023 and 2022, respectively.

The Development Commission also has an owner-financed note payable on the purchase of 97.260 acres of land located in Holmes County that was purchased in December 2020. The balance is to be paid in five annual installments of \$153,760 until the balance is fully paid. The outstanding balance on the note payable was \$238,870 and \$468,630 at September 30, 2023 and 2022, respectively.

The Development Commission obtained a loan from First Federal Bank on November 29, 2022 which matures December 2037 for the purchase of 86.3 acres of land for economic development in Bonifay, Florida. The current rate of interest is 6.74% and payments are due quarterly beginning in March 2023. The County has guaranteed the debt. The County paid \$228,381 in interest on behalf of the Development Commission during the year ended September 30, 2023. The Development Commission intends to repay the loan with proceeds from the sale of the land.

Net Position and Fund Balances

Net Position Restricted by Enabling Legislation

The government-wide Statement of Net Position reports \$7,517,887 of restricted net position, of which \$6,844,798 was restricted by enabling legislation.

Governmental Fund Balances

Fund balance is comprised of the following:

Holmes County, Florida
Notes to Financial Statements

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Net Position and Fund Balances (continued)

Nonspendable Fund Balance

County Transportation Trust
Inventory

\$ 141,588

Restricted Fund Balances

General Fund

Debt service	\$	228,696
Tourist development		452,444
Code enforcement		189,757

Total general fund \$ 870,897

County Transportation Trust
Transportation

4,703,545

Nonmajor governmental funds

Child support enforcement		493,181
Law enforcement		19
Public safety		384,358
Court operations		127,435
Judicial facilities		442,690
Court innovations		220,894
Domestic violence		109,339
Florida arts		1,299
Drivers education		11,695
Criminal justice education		4,436
Boater improvement		29,678
Emergency Communications		6,648
Crime prevention		25,249
Debt service		78,075
Court technology		8,449

Total nonmajor governmental funds 1,943,445

Total restricted fund balance \$ 7,517,887

Holmes County, Florida
Notes to Financial Statements

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Net Position and Fund Balances (continued)

Assigned Fund Balance

General Fund	
EMPG grant match	\$ 10,718
Capital projects	748,217
2023 budget appropriations	3,204,725
<hr/>	
Total general fund	\$ 3,963,660
Nonmajor governmental funds	
Mosquito control	29,486
Culture and recreation – library	771
Public safety	194
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Total nonmajor government funds	30,451
<hr/>	
Total assigned fund balances	\$ 3,994,111
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Note 3: RETIREMENT PLANS

Florida Retirement System Pension Plan

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

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

The System provides for those employees hired prior to July 1, 2011 vesting of benefits after six years of creditable service. Normal retirement benefits are available to employees who retire at or after age 62 with six or more years of service. For Special Risk Class members, normal retirement is age 55 with at least six years of Special Risk service, or twenty-five years of Special Risk service, regardless of age, or age 52 with 25 years of Special Risk service and up to four years of active duty wartime service. Early retirement is available after six years of service with a 5% reduction of benefits for each year prior to the normal retirement age. For those employees hired on or after July 1, 2011, the System provides for vesting of benefits after eight years of credible service. Normal retirement benefits are available to these employees who retire at or after age 65 with eight years

Note 3: RETIREMENT PLANS (Continued)

Florida Retirement System Pension Plan (continued)

of service or thirty-three years regardless of age. For Special Risk Class members, normal retirement is age 60 with at least eight years of Special Risk service, or thirty years of Special Risk service, regardless of age. Retirement benefits are based upon age, average compensation and years-of-service credit where average compensation is computed as the average of an individual's five highest years of earnings.

Participating employer contributions are based upon state-wide rates established by the State of Florida. These rates are applied to employee salaries as follows: regular employees-13.57% DROP Program-21.13%, special risk employees-32.67%, senior management-34.52% and elected officials-58.68%. The rate applied to employee salaries for employee contributions was 3.00% for all classifications with the exception of DROP program participants who do not make contributions.

The County's contributions to the System Pension Plan ("Pension Plan") for the years ended September 30, 2023 and 2022 were \$1,480,871 and \$1,205,053 respectively, and equal to the actuarially determined contributions for each year. The County's contributions to the Retiree Health Insurance Subsidy Program ("HIS") for the years ended September 30, 2023 and 2022 were \$133,064 and \$109,950 respectively, and equal to the actuarially determined contributions for each year. These contributions were paid by their due date. Total payroll for the County employees covered by the System pension plan and HIS was \$7,916,025 the year ended September 30, 2023. The County's total payroll was \$8,334,957 for the same period.

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

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions. At September 30, 2023, the County reported a liability of \$11,824,036 for its proportionate share of the collective net pension liability for the Pension Plan. The net pension liability was measured as of June 30, 2023 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023. The County's proportion of the collective net pension liability was based on the employers' shares of contributions to the Pension Plan relative to the total employer contributions of all participating employers. At June 30, 2023, the System's proportion of the Pension Plan was 0.029674%, which was an increase of 0.002275% from its proportion measured as of June 30, 2022.

For the year ended September 30, 2023, the County recognized pension expense of \$1,141,883. At September 30, 2023, the County reported deferred outflows and deferred inflows of resources related to the Pension Plan from the following sources:

Holmes County, Florida
Notes to Financial Statements

Note 3: RETIREMENT PLANS (Continued)

Florida Retirement System Pension Plan (continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,110,174	\$ -
Changes of assumptions	770,790	-
Net difference between projected and actual earnings on pension plan investments	493,804	-
Changes in proportion and difference between employer contributions and proportionate Employer contributions subsequent to the measurement date	761,409	(531,461)
	398,722	-
Total	\$ 3,534,899	\$ (531,461)

\$398,722 of deferred outflows resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2024.

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

Year Ended September 30,	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense, Net
2024	\$ 597,322	\$ (100,276)	\$ 497,046
2025	597,322	(100,276)	497,046
2026	597,322	(100,276)	497,046
2027	597,322	(100,276)	497,046
2028	597,321	(100,276)	497,045
Thereafter	149,568	(30,081)	119,487
Total	\$ 3,136,177	\$ (531,461)	\$ 2,604,716

Actuarial assumptions. The total pension liability for the Pension Plan was determined by an actuarial valuation as of June 30, 2023 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Investment rate of return*	6.70%
Projected salary increases	3.25%

* Net of pension plan investment expense

Holmes County, Florida Notes to Financial Statements

Note 3: RETIREMENT PLANS (Continued)

Florida Retirement System Pension Plan (continued)

The actuarial assumptions used in the actuarial valuation as of June 30, 2023 for the Pension Plan were based on the results of an investigation of the economic and demographic experience for the System based upon participant data for the period July 1, 2013 to June 30, 2018.

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

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

Asset Class	Target Allocation (1)	Annual Arithmetic Return*	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	2.6%	2.9%	1.1%
Fixed Income	19.8%	4.5%	4.4%	3.4%
Global equity	54.0%	8.7%	7.1%	18.1%
Real estate (property)	10.3%	7.6%	6.6%	14.8%
Private equity	11.1%	11.9%	8.8%	26.3%
Strategic Investments	3.8%	6.3%	6.1%	7.7%
Total	100%			

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

* Includes assumed rate of inflation of 2.40%

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

Sensitivity of the County's proportionate share of the net pension liability to changes in the discount rate. The following table presents the County's proportionate share of the net pension liability calculated using the discount rate of 6.70% for the Pension Plan, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.70%) or 1-percentage point higher (7.70%) than the current rate:

Holmes County, Florida
Notes to Financial Statements

Note 3: RETIREMENT PLANS (Continued)

Florida Retirement System Pension Plan (continued)

	1% Decrease (5.70%)	Current Discount Rate (6.70%)		1% Increase (7.70%)
County's proportionate share of collective net pension liability	\$ 20,197,861	\$ 11,824,036		\$ 4,818,329

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued System Annual Comprehensive Financial Report for the fiscal year ended June 30, 2023. The supporting actuarial information is included in the GASB Statement No. 68 *Report for the System* prepared as of June 30, 2023. The auditor's report dated January 12, 2024 on the total pension liability, total deferred outflows of resources, total deferred inflows of resources, total pension expense for the sum of all participating entities as of June 30, 2023 along with supporting schedules is also available. The additional financial and actuarial information is available from the following website:

http://www.dms.myflorida.com/workforce_operations/retirement/publications.

Health Insurance Subsidy Program

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

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

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions. At September 30, 2023, the County reported a liability of \$3,011,782 for its proportionate share of the collective net pension liability. For the Health Insurance Subsidy program ("HIS Plan"), the net pension liability was measured as of June 30, 2023 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 proportion of the collective net pension liability was based on the employers' shares of contributions to the HIS Plan relative to the total employer contributions of all participating employers. At June 30, 2023, the System's proportion of the HIS Plan was 0.018964%, which was an increase of 0.000956% from its proportion measured as of June 30, 2022.

Holmes County, Florida
Notes to Financial Statements

Note 3: RETIREMENT PLANS (Continued)

Health Insurance Subsidy Program (continued)

For the year ended September 30, 2023, the County recognized HIS Plan pension expense of \$1,025,976. At September 30, 2023, the County reported deferred outflows and deferred inflows of resources related to the HIS Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 44,090	\$ (7,069)
Changes of assumptions	79,179	(260,981)
Net difference between projected and actual earnings on pension plan investments	1,556	-
Changes in proportion and difference between employer contributions and proportionate	213,147	(113,229)
Employer contributions subsequent to the measurement date	37,850	-
Total	\$ 375,822	\$ (381,279)

\$37,850 of deferred outflows resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2024. Amounts reported as deferred outflows and deferred inflows of resources related to the HIS Plan will be recognized in the pension's expense as follows:

Year Ended September 30,	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense, Net
2024	\$ 53,710	\$ (60,521)	\$ (6,811)
2025	53,710	(60,521)	(6,811)
2026	53,710	(60,521)	(6,811)
2027	53,710	(60,521)	(6,811)
2028	53,711	(60,521)	(6,810)
Thereafter	69,421	(78,674)	(9,253)
Total	\$ 337,972	\$ (381,279)	\$ (43,307)

Note 3: RETIREMENT PLANS (Continued)

Health Insurance Subsidy Program (continued)

The total pension liability for the HIS Plan was determined by an actuarial valuation as of July 1, 2022 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Investment rate of return*	3.65%
Projected salary increases	3.25%

* Net of pension plan investment expense

The actuarial assumptions used in the actuarial valuation as of July 1, 2022 for the HIS Plan were based on the results of an investigation of the economic and demographic experience for the Florida Retirement System (“FRS”) based upon participant data for the period July 1, 2013 to June 30, 2018.

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

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

Discount rate. The discount rate used to measure the total pension liability for the HIS Plan was 3.65%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion rate is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the County’s proportionate share of the net pension liability to changes in the discount rate. The following table presents the County’s proportionate share of the net pension liability calculated using the discount rate of 3.65% for the HIS Plan as well as what the County’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.65%) or 1-percentage point higher (4.65%) than the current rate:

	1% Decrease (2.65%)	Current Discount Rate (3.65%)	1% Increase (4.65%)
County’s proportionate share of collective net pension liability	\$ 3,435,973	\$ 3,011,782	\$ 2,660,156

Note 3: RETIREMENT PLANS (Continued)

Health Insurance Subsidy Program (continued)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued System Annual Comprehensive Financial Report for the fiscal year ended June 30, 2023. The supporting actuarial information is included in the GASB Statement No. 68 *Report for the System* prepared as of June 30, 2023. The auditor's report dated January 12, 2024 on the total pension liability, total deferred outflows of resources, total deferred inflows of resources, total pension expense for the sum of all participating entities as of June 30, 2023 along with supporting schedules is also available. The additional financial and actuarial information is available from the following website:

http://www.dms.myflorida.com/workforce_operations/retirement/publications.

Note 4: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Plan Description

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

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

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

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

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

Plan Description (continued)

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

- *For Special Risk* – is at least age 60 with 6 years of service or any age with 30 years of service, and is eligible for immediate retirement benefits under FRS, or
- *For Non-Special Risk* – is at least age 65 with 6 or more years of service, or any age with 33 years of service.

The benefit is payable immediately upon retirement for life.

Funding Policy

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

Membership

At September 30, 2023, there were no terminated employees entitled to benefits but not yet receiving them. The membership of the Plan consisted of:

Active employees	114
<u>Retirees and beneficiaries currently receiving benefits</u>	<u>5</u>
<u>Total membership</u>	<u>119</u>
 <u>Participating employers</u>	 <u>1</u>

Total OPEB Liability

The County’s total OPEB liability is reported herein as of September 30, 2023 for the County’s fiscal year and reporting period of October 1, 2022 to September 30, 2023. The values shown for this fiscal year and reporting period are based on a measurement date of September 30, 2022 and the corresponding measurement period of October 1, 2022 to September 30, 2023. The measurement of the total OPEB liability is based on a valuation date of October 1, 2022. The following shows the changes in the County’s total OPEB liability:

Holmes County, Florida
Notes to Financial Statements

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

Total OPEB Liability (continued)

	Increases (Decreases)		
	Total OPEB Liability (a)	Plan Fiduciary Net Pension (b)	Net OPEB Liability (a)+(b)
	Balance at October 1, 2022	\$ 339,652	\$ -
Service cost	20,793	-	20,793
Interest cost	17,150	-	17,150
Difference between expected and actual experience	500	-	500
Changes in assumptions	(38,270)	-	(38,270)
Benefit payments	(22,570)	-	(22,570)
Net changes	(22,397)	-	(22,397)
Balance at September 30, 2023	\$ 317,255	\$ -	\$ 317,255

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

	1% Decrease 3.91%	Current Discount Rate 4.91%	1% Increase 5.91%
Total OPEB liability	\$ 342,130	\$ 317,255	\$ 294,981

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

	Trend Rate Minus 1.00%	Current Trend Rate, then 8.00% graded down to 5.00%	Trend Rate Plus 1.00%
Total OPEB liability	\$ 288,377	\$ 317,255	\$ 350,728

For the year ended September 30, 2023, the County recognized OPEB expense of (\$16,415).

Holmes County, Florida
Notes to Financial Statements

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

Total OPEB Liability (continued)

At September 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to the OPEB Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Balance at October 1, 2022	\$ 58,972	\$ 324,335
Amortization payments	(7,363)	(39,151)
Demographic gain/loss	501	-
Changes in assumptions	-	38,270
Balance at September 30, 2023	\$ 52,110	\$ 323,454

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

Year Ended September 30,	OPEB Expense, Net
2024	\$ (31,788)
2025	(31,788)
2026	(31,788)
2027	(31,788)
2028	(31,788)
Thereafter	(112,404)
	\$ (271,344)

Actuarial Methods and Assumptions - The valuation report dated February 23, 2024 for the fiscal year end date of September 30, 2023 was prepared using GAAP and practices, and relied on unaudited census data and medical claims data reported by the County. Projections of benefits for financial reporting purposes are based on the substantive plan (the Plan as understood by the employer and the Plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used included techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the September 30, 2023 actuarial valuation, the entry age normal actuarial cost method was used to determine the Plan's funding liabilities and assets. The actuarial assumption included a 4.91% discount rate, general wage increases of 3.0% and a healthcare cost trend rate for the year-ended September 30, 2023 of 8.00%, graded down by 1.00% per year to 5.00% for the year-ended September 30, 2026 and later fiscal years. The discount rate represents the S&P Municipal Bond

Holmes County, Florida
Notes to Financial Statements

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

Total OPEB Liability (continued)

20-year High Grade yield curve rates as of September 30, 2023. Mortality rates were based on the PUB-2010 Mortality Table (without income adjustments), with full generational improvements in mortality using Scale MP-2020.

Note 5: COMMITMENTS AND CONTINGENCIES

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

Construction Commitments - The County had open contract commitments for road construction projects as of September 30, 2023, as follows:

Project	Contract Amount	Expended to Date	Remaining Commitment
Various infrastructure projects	\$ 10,280,447	\$ 8,308,247	\$ 1,972,200

Note 6: RISK MANAGEMENT

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

Note 7: LITIGATION

The County is involved in several litigations and claims arising in the ordinary course of operations. In the opinion of management, the range of potential recoveries or liabilities would not materially affect the financial position of the County at September 30, 2023. Accordingly, no accruals for loss contingency have been made in the accompanying financial statements.

Holmes County, Florida
Required Other Postemployment Benefits Supplementary Information

Schedule of Changes in Total OPEB Liability and Related Ratios
Last Six Fiscal Years*

<i>As of and for the year ended September 30,</i>	2023	2022	2021	2020	2019	2018
Total OPEB Liability						
Service cost	\$ 20,793	\$ 18,176	\$ 36,246	\$ 40,567	\$ 33,204	\$ 32,853
Interest	17,150	25,073	15,292	12,734	19,331	18,096
Differences between expected and actual experience	500	(111,032)	(41,538)	77,934	-	-
Changes of assumptions	(38,270)	(88,752)	(68,948)	(72,981)	3,314	-
Benefit payments	(22,570)	(22,293)	(31,077)	(8,379)	(7,921)	(9,018)
Net change in total OPEB liability	(22,397)	(178,828)	(90,025)	49,875	47,928	41,931
Total OPEB liability - beginning	339,652	518,480	608,505	558,630	510,702	468,771
Total OPEB liability - ending (a)	317,255	339,652	518,480	608,505	558,630	510,702
Plan Fiduciary Net Position						
Contributions - employer	22,570	22,293	31,077	8,379	7,921	9,018
Benefit payments	(22,570)	(22,293)	(31,077)	(8,379)	(7,921)	(9,018)
Net change in plan fiduciary net position	-	-	-	-	-	-
Plan fiduciary net position - beginning	-	-	-	-	-	-
Plan fiduciary net position - ending (b)	-	-	-	-	-	-
Total OPEB liability - ending (a) - (b)	\$ 317,255	\$ 339,652	\$ 518,480	\$ 608,505	\$ 558,630	\$ 510,702
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered-employee payroll	\$ 4,902,411	\$ 3,675,621	\$ 3,938,487	\$ 4,132,337	\$ 3,964,061	\$ 3,964,061
Total OPEB liability as a percentage of covered-employee payroll	6.47%	9.24%	13.16%	14.73%	14.09%	12.88%
Contributions as a percentage of covered-employee payroll	0.46%	0.61%	0.79%	0.20%	0.20%	0.23%

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

See accompanying notes to required supplementary schedules and accompanying Independent Auditor's Report.

