

HAMILTON COUNTY, FLORIDA

ANNUAL FINANCIAL REPORT

For the Year Ended September 30, 2025

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HAMILTON COUNTY, FLORIDA

LIST OF PRINCIPAL OFFICIALS

September 30, 2025

Board of County Commissioners

District I	Jimmy Murphy
District II	Robby Roberson
District III	James Howell
District IV	Travis Erixton
District V	Richie McCoy

County Attorney	Andrew J. Decker III
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Clerk of the Circuit Court	Greg Godwin
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Property Appraiser	Clay Goolsby
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Sheriff	Brian S. Creech
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Supervisor of Elections	Laura Hutto
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Tax Collector	Leslie G. Jones
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HAMILTON COUNTY, FLORIDA

ANNUAL FINANCIAL REPORT

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For the Year Ended September 30, 2025

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**INDEPENDENT
AUDITOR'S
REPORT**

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CERTIFIED PUBLIC ACCOUNTANT

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Board of County Commissioners
Hamilton County, Florida

Report on the Audit of the Financial Statements

Opinions

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Hamilton County, Florida, as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise Hamilton County's basic financial statements as listed in the table of contents.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Hamilton County, Florida, as of September 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter – Prior Period Adjustment

As discussed in Note 1.F. to the financial statements, the County recorded a prior period adjustment to correct the understatement of capital assets and net position resulting from an equipment purchase that was improperly expensed in the prior year. As a result, equipment and beginning net position as of October 1, 2024, has been increased by \$197,805. My opinion is not modified with respect to this matter.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation

and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Hamilton County, Florida's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Hamilton County, Florida's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis in Section I, analysis and budgetary comparison information in Section II pages 48-53, pension trend information on pages 54-57, and OPEB trend information on page 58 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Hamilton County, Florida's basic financial statements. The combining nonmajor fund financial statements, combining fiduciary fund financial statements, and schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and Chapter 10.550, *Rules of the Auditor General*, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the combining nonmajor fund financial statements, combining fiduciary fund financial statements, and schedule of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other information

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

In connection with my audit of the basic financial statements, my responsibility is to read the other information and consider whether a material inconsistency exists between the other

information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, I conclude that an uncorrected material misstatement of the other information exists, I am required to describe it in my report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued my report dated May 29, 2026, on my consideration of the Hamilton County, Florida's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Hamilton County, Florida's internal control over financial reporting and compliance.



Kenneth M. Daniels
Certified Public Accountant
May 29, 2026

HAMILTON COUNTY, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Fiscal Year Ended September 30, 2025

Our discussion and analysis of Hamilton County, Florida's (the County), financial performance provides an overview of the County's financial activities for the fiscal year ended September 30, 2025. Please read it in conjunction with the County's financial statements, which begin in Section II - page 1.

BASIC FINANCIAL STATEMENTS

This annual report consists of a series of financial statements.

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

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

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

Statement of Net Position and the Statement of Activities

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

These two statements also report the County's net position and changes in it. The County's net position, the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources, is one way to measure the County's financial health. Over time, increases or decreases in the County's net position is an indicator of whether its financial health is improving or deteriorating. Other nonfinancial factors such as changes in the County's property tax base and the condition of the County's capital assets should also be considered in assessing its overall health.

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

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

Major and Significant Funds

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

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

Fiduciary Funds

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

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

ANALYSIS OF HAMILTON COUNTY'S OVERALL FINANCIAL POSITION AND RESULTS OF OPERATIONS

The County's current and other assets decreased \$6.20 million. The decrease was primarily due to the revenue deficiency in the Transportation Trust Fund and the use of available funds (\$1.64 million), the payment of insurance deductibles relating to hurricane damage in the amount of \$995,500, use of unearned grant funds in the amount of \$1.09 million, and the purchase of a building for \$1.42 million.

Capital assets increased \$8.61 million: significant purchases of land \$405,000; Buildings \$1.4 million; Infrastructure \$4.89 million; equipment \$2.07 million and construction in progress \$3.69 million. Other liabilities decreased \$2.29 million due to the expending of unearned grant funds (\$1.09 million) and a prior year grant related payable in the amount of \$666,667. Long-term liabilities decreased \$2.20 million due to the reduction in the County's portion of the Florida Retirement System's pension liability.