Holmes County, Florida
Required Pension Supplementary Information

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

<i>As of and for the year ended June 30,</i>	2023	2022	2021
Employer's proportion of the net pension liability	0.029674%	0.027399%	0.026622%
Employer's proportionate share of the net pension liability	\$ 11,824,036	\$ 10,194,710	\$ 2,010,985
Employer's covered payroll*	\$ 7,842,264	\$ 6,894,360	\$ 6,526,663
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	150.77%	147.87%	30.81%
Plan fiduciary net position as a percentage of the total pension liability	82.38%	82.89%	96.40%

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

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

See accompanying notes to required supplementary schedules and accompanying Independent Auditor's Report.

	2020	2019	2018	2017	2016	2015
	0.028816%	0.030612%	0.029778%	0.029280%	0.029259%	0.029483%
\$	12,489,420	\$ 10,542,400	\$ 8,969,236	\$ 8,660,918	\$ 7,387,877	\$ 3,808,127
\$	6,276,796	\$ 6,035,130	\$ 6,034,655	\$ 5,770,369	\$ 5,412,180	\$ 5,397,160
	198.98%	174.68%	148.63%	150.09%	136.50%	70.56%
	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%

Holmes County, Florida
Required Pension Supplementary Information

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

<i>As of and for the year ended September 30,</i>	2023	2022	2021
Contractually required contribution**	\$ 1,480,871	\$ 1,205,053	\$ 1,171,226
Contributions in relation to the actuarially determined contribution	1,480,871	1,205,053	1,171,226
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Employer's covered payroll*	\$ 7,916,025	\$ 6,893,308	\$ 6,578,203
Contributions as a percentage of covered payroll	18.71%	17.48%	17.80%

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

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

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

See accompanying notes to required supplementary schedules and accompanying Independent Auditor's Report.

2020	2019	2018	2017	2016	2015
\$ 1,046,313	\$ 1,018,651	\$ 931,242	\$ 828,761	\$ 757,755	\$ 737,281
1,046,313	1,018,651	931,242	828,761	757,755	737,281
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 6,229,286	\$ 6,090,888	\$ 6,059,238	\$ 5,789,294	\$ 5,423,471	\$ 5,408,518
16.80%	16.72%	15.37%	14.32%	13.97%	13.63%

Holmes County, Florida
Required Pension Supplementary Information

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

<i>As of and for the year ended June 30,</i>	2023	2022	2021
Employer's proportion of the net pension liability	0.018964%	0.018008%	0.017717%
Employer's proportionate share of the net pension liability	\$ 3,011,782	\$ 1,907,293	\$ 2,173,277
Employer's covered payroll*	\$ 7,842,264	\$ 6,894,360	\$ 6,526,663
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	38.40%	27.66%	33.30%
Plan fiduciary net position as a percentage of the total pension liability	4.12%	4.81%	3.00%

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

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

See accompanying notes to required supplementary schedules and accompanying Independent Auditor's Report.

2020	2019	2018	2017	2016	2015
0.017134%	0.018354%	0.018254%	0.017968%	0.017436%	0.017001%
\$ 2,091,987	\$ 2,053,618	\$ 1,932,055	\$ 1,921,232	\$ 2,032,105	\$ 1,733,791
\$ 6,276,796	\$ 6,035,130	\$ 6,034,655	\$ 5,770,369	\$ 5,412,180	\$ 5,397,160
33.33%	34.03%	32.02%	33.29%	37.55%	32.12%
3.00%	2.63%	2.15%	1.64%	0.97%	0.50%

Holmes County, Florida
Required Pension Supplementary Information

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

<i>As of and for the year ended September 30,</i>	2023	2022	2021
Contractually required contribution**	\$ 133,064	\$ 109,950	\$ 107,551
Contributions in relation to the actuarially determined contribution	133,064	109,950	107,551
Contribution deficiency (excess)	\$ -	\$ -	-
Employer's covered payroll*	\$ 7,916,025	\$ 6,893,308	\$ 6,578,203
Contributions as a percentage of covered payroll	1.68%	1.60%	1.63%

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

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

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

See accompanying notes to required supplementary schedules and accompanying Independent Auditor's Report.

	2020	2019	2018	2017	2016	2015
\$	98,814	\$ 101,109	\$ 100,583	\$ 96,102	\$ 90,030	\$ 89,781
	98,814	101,109	100,583	96,102	90,030	89,781
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -
\$	6,229,286	\$ 6,090,888	\$ 6,059,238	\$ 5,789,294	\$ 5,423,471	\$ 5,408,518
	1.59%	1.66%	1.66%	1.66%	1.66%	1.66%

Holmes County, Florida Required Pension and OPEB Supplementary Information

NOTES TO REQUIRED SUPPLEMENTAL INFORMATION

Note 1: OTHER POSTEMPLOYMENT BENEFITS PLAN

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

The following actuarial assumptions changed in 2023:

- The discount rate was increased from 4.77% to 4.91%
- Healthcare cost trend rate decreased from 9.00% graded down to 5.00% to 8.00% for the year-ended September 30, 2023, graded down by 1.00% per year to 5.00%.
- The implied monthly subsidy at age 62 for the year-ended September 30, 2023 was changed from \$354.25 for the retiree and \$272.50 for the retiree 's spouse under the PPO 3359 plan, \$626.75 for the retiree and \$517.75 for the retiree 's spouse under the PPO 5771 plan, and \$654.00 for the retiree and \$517.75 for the retiree 's spouse under the PPO 5902 plan to \$400.00 for the retiree and \$325.00 for the retiree 's spouse under the PPO 3359 plan, \$550.00 for the retiree and \$450.00 for the retiree 's spouse under the PPO 5771 plan, and \$550.00 for the retiree and \$450.00 for the retiree 's spouse under the PPO 5902 plan

Note 2: FLORIDA RETIREMENT SYSTEMS (FRS)

The following actuarial assumptions changed in 2023:

- The valuation date changed from July 1, 2022 to July 1, 2023.

Note 3: HEALTH INSURANCE SUBSIDY PROGRAM (HIS)

The following actuarial assumptions changed in 2023:

- The discount rate increased from 3.54% to 3.65%.

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NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

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

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

Inmate Canteen - To account for activities in the inmate canteen. The canteen is stocked with snacks and miscellaneous personal items provided to the inmates.

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

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

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

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

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

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

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

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

DEBT SERVICE FUNDS

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

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

	Special		
<i>September 30, 2023</i>	Arthropod Control	Emergency Services 911	Child Support
Assets			
Cash and cash equivalents	\$ 43,491	\$ 146,615	\$ 457,283
Due from other governments	-	149,529	11,974
Due from other funds	-	-	24,966
Restricted assets:			
Cash and cash equivalents	-	-	-
Total assets	\$ 43,491	\$ 296,144	\$ 494,223
Liabilities and Fund Balances			
Liabilities			
Accounts payable	\$ -	\$ 152,579	\$ 94
Accrued liabilities	1,450	-	948
Unearned revenue	12,402	-	-
Due to other governments	-	-	-
Due to other funds	153	-	-
Total liabilities	14,005	152,579	1,042
Fund balances			
Restricted	-	143,565	493,181
Assigned	29,486	-	-
Total fund balances	29,486	143,565	493,181
Total liabilities and fund balances	\$ 43,491	\$ 296,144	\$ 494,223

Revenue Funds

	Teen Court	Inmate Canteen	Community Development Block Grant	Federal Interdiction	Fine and Forfeiture
\$	3,854	\$ 111,052	\$ -	\$ 2,309	\$ 128,543
	-	-	15,980	-	8,548
	-	-	-	-	2,375
	-	-	-	-	-
\$	3,854	\$ 111,052	\$ 15,980	\$ 2,309	\$ 139,466
\$	-	\$ -	\$ 15,980	\$ -	\$ 169
	-	-	-	-	15,716
	-	-	-	2,290	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	15,980	2,290	15,885
	3,854	111,052	-	19	123,581
	-	-	-	-	-
	3,854	111,052	-	19	123,581
\$	3,854	\$ 111,052	\$ 15,980	\$ 2,309	\$ 139,466

- Continued -

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

Special

<i>September 30, 2023</i>	Civil Trust	Commissioners Trust	Record Modernization
Assets			
Cash and cash equivalents	\$ 2,220	\$ 844,097	\$ 9,578
Due from other governments	-	138,028	-
Due from other funds	-	7,005	-
Restricted assets:			
Cash and cash equivalents	-	-	-
Total assets	\$ 2,220	\$ 989,130	\$ 9,578
Liabilities and Fund Balances			
Liabilities			
Accounts payable	\$ -	\$ 1,699	\$ -
Accrued liabilities	-	-	-
Unearned revenue	-	-	-
Due to other governments	-	137,305	-
Due to other funds	2,220	4,436	2,375
Total liabilities	2,220	143,440	2,375
Fund balances			
Restricted	-	844,725	7,203
Assigned	-	965	-
Total fund balances	-	845,690	7,203
Total liabilities and fund balances	\$ 2,220	\$ 989,130	\$ 9,578

Revenue Funds		Debt Service Fund		Total Nonmajor Governmental Funds
Court Technology	Probation	Workcamp		
\$ 9,991	\$ 135,056	\$ -	\$ -	\$ 1,894,089
-	-	-	-	324,059
-	-	-	-	34,346
-	-	78,075	-	78,075
<u>\$ 9,991</u>	<u>\$ 135,056</u>	<u>\$ 78,075</u>	<u>\$ -</u>	<u>\$ 2,330,569</u>
\$ 1,168	\$ 400	\$ -	\$ -	\$ 172,089
374	4,915	-	-	23,403
-	-	-	-	14,692
-	-	-	-	137,305
-	-	-	-	9,184
1,542	5,315	-	-	356,673
8,449	129,741	78,075	-	1,943,445
-	-	-	-	30,451
<u>8,449</u>	<u>129,741</u>	<u>78,075</u>	<u>-</u>	<u>1,973,896</u>
<u>\$ 9,991</u>	<u>\$ 135,056</u>	<u>\$ 78,075</u>	<u>\$ -</u>	<u>\$ 2,330,569</u>

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

Special Revenue Funds

<i>For the year ended September 30, 2023</i>	Arthropod Control	Emergency Services 911	Child Support
Revenues			
Intergovernmental	\$ 40,586	\$ 459,194	\$ 67,816
Charges for services	8,327	-	2,041
Fines and forfeitures	-	-	-
Investment earnings	3	-	-
Miscellaneous	-	58	-
Total revenues	48,916	459,252	69,857
Expenditures			
Current			
General government	-	-	32,880
Public safety	-	413,003	-
Human services	52,422	-	-
Economic environment	-	-	-
Capital outlay	-	6,625	1,546
Debt service			
Principal	-	-	-
Interest	-	-	-
Total expenditures	52,422	419,628	34,426
Excess of revenues over (under) expenditures	(3,506)	39,624	35,431
Other Financing Sources (Uses)			
Transfers in	-	-	-
Justice Administrative Commission	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balances	(3,506)	39,624	35,431
Fund balances, beginning of year	32,992	103,941	457,750
Fund balances, end of year	\$ 29,486	\$ 143,565	\$ 493,181

	Teen Court	Inmate Canteen	Community Development Block Grant	Federal Interdiction	Fine and Forfeiture
\$	-	\$ -	\$ 48,260	\$ -	\$ 120,761
	-	198,425	-	-	242,047
	-	-	-	-	260,806
	-	-	-	-	-
	7,375	-	-	3,587	15,192
	7,375	198,425	48,260	3,587	638,806
	-	-	-	-	621,551
	7,560	212,726	-	3,587	-
	-	-	-	-	-
	-	-	-	-	-
	-	14,249	48,260	-	-
	-	-	-	-	-
	-	-	-	-	-
	7,560	226,975	48,260	3,587	621,551
	(185)	(28,550)	-	-	17,255
	-	-	-	-	-
	-	-	-	-	6,241
	-	-	-	-	-
	-	-	-	-	6,241
	(185)	(28,550)	-	-	23,496
	4,039	139,602	-	19	100,085
\$	3,854	\$ 111,052	\$ -	\$ 19	\$ 123,581

-Continued-

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

Special Revenue Funds

<i>For the year ended September 30, 2023</i>	Civil Trust	Commissioners Trust	Record Modernization
Revenues			
Intergovernmental	\$ -	\$ 945,076	\$ -
Charges for services	30,184	-	7,460
Fines and forfeitures	-	125,246	-
Investment earnings	-	-	-
Miscellaneous	-	6,864	-
Total revenues	30,184	1,077,186	7,460
Expenditures			
Current			
General government	-	973,145	6,693
Public safety	2,434	64,290	-
Human services	-	-	-
Culture and recreation	-	1,317	-
Capital outlay	-	-	7,634
Debt service			
Principal	-	-	-
Interest	-	-	-
Total expenditures	2,434	1,038,752	14,327
Excess (deficiency) of revenues over (under) expenditures	27,750	38,434	(6,867)
Other Financing Sources (Uses)			
Transfers in	-	-	-
Justice Administrative Commission	-	-	-
Transfers out	(27,750)	-	-
Total other financing sources (uses)	(27,750)	-	-
Net change in fund balances	-	38,434	(6,867)
Fund balances, beginning of year	-	807,256	14,070
Fund balances, end of year	\$ -	\$ 845,690	\$ 7,203

Debt Service Fund				Total Nonmajor Governmental Funds
Court Technology	Probation	Workcamp		
\$ -	\$ -	\$ -	\$	1,681,693
22,031	198,379	-		708,894
-	-	-		386,052
-	-	6		9
-	839	-		33,915
22,031	199,218	6		2,810,563
16,600	-	-		1,650,869
-	155,847	-		859,447
-	-	-		52,422
-	-	-		1,317
9,542	-	-		87,856
-	-	184,947		184,947
-	-	43,740		43,740
26,142	155,847	228,687		2,880,598
(4,111)	43,371	(228,681)		(70,035)
-	-	228,696		228,696
-	-	-		6,241
-	-	-		(27,750)
-	-	228,696		207,187
(4,111)	43,371	15		137,152
12,560	86,370	78,060		1,836,744
\$ 8,449	\$ 129,741	\$ 78,075	\$	1,973,896

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FIDUCIARY FUNDS

CUSTODIAL FUNDS

Tax Collector

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

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

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

Sheriff

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

Clerk of Court

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

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

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

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

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

<i>September 30, 2023</i>	Tax Collector		
	Property Tax	DMV	Concealed Weapons
Assets			
Cash and cash equivalents	\$ 108,735	\$ 117,098	\$ 1,085
Receivables	-	-	-
Due from other governments	-	7,893	-
Total assets	\$ 108,735	\$ 124,991	\$ 1,085
Liabilities			
Accounts payable	\$ -	\$ -	\$ -
Due to other governments	98,715	124,991	1,085
Due to individuals	10,020	-	-
Deposits	-	-	-
Total liabilities	108,735	124,991	1,085
Net Position			
Restricted	-	-	-
Total liabilities and net position	\$ 108,735	\$ 124,991	\$ 1,085

Sheriff		Clerk of the Court				
Inmate Trust	General Agency	Juror and Witness	Registry of Court	Cash Bonds	Total	
\$ 86,445	\$ 308,904	\$ 7,805	\$ 123,396	\$ 16,218	\$ 769,686	
-	37	-	-	-	37	
-	-	-	-	-	7,893	
<u>\$ 86,445</u>	<u>\$ 308,941</u>	<u>\$ 7,805</u>	<u>\$ 123,396</u>	<u>\$ 16,218</u>	<u>\$ 777,616</u>	
\$ -	\$ -	\$ -	\$ 72,600	\$ -	\$ 72,600	
-	-	7,805	-	-	232,596	
-	308,941	-	-	-	318,961	
-	-	-	50,796	16,218	67,014	
-	308,941	7,805	123,396	16,218	691,171	
86,445	-	-	-	-	86,445	
<u>\$ 86,445</u>	<u>\$ 308,941</u>	<u>\$ 7,805</u>	<u>\$ 123,396</u>	<u>\$ 16,218</u>	<u>\$ 777,616</u>	

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

<i>For the year ended September 30, 2023</i>	Tax Collector		
	Property Tax	DMV	Concealed Weapons
Additions			
Clerk of circuit and county courts revenue	\$ -	\$ -	\$ -
Tax collections, auto tag fees, and other fees for other governments	8,673,729	3,203,470	30,861
Inmate Deposits	-	-	-
Total additions	8,673,729	3,203,470	30,861
Deductions			
Current			
Payments of clerk of circuit and county courts distributions to other governments	-	-	-
Payments of tax, auto tag fees, and other fees to other governments	8,673,729	3,203,470	30,861
Public Safety	-	-	-
Total deductions	8,673,729	3,203,470	30,861
Changes in net position	-	-	-
Net position - beginning of year	-	-	-
Net position - end of year	\$ -	\$ -	\$ -

Sheriff	Clerk of the Court				
Inmate Trust	General Agency	Juror and Witness	Registry of Court	Cash Bonds	Total
\$ -	\$ 2,367,450	\$ 5,000	\$ 271,954	\$ 38,641	\$ 2,683,045
-	-	-	-	-	11,908,060
629,600	-	-	-	-	629,600
629,600	2,367,450	5,000	271,954	38,641	15,220,705
-	2,367,450	5,000	271,954	38,641	2,683,045
-	-	-	-	-	11,908,060
625,213	-	-	-	-	625,213
625,213	2,367,450	5,000	271,954	38,641	15,216,318
4,387	-	-	-	-	4,387
82,058	-	-	-	-	82,058
\$ 86,445	\$ -	\$ -	\$ -	\$ -	\$ 86,445

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Holmes County, Florida (the “County”), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the County’s basic financial statements, and have issued our report thereon dated March 25, 2024.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

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

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

Enterprise, Alabama

March 25, 2024



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

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

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

Opinion on Each Major Federal Program and Major State Project

We have audited Holmes County, Florida’s (the “County”) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* and the requirements described in the Department of Financial Services’ State Projects Compliance Supplement that could have a direct and material effect on each of the County’s major federal programs and major state projects for the year ended September 30, 2023. The County’s major federal programs and major state projects are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and major state projects for the year ended September 30, 2023.

Basis for Opinion on Each Major Federal Program and Major State Project

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.550, Rules of the Auditor General of the State of Florida. Our responsibilities under those standards, the Uniform Guidance, and Chapter 10.550, Rules of the Auditor General, are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program and major state project. Our audit does not provide a legal determination of the 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 the County's federal programs and state projects.

Auditor's Responsibilities for the Audit of Compliance

Our 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 the County's compliance based on our 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*, the Uniform Guidance and Chapter 10.550, Rules of the Auditor General of the State of Florida 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 the County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance and Chapter 10.550, Rules of the Auditor General of the State of Florida, we:

- 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 the County'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 the County'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 Uniform Guidance and Chapter 10.550, Rules of the Auditor General of the State of Florida, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

We 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 we 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 federal program or state project on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or state project will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the 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 our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as described above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not been identified.

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

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

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

Enterprise, Alabama

March 25, 2024

Holmes County, Florida
Schedule of Expenditures of Federal Awards
and State Financial Assistance
For the Year Ended September 30, 2023

Federal Agency Pass-through Grantor Program Title	Assistance Listing Number	Contract/ Grant Number	Expenditures	Payments to Subrecipients
Department of Treasury				
Pass-through Florida Executive Office of Governor COVID-19 Coronavirus State and Local Fiscal Recovery	21.027	COVID-19 1505-0271	\$ 697,512	\$ -
Department of Housing and Urban Development				
Pass-through Florida Department of Economic Opportunity Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	23DB-H09	48,260	-
U.S. Department of Health and Human Services				
Pass-through Florida Department of Revenue Child Support Enforcement	93.563	CTS30	1,305	-
Child Support Enforcement	93.563	COC30	67,816	-
Total ALN 93.563			69,121	
Pass-through Florida Department of Education COVID-19 Coronavirus Response Relief Supplemental Appropriation*	93.575	COVID-19	12,000	-
Pass-through Health Resources and Services Administration COVID-19 Provider Relief Fund	93.498	COVID-19	40,612	-
Total U.S. Department of Health and Human Services			121,733	-
U.S. Department of Justice				
Pass-through Florida Department of Law Enforcement		VOCA-2022-Holmes County Sheriff's Office - 00292	48,452	-
Crime Victims Assistance	16.575			
Support for Adam Walsh Act Implementation Grant Program	16.750	2020-AW-BX-0028	82,954	-
Edward Byrne Memorial Justice Assistance	16.738	8C190	33,061	-
Total U.S. Department of Justice			164,467	-
U.S. Election Assistance Commission				
Pass-through Florida Department of State COVID-19 2018 HAVA Election Security Grants	90.404	COVID-19 300.029	55,678	-
U.S. Department of Homeland Security				
Pass-through Florida Executive Office of Governor Emergency Management Performance	97.042	G0393	40,980	-
Total Expenditures of Federal Awards			\$ 1,128,630	\$ -

-Continued-

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

Holmes County, Florida
Schedule of Expenditures of Federal Awards
and State Financial Assistance (Continued)
For the Year Ended September 30, 2023

State Agency Pass-through Grantor Program Title	CSFA Number	Contract/ Grant Number	Expenditures	Payments to Subrecipients
Executive Office of the Governor				
Emergency Management Projects	31.067	T0200	\$ 1,335	\$ -
Emergency Management Programs	31.063	A0259	104,980	-
Total Executive Office of the Governor			106,315	-
Florida Department of Environmental Protection				
Small County Consolidated Grants	37.012	SC316	93,109	-
Florida Department of Agriculture and Consumer Services				
Mosquito Control	42.003	2022	14,097	-
Mosquito Control	42.003	2023	26,489	-
Total Florida Department of Agriculture and Consumer Services and CSFA 42.003			40,586	
Florida Department of Law Enforcement				
Criminal Justice Data Transparency	71.044	D2004	217,053	-
Law Enforcement Salary Assistance for Fiscally Constrained Counties	71.067	7G030	685,140	-
Total Florida Department of Law Enforcement			902,193	-
Florida Department of State and Secretary of State				
State Aid to Libraries	45.030	23-ST-67	26,461	-
Florida Housing Finance Corporation				
State Housing Initiatives Partnership Program (SHIP)	40.901	HHRP	239,264	-
State Housing Initiatives Partnership Program (SHIP)	40.901	N/A	606,460	-
Total CSFA 40.901/Florida Housing Finance Corporation			845,724	
Florida Department of Commerce				
Division of Housing and Community Development Regional Community Development and Infrastructure	40.038	HL165	849,302	-
Regional Community Development and Infrastructure	40.042	D0216	18,675	-
Regional Community Development and Infrastructure	40.042	D0187	174,345	-
Total CSFA 40.042			193,020	-
Total Florida Department of Commerce			1,042,322	-

-Continued-

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

Holmes County, Florida
Schedule of Expenditures of Federal Awards
and State Financial Assistance (Continued)
For the Year Ended September 30, 2023

State Agency Pass-through Grantor Program Title	CSFA Number	Contract/ Grant Number	Expenditures	Payments to Subrecipients
Florida Department of Education				
Coach Aaron Feis Guardian Program	48.140	23A096	102,470	-
Florida Department of Transportation				
Small County Outreach Programs	55.009	45177613401	131,765	-
Small County Outreach Programs (SCOP)	55.009	43324825401	5,628	-
Small County Outreach Programs (SCOP)	55.009	43828625401	1,352,152	-
Small County Outreach Programs (SCOP)	55.009	43683915401	13,717	-
Small County Outreach Programs (SCOP)	55.009	44988413401	130,050	-
Total CSFA 55.009			1,633,312	-
Small County Road Assistance Program (SCRAP)	55.016	45177213401	45,745	-
Total Florida Department of Transportation			1,679,057	-
Florida Department of Management Services				
Wireless 911 Emergency Telephone System Rural County Grant Program	72.001	RG23-04-21	55,494	-
Wireless 911 Emergency Telephone System Rural County Grant Program	72.001	SG23-23-05-04	22,262	-
Wireless 911 Emergency Telephone System Rural County Grant Program	72.001	22-04-22	110,494	-
Wireless 911 Emergency Telephone System Rural County Grant Program	72.001	SG21-22-05-24	33,614	-
Wireless 911 Emergency Telephone System Rural County Grant Program	72.001	S21-22-05-23	4,454	-
Wireless 911 Emergency Telephone System Rural County Grant Program	72.001	E911 S17-21-02-61	21,433	-
Wireless 911 Emergency Telephone System Rural County Grant Program	72.001	E911 S17-21-02-60	12,792	-
Total CSFA 72.001			260,543	-
Prepaid Next Generation 911 (NG911) State Grant Program	72.003	SG20-21-12-08	23,117	-
Prepaid Next Generation 911 (NG911) State Grant Program	72.003	RG23-04-14	21,257	-
Total CSFA 72.003			44,374	-
Total Florida Department of Management Services			304,917	-
Florida Department of Health				
Emergency Medical Services Matching Awards	64.003	C1030	6,744	-
Total Expenditures of State Financial Assistance			\$ 5,149,898	\$ -

*CCDF Cluster

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

Holmes County, Florida
Notes to the Schedule of Expenditures of Federal Awards and
State Financial Assistance
For the Year Ended September 30, 2023

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

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

Note 2: INDIRECT COST RATE

The Uniform Guidance allows an organization to elect a 10% de minimis indirect cost rate. For the year ended September 30, 2023, the County did not elect to use this rate.

Note 3: LOANS AND LOAN GUARANTEES

The County did not have any loans or loan guarantee programs required to be reported on the Schedule for the fiscal year ended September 30, 2023.

Note 4: FEDERAL AND STATE PASS-THROUGH FUNDS

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

NOTE 5: SUBRECIPIENTS

During the year ended September 30, 2023, the County had no subrecipients.

Note 6: NONCASH ASSISTANCE

The County did not receive any noncash assistance or federally funded insurance during the fiscal year ended September 30, 2023.

Holmes County, Florida
Notes to the Schedule of Expenditures of Federal Awards and
State Financial Assistance
For the Year Ended September 30, 2023

Note 7: CONTINGENCIES

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

Holmes County, Florida
Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2023

Section I - Summary of Auditor's Results

Financial Statements

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

Federal Awards

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

Assistance	Federal Program
Listing Number	Federal Program
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery

- | | |
|--|-----------|
| 5. Dollar threshold used to distinguish between type A and type B programs | \$750,000 |
| 6. Auditee qualified as low-risk under 2 CFR 200.520 | Yes |

State Projects

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

CFSA Number	State Project
55.009	Small County Outreach Program (SCOP)
40.038	Division of Housing and Community Development
40.901	State Housing Initiatives Partnership (SHIP)

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

-Continued-

Holmes County, Florida
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended September 30, 2023

Section II - Financial Statements Findings

No such findings to report.

Section III - Federal Award Findings and Questioned Costs

No such findings to report.

Section IV - State Projects Findings and Questioned Costs

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

Section V – Summary Schedule of Prior Audit Findings

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



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**INDEPENDENT ACCOUNTANT’S REPORT ON EXAMINATION OF COMPLIANCE
WITH SPECIFIED FLORIDA STATUTE SECTIONS**

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

We have examined Holmes County, Florida’s (the “County”) compliance with the following Florida Statute sections during the fiscal year ended September 30, 2023.

Section 365.172(10) *Emergency communications number E911 system fund*
Section 365.173(2)(d) *Emergency communications number E911 system fund*
Section 218.415 *Investment guidelines*

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

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

In our opinion, the County complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2023.

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

Carr, Riggs & Ingram, L.L.C.
CARR, RIGGS & INGRAM, L.L.C.

Enterprise, Alabama
March 25, 2024



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INDEPENDENT AUDITOR’S MANAGEMENT LETTER

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

Report on the Financial Statements

We have audited the financial statements of Holmes County, Florida (the “County”), as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated March 25, 2024.

Auditor’s Responsibility

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

Other Reporting Requirements

We have issued our Independent 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*; Independent Auditor’s Report on Compliance for Each Major Federal Program and Major State Project and Report on Internal Control over Compliance, Schedule of Findings and Questioned Costs; and Independent Accountant’s Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated March 25, 2024, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Financial Condition and Management

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

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

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

Special District Component Units

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we 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 our audit, we 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.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the Holmes County Development Commission reported:

- a. The total number of district employees compensated in the last pay period of the district's fiscal year was 1.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year was 1.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency was \$26,473.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency was \$48,750.
- e. No construction projects with a total cost of at least \$65,000 were approved by the district that is scheduled to begin on or after October 1 of the fiscal year.
- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes. The district did not amend their budget, this is not applicable.

Additional Matters

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

Purpose of this Letter

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

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

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

Enterprise, Alabama

March 25, 2024

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

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



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

FINANCIAL STATEMENTS

September 30, 2023



	Page
FINANCIAL SECTION	
Independent Auditor’s Report.....	102
Basic Financial Statements	
Fund Financial Statements	
Balance Sheet – Governmental Funds.....	105
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	106
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual – General Fund.....	107
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual – Fine and Forfeiture Fund	108
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual – Child Support Trust	109
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual – Probation Fund	110
Statement of Fiduciary Net Position – Fiduciary Funds.....	111
Statement of Changes in Fiduciary Net Position – Fiduciary Funds	112
Notes to Financial Statements	113
Combining Financial Statements	
Description of Nonmajor Governmental Funds.....	128
Combining Balance Sheet – Nonmajor Governmental Funds	129
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	130
Description of Fiduciary Funds.....	131
Combining Statement of Fiduciary Net Position – Custodial Funds	132
Combining Statement of Changes in Fiduciary Net Position – Custodial Funds	133
REPORTS ON INTERNAL CONTROL AND COMPLIANCE MATTERS	
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 <i>Government Auditing Standards</i>	134
Independent Accountant’s Report on Examination of Compliance with Specified Florida Statute Sections.....	136
MANAGEMENT LETTER	137

INDEPENDENT AUDITOR'S REPORT

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

Opinions

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the Holmes County, Florida Clerk of the Circuit Court (the "Clerk"), as of and for the fiscal year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Clerk's basic financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information for the Clerk as of September 30, 2023, and the respective changes in financial position and the budgetary comparison for the General Fund, Fine and Forfeiture Fund, Child Support Trust, and Probation Fund for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

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 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 Clerk'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

Our 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*, we:

- 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 Clerk'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 our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Clerk's ability to continue as a going concern for a reasonable period of time.

We are 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Clerk's financial statements. The combining and individual nonmajor fund financial statements, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and were 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 our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2024 on our consideration of the Clerk's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Clerk's internal control over financial reporting and compliance.

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

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

Enterprise, Alabama

March 25, 2024

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

<i>September 30, 2023</i>	General Fund	Fine and Forfeiture
Assets		
Cash and cash equivalents	\$ 66,272	\$ 128,543
Due from other governments	-	8,548
Due from other funds	-	2,375
Due from Board of County Commissioners	90,318	-
Total assets		
	\$ 156,590	\$ 139,466
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 808	\$ 169
Accrued wages and benefits	11,981	15,716
Due to other funds	24,966	-
Due to Board of County Commissioners	103,617	-
Unearned revenue	15,218	-
Total liabilities		
	156,590	15,885
Fund balances		
Restricted	-	123,581
Total liabilities and fund balances		
	\$ 156,590	\$ 139,466

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

Child Support Trust	Probation	Nonmajor Funds	Total Governmental Funds
\$ 457,283	\$ 135,056	\$ 19,569	\$ 806,723
11,974	-	-	20,522
24,966	-	-	27,341
-	-	-	90,318
<u>\$ 494,223</u>	<u>\$ 135,056</u>	<u>\$ 19,569</u>	<u>\$ 944,904</u>
\$ 94	\$ 400	\$ 1,168	\$ 2,639
948	4,915	374	33,934
-	-	2,375	27,341
-	-	-	103,617
-	-	-	15,218
1,042	5,315	3,917	182,749
493,181	129,741	15,652	762,155
<u>\$ 494,223</u>	<u>\$ 135,056</u>	<u>\$ 19,569</u>	<u>\$ 944,904</u>

Holmes County, Florida
Clerk of the Circuit Court

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

<i>For the year ended September 30, 2023</i>	General Fund	Fine and Forfeiture
Revenues		
Intergovernmental	\$ -	\$ 120,761
Charges for services	77,997	242,047
Fines and forfeitures	-	260,806
Miscellaneous revenue	94,503	11,080
Total revenues	172,500	634,694
Expenditures		
General government		
Personnel services	402,435	579,550
Operating	62,297	42,001
Capital outlay	19,448	-
Total expenditures	484,180	621,551
Excess of revenues over (under) expenditures	(311,680)	13,143
Other Financing Sources (Uses)		
Appropriations from Board of County Commissioners	415,297	-
Proceeds from Pandemic Recovery Plan	-	4,112
Justice Administrative Commission	-	16,276
Reversions:		
Board of County Commissioners	(103,617)	-
Justice Administrative Commission	-	(10,035)
Net other financing sources (uses)	311,680	10,353
Net change in fund balances	-	23,496
Fund balances, beginning of year	-	100,085
Fund balances, end of year	\$ -	\$ 123,581

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

Child Support Trust	Probation	Nonmajor Funds	Total Governmental Funds
\$ 67,816	\$ -	\$ -	\$ 188,577
2,041	198,379	29,491	549,955
-	-	-	260,806
-	839	-	106,422
69,857	199,218	29,491	1,105,760
26,274	133,150	11,176	1,152,585
12,332	22,697	12,117	151,444
1,546	-	17,176	38,170
40,152	155,847	40,469	1,342,199
29,705	43,371	(10,978)	(236,439)
5,726	-	-	421,023
-	-	-	4,112
-	-	-	16,276
-	-	-	(103,617)
-	-	-	(10,035)
5,726	-	-	327,759
35,431	43,371	(10,978)	91,320
457,750	86,370	26,630	670,835
\$ 493,181	\$ 129,741	\$ 15,652	\$ 762,155

Holmes County, Florida
Clerk of the Circuit Court

Statement of Revenues, Expenditures and Changes in Fund Balances –
Budget and Actual
General Fund

<i>For the year ended September 30, 2023</i>	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Charges for services	\$ 68,745	\$ 77,997	\$ 77,997	\$ -
Miscellaneous revenue	6,500	94,503	94,503	-
Total revenues	75,245	172,500	172,500	-
Expenditures				
General government				
Personnel services	421,023	402,435	402,435	-
Operating	67,519	62,297	62,297	-
Capital outlay	2,000	19,448	19,448	-
Total expenditures	490,542	484,180	484,180	-
Excess of revenues under expenditures	(415,297)	(311,680)	(311,680)	-
Other Financing Sources (Uses)				
Appropriations from Board of County Commissioners	415,297	415,297	415,297	-
Reversions:				
Board of County Commissioners	-	(103,617)	(103,617)	-
Net other financing sources	415,297	311,680	311,680	-
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -

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

Holmes County, Florida
Clerk of the Circuit Court

Statement of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual
Fine and Forfeiture Fund

<i>For the year ended September 30, 2023</i>	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 126,793	\$ 118,033	\$ 120,761	\$ 2,728
Charges for services	273,654	273,654	242,047	(31,607)
Fines and forfeitures	230,706	230,706	260,806	30,100
Miscellaneous revenue	2,356	2,356	11,080	8,724
Total revenues	633,509	624,749	634,694	9,945
Expenditures				
General government				
Personnel services	607,347	579,561	579,550	11
Operating	30,274	42,009	42,001	8
Total expenditures	637,621	621,570	621,551	19
Excess of revenues over (under) expenditures	(4,112)	3,179	13,143	9,964
Other Financing Sources (Uses)				
Proceeds from Pandemic Recovery	4,112	4,112	4,112	-
Justice Administrative Commission	-	2,745	16,276	13,531
Reversions:				
Justice Administrative Commission	-	(10,036)	(10,035)	1
Net other financing sources (uses)	4,112	(3,179)	10,353	13,532
Net change in fund balance	-	-	23,496	23,496
Fund balance, beginning of year	100,085	100,085	100,085	-
Fund balance, end of year	\$ 100,085	\$ 100,085	\$ 123,581	\$ 23,496

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

Holmes County, Florida
Clerk of the Circuit Court

Statement of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual
Child Support Trust

<i>For the year ended September 30, 2023</i>	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 42,000	\$ 42,000	\$ 67,816	\$ 25,816
Charges for services	1,899	1,899	2,041	142
Total revenues	43,899	43,899	69,857	25,958
Expenditures				
General government				
Personnel services	26,486	26,274	26,274	-
Operating	435,513	421,580	12,332	409,248
Capital outlay	-	14,145	1,546	12,599
Total expenditures	461,999	461,999	40,152	421,847
Excess of revenues over (under) expenditures	(418,100)	(418,100)	29,705	447,805
Other Financing Sources				
Appropriations from Board of County Commissioners	-	-	5,726	5,726
Net change in fund balance	(418,100)	(418,100)	35,431	453,531
Fund balance, beginning of year	457,750	457,750	457,750	-
Fund balance, end of year	\$ 39,650	\$ 39,650	\$ 493,181	\$ 453,531