The County’s investment in capital assets increased \$8.27 million due to the significant purchases indicated above. Unrestricted net assets decreased \$2.70 million (see revenue deficiency and insurance deductibles above).

A summary of the County’s Net Position follows:

Table 1
Net Position
(In Millions)

Statement of Net Position	Governmental Activities		Business-type Activities		Totals	
	2025	2024	2024	2024	2025	2024
Current and other assets	\$ 20.95	\$ 27.07	\$ 2.84	\$ 2.93	\$ 23.79	\$ 30.00
Capital assets	<u>58.71</u>	<u>49.71</u>	<u>2.73</u>	<u>3.12</u>	<u>61.44</u>	<u>52.83</u>
Total assets	79.66	76.78	5.57	6.05	85.23	82.83
Deferred outflows of resources	<u>3.72</u>	<u>4.61</u>	-	-	<u>3.72</u>	<u>4.61</u>
Total assets & deferred outflows of resources	<u>\$ 83.38</u>	<u>\$ 81.39</u>	<u>\$ 5.57</u>	<u>\$ 6.05</u>	<u>\$ 88.95</u>	<u>\$ 87.44</u>
Other liabilities	\$ 2.56	\$ 4.94	\$ 0.11	\$ 0.02	\$ 2.67	\$ 4.96
Long term liabilities	<u>15.49</u>	<u>18.15</u>	<u>3.43</u>	<u>3.05</u>	<u>18.92</u>	<u>21.20</u>
Total liabilities	<u>18.05</u>	<u>23.09</u>	<u>3.54</u>	<u>3.07</u>	<u>21.59</u>	<u>26.16</u>
Deferred inflows of resources	<u>3.00</u>	<u>2.02</u>	-	-	<u>3.00</u>	<u>2.02</u>
Net position:						
Invested in Cap Assets	58.39	49.71	2.71	3.12	61.10	52.83
Restricted	2.65	3.07	-	-	2.65	3.07
Unrestricted	<u>1.29</u>	<u>3.50</u>	<u>(0.68)</u>	<u>(0.14)</u>	<u>0.61</u>	<u>3.36</u>
Total net position	<u>62.33</u>	<u>56.28</u>	<u>2.03</u>	<u>2.98</u>	<u>64.36</u>	<u>59.26</u>
Total liabilities, deferred inflows, and net position	<u>\$ 83.38</u>	<u>\$ 81.39</u>	<u>\$ 5.57</u>	<u>\$ 6.05</u>	<u>\$ 88.95</u>	<u>\$ 87.44</u>

Governmental Activities

In total, revenues increased \$7.49 million. The increase can largely be attributed to the Economic Development Grant awarded by the Florida Department of Economic Opportunity (\$3.39 million), Transportation Grants (\$4.76 million), and the Coronavirus State and Local Fiscal Recovery Grant (CSLFRF) (\$1.09 million). The County’s ad valorem taxes continue to increase with expansion of the tax base in the amount of \$9.85 million. Miscellaneous revenues increased due to reimbursements of insurance \$102,590 and paving \$88,713.

Business-type Activities

The County’s business-type activities, unrestricted net position - decreased approximately \$530,000. This decrease was due to a significant adjustment to the landfill closure/postclosure liability of \$411,400.

Solid waste revenue decreased \$1.4 million due to the decrease in tonnage accepted at the landfill. In the prior year, mulch from Hurricane Helene was placed in the Class III Landfill generating over \$1 million in fees.

A summary of the changes in Net Position is below:

Table 2
Changes in Net Position
(In Millions)