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

Holmes County, Florida
Clerk of the Circuit Court

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

<i>For the year ended September 30, 2023</i>	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Charges for services	\$ 164,976	\$ 164,976	198,379	\$ 33,403
Miscellaneous revenue	246	246	839	593
Total revenues	165,222	165,222	199,218	33,996
Expenditures				
General government				
Personnel services	124,760	133,150	133,150	-
Operating	131,262	123,872	22,697	101,175
Capital outlay	1,000	-	-	-
Total expenditures	257,022	257,022	155,847	101,175
Excess of revenues over (under) expenditures	(91,800)	(91,800)	43,371	135,171
Fund balance, beginning of year	86,370	86,370	86,370	-
Fund balance, end of year	\$ (5,430)	\$ (5,430)	\$ 129,741	\$ 135,171

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

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

<i>September 30, 2023</i>	Custodial Funds
Assets	
Cash and cash equivalents	\$ 456,323
Accounts receivable	37
<hr/>	
Total assets	456,360
Liabilities	
Deposits	67,014
Accounts payable	72,600
Due to individuals	308,941
Due to other governments	7,805
<hr/>	
Total liabilities	456,360
<hr/>	
Total net position	\$ -
<hr/> <hr/>	

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

Holmes County, Florida
Clerk of the Circuit Court

Statement of Changes in Fiduciary Net Position – Fiduciary Funds

<i>For the year ended September 30, 2023</i>	Custodial Funds
Additions	
Clerk of circuit and county courts revenue	\$ 2,683,045
Deductions	
Payments of clerk of circuit and county courts distributions to other governments	2,683,045
<hr/>	
Changes in net position	-
Net position, beginning of year	-
<hr/>	
Net position, end of year	\$ -
<hr/> <hr/>	

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Fund Financial Statements

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

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

The Clerk reports the following major governmental funds:

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

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

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

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements (continued)

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

Additionally, the Clerk reports the following fiduciary fund type:

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

Budgetary Information

Budgetary Basis of Accounting

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

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

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

Excess of Revenues over Expenditures

Pursuant to Section 218.36(2), Florida Statutes, each County officer shall pay into the County general fund by October 31 following each fiscal year end, all money in excess of the sum to which he or she is entitled under the provisions of Florida Statutes Chapter 145. In accordance with the statute for fiscal year 2023 the Clerk remitted \$103,617 of excess revenues over expenditures to the Board.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Information (continued)

Excess of Revenues over Expenditures (continued)

Pursuant to Section 28.37(2), Florida Statutes, all fees, service charges, court costs, and fines collected in excess of expenditures necessary to fund the Clerk's court operations for each fiscal year ending September 30th will be sent to the State of Florida Justice Administrative Commission (the "Commission"). Additionally, if revenues received in any given month exceed 1/12 of the projected revenues for the year, then that excess is to be remitted to the Commission as well. For the year ended September 30, 2023, excess court revenues exceeded 1/12 of revenue projections in the amount of \$10,035 and were remitted to the Commission. Also, the Clerk received excess funds in the amount of \$16,276 from the Commission for the Clerk's allocated portion of FY21-22 settle-up funds. These funds were distributed to each county in order to ensure they had enough cash on hand to support their revenue-limited budget.

Employee Benefits

Compensated Absences

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

Retirement Plan

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Employee Benefits (continued)

Other Postemployment Benefits (OPEB)

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

Assets, Liabilities, and Net Position or Equity

Cash and Cash Equivalents

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

Investments

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

Receivables and Payables

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

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

Interfund Activities

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" within the fund financial statements. Long-term borrowings between funds are classified as "advances to other funds" or "advances from other funds" in the fund financial statements. These amounts are eliminated in the governmental activities column of the County's statement of net position, except for any residual balance outstanding between the governmental activities at the end of the fiscal year, which are reported in the County's government-wide financial statements as internal balances.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Inventories and Prepaid Items

The purchase method is used to account for inventory and payments to vendors for costs applicable to future periods (prepaid). Under the purchase method, expenditures are recognized when the available financial resource is expended. Inventory is not deemed significant and therefore, no amount has been reported.

Capital Assets

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

Categories and Classification of Fund Equity

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

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

Use of Estimates

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

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, March 25, 2024 and determined there was no event that required disclosure.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements

In May 2019, the GASB issued Statement No. 91, Conduit Debt Obligations (GASB 91). The primary objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021. The Clerk adopted GASB 91 for the year ended September 30, 2023, and GASB 91 did not have a significant impact on the financial statements.

In March 2020, the GASB issued Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements (GASB 94). The objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022. The Clerk adopted GASB 94 for the year ended September 30, 2023, and GASB 94 did not have a significant impact on the financial statements.

In May 2020, the GASB issued GASB Statement No. 96, Subscription-Based Information Technology Arrangements (GASB 96). This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. The

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (continued)

requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Assets and liabilities resulting from SBITAs should be recognized and measured using the facts and circumstances that existed at the beginning of the fiscal year in which this Statement is implemented. Governments are permitted, but are not required, to include in the measurement of the subscription asset capitalizable outlays associated with the initial implementation stage and the operation and additional implementation stage prior to the implementation of this Statement. The Clerk adopted GASB 96 for the year ended September 30, 2023, and GASB 96 did not have a significant impact on the financial statements.

In April 2022, GASB issued Statement No. 99, Omnibus 2022 (GASB 99). This Statement seeks to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

The practice issues addressed by this Statement are as follows:

- Classification and reporting of derivative instruments within the scope of Statement No. 53, Accounting and Financial Reporting for Derivative Instruments, that do not meet the definition of either an investment derivative instrument or a hedging derivative instrument.
- Clarification of provisions in Statement No. 87, Leases, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives.
- Clarification of provisions in Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, related to the determination of the PPP term and (b) recognition and measurement of installment payments and the transfer of the underlying PPP asset.
- Clarification of provisions in Statement No. 96, Subscription-Based Information Technology Arrangements, related to the SBITA term, classification of a SBITA as a short-term SBITA, and recognition and measurement of a subscription liability.
- Extension of the period during which the LIBOR is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt.
- Accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP).
- Disclosures related to nonmonetary transactions.
- Pledges of future revenues when resources are not received by the pledging government.
- Clarification of provisions in Statement No. 34, Basic Financial Statements— and Management's Discussion and Analysis—for State and Local Governments, as amended, related to the focus of the government-wide financial statements.
- Terminology updates related to certain provisions of Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position.
- Terminology used in Statement No. 53 to refer to resource flows statements.

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (continued)

The requirements of this Statement are effective as follows:

- The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement No. 34, as amended, and terminology updates related to Statement No. 53 and Statement No. 63 are effective upon issuance.
- The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.
- The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement No. 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

The Clerk adopted the applicable provisions GASB 99 related to leases, PPPs, and SBITAs for the year ended September 30, 2023, and GASB 99 did not have a significant impact on the financial statements.

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

In June 2022, GASB issued Statement No. 100, Accounting Changes and Error Corrections (GASB 100). GASB 100 prescribes accounting and financial reporting for (1) each category of accounting change and (2) error corrections. GASB 100 also addresses how accounting changes and error corrections should be displayed in financial statements, disclosed in notes, and presented in required supplementary information and supplementary information. The requirements of GASB 100 are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

In June 2022, GASB issued Statement No. 101, Compensated Absences (GASB 101). The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

GASB Statement No. 102, Certain Risk Disclosures. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (continued)

with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter.

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

Note 2: DETAILED NOTES ON ALL FUNDS

Cash and Cash Equivalents

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

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

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

Interfund Activity

Interfund Balances - Receivables (due from other funds) and payables (due to other funds) resulting from various interfund transactions are as follows:

Receivable Fund	Payable Fund	Amount
Fine & Forfeiture fund	Nonmajor governmental fund	\$ 2,375
Child Support Trust fund	General fund	24,966
Total		\$ 27,341

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

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

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Due from Board of County Commissioners

The amount due from the Board of \$90,318 represents the Clerk's portion of interest earned during the fiscal year but maintained by the Board. All amounts due will be paid within one year of the financial statement date.

Due from Other Governments

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

Source	Amount
State of Florida	\$ 20,522

Due to Board of County Commissioners

The excess revenues over expenditures remitted to the Board after year end was \$103,617 in accordance with Section 30.50(6) Florida Statutes. This amount is reported as Reversion to Board of County Commissioners on the Statement of Revenues, Expenditures and Changes in Fund Balances.

Unearned Revenue

Unearned revenue of \$15,218 represents grant revenues received but not earned as of September 30, 2023. The Holmes County Board of County Commissioners advanced the Clerk \$20,000 of FEMA grant proceeds last fiscal year for administrative services related to FEMA grant projects. Revenues are recognized when qualified administrative expenditures are incurred on those FEMA projects.

Note 3: RETIREMENT PLAN

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

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

Note 3: RETIREMENT PLAN (Continued)

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

The System provides for those employees hired prior to July 1, 2011 vesting of benefits after six years of creditable service. Normal retirement benefits are available to employees who retire at or after age 62 with six or more years of service. For Special Risk Class members, normal retirement is age 55 with at least six years of Special Risk service, or twenty-five years of Special Risk service, regardless of age, or age 52 with 25 years of Special Risk service and up to four years of active duty wartime service. Early retirement is available after six years of service with a 5% reduction of benefits for each year prior to the normal retirement age. For those employees hired on or after July 1, 2011, the System provides for vesting of benefits after eight years of credible service. Normal retirement benefits are available to these employees who retire at or after age 65 with eight years of service or thirty-three years regardless of age. For Special Risk Class members, normal retirement is age 60 with at least eight years of Special Risk service, or thirty years of Special Risk service, regardless of age. Retirement benefits are based upon age, average compensation and years-of-service credit where average compensation is computed as the average of an individual's five highest years of earnings.

Participating employer contributions are based upon State-wide rates established by the State of Florida. These rates applied to employee salaries at year end are as follows: DROP Program – 21.13%, regular employees – 13.57%, senior management – 34.52%, and elected officials – 58.68%. These rates are applied to employee salaries each pay period. Employee contributions are 3.00% for all classifications, with the exception of the DROP program.

For the year ended September 30, 2023, total payroll for the Clerk's employees covered by the System was \$744,862 and total payroll was \$751,854. The Clerk's contributions to the plan for the years ended September 30, 2023, 2022 and 2021 were \$189,191, \$165,777, and \$138,920, respectively and were paid by the due date for the contribution.

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

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

Note 4: COMMITMENTS AND CONTINGENCIES

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

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

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

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

Capital Assets

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

Summary of changes in capital assets during the year ended September 30, 2023:

	Balance 10/1/22	Additions	Deletions	Balance 9/30/23
<i>Governmental Activities</i>				
Capital assets, being depreciated				
Equipment	\$ 258,046	\$ 38,170	\$ 2,079	\$ 294,137
Buildings and improvements	7,556	-	-	7,556
Capital assets, being depreciated	265,602	38,170	2,079	301,693
Less accumulated depreciation for				
Equipment	233,998	15,574	1,559	248,013
Buildings and improvements	7,556	-	-	7,556
Total accumulated depreciation	241,554	15,574	1,559	255,569
Total governmental activities capital assets, net	\$ 24,048	\$ 22,596	\$ 520	\$ 46,124

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

Note 5: FINANCIAL DISCLOSURES REPORTED AT THE COUNTY-WIDE LEVEL (Continued)

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

<i>Governmental Activities</i>	
General government	\$ 15,574

Compensated Absences

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

Summary of changes in compensated absences for the year ended September 30, 2023.

	Balance 10/1/22	Additions	Reductions	Balance 9/30/23
Compensated absences	\$ 67,579	\$ 47,691	\$ 50,825	\$ 64,445

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

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

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

<i>September 30, 2023</i>	Special Revenue Funds		
	Record Modernization	Court Technology Fund	Total
Assets			
Cash and cash equivalents	\$ 9,578	\$ 9,991	\$ 19,569
Liabilities and Fund Balances			
Accounts payable	\$ -	\$ 1,168	\$ 1,168
Accrued wages and benefits	-	374	374
Due to other funds	2,375	-	2,375
Total liabilities	2,375	1,542	3,917
Fund balances			
Restricted	7,203	8,449	15,652
Total liabilities and fund balances	\$ 9,578	\$ 9,991	\$ 19,569

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

<i>For the year ended September 30, 2023</i>	Special Revenue Funds			Total
	Record Modernization	Court Technology Fund		
Revenues				
Charges for services	\$ 7,460	\$ 22,031		\$ 29,491
Expenditures				
General government				
Personnel services	-	11,176		11,176
Operating	6,693	5,424		12,117
Capital outlay	7,634	9,542		17,176
Total expenditures	14,327	26,142		40,469
Excess of revenues under expenditures	(6,867)	(4,111)		(10,978)
Fund balances, beginning of year	14,070	12,560		26,630
Fund balances, end of year	\$ 7,203	\$ 8,449		\$ 15,652

Fiduciary Funds

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

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

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

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

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

<i>September 30, 2023</i>	General Agency	Juror and Witness	Registry of Court	Cash Bonds	Total
Assets					
Cash and cash equivalents	\$ 308,904	\$ 7,805	\$ 123,396	\$ 16,218	\$ 456,323
Accounts receivable	37	-	-	-	37
Total assets	308,941	7,805	123,396	16,218	456,360
Liabilities					
Deposits	-	-	50,796	16,218	67,014
Accounts payable	-	-	72,600	-	72,600
Due to individuals	308,941	-	-	-	308,941
Due to other governments	-	7,805	-	-	7,805
Total liabilities	308,941	7,805	123,396	16,218	456,360
Total net position	\$ -	\$ -	\$ -	\$ -	\$ -

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

<i>For the year ended September 30, 2023</i>	General Agency	Juror and Witness	Registry of Court	Cash Bonds	Total
Additions					
Clerk of circuit and county courts revenue	\$ 2,367,450	\$ 5,000	\$ 271,954	\$ 38,641	\$ 2,683,045
Deductions					
Payments of clerk of circuit and county courts distributions to other governments	2,367,450	5,000	271,954	38,641	2,683,045
Changes in net position	-	-	-	-	-
Net position, beginning of year	-	-	-	-	-
Net position, end of year	\$ -	\$ -	\$ -	\$ -	\$ -



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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***

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of each major fund and the aggregate remaining fund information of the Holmes County, Florida Clerk of the Circuit Court (the "Clerk"), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Clerk's financial statements, and have issued our report thereon dated March 25, 2024.

Reports on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

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

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

Enterprise, Alabama
March 25, 2024



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**INDEPENDENT ACCOUNTANT’S REPORT ON EXAMINATION OF COMPLIANCE
WITH SPECIFIED FLORIDA STATUTE SECTIONS**

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

We have examined the Holmes County, Florida Clerk of the Circuit Court’s (the “Clerk”) compliance with the following Florida Statute sections during the fiscal year ended September 30, 2023.

Sections 28.35 and 28.36
Section 61.181
Section 218.415

*Performance Standards and Budgets
Alimony and Child Support Payments
Local Government Investment Policies*

The Clerk’s management is responsible for the Clerk’s compliance with those requirements. Our responsibility is to express an opinion on the Clerk’s compliance based on our examination.

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

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement.

In our opinion, the Clerk complied, in all material respects, with the aforementioned requirements, for the year ended September 30, 2023.

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

Carr, Riggs & Ingram, L.L.C.
CARR, RIGGS & INGRAM, L.L.C.

Enterprise, Alabama
March 25, 2024



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MANAGEMENT LETTER

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

Report on the Financial Statements

We have audited the financial statements of the Holmes County, Florida Clerk of the Circuit Court (the "Clerk"), as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated March 25, 2024.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Governmental Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 25, 2024, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Financial Management

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

Additional Matters

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

Purpose of this Letter

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

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

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

Enterprise, Alabama

March 25, 2024

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**Property Appraiser
Holmes County, Florida**

FINANCIAL STATEMENTS

September 30, 2023



	Page
FINANCIAL SECTION	
Independent Auditor’s Report	140
Basic Financial Statements	
Fund Financial Statements	
Balance Sheet – Governmental Funds.....	143
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds.....	144
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund	145
Notes to Financial Statements	146
REPORTS ON INTERNAL CONTROL AND COMPLIANCE MATTERS	
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 <i>Government Auditing Standards</i>	159
Independent Accountant’s Report on Compliance with <i>Local Government Investment Policies</i>	161
MANAGEMENT LETTER	162

INDEPENDENT AUDITOR'S REPORT

Honorable Bryan Bell
Property Appraiser
Holmes County, Florida

Opinion

We have audited the accompanying financial statements of the major fund of the Holmes County, Florida Property Appraiser (the "Property Appraiser"), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Property Appraiser's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the major fund of the Property Appraiser as of September 30, 2023, and the respective changes in financial position and the budgetary comparison for the General Fund thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

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 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 Property

Appraiser'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

Our 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*, we:

- 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 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 our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Property Appraiser's ability to continue as a going concern for a reasonable period of time.

We are 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2024, on our consideration of the Property Appraiser's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Property Appraiser's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Property Appraiser's internal control over financial reporting and compliance.

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

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

Enterprise, Alabama

March 25, 2024

Holmes County, Florida
Property Appraiser
Balance Sheet – Governmental Funds

<i>September 30, 2023</i>	General Fund
Assets	
Cash and cash equivalents	\$ 2,786
Liabilities and Fund Balance	
Liabilities	
Due to Board of County Commissioners	\$ 2,786
Fund balance	-
Total liabilities and fund balance	\$ 2,786

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

Holmes County, Florida
Property Appraiser

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

For the year ended September 30, 2023

General Fund

<hr/>	
Revenues	
Charges for services	\$ 6,798
Interest and other	12
<hr/>	
Total revenues	6,810
Expenditures	
General government	
Personnel services	567,197
Operating	58,234
Capital outlay	258,725
<hr/>	
Total expenditures	884,156
<hr/>	
Excess (deficiency) of revenues over (under) expenditures	(877,346)
Other Financing Sources (Uses)	
Appropriations from Board of County Commissioners	730,132
Lease proceeds	150,000
Reversion to Board of County Commissioners	(2,786)
<hr/>	
Net other financing sources (uses)	877,346
<hr/>	
Net change in fund balance	-
Fund balance, beginning of year	-
<hr/>	
Fund balance, end of year	\$ -
<hr/>	

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

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

<i>For the year ended September 30, 2023</i>	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Charges for services	\$ -	\$ -	\$ 6,798	\$ 6,798
Interest and other	-	-	12	12
Total revenues	-	-	6,810	6,810
Expenditures				
General government				
Personnel services	572,428	584,620	567,197	17,423
Operating	145,512	145,512	58,234	87,278
Capital outlay	-	-	258,725	(258,725)
Total expenditures	717,940	730,132	884,156	(154,024)
Excess (deficiency) of revenues over (under) expenditures	(717,940)	(730,132)	(877,346)	(147,214)
Other Financing Sources (Uses)				
Appropriations from Board of County Commissioners	717,940	730,132	730,132	-
Lease proceeds	-	-	150,000	150,000
Reversion to Board of County Commissioners	-	-	(2,786)	(2,786)
Net other financing sources (uses)	717,940	730,132	877,346	147,214
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -

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

Holmes County, Florida
Property Appraiser
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

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

Holmes County, Florida
Property Appraiser
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Fund Financial Statements

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

The Property Appraiser reports the following major governmental fund:

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

Budgetary Information

Budgetary Basis of Accounting

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

Excess of Revenues over Expenditures

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

Holmes County, Florida
Property Appraiser
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Employee Benefits

Compensated Absences

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

Retirement Plan

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

Other Postemployment Benefits (OPEB)

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

Assets, Liabilities and Equity

Cash and Cash Equivalents

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

Holmes County, Florida
Property Appraiser
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Equity (continued)

Inventories and Prepaid Items

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

Capital Assets

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

Leases

The Property Appraiser entered into various lease agreements as a lessee for financing the acquisition of a computer assisted mass appraisal system. The lease agreements qualify as leases for accounting purposes and; therefore, have been recorded in the county-wide financial statements at the present value of future minimum lease payments as of the lease inception date. The related assets are reported as capital assets in the county-wide financial statements.

Categories and Classification of Fund Equity

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

Holmes County, Florida
Property Appraiser
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Equity (continued)

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

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

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

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

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

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

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

Use of Estimates

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

Holmes County, Florida
Property Appraiser
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, March 25, 2024, and determined there were no events that required disclosure.

Recently Issued and Implemented Accounting Pronouncements

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations* (GASB 91). The primary objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021. The Property Appraiser adopted GASB 91 for the year ended September 30, 2023, and GASB 91 did not have a significant impact on the financial statements.

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* (GASB 94). The objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022. The Property Appraiser adopted GASB 94 for the year ended September 30, 2023, and GASB 94 did not have a significant impact on the financial statements.

Holmes County, Florida
Property Appraiser
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (continued)

In May 2020, the GASB issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (GASB 96). This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Assets and liabilities resulting from SBITAs should be recognized and measured using the facts and circumstances that existed at the beginning of the fiscal year in which this Statement is implemented. Governments are permitted, but are not required, to include in the measurement of the subscription asset capitalizable outlays associated with the initial implementation stage and the operation and additional implementation stage incurred prior to the implementation of this Statement. The Property Appraiser adopted GASB 96 for the year ended September 30, 2023, and GASB 96 did not have a significant impact on the financial statements.

In April 2022, GASB issued Statement No. 99, *Omnibus 2022* (GASB 99). This Statement seeks to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

The practice issues addressed by this Statement are as follows:

- Classification and reporting of derivative instruments within the scope of [Statement No. 53, Accounting and Financial Reporting for Derivative Instruments](#), that do not meet the definition of either an investment derivative instrument or a hedging derivative instrument.
- Clarification of provisions in [Statement No. 87, Leases](#), as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives.
- Clarification of provisions in [Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements](#), related to the determination of the PPP term and (b) recognition and measurement of installment payments and the transfer of the underlying PPP asset.
- Clarification of provisions in [Statement No. 96, Subscription-Based Information Technology Arrangements](#), related to the SBITA term, classification of a SBITA as a short-term SBITA, and recognition and measurement of a subscription liability.

Holmes County, Florida
Property Appraiser
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (continued)

- Extension of the period during which the LIBOR is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt.
- Accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP).
- Disclosures related to nonmonetary transactions.
- Pledges of future revenues when resources are not received by the pledging government.
- Clarification of provisions in [Statement No. 34, Basic Financial Statements— and Management's Discussion and Analysis—for State and Local Governments](#), as amended, related to the focus of the government-wide financial statements.
- Terminology updates related to certain provisions of [Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position](#).
- Terminology used in [Statement No. 53](#) to refer to resource flows statements.

The requirements of this Statement are effective as follows:

- The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in [Statement No. 34](#), as amended, and terminology updates related to [Statement No. 53](#) and [Statement No. 63](#) are effective upon issuance.
- The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.
- The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of [Statement No. 53](#) are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

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

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

In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections* (GASB 100). GASB 100 prescribes accounting and financial reporting for (1) each category of accounting change and (2) error corrections. GASB 100 also addresses how accounting changes and error corrections should be displayed in financial statements, disclosed in notes, and presented in required supplementary information and supplementary information. The requirements of GASB 100 are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

Holmes County, Florida
Property Appraiser
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (continued)

In June 2022, GASB issued Statement No. 101, *Compensated Absences* (GASB 101). The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

GASB Statement No. 102, *Certain Risk Disclosures*. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter.

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

Note 2: DETAILED NOTES ON ALL FUNDS

Cash and Cash Equivalents

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

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

Custodial risk - Custodial credit risk for deposits is the risk in the event of the failure of a depository financial institution a government may not be able to recover deposits. Monies placed on deposit with financial institutions in the form of demand deposits, time deposits or certificate of deposits are defined as public deposits. At year-end, all cash held in demand deposits was fully insured by

Holmes County, Florida
Property Appraiser
Notes to Financial Statements

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Cash and Cash Equivalents (continued)

the Federal Deposit Insurance Corporation and the multiple financial institutions collateral pool required by Section 280, Florida Statutes.

Due to Board of County Commissioners

The excess revenues over expenditures remitted to the Board after year end was \$2,786 in accordance with Section 218.36(2) Florida Statutes. This amount is reported as Reversion to Board of County Commissioners on the Statement of Revenues, Expenditures and Changes in Fund Balance.

Note 3: RETIREMENT PLAN

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

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

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

The System provides for those employees hired prior to July 1, 2011 vesting of benefits after six years of creditable service. Normal retirement benefits are available to employees who retire at or after age 62 with six or more years of service. For Special Risk Class members, normal retirement is age 55 with at least six years of Special Risk service, or twenty-five years of Special Risk service, regardless of age, or age 52 with 25 years of Special Risk service and up to four years of active duty wartime service. Early retirement is available after six years of service with a 5% reduction of benefits for each year prior to the normal retirement age. For those employees hired on or after July 1, 2011, the System provides for vesting of benefits after eight years of credible service. Normal retirement benefits are available to these employees who retire at or after age 65 with eight years of service or thirty-three years regardless of age. For Special Risk Class members, normal retirement is age 60 with at least eight years of Special Risk service, or thirty years of Special Risk service,

Holmes County, Florida
Property Appraiser
Notes to Financial Statements

Note 3: RETIREMENT PLAN (Continued)

regardless of age. Retirement benefits are based upon age, average compensation and years-of-service credit where average compensation is computed as the average of an individual's five highest years of earnings.

Participating employer contributions are based upon State-wide rates established by the State of Florida. These rates applied to employee salaries at year end are as follows: regular employees – 13.57%, DROP Program – 21.13%, senior management – 34.52%, and elected officials – 58.68%. The rate applied to employee salaries for employee contributions was 3.00% for all classifications, with the exception of the DROP Program.

For the year ended September 30, 2023, total payroll for the Property Appraiser's employees covered by the System was \$362,013. The Property Appraiser's total payroll was \$373,745 for the same period. The Property Appraiser's contributions to the plan for the years ended September 30, 2023, 2022, and 2021 were \$110,755, \$95,777, and \$88,568, respectively, and were paid by the due date for the contributions.

The Property Appraiser has no responsibility to the System other than to make the periodic payments required by State Statutes. The Florida Division of Retirement issues a publicly available financial report that includes financial statements and required supplementary information for the

System. The report may be obtained by writing to Florida Division of Retirement, P.O. Box 9000, Tallahassee, Florida 32315-9000 or at the Division's website at dms.myflorida.com.

Note 4: FINANCIAL DISCLOSURES REPORTED AT THE COUNTY-WIDE LEVEL

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

Capital Assets

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

Summary of capital asset activity for the year ended September 30, 2023:

Holmes County, Florida
Property Appraiser
Notes to Financial Statements

Note 4: FINANCIAL DISCLOSURES REPORTED AT THE COUNTY-WIDE LEVEL (Continued)

Capital Assets (continued)

	Balance 10/01/22	Increases	Decreases	Balance 9/30/23
<i>Governmental Activities</i>				
Capital assets, being depreciated				
Machinery and equipment	\$ 159,013	\$ 254,873	\$ -	\$ 413,886
Less accumulated depreciation for				
Machinery and equipment	(128,815)	(36,255)	-	(165,070)
 Total capital assets being depreciated, net	 \$ 30,198	 \$ 218,618	 \$ -	 \$ 248,816

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

<i>Governmental Activities</i>	
General government	\$ 36,255

Compensated Absences

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

Summary of changes in compensated absences for the year ended September 30, 2023:

	Balance 10/01/22	Additions	Reductions	Balance 9/30/23	Due In One Year
Compensated absences	\$ 57,751	\$ 25,778	\$ (36,622)	\$ 46,907	\$ 4,691

Long-Term Debt

Capital leases that will not be liquidated with expendable available financial resources of the Property Appraiser are the obligation of the County and are reported at the county-wide level.

Summary of changes in long-term debt for the year ended September 30, 2023:

	Balance 10/01/22	Increases	Reductions	Balance 9/30/23	Due In One Year
Capital Leases	\$ -	\$ 150,000	\$ -	\$ 150,000	\$ 50,000

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

Note 4: FINANCIAL DISCLOSURES REPORTED AT THE COUNTY-WIDE LEVEL (Continued)

Long-Term Debt (continued)

Lease Obligations

Lease contracts that provide the Property Appraiser with control of a non-financial asset, such as land, buildings or equipment, for a period of time in excess of twelve months are reported as a leased asset with a related lease liability. The lease liability is recorded at the present value of future lease payments, including fixed payments, variable payments based on an index or fixed rate and reasonably certain residual guarantees. The intangible leased asset is recorded for the same amount as the related lease liability plus any prepayments and initial direct costs to place the asset in service. Leased assets are amortized over the shorter of the useful life of the asset or the lease term. The lease liability is reduced for lease payments made, less the interest portion of the lease payment. Any contract not meeting the 12- month period requirement is recognized as rental expense. The Property Appraiser uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Property Appraiser uses its estimated incremental borrowing rate as the discount rate for leases.

The following is an analysis of the property under capital lease at September 30, 2023.

Capital Leases

	Capital Assets
Machinery and equipment	\$ 206,364
Less: accumulated depreciation	(24,076)
Net leased property	\$ 182,288

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2023 are as follows:

For the fiscal year ended September 30,

2024	\$ 51,591
2025	51,591
2026	51,591
Total minimum lease payments	154,773
Less: amount representing interest	(4,773)
Present value of future minimum lease payments	\$ 150,000



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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***

The Honorable Bryan Bell
Property Appraiser
Holmes County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Holmes County, Florida Property Appraiser (the “Property Appraiser”), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Property Appraiser’s financial statements, and have issued our report thereon dated March 25, 2024.

Internal Control Over Financial Reporting

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

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

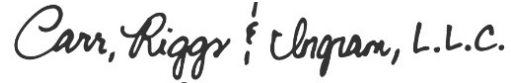
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

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

Purpose of this Report

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


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

Enterprise, Alabama
March 25, 2024



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INDEPENDENT ACCOUNTANT’S REPORT ON COMPLIANCE WITH *LOCAL GOVERNMENT INVESTMENT POLICIES*

Honorable Bryan Bell
Property Appraiser
Holmes County, Florida

We have examined the Holmes County, Florida Property Appraiser’s (the “Property Appraiser”) compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2023. Management of the Property Appraiser is responsible for the Property Appraiser’s compliance with the specified requirements. Our responsibility is to express an opinion on the Property Appraiser’s compliance based on our examination.

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

We are required to be independent and to meet our ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement.

In our opinion, the Property Appraiser complied, in all material respects, with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2023.

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

Carr, Riggs & Ingram, L.L.C.
CARR, RIGGS & INGRAM, L.L.C.

Enterprise, Alabama
March 25, 2024



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MANAGEMENT LETTER

Honorable Bryan Bell
Property Appraiser
Holmes County, Florida

Report on the Financial Statements

We have audited the financial statements of the Holmes County, Florida Property Appraiser (the "Property Appraiser") as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated March 25, 2024.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 25, 2024, should be considered in conjunction with this management letter.

Prior Audit Findings

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

2012-02 - Disbursement Controls (Repeat)

Condition – *Government Auditing Standards* require auditors to consider internal controls over financial reporting as a basis for designing our auditing procedures. In documenting controls, a deficiency was noted in the segregation of duties over cash disbursements. The Chief Deputy Property Appraiser's ("Chief Deputy") responsibilities include recording accounts payable, check register review and approval, establishing vendor files and preparation of bank account reconciliations. The Chief Deputy is not an authorized check signer but has access to the general ledger and Information Technology (IT) rights to create vendors files.

Criteria – Management is responsible for establishing and maintaining effective internal control over financial reporting.

Cause – Due to limited number of personnel involved in the cash disbursement process, some critical duties are not adequately segregated.

Effect – Controls over executing and recording disbursement transactions lacks optimum separation of duties by vesting significant components of the disbursement process with one person. The lack of adequate control procedures could result in the misuse or misappropriation of assets.

Recommendation – We recommend implementing control procedures to separate the bank reconciliation, check writing, check distribution and creating new vendor file responsibilities. The Chief Deputy's responsibilities should be limited to approving accounts payable and reviewing the distribution check register. Ideally, a third person should be forwarded signed checks directly from the check signers for distribution. New vendor authorizations should be required by someone independent of the disbursement process to create accounts payable vendor files. Additionally, we recommend that someone other than the Chief Deputy reconcile the bank accounts. If resources don't allow for that segregation then, as a minimum, a second reviewer should review the reconciliations and examine reconciling items. Ideally the accounts payable/payroll (cash disbursement), check signing and distribution and bank reconciling duties should be segregated.

View of Responsible Officials and Planned Corrective Actions – The Property Appraiser acknowledges the finding and is currently following several of the recommendations. Drafted checks are sent directly to the Property Appraiser for review, approval and signature and a third person distributes the checks. The Property Appraiser's Office does not currently have the funding to hire additional personnel to segregate all disbursement duties.

Financial Management

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we noted recommendation 2012-02 in this management letter under Section 10.554(1)(i)1.

Additional Matters

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

Purpose of this Letter

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

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

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

Enterprise, Alabama

March 25, 2024



**Supervisor of Elections
Holmes County, Florida**

FINANCIAL STATEMENTS

September 30, 2023



	Page
FINANCIAL SECTION	
Independent Auditor’s Report.....	166
Basic Financial Statements	
Fund Financial Statements	
Balance Sheet – Governmental Funds.....	169
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds.....	170
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund	171
Notes to Financial Statement	172
REPORTS ON INTERNAL CONTROL AND COMPLIANCE MATTERS	
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 <i>Government Auditing Standards</i>	184
Independent Accountant’s Report on Compliance with <i>Local Government Investment Policies</i>	186
MANAGEMENT LETTER	187



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INDEPENDENT AUDITOR’S REPORT

Honorable Rusty Williams
Supervisor of Elections
Holmes County, Florida

Opinion

We have audited the accompanying financial statements of the major fund of the Holmes County, Florida Supervisor of Elections (the “Supervisor of Elections”), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Supervisor of Elections’ basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the major fund of the Supervisor of Elections as of September 30, 2023, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Supervisor of Elections, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 the Supervisor of Elections' 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

Our 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*, we:

- 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 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 our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Supervisor of Elections' ability to continue as a going concern for a reasonable period of time.

We are 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2024 on our consideration of the Supervisor of Elections' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Supervisor of Elections' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Supervisor of Elections' internal control over financial reporting and compliance.

Carr, Riggs & Ingram, L.L.C.
CARR, RIGGS & INGRAM, L.L.C.

Enterprise, Alabama
March 25, 2024

**Holmes County, Florida
Supervisor of Elections
Balance Sheet – Governmental Funds**

<i>September 30, 2023</i>	General Fund
Assets	\$ -
Liabilities and Fund Balance	\$ -

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

**Holmes County, Florida
Supervisor of Elections**

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

<i>For the year ended September 30, 2023</i>	General Fund
<hr/>	
Revenues	
Intergovernmental	\$ 55,678
Expenditures	
General government	
Personnel services	265,101
Operating expenses	157,136
Debt service	
Principal	8,523
<hr/>	
Total expenditures	430,760
<hr/>	
Excess (deficiency) of revenues over (under) expenditures	(375,082)
Other Financing Sources (Uses)	
Appropriations from Board of County Commissioners	375,082
<hr/>	
Net change in fund balance	-
Fund balance, beginning of year	-
<hr/>	
Fund balance, end of year	\$ -
<hr/> <hr/>	

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

Holmes County, Florida
Supervisor of Elections

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

<i>For the year ended September 30, 2023</i>	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ -	\$ 55,678	\$ 55,678	\$ -
Expenditures				
General government				
Personnel services	311,493	311,493	265,101	46,392
Operating expenses	221,623	277,301	157,136	120,165
Capital outlay	9,000	9,000	-	9,000
Debt service				
Principal	-	-	8,523	(8,523)
Total expenditures	542,116	597,794	430,760	167,034
Excess (deficiency) of revenues over (under) expenditures	(542,116)	(542,116)	(375,082)	167,034
Other Financing Sources (Uses)				
Appropriations from Board of County Commissioners	542,116	542,116	375,082	(167,034)
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -

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

Holmes County, Florida
Supervisor of Elections
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

**Holmes County, Florida
Supervisor of Elections
Notes to Financial Statements**

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

The operations of the Supervisor of Elections are primarily funded by the Board of County Commissioners and appropriations from the Board are reported as other financing source. At year-end, excess revenue and other financing sources over expenditures are remitted to the Board and reported as reversion to Board of County Commissioners.

Fund Financial Statements

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

The Supervisor of Elections reports the following major governmental fund:

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

Budgetary Information

Budgetary Basis of Accounting

Florida Statutes Chapter 129.201 and 129.03 details the preparation, adoption and administration of the Supervisor of Elections’ annual budget. By June 1 of each year, the Supervisor of Elections shall submit to the Board a tentative budget for carrying out the duties of her office for the ensuing fiscal year. The Board has until September 30 to approve and/or modify the Supervisor of Elections’ proposed budget during hearings held pursuant to Florida Statutes 129. The budgeted revenues and expenditures in the accompanying financial statements reflect all amendments approved by the Board. Budgetary control is maintained at the major object expenditure level. Expenditures may not legally exceed appropriations at the department level, and appropriations lapse at year-end.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Information (continued)

Budgetary Basis of Accounting (continued)

Budgetary changes within major object expenditure categories are made at the discretion of the Supervisor of Elections.

Excess of Revenues over Expenditures

Pursuant to Section 129.202(1)(f), Florida Statutes, "all unexpended balances at the end of each fiscal year shall be returned to the Board and deposited to the County fund or funds from which payment was originally made." Rather than having an accounting system independent of the Board, the Supervisor of Elections is accounted for as a department by the Board. Therefore, appropriations by the Board will equal actual expenditures and the Supervisor of Elections will not report revenues in excess of expenditures.

Assets, Liabilities, and Equity

Cash and Cash Equivalents

The Supervisor of Elections does not maintain a separate operating bank account. Operations are accounted for through a department within the Board's General Fund.

Inventories and Prepaid Items

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

Capital Assets

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

Leases

Lease contracts that provide the Supervisor with control of a non-financial asset, such as land, buildings or equipment, for a period of time in excess of twelve months are reported as a leased

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, and Equity (continued)

Leases (continued)

asset with a related lease liability. The lease liability is recorded at the present value of future lease payments, including fixed payments, variable payments based on an index or fixed rate and reasonably certain residual guarantees. Leased assets are amortized over the shorter of the useful life of the asset or the lease term. The lease liability is reduced for lease payments made, less the interest portion of the lease payment.

Compensated Absences

The Supervisor of Elections' compensated absences policy allows employees to accumulate unused sick and vacation leave up to a maximum of 90 days of sick leave and 30 days of annual leave. Upon separating from service all employees will be paid 100% of accumulated annual leave and retiring employees will also be paid 100% of accumulated sick leave. Upon resignation employees with ten years of service will be paid one-half of accumulated sick leave. Employees with more than ten years seniority may accrue sick leave in excess of 90 days in a personal sick leave bank. Accrued leave in a personal sick leave bank may only be used in the event of a catastrophic illness.

Expenditures for compensated absences in governmental funds are those paid during the current fiscal year and the amount unpaid at the end of the reporting period that normally would be liquidated with expendable available financial resources. Accrued compensated absences that will not be liquidated with expendable available financial resources of the Supervisor of Elections are the obligation of the County and are reported at the county-wide level.

Retirement Plan

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

Other Post-Employment Benefits (OPEB) Liability

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Categories and Classification of Fund Equity

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

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

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

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

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

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

Assigned fund balance – Amounts in the assigned fund balance classification are intended to be used by the Supervisor of Elections for specific purposes but do not meet the criteria to be classified as committed. The Board has by resolution authorized the finance director to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assigned Fund Balance (continued)

action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

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

Use of Estimates

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

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, March 25, 2024, and determined there were no events that occurred that required disclosure.

Recently Issued and Implemented Accounting Pronouncements

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations* (GASB 91). The primary objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021. The Supervisor of Elections adopted GASB 91 for the year ended September 30, 2023, and GASB 91 did not have a significant impact on the financial statements.

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (continued)

the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022. The Supervisor of Elections adopted GASB 94 for the year ended September 30, 2023, and GASB 94 did not have a significant impact on the financial statements.

In May 2020, the GASB issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (GASB 96). This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Assets and liabilities resulting from SBITAs should be recognized and measured using the facts and circumstances that existed at the beginning of the fiscal year in which this Statement is implemented. Governments are permitted, but are not required, to include in the measurement of the subscription asset capitalizable outlays associated with the initial implementation stage and the operation and additional implementation stage incurred prior to the implementation of this Statement. The Supervisor of Elections adopted GASB 96 for the year ended September 30, 2023, and GASB 96 did not have a significant impact on the financial statements.

In April 2022, GASB issued Statement No. 99, *Omnibus 2022* (GASB 99). This Statement seeks to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

The practice issues addressed by this Statement are as follows:

- Classification and reporting of derivative instruments within the scope of [Statement No. 53, Accounting and Financial Reporting for Derivative Instruments](#), that do not meet the definition of either an investment derivative instrument or a hedging derivative instrument.

Holmes County, Florida
Supervisor of Elections
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued Accounting Pronouncements (continued)

- Clarification of provisions in [Statement No. 87, Leases](#), as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives.
- Clarification of provisions in [Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements](#), related to the determination of the PPP term and (b) recognition and measurement of installment payments and the transfer of the underlying PPP asset.
- Clarification of provisions in [Statement No. 96, Subscription-Based Information Technology Arrangements](#), related to the SBITA term, classification of a SBITA as a short-term SBITA, and recognition and measurement of a subscription liability.
- Extension of the period during which the LIBOR is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt.
- Accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP).
- Disclosures related to nonmonetary transactions.
- Pledges of future revenues when resources are not received by the pledging government.
- Clarification of provisions in [Statement No. 34, Basic Financial Statements— and Management's Discussion and Analysis—for State and Local Governments](#), as amended, related to the focus of the government-wide financial statements.
- Terminology updates related to certain provisions of [Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position](#).
- Terminology used in [Statement No. 53](#) to refer to resource flows statements.

The requirements of this Statement are effective as follows:

- The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in [Statement No. 34](#), as amended, and terminology updates related to [Statement No. 53](#) and [Statement No. 63](#) are effective upon issuance.
- The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.
- The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of [Statement No. 53](#) are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

The Supervisor of Elections adopted the applicable provisions GASB 99 related to leases, PPPs, and SBITAs for the year ended September 30, 2023, and GASB 99 did not have a significant impact on the financial statements.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued Accounting Pronouncements (continued)

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

In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections* (GASB 100). GASB 100 prescribes accounting and financial reporting for (1) each category of accounting change and (2) error corrections. GASB 100 also addresses how accounting changes and error corrections should be displayed in financial statements, disclosed in notes, and presented in required supplementary information and supplementary information. The requirements of GASB 100 are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

In June 2022, GASB issued Statement No. 101, *Compensated Absences* (GASB 101). The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

GASB Statement No. 102, *Certain Risk Disclosures*. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter.

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

Note 2: RETIREMENT PLAN

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

Note 2: RETIREMENT PLAN (Continued)

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

The System provides for those employees hired prior to July 1, 2011 vesting of benefits after six years of creditable service. Normal retirement benefits are available to employees who retire at or after age 62 with six or more years of service. For Special Risk Class members, normal retirement is age 55 with at least six years of Special Risk service, or twenty-five years of Special Risk service, regardless of age, or age 52 with 25 years of Special Risk service and up to four years of active duty wartime service. Early retirement is available after six years of service with a 5% reduction of benefits for each year prior to the normal retirement age. For those employees hired on or after July 1, 2011, the System provides for vesting of benefits after eight years of credible service. Normal retirement benefits are available to these employees who retire at or after age 65 with eight years of service or thirty-three years regardless of age. For Special Risk Class members, normal retirement is age 60 with at least eight years of Special Risk service, or thirty years of Special Risk service, regardless of age. Retirement benefits are based upon age, average compensation and years-of-service credit where average compensation is computed as the average of an individual's five highest years of earnings.

Participating employer contributions are based upon state-wide rates established by the State of Florida. These rates applied to employee salaries at year end are as follows: regular employees – 13.57%, DROP Program – 18.60%, senior management – 31.57% and elected officials – 58.68%. These rates applied to employee salaries at year end for employee contributions are 3.00% for all classifications, with the exception of the DROP program.

Total payroll for the Supervisor of Elections' employees covered by the System was \$166,980 for the year ended September 30, 2023. The Supervisor of Elections' total payroll was \$166,980 for the same period. The Supervisor of Elections' contribution to the plan for the years ended September 30, 2023, 2022 and 2021 was \$61,455, \$62,295, and \$57,571, respectively. These contributions were paid by the due date for the contribution.

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

Holmes County, Florida
Supervisor of Elections
Notes to Financial Statements

Note 3: CONTINGENCIES

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

Note 4: FINANCIAL DISCLOSURES REPORTED AT THE COUNTY-WIDE LEVEL

The following capital assets and long term debt are in the custody of and accounted for by the Supervisor of Elections and reported in the county-wide financial statements.

Capital Assets

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

Summary of capital asset activity for the year ended September 30, 2023:

	Balance 10/1/2022	Additions	Deletions	Balance 9/30/2023
<i>Governmental Activities</i>				
Capital assets, being depreciated:				
Machinery and equipment	\$ 289,422	\$ -	\$ 10,666	\$ 278,756
Less accumulated depreciation for:				
Machinery and equipment	(240,061)	(24,326)	(10,666)	(253,721)
Total governmental activities capital assets, net	\$ 49,361	\$ (24,326)	\$ -	\$ 25,035

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

<i>Governmental Activities</i>	
General government	\$ 24,326

**Holmes County, Florida
Supervisor of Elections
Notes to Financial Statements**

Note 4: FINANCIAL DISCLOSURES REPORTED AT THE COUNTY-WIDE LEVEL (Continued)

Long-Term Debt

Debt that will not be liquidated with expendable available financial resources of the Supervisor of Elections is the obligation of the County and reported in the county-wide financial statements.

Summary of long-term debt activity for the year ended September 30, 2023:

	Balance 10/01/22	Additions	Reductions	Balance 9/30/23	Due In One Year
Leases	\$ 8,523	\$ -	\$ 8,523	\$ -	\$ -
Compensated absences	4,605	6,455	3,445	7,615	762
Total	\$ 13,128	\$ 6,455	\$ 11,968	\$ 7,615	\$ 762

**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***

Honorable Rusty Williams
Supervisor of Elections
Holmes County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Holmes County, Florida Supervisor of Elections (the “Supervisor of Elections”) as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Supervisor of Elections’ financial statements, and have issued our report thereon dated March 25, 2024.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

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

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

Enterprise, Alabama
March 25, 2024



Carr, Riggs & Ingram, LLC

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INDEPENDENT ACCOUNTANT’S REPORT ON COMPLIANCE WITH LOCAL GOVERNMENT INVESTMENT POLICIES

Honorable Rusty Williams
Supervisor of Elections
Holmes County, Florida

We have examined the Holmes County, Florida Supervisor of Elections’ (the “Supervisor of Elections”) compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2023. Management of the Supervisor of Elections is responsible for the Supervisor of Elections’ compliance with the specified requirements. Our responsibility is to express an opinion on the Supervisor of Elections’ compliance based on our examination.

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

We are required to be independent and to meet other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

In our opinion, the Supervisor of Elections complied, in all material respects, with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2023.

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

A handwritten signature in black ink that reads "Carr, Riggs & Ingram, L.L.C." in a cursive script.

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

Enterprise, Alabama
March 25, 2024



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MANAGEMENT LETTER

Honorable Rusty Williams
Supervisor of Elections
Holmes County, Florida

Report on the Financial Statements

We have audited the financial statements of the Holmes County, Florida Supervisor of Elections (the “Supervisor of Elections”) as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated March 25, 2024.

Auditor’s Responsibility

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

Other Reporting Requirements

We have issued our Independent 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 March 25, 2024, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Financial Management

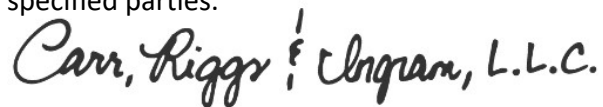
Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Additional Matters

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

Purpose of this Letter

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

A handwritten signature in black ink that reads "Carr, Riggs & Ingram, L.L.C." The signature is written in a cursive style with a vertical line separating "Riggs" and "Ingram".

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

Enterprise, Alabama
March 25, 2024



**Sheriff
Holmes County, Florida**

FINANCIAL STATEMENTS

September 30, 2023



	Page
FINANCIAL SECTION	
Independent Auditor’s Report	190
Basic Financial Statements	
Fund Financial Statements	
Balance Sheet – Governmental Funds	193
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	194
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund	195
Statement of Fiduciary Net Position – Fiduciary Funds	197
Statement of Changes in Fiduciary Net Position – Fiduciary Funds	198
Notes to Financial Statements	199
Combining Financial Statements	
Description of Nonmajor Governmental Funds	213
Combining Balance Sheet – Nonmajor Governmental Funds	214
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	215
REPORTS ON INTERNAL CONTROL AND COMPLIANCE MATTERS	
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 <i>Government Auditing Standards</i>	216
Independent Accountant’s Report on Compliance with <i>Local Government Investment Policies</i>	218
MANAGEMENT LETTER	219



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INDEPENDENT AUDITOR'S REPORT

Honorable John Tate
Sheriff
Holmes County, Florida

Opinions

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the Holmes County, Florida Sheriff (the "Sheriff"), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of each major fund and the aggregate remaining fund information of the Sheriff as of September 30, 2023, and the respective changes in financial position thereof and budgetary comparison for the General Fund for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

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, 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 the Sheriff'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

Our 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 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 generally accepted auditing standards and *Governmental 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 *Governmental Auditing Standards*, we:

- 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 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 our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Sheriff's ability to continue as a going concern for a reasonable period of time.

We are 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Sheriff's financial statements. The accompanying combining and individual nonmajor fund statements 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 our opinion, the combining and individual nonmajor 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*, we have also issued our report dated March 25, 2024, on our consideration of the Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Sheriff's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Sheriff's internal control over financial reporting and compliance.

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

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

Enterprise, Alabama

March 25, 2024

Holmes County, Florida
Sheriff
Balance Sheet – Governmental Funds

<i>September 30, 2023</i>	General Fund	Emergency Services 911	Inmate Canteen
Assets			
Cash and cash equivalents	\$ 169,518	\$ 146,615	\$ 111,052
Due from other governments	378,272	149,529	-
Total assets	\$ 547,790	\$ 296,144	\$ 111,052
Liabilities and Fund Balances			
Liabilities			
Accounts payable	\$ 454,571	\$ 152,579	\$ -
Accrued wages and benefits	56,377	-	-
Unearned revenue	-	-	-
Due to Board of County Commissioners	36,842	-	-
Total liabilities	547,790	152,579	-
Fund balances			
Restricted for			
Public safety - law enforcement	-	143,565	111,052
Total liabilities and fund balances	\$ 547,790	\$ 296,144	\$ 111,052

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

	Nonmajor Funds		Total Governmental Funds
	\$ 8,383		\$ 435,568
	-		527,801
	<u>\$ 8,383</u>		<u>\$ 963,369</u>
	\$ -		\$ 607,150
	-		56,377
	2,290		2,290
	<u>2,220</u>		<u>39,062</u>
	4,510		704,879
	<u>3,873</u>		<u>258,490</u>
	<u>\$ 8,383</u>		<u>\$ 963,369</u>

**Holmes County, Florida
Sheriff**

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

<i>For the year ended September 30, 2023</i>	General Fund	Emergency Services 911	Inmate Canteen
Revenues			
Charges for services	\$ -	\$ -	\$ 198,425
Intergovernmental	985,900	459,194	-
Miscellaneous	297,309	58	-
Total revenues	1,283,209	459,252	198,425
Expenditures			
Public safety			
Personnel services	4,604,977	180,484	-
Operating	1,424,090	232,519	212,726
Capital outlay	238,072	6,625	14,249
Debt service			
Principal	77,586	-	-
Interest	5,628	-	-
Total expenditures	6,350,353	419,628	226,975
Excess (deficiency) of revenues over (under) expenditures	(5,067,144)	39,624	(28,550)
Other Financing Sources (Uses)			
Appropriations from Board of County Commissioners	5,103,986	-	-
Reversion to Board of County Commissioners	(36,842)	-	-
Net other financing sources (uses)	5,067,144	-	-
Net change in fund balances	-	39,624	(28,550)
Fund balances, beginning of year	-	103,941	139,602
Fund balances, end of year	\$ -	\$ 143,565	\$ 111,052

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

	Nonmajor Funds	Total Governmental Funds
\$	30,184	\$ 228,609
	-	1,445,094
	10,962	308,329
	41,146	1,982,032
	-	4,785,461
	13,581	1,882,916
	-	258,946
	-	77,586
	-	5,628
	13,581	7,010,537
	27,565	(5,028,505)
	-	5,103,986
	(27,750)	(64,592)
	(27,750)	5,039,394
	(185)	10,889
	4,058	247,601
\$	3,873	\$ 258,490

**Holmes County, Florida
Sheriff**

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

<i>For the year ended September 30, 2023</i>	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ -	\$ -	\$ 985,900	\$ 985,900
Miscellaneous	-	-	297,309	297,309
Total revenues	-	-	1,283,209	1,283,209
Expenditures				
Public safety				
Personnel services	3,970,526	4,155,824	4,604,977	(449,153)
Operating	873,162	873,162	1,424,090	(550,928)
Capital outlay	75,000	75,000	238,072	(163,072)
Debt service				
Principal	-	-	77,586	(77,586)
Interest	-	-	5,628	(5,628)
Total expenditures	4,918,688	5,103,986	6,350,353	(1,246,367)
Excess (deficiency) of revenues over (under) expenditures	(4,918,688)	(5,103,986)	(5,067,144)	36,842
Other Financing Sources (Uses)				
Appropriations from Board of County Commissioners	4,918,688	5,103,986	5,103,986	-
Reversion to Board of County Commissioners	-	-	(36,842)	(36,842)
Net other financing sources (uses)	4,918,688	5,103,986	5,067,144	(36,842)
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -

-Continued-

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

Holmes County, Florida
Sheriff
Statement of Revenues, Expenditures and Changes in Fund Balances –
Budget and Actual
General Fund (Continued)

<i>For the year ended September 30, 2023</i>	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Reconciliation of GAAP to Budgetary Basis				
GAAP basis revenues	\$ -	\$ -	\$ 1,283,209	\$ 1,283,209
Non-budgeted revenues				
Intergovernmental	-	-	(985,900)	(985,900)
Miscellaneous	-	-	(297,309)	(297,309)
Budgetary basis revenues and other financing sources	\$ -	\$ -	\$ -	\$ -
GAAP basis expenditures	\$ 4,918,688	\$ 5,103,986	\$ 6,350,353	\$ (1,246,367)
Non-budgeted expenses				
Personnel services	-	-	(570,459)	570,459
Operating	-	-	(687,193)	687,193
Capital outlay	-	-	(25,557)	25,557
Budgetary basis expenditures	\$ 4,918,688	\$ 5,103,986	\$ 5,067,144	\$ 36,842

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

Holmes County, Florida
Sheriff

Statement of Fiduciary Net Position – Fiduciary Funds

<i>September 30, 2023</i>	Custodial Fund Inmate Trust
<hr/>	
Assets	
Cash	\$ 86,445
<hr/>	
Net Position	
Restricted for inmate purchases	\$ 86,445
<hr/>	

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

**Holmes County, Florida
Sheriff**

Statement of Changes in Fiduciary Net Position – Fiduciary Funds

<i>For the year ended September 30, 2023</i>	Custodial Fund Inmate Trust
Additions	
Inmate deposits	\$ 629,600
Deductions	
Current Public safety	625,213
Net increase in fiduciary net position	4,387
Net position, beginning of year	82,058
Net position, end of year	\$ 86,445

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements

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

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

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

The Sheriff reports the following major governmental funds:

General Fund - To account for all revenue and expenditures applicable to the general operations of the Sheriff that are not required either legally or by GAAP to be accounted for in another fund.

Emergency Services 911 - Special revenue fund used to account for phone charges assessed for the purpose of providing emergency assistance.

Inmate Canteen - Special revenue fund used to account for proceeds from canteen sales to inmates. Excess revenues over expenditures from the Inmate Canteen Fund are used for inmate welfare.

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements (continued)

The Sheriff also reports the following fiduciary fund type:

Inmate Trusts – This fund is custodial in nature and accounts for assets held in a trust capacity or as an agent for individuals. Custodial funds only report assets and liabilities and do not measure results of operations. These funds are accounted for on an accrual basis of accounting.

Budgetary Information

Budgetary Basis of Accounting

Florida Statutes Chapters 30.49 and 129.03 detail the preparation, adoption and administration of the Sheriff's annual budget. The Sheriff establishes an annual balanced budget for his office which displays the revenues available to the office and the functions for which the money is to be expended and submits it to the Board for approval. By June 1 of each year, the Sheriff shall certify to the Board a proposed budget of expenditures for carrying out the duties of his office for the ensuing fiscal year. The Board has until September 30 to approve and/or modify the Sheriff's proposed budget during hearings held pursuant to Florida Statutes 129. Once approved, any subsequent amendments must be approved by the Board.

A budget is maintained only for the General Fund. The remaining Special Revenue Funds are not budgeted and excess revenues over expenditures in the Special Revenue Funds remain with the Sheriff. Budgetary control is maintained at the major object expenditure level. Expenditures may not legally exceed appropriations at the department level, and appropriations lapse at year-end. Budgetary changes within major object expenditure categories are made at the discretion of the Sheriff.

The Sheriff's budget is prepared under a budgetary basis of accounting that differs from GAAP. The major differences are recognition of unanticipated grant revenue, intergovernmental revenues from sources other than the Board and expenditures and non-budgeted miscellaneous revenues and expenditures. The actual results of operations in the Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund are presented on a budgetary basis for budgetary accounting purposes. Adjustments to convert the results of operation of the General Fund at the end of the year from the budgetary basis of accounting to the GAAP basis of accounting are reported on the statement of budget and actual for General Fund.

Excess Revenues over Expenditures

Pursuant to Section 30.50(6), Florida Statutes, any excess revenues over expenditures determined as of the date specified in Section 30.50(5), Florida Statutes, "...shall be refunded to the Board of County Commissioners...". Excess revenues over expenditures returned to the Board as required by Florida Statutes are accrued and reported as other financing (uses). All special revenue funds excess revenue, except civil trust, remains with the Sheriff.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Employee Benefits

Compensated Absences

It is the Sheriff's policy to allow employees to accumulate unlimited unused sick leave. Accumulated annual leave is limited to 160 hours for the first 10 years of employment, and 240 hours thereafter. Accumulated annual leave is payable upon termination at the full value of the hours accumulated, while sick leave is forfeited. Expenditures for compensated absences in governmental funds are those paid during the current fiscal year and the amount unpaid at the end of the reporting period that normally would be liquidated with expendable available financial resources. Accrued compensated absences that will not be liquidated with expendable available financial resources of the Sheriff are the obligation of the County and are reported at the county-wide level.

Retirement Plan

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

Other Postemployment Benefits (OPEB)

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

Assets, Liabilities, and Net Position or Equity

Cash and Cash Equivalents

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Receivables

Receivables – Amounts due from other governments are deemed to be fully collectable and no allowance for doubtful accounts is required.

Inventories and Prepaid Items

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

Capital Assets

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

Categories and Classification of Net Position and Fund Balance

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

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

Use of Estimates

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, March 25, 2024 and determined there were no events that required disclosure.

Recently Issued and Implemented Accounting Pronouncements

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations* (GASB 91). The primary objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021. The Sheriff adopted GASB 91 for the year ended September 30, 2023, and GASB 91 did not have a significant impact on the financial statements.

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* (GASB 94). The objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022. The Sheriff adopted GASB 94 for the year ended September 30, 2023, and GASB 94 did not have a significant impact on the financial statements.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (continued)

In May 2020, the GASB issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (GASB 96). This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Assets and liabilities resulting from SBITAs should be recognized and measured using the facts and circumstances that existed at the beginning of the fiscal year in which this Statement is implemented. Governments are permitted, but are not required, to include in the measurement of the subscription asset capitalizable outlays associated with the initial implementation stage and the operation and additional implementation stage incurred prior to the implementation of this Statement. The Sheriff adopted GASB 96 for the year ended September 30, 2023, and GASB 96 did not have a significant impact on the financial statements.

In April 2022, GASB issued Statement No. 99, *Omnibus 2022* (GASB 99). This Statement seeks to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

The practice issues addressed by this Statement are as follows:

- Classification and reporting of derivative instruments within the scope of Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, that do not meet the definition of either an investment derivative instrument or a hedging derivative instrument.
- Clarification of provisions in Statement No. 87, *Leases*, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives.
- Clarification of provisions in Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, related to the determination of the PPP term and (b) recognition and measurement of installment payments and the transfer of the underlying PPP asset.
- Clarification of provisions in *Statement No. 96, Subscription-Based Information Technology Arrangements*, related to the SBITA term, classification of a SBITA as a short-term SBITA, and recognition and measurement of a subscription liability.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (continued)

- Extension of the period during which the LIBOR is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt.
- Accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP).
- Disclosures related to nonmonetary transactions.
- Pledges of future revenues when resources are not received by the pledging government.
- Clarification of provisions in Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, as amended, related to the focus of the government-wide financial statements.
- Terminology updates related to certain provisions of Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*.
- Terminology used in Statement No. 53 to refer to resource flows statements.

The requirements of this Statement are effective as follows:

- The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement No. 34, as amended, and terminology updates related to Statement No. 53 and Statement No. 63 are effective upon issuance.
- The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.
- The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement No. 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

The Sheriff adopted the applicable provisions GASB 99 related to leases, PPPs, and SBITAs for the year ended September 30, 2023, and GASB 99 did not have a significant impact on the financial statements.

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (continued)

In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections* (GASB 100). GASB 100 prescribes accounting and financial reporting for (1) each category of accounting change and (2) error corrections. GASB 100 also addresses how accounting changes and error corrections should be displayed in financial statements, disclosed in notes, and presented in required supplementary information and supplementary information. The requirements of GASB 100 are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

In June 2022, GASB issued Statement No. 101, *Compensated Absences* (GASB 101). The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

GASB Statement No. 102, *Certain Risk Disclosures*. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter.

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

Note 2: DETAILED NOTES ON ALL FUNDS

Cash and Cash Equivalents

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

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

Holmes County, Florida
Sheriff
Notes to Financial Statements

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Cash and Cash Equivalents (continued)

payment of losses according to the depositors validated claims pursuant to Section 280.08, Florida Statutes.

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

Due From Other Governments

Due from other governments at September 30, 2023 consisted of the following:

	General Fund	Emergency Services 911
State of Florida	\$ 57,132	\$ 149,529
U.S. Department of Justice	3,350	-
Victims of Crime Act (VOCA)	10,022	-
CJDT Grant	151,309	-
Holmes County Board of Education	75,731	-
U.S. Marshall	4,373	-
E-911	76,355	-
Total	\$ 378,272	\$ 149,529

Due to Board of County Commissioners

The excess revenues over expenditures remitted to the Board after year end was \$36,842 in accordance with Section 30.50(6) Florida Statutes. This amount is reported as Reversion to Board of County Commissioners on the Statement of Revenues Expenditures and Changes in Fund Balance.

Note 3: RETIREMENT PLAN

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

Note 3: RETIREMENT PLAN (Continued)

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

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

The System provides for those employees hired prior to July 1, 2011 vesting of benefits after six years of creditable service. Normal retirement benefits are available to employees who retire at or after age 62 with six or more years of service. For Special Risk Class members, normal retirement is age 55 with at least six years of Special Risk service, or twenty-five years of Special Risk service, regardless of age, or age 52 with 25 years of Special Risk service and up to four years of active duty wartime service. Early retirement is available after six years of service with a 5% reduction of benefits for each year prior to the normal retirement age. For those employees hired on or after July 1, 2011, the System provides for vesting of benefits after eight years of credible service. Normal retirement benefits are available to these employees who retire at or after age 65 with eight years of service or thirty-three years regardless of age. For Special Risk Class members, normal retirement is age 55 with at least eight years of Special Risk service, or twenty-five years of Special Risk service, regardless of age. Retirement benefits are based upon age, average compensation and years-of-service credit where average compensation is computed as the average of an individual's five highest years of earnings.

Participating employer contributions are based upon state-wide rates established by the State of Florida. These rates applied to employee salaries at year end are as follows: regular employees – 13.57%, special risk – 32.67%, senior management – 34.52% and elected officials – 58.68%. These rates applied to employee salaries at year end for employee contributions are 3.00% for all classifications, with the exception of the DROP program.

Total payroll for the Sheriff's employees covered by the System was \$3,012,926 for the year ended September 30, 2023. The Sheriff's total payroll was \$3,187,805 for the same period. The Sheriff's contribution to the plan for the years ended September 30, 2023, 2022, and 2021 were \$755,165 \$518,005, and \$476,769, respectively, and were paid by the due date for the contributions.

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

Holmes County, Florida
Sheriff
Notes to Financial Statements

Note 4: CONTINGENCIES

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

Note 5: LITIGATION

The Sheriff is involved in various claims or potential claims arising in the normal course of business. It is the opinion of management that coverage provided by the Florida Sheriff's Self-Insurance Fund is adequate to eliminate any significant exposure resulting from those claims.

Note 6: FINANCIAL DISCLOSURES REPORTED AT THE COUNTY-WIDE LEVEL

The following capital assets and long term debt are in the custody of and accounted for by the Sheriff and reported in the county-wide financial statements.

Capital Assets

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

Capital asset activity for the fiscal year is as follows:

	Balance 10/1/2022	Additions	Deletions	Balance 9/30/2023
<i>Governmental Activities</i>				
Capital assets depreciated:				
Machinery and equipment	\$ 1,977,259	\$ 332,838	\$ (28,068)	\$ 2,282,029
Less: accumulated depreciation	(1,276,295)	(246,387)	28,018	(1,494,664)
Total governmental activities				
capital assets, net	\$ 700,964	\$ 86,451	\$ (50)	\$ 787,365

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

<i>Governmental Activities</i>	
Public safety	\$ 246,387

Holmes County, Florida
Sheriff
Notes to Financial Statements

Note 6: FINANCIAL DISCLOSURES REPORTED AT THE COUNTY-WIDE LEVEL (Continued)

Long-Term Debt

Long-term debt that will not be liquidated with expendable available financial resources of the Sheriff is the obligation of the County and reported in the county-wide financial statements.

The following is a summary of changes in long-term debt:

	Balance 10/1/2022	Additions	Reductions	Balance 9/30/2023	Due in One Year
Compensated absences	\$ 146,465	\$ 144,888	\$ 123,878	\$ 167,475	\$ 16,748
Note payable	157,986	-	77,586	80,400	80,400
Total	\$ 304,451	\$ 144,888	\$ 201,464	\$ 247,875	\$ 97,148

The following is a schedule of principal and interest payments on notes payable at September 30, 2023:

	Long-term Debt
2024	\$ 83,214
Total minimum payments	83,214
Less: amount representing interest	(2,814)
Note payable	\$ 80,400

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Federal Interdiction - Used to account for proceeds from federally seized assets. These proceeds can only be used to purchase equipment for the department.

Civil Trust - Used to account for fees charged and related expenses in serving legal documents. Any excess fees over expenditures are remitted to the Board.

Teen Court - Used to account for funds received from the Clerk to administer Teen Court.

Holmes County, Florida
Sheriff

Combining Balance Sheet – Nonmajor Governmental Funds

<i>September 30, 2023</i>	Special Revenue Funds			
	Federal Interdiction	Civil Trust	Teen Court	Total
Assets				
Cash and cash equivalents	\$ 2,309	\$ 2,220	3,854	\$ 8,383
Total assets	\$ 2,309	\$ 2,220	\$ 3,854	\$ 8,383
Fund Balances				
Liabilities				
Unearned revenue	2,290	-	-	2,290
Due to Board of County Commissioners	-	2,220	-	2,220
Total liabilities	2,290	2,220	-	4,510
Fund balances				
Restricted for:				
Public safety - law enforcement	19	-	3,854	3,873
Total liabilities and fund balances	\$ 2,309	\$ 2,220	\$ 3,854	\$ 8,383

Holmes County, Florida
Sheriff

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

<i>For the year ended September 30, 2023</i>	Special Revenue Funds			Total
	Federal Interdiction	Civil Trust	Teen Court	
Revenues				
Charges for services	\$ -	\$ 30,184	\$ -	\$ 30,184
Miscellaneous	3,587	-	7,375	10,962
Total revenues	3,587	30,184	7,375	41,146
Expenditures				
Public safety				
Operating	3,587	2,434	7,560	13,581
Excess (deficiency) of revenues over (under) expenditures	-	27,750	(185)	27,565
Other Financing Sources (Uses)				
Reversion to Board of County Commissioners	-	(27,750)	-	(27,750)
Net change in fund balances	-	-	(185)	(185)
Fund balances, beginning of year	19	-	4,039	4,058
Fund balances, end of year	\$ 19	\$ -	\$ 3,854	\$ 3,873



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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***

Honorable John Tate
Sheriff
Holmes County, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the major fund, and the aggregate remaining fund information of Holmes County, Florida Sheriff (the "Sheriff") as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements and have issued our report thereon dated March 25, 2024.

Reports on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that may have not been identified. We consider the deficiencies described in the accompanying management letter as item 2023-001 and item 2010-01 to be material weaknesses.

Report on Compliance and Other Matters

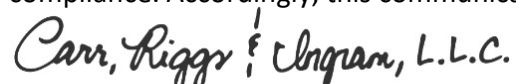
As part of obtaining reasonable assurance about whether the Sheriff's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect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

Sheriff's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Sheriff's response to the findings identified in our audit and described in the accompanying Management Letter. The Sheriff's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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


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

Enterprise, Alabama
March 25, 2024



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INDEPENDENT ACCOUNTANT’S REPORT ON COMPLIANCE WITH LOCAL GOVERNMENT INVESTMENT POLICIES

Honorable John Tate
Sheriff
Holmes County, Florida

We have examined the Holmes County, Florida Sheriff’s (the “Sheriff”) compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2023. Management is responsible for the Sheriff’s compliance with the specified requirements. Our responsibility is to express an opinion on the Sheriff’s compliance based on our examination.

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

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

In our opinion, the Sheriff complied, in all material respects, with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies* for the year ended September 30, 2023.

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

Carr, Riggs & Ingram, L.L.C.
CARR, RIGGS & INGRAM, L.L.C.

Enterprise, Alabama
March 25, 2024



Carr, Riggs & Ingram, LLC
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MANAGEMENT LETTER

Honorable John Tate
Sheriff
Holmes County, Florida

Report on the Financial Statements

We have audited the financial statements of the Holmes County, Florida Sheriff (the “Sheriff”) as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated March 25, 2024.

Auditor’s Responsibility

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

Other Reporting Requirements

We have issued our 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 March 25, 2024, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address significant findings and recommendations made in the preceding annual financial audit report except as noted below under the heading Prior Year Findings and Recommendations.

PRIOR YEAR FINDINGS AND RECOMMENDATIONS

2010-01 - Segregation of Duties (Repeat)

Condition - *Government Auditing Standards* require auditors to consider internal controls over financial reporting as a basis for designing auditing procedures. In documenting controls, a deficiency was noted in the segregation of duties over cash disbursements. The Finance Director's responsibilities include accounts payable, check register review and approval, and preparation of bank account reconciliations. The Finance Director is not an authorized check signer. In addition, the Finance Director has Information Technology (IT) rights to create vendors and general ledger access and authorization.

Criteria - Management is responsible for establishing and maintaining effective internal controls over financial reporting.

Cause - Due to the limited number of personnel involved in the cash disbursement process, control duties are not adequately segregated.

Effect - Controls over executing and recording disbursement transactions lack optimum separation of duties by vesting most of the disbursement responsibility with one person. The lack of adequate control procedures could result in the misuse or misappropriation of assets.

Recommendation - We recommend that control procedures be implemented to separate the accounts payable, bank reconciliation, and check writing responsibilities. The Finance Director's responsibilities should be limited to approving accounts payable and reviewing the distribution check register. Once checks are drafted, they should be forwarded along with supporting documentation directly to the check signers for review, approval and signatures. A third person should be forwarded the signed checks directly from the check signers for distribution. In addition, no one should have unilateral IT rights to create accounts payable vendor files, generate checks and reconcile the bank accounts.

Views of Responsible Officials and Planned Corrective Actions - The Sheriff acknowledges the finding. Drafted checks are sent directly to the Sheriff for review, approval and signature and a third person distributes the checks. The Sheriff's Office does not currently have the funding to hire additional personnel to segregate all disbursement duties.

CURRENT YEAR FINDINGS AND RECOMMENDATIONS

2023-001 – Accrual Accounting

Condition - The Sheriff maintained its general ledgers on the cash basis of accounting that was related to Adam Walsh Grant. Due to the client's basis of accounting, income is generally not recorded until cash is received and expenditures when paid. This practice can result in revenue and expenditures being misappropriated, omitted or recorded in an incorrect period.

Criteria - Generally accepted accounting standards (GAAP) for governmental entities requires that governmental funds prepare financial statements using the current financial resources measurement focus and the modified accrual basis of accounting. Proprietary fund reporting standards require the current economic resources measurement focus and the accrual basis of

accounting. Accounting for all funds on the cash basis of accounting necessitates significant adjustments to the Sheriff's books of record in order to prepare financial statements in conformity with GAAP.

Cause of Condition - Management elected to prepare interim financial statements on the cash basis of accounting.

Effect of Condition - Revenue and expenditures were not recorded when earned or incurred. Adversely affects the Sheriff's ability to prepare financial statements free of misstatements and in accordance with GAAP.

Recommendation - We recommend interim and year-end financial statements be prepared using the modified accrual basis of accounting.

Views of Responsible Officials and Planned Corrective Actions - The Sheriff is in agreement with the finding noted; however, the Sheriff does not have the financial resources to hire a CPA to perform the duties that is required, but will continue to strive to provide financial statements to the best of their knowledge and to improve and grow our personnel knowledge so in the future the Sheriff can possibly satisfy this requirement.

Financial Management

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we noted the recommendation 2010-01-Segregation of Duties identified above under Section 10.554(1)(i)1.

Additional Matters

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

Purpose of this Letter

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

Carr, Riggs & Ingram, L.L.C.
CARR, RIGGS & INGRAM, L.L.C.

Enterprise, Alabama
March 25, 2024

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**Tax Collector
Holmes County, Florida**

FINANCIAL STATEMENTS

September 30, 2023



	Page
FINANCIAL SECTION	
Independent Auditor’s Report	223
Basic Financial Statements	
Fund Financial Statements	
Balance Sheet – Governmental Funds.....	226
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds.....	227
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund	228
Statement of Fiduciary Net Position – Fiduciary Funds.....	229
Statement of Changes in Fiduciary Net Position – Fiduciary Funds	230
Notes to Financial Statements	231
Combining and Individual Fund Statements	
Description of Fiduciary Funds.....	244
Combining Statement of Fiduciary Net Position – Custodial Funds	245
Combining Statement of Changes in Fiduciary Net Position – Custodial Funds.....	246
REPORTS ON INTERNAL CONTROL AND COMPLIANCE MATTERS	
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	247
Independent Accountant’s Report on Compliance with <i>Local Government Investment Policies</i>	249
MANAGEMENT LETTER	250



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INDEPENDENT AUDITOR'S REPORT

Honorable Harry B. Bell, III
Tax Collector
Holmes County, Florida

Opinions

We have audited the accompanying financial statements of the major fund and the fiduciary fund type of the Holmes County, Florida Tax Collector (the "Tax Collector"), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Tax Collector's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the major fund and the fiduciary fund type of the Tax Collector, as of September 30, 2023, and the respective changes in financial position thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

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 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 Tax Collector'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

Our 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*, we:

- 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 County'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 our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Tax Collector's ability to continue as a going concern for a reasonable period of time.

We are 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Tax Collector's financial statements. The combining fiduciary fund statements 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 our 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*, we have also issued our report dated March 25, 2024 on our consideration of the Tax Collector's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts, and grant agreements and other matters. The purpose of that report is to solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Tax Collector's internal control over financial reporting and compliance.

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

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

Enterprise, Alabama

March 25, 2024

Holmes County, Florida
Tax Collector
Balance Sheet – Governmental Funds

September 30, 2023

General Fund

Assets

Due from other governments	\$	12,510
----------------------------	----	--------

Liabilities and Fund Balance

Liabilities

Ledger overdraft	\$	12,280
------------------	----	--------

Due to Board of County Commissioners		118
--------------------------------------	--	-----

Due to individuals		112
--------------------	--	-----

Total liabilities		12,510
-------------------	--	--------

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

Total liabilities and fund balance	\$	12,510
------------------------------------	----	--------

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

Holmes County, Florida
Tax Collector

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

<i>For the year ended September 30, 2023</i>	General Fund
Revenues	
Charges for services	\$ 382,571
Interest	18
<hr/>	
Total revenues	382,589
Expenditures	
General government	
Personnel services	513,665
Operating	102,706
<hr/>	
Total expenditures	616,371
<hr/>	
Excess (deficiency) of revenues over (under) expenditures	(233,782)
Other Financing Sources (Uses)	
Appropriations from Board of County Commissioners	233,900
Reversion to Board of County Commissioners	(118)
<hr/>	
Net other financing sources	233,782
<hr/>	
Net change in fund balance	-
Fund balance, beginning of year	-
<hr/>	
Fund balances, end of year	\$ -
<hr/>	

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

Holmes County, Florida
Tax Collector

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

<i>For the year ended September 30, 2023</i>	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Charges for services	\$ 404,364	\$ 416,557	\$ 382,571	\$ (33,986)
Interest	18	18	18	-
Total revenues	404,382	416,575	382,589	(33,986)
Expenditures				
General government				
Personnel services	532,338	544,531	513,665	30,866
Operating	105,944	105,944	102,706	3,238
Total expenditures	638,282	650,475	616,371	34,104
Excess revenues over (under) expenditures	(233,900)	(233,900)	(233,782)	118
Other Financing Sources (Uses)				
Appropriations from Board of County Commissioners	233,900	233,900	233,900	-
Reversion to Board of County Commissioners	-	-	(118)	(118)
Net other financing sources (uses)	233,900	233,900	233,782	(118)
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -

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

Holmes County, Florida
Tax Collector
Statement of Fiduciary Net Position – Fiduciary Funds

<i>September 30, 2023</i>	Custodial Funds
Assets	
Cash	\$ 226,918
Due from other governments	7,893
<hr/>	
Total assets	234,811
Liabilities	
Due to other governments	224,791
Due to individuals	10,020
<hr/>	
Total liabilities	234,811
<hr/>	
Net position	\$ -
<hr/> <hr/>	

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

Holmes County, Florida
Tax Collector

Statement of Changes in Fiduciary Net Position – Fiduciary Funds

For the year ended September 30, 2023

Custodial Funds

Additions

Tax collections, auto tag fees, and other fees for other governments	\$	11,908,060
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Deductions

Payments of tax, auto tag fees, and other fees to other governments		11,908,060
---	--	------------

Net change in fiduciary net position		-
--------------------------------------	--	---

Net position, beginning of year		-
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Net position, end of year	\$	-
---------------------------	----	---

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

Holmes County, Florida
Tax Collector
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

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

Holmes County, Florida
Tax Collector
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

only current assets and current liabilities are included in the balance sheet. Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they present a summary of sources and uses of “available spendable resources” during a period.

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

Fund Financial Statements

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

The fund financial statements provide information about the Tax Collector’s funds, including its fiduciary funds. Separate statements for each fund category—governmental and fiduciary—are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds. Major individual governmental funds are reported as separate columns in the fund financial statements. Fiduciary funds are used to report assets held in a trustee or custodial capacity for others that cannot be used to support the government’s own programs. Custodial funds are purely custodial and do not involve measurement of results of operations.

The Tax Collector reported the following major governmental fund:

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

The Tax Collector also reported the following fiduciary fund type:

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Information

Budgetary Basis of Accounting

Florida Statutes, Chapter 195.087 details the preparation, adoption, and administration of the Tax Collector's annual budget. On or before August 1 of each year, the Tax Collector submits an annual budget to the Department of Revenue (the "Department"). If the Department finds the budget inadequate or excessive, it shall return such budget to the Tax Collector, together with its ruling thereon. The Tax Collector shall revise the budget as required and resubmit it to the Department. After final approval by the Department, there shall be no reduction or increase by the Tax Collector or Board without the approval of the Department. Budgetary control is maintained at the major object expenditure level. Expenditures may not legally exceed appropriations at the department level, and appropriations lapse at year-end. Budgetary changes within major object expenditure categories are made at the discretion of the Tax Collector.

Excess Revenue over Expenditures

Pursuant to Section 218.36(2), Florida Statutes, whenever a tax collector has excess revenue over expenditures determined as of the fiscal year end, "...he or she shall distribute the excess to each governmental unit in the same proportion as the fees paid by the governmental unit bear to the total fee income of his or her office."

Employee Benefits

Compensated Absences

It is the Tax Collector's policy to allow employees to accumulate unused sick leave and vacation benefits up to a maximum of 40 days of sick leave and 40 days of annual leave. Accumulated annual leave is payable on termination at the full value of the hours accumulated, while sick leave is only payable on termination at 50% of the value of the hours accumulated if employed for ten years or longer or 100% for an employee who retires from service retirement. Expenditures for compensated absences in governmental funds are those paid during the current fiscal year and the amount unpaid at the end of the reporting period that normally would be liquidated with expendable available financial resources. Accrued compensated absences that will not be liquidated with expendable available financial resources of the Tax Collector are the obligation of the County and are reported at the county-wide level.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Employee Benefits (continued)

Retirement Plan

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

Other Postemployment Benefits (OPEB)

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

Assets, Liabilities, and Net Position or Equity

Cash and Cash Equivalents

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

Inventories and Prepaid Items

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Capital Assets

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

Depreciation is determined using the straight-line method with estimated useful lives of 5 to 10 years for all tangible personal property.

Categories and Classification of Net Position and Fund Balance

Fund balance flow assumptions – Sometimes, the Tax Collector will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied.

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

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

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Categories and Classification of Net Position and Fund Balance (continued)

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

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

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

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

Use of Estimates

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

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, March 25, 2024 and determined there were no events that occurred that required disclosure.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations* (GASB 91). The primary objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021. The Tax Collector adopted GASB 91 for the year ended September 30, 2023, and GASB 91 did not have a significant impact on the financial statements.

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* (GASB 94). The objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022. The Tax Collector adopted GASB 94 for the year ended September 30, 2023, and GASB 94 did not have a significant impact on the financial statements.

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (continued)

a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Assets and liabilities resulting from SBITAs should be recognized and measured using the facts and circumstances that existed at the beginning of the fiscal year in which this Statement is implemented. Governments are permitted, but are not required, to include in the measurement of the subscription asset capitalizable outlays associated with the initial implementation stage and the operation and additional implementation stage incurred prior to the implementation of this Statement. The Tax Collector adopted GASB 96 for the year ended September 30, 2023, and GASB 96 did not have a significant impact on the financial statements.

In April 2022, GASB issued Statement No. 99, *Omnibus 2022* (GASB 99). This Statement seeks to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

The practice issues addressed by this Statement are as follows:

- Classification and reporting of derivative instruments within the scope of Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, that do not meet the definition of either an investment derivative instrument or a hedging derivative instrument.
- Clarification of provisions in Statement No. 87, *Leases*, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives.
- Clarification of provisions in Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, related to the determination of the PPP term and (b) recognition and measurement of installment payments and the transfer of the underlying PPP asset.
- Clarification of provisions in *Statement No. 96, Subscription-Based Information Technology Arrangements*, related to the SBITA term, classification of a SBITA as a short-term SBITA, and recognition and measurement of a subscription liability.
- Extension of the period during which the LIBOR is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt.
- Accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP).
- Disclosures related to nonmonetary transactions.
- Pledges of future revenues when resources are not received by the pledging government.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (continued)

- Clarification of provisions in Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, as amended, related to the focus of the government-wide financial statements.
- Terminology updates related to certain provisions of Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*.
- Terminology used in Statement No. 53 to refer to resource flows statements.

The requirements of this Statement are effective as follows:

- The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement No. 34, as amended, and terminology updates related to Statement No. 53 and Statement No. 63 are effective upon issuance.
- The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.
- The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement No. 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

The Tax Collector adopted the applicable provisions GASB 99 related to leases, PPPs, and SBITAs for the year ended September 30, 2023, and GASB 99 did not have a significant impact on the financial statements.

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

In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections* (GASB 100). GASB 100 prescribes accounting and financial reporting for (1) each category of accounting change and (2) error corrections. GASB 100 also addresses how accounting changes and error corrections should be displayed in financial statements, disclosed in notes, and presented in required supplementary information and supplementary information. The requirements of GASB 100 are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

In June 2022, GASB Statement No. 101, *Compensated Absences* (GASB 101). The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved

Holmes County, Florida
Tax Collector
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (continued)

by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encourage.

GASB Statement No. 102, Certain Risk Disclosures. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter.

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

Note 2: DETAILED NOTES ON ALL FUNDS

Cash and Cash Equivalents

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

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

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

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Cash and Cash Equivalents (continued)

The Tax Collector does not have a written investment policy but historically has placed surplus funds in interest bearing depository accounts with local banking institutions. At September 30, 2023, all deposits were fully insured by the Federal Deposit Insurance Corporation and the multiple financial institution collateral pool required by Chapter 280, Florida Statutes.

Due to Board of County Commissioners

Excess revenues over expenditures of \$118 were returned to the Board by October 31, 2023 as required by Florida Statutes Section 218.36(2). This amount is reported as Reversion to Board of County Commissioners on the Statement of Fund Revenues, Expenditures and Changes in Fund Balance – Governmental Funds.

Note 3: RETIREMENT PLAN

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

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

The System provides for those employees hired prior to July 1, 2011 vesting of benefits after six years of creditable service. Normal retirement benefits are available to employees who retire at or after age 62 with six or more years of service. For Special Risk Class members, normal retirement is age 55 with at least six years of Special Risk service, or twenty-five years of Special Risk service, regardless of age, or age 52 with 25 years of Special Risk service and up to four years of active duty wartime service. Early retirement is available after six years of service with a 5% reduction of benefits for each year prior to the normal retirement age. For those employees hired on or after July 1, 2011, the System provides for vesting of benefits after eight years of credible service. Normal retirement benefits are available to these employees who retire at or after age 65 with eight years of service or thirty-three years regardless of age. For Special Risk Class members, normal retirement

Note 3: RETIREMENT PLAN (Continued)

is age 60 with at least eight years of Special Risk service, or thirty years of Special Risk service, regardless of age. Retirement benefits are based upon age, average compensation and years-of-service credit where average compensation is computed as the average of an individual's five highest years of earnings.

Participating employer contributions are based upon State-wide rates established by the State of Florida. These rates applied to employee salaries at year end are as follows: regular employees – 13.57%, DROP Program – 21.13%, senior management – 34.52% and elected officials – 58.68%. These rates are applied to employee salaries each pay period. Employee contributions are 3.00% for all classifications, with the exception of the DROP program.

Total payroll for the Tax Collector's employees covered by the System was \$332,855 for the year ended September 30, 2023. The Tax Collector's total payroll was \$347,638 for the same period. The Tax Collector's contributions to the plan for the years ended September 30, 2023, 2022, and 2021 were \$98,100, \$82,706, and \$83,361, respectively, and were paid by the due date for the contributions. The Tax Collector has no responsibility to the System other than to make the periodic payments required by State Statutes.

The Florida Division of Retirement issues a publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing Florida Division of Retirement, PO Box 9000, Tallahassee, FL 32315-9000 or at the Division's website at dms.myflorida.com.

Note 4: FINANCIAL DISCLOSURES REPORTED AT COUNTY-WIDE LEVEL

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

Capital Assets

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

Holmes County, Florida
Tax Collector
Notes to Financial Statements

Note 4: FINANCIAL DISCLOSURES REPORTED AT COUNTY-WIDE LEVEL (Continued)

Capital Assets (continued)

Capital asset activity for the fiscal year is as follows:

	Balance 10/01/2022	Additions	Deletions	Balance 9/30/2023
<i>Governmental Activities</i>				
Capital assets depreciated:				
Machinery and equipment	\$ 121,407	\$ -	\$ -	\$ 121,407
Improvements	25,911	-	-	25,911
Less accumulated depreciation:				
Machinery and equipment	(121,733)	(11,017)	-	(132,750)
 Total governmental activities capital assets, net	 \$ 25,585	 \$ (11,017)	 \$ -	 \$ 14,568

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

<i>Governmental Activities</i>	
General government	\$ 11,017

Compensated Absences

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

Summary of changes in compensated absences for the year ended September 30, 2023.

	Balance 10/1/2022	Additions	Reductions	Balance 9/30/2023	Due in One Year
Compensated Absences	\$ 12,692	\$ 21,165	\$ 19,373	\$ 14,484	\$ 1,448

Fiduciary Funds

Property Tax – To account for the collection and disbursement of local property taxes.

Department of Motor Vehicles (“DMV”) – To account for the collection of motor vehicle and driver’s license registration receipts and subsequent remittance of licenses and permits.

Concealed Weapons (“CWIS”) – To account for the collection of concealed weapons licenses registration receipts and subsequent remittance of licenses and permits.

Holmes County, Florida
Tax Collector
Combining Statement of Fiduciary Net Position –
Custodial Funds

<i>September 30, 2023</i>	Property Tax	DMV	CWIS	Total
Assets				
Cash and cash equivalents	\$ 108,735	\$ 117,098	\$ 1,085	\$ 226,918
Due from other governments	-	7,893	-	7,893
Total assets	\$ 108,735	\$ 124,991	\$ 1,085	\$ 234,811
Liabilities				
Due to other governments	\$ 98,715	\$ 124,991	\$ 1,085	\$ 224,791
Due to individuals	10,020	-	-	10,020
Total liabilities	108,735	124,991	1,085	234,811
Net position	-	-	-	-
Total liabilities and net position	\$ 108,735	\$ 124,991	\$ 1,085	\$ 234,811

Holmes County, Florida
Tax Collector
Combining Statement of Changes in Fiduciary Net Position –
Custodial Funds

<i>For the year ended September 30, 2023</i>	Property Tax	DMV	CWIS	Total
Additions				
Tax collections, auto tag fees, and other fees for other governments	\$ 8,673,729	\$ 3,203,470	\$ 30,861	\$ 11,908,060
Deductions				
Payments of tax, auto tag fees, and other fees to other governments	8,673,729	3,203,470	30,861	11,908,060
Net change in fiduciary net position	-	-	-	-
Net position, beginning of year	-	-	-	-
Net position, end of year	\$ -	\$ -	\$ -	\$ -



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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***

Honorable Harry B. Bell, III
Tax Collector
Holmes County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the major fund and aggregate remaining fund information of the Holmes County, Florida Tax Collector (the “Tax Collector”), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Tax Collector’s financial statements, and have issued our report thereon dated March 25, 2024.

Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

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

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

Enterprise, Alabama

March 25, 2024



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INDEPENDENT ACCOUNTANT’S REPORT ON COMPLIANCE WITH LOCAL GOVERNMENT INVESTMENT POLICIES

Honorable Harry B. Bell III
Tax Collector
Holmes County, Florida

We have examined the Holmes County, Florida’s Tax Collector’s (the “Tax Collector”) compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2023. Management is responsible for the Tax Collector’s compliance with the specified requirements. Our responsibility is to express an opinion on the Tax Collector’s compliance with the specified requirements based on our examination.

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

We are required to be independent and to meet other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

In our opinion, the Tax Collector complied, in all material respects, with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2023.

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

Carr, Riggs & Ingram, L.L.C.
CARR, RIGGS & INGRAM, L.L.C.

Enterprise, Alabama
March 25, 2024



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MANAGEMENT LETTER

Honorable Harry B. Bell, III
Tax Collector
Holmes County, Florida

Report on the Financial Statements

We have audited the financial statements of the Holmes County, Florida Tax Collector (the “Tax Collector”), as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated March 25, 2024.

Auditor’s Responsibility

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

Other Reporting Requirements

We have issued our Independent 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 and examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 24, 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 we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.

Financial Management

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

Additional Matters

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

Purpose of this Letter

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

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

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

Enterprise, Alabama

March 25, 2024