Statement of Activities	Governmental Activities		Business-type Activities		Totals	
	2025	2024	2025	2024	2025	2024
Program revenues						
General government	\$ 3.08	\$ 3.05	\$ -	\$ -	\$ 3.08	\$ 3.05
Public safety	3.89	3.27	-	-	3.89	3.27
Physical environment	0.04	0.13	-	-	0.04	0.13
Transportation	6.40	3.50	-	-	6.40	3.50
Economic environment	6.41	4.30	-	-	6.41	4.30
Human services	0.13	0.23	-	-	0.13	0.23
Culture/recreation	0.54	0.60	-	-	0.54	0.60
Court related	0.75	0.72	-	-	0.75	0.72
Garbage/solid waste	-	-	0.39	1.83	0.39	1.83
Water/wastewater	-	-	0.10	0.14	0.10	0.14
(Table 2 continued)						
General revenues						
Taxes						
Ad valorem	13.15	12.50	-	-	13.15	12.50
Tourist development	0.08	0.07	-	-	0.08	0.07
Fuel - voted	0.37	0.35	-	-	0.37	0.35
Fuel - local option	2.14	1.96	-	-	2.14	1.96
Discretionary sales	1.95	0.98	-	-	1.95	0.98
Commx services	0.06	0.06	-	-	0.06	0.06
Interest	0.24	0.26	0.02	0.01	0.26	0.27
Miscellaneous	0.61	0.37	-	-	0.61	0.37
Total revenues	<u>39.84</u>	<u>32.35</u>	<u>0.51</u>	<u>1.98</u>	<u>40.35</u>	<u>34.33</u>
Program expenses						
General government	6.77	5.44	-	-	6.77	5.44
Public safety	14.28	13.24	-	-	14.28	13.24
Physical environment	0.24	0.22	-	-	0.24	0.22
Transportation	7.63	7.49	-	-	7.63	7.49
Economic environment	2.55	1.68	-	-	2.55	1.68
Human services	0.60	0.56	-	-	0.60	0.56
Culture/recreation	1.80	1.58	-	-	1.80	1.58
Court related	1.04	1.03	-	-	1.04	1.03
Interest on long term debt	0.01	0.02	-	-	0.01	0.02
Garbage/solid waste	-	-	1.21	0.86	1.21	0.86
Water/wastewater combination	-	-	0.52	0.63	0.52	0.63
Total expenses	<u>34.92</u>	<u>31.26</u>	<u>1.73</u>	<u>1.49</u>	<u>36.65</u>	<u>32.75</u>
Excess (deficiency) before extraordinary and special items and transfers	<u>4.92</u>	<u>1.09</u>	<u>(1.22)</u>	<u>0.49</u>	<u>3.70</u>	<u>1.58</u>
Special and extraordinary items and transfers						
Extraordinary item	1.09	-	-	-	1.09	-
Special items	0.12	0.67	-	-	0.12	0.67
Transfers	(0.28)	(0.23)	0.28	0.23	-	-
Total extraordinary & special items and transfers	<u>0.93</u>	<u>0.44</u>	<u>0.28</u>	<u>0.23</u>	<u>1.21</u>	<u>0.67</u>
Change in net position	5.85	1.53	(0.94)	0.72	4.91	2.25
Beginning net position *	56.48	54.75	2.98	2.26	59.46	57.01
Ending net position	<u>\$ 62.33</u>	<u>\$ 56.28</u>	<u>\$ 2.04</u>	<u>\$ 2.98</u>	<u>\$ 64.37</u>	<u>\$ 59.26</u>

* the 2025 beginning net position of the governmental activities includes a prior period adjustment

Analysis of Balances and Transactions in the County's Individual Funds

The County's General Fund's Fund Balance decreased approximately \$1.83 million. Significant purchases of capital outlay (land \$405,182 and Buildings \$1.40 million) resulted in the reduction.

The Transportation Trust Fund's fund balance decreased by \$1.6 million, the result of machinery and equipment purchases of \$1.2 million.

The County's CDBG Fund expended \$527,500, improving substandard housing the County. The Fund has no fund balance.

The County's SHIP Fund's decreased \$177,000; however, multiple housing projects are ongoing.

Overall, the governmental funds' fund balance decreased \$3.75 million. The significant purchases of land and buildings in the GF and equipment in the Transportation Trust fund were the primary reasons.

The County's Enterprise Funds' Net Position decreased approximately \$944,000, the result of the adjustment to the landfill closure/post closure liability and depreciation on the Funds' assets.

See the detail below.

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

<u>Governmental Funds</u>	<u>2025</u>	<u>2024</u>	<u>\$ Change</u>	<u>Percent Change</u>
Total fund balances	\$ 18.13	\$ 21.88	\$ (3.75)	-17.1%

Unreserved Fund Balance

<u>Major Funds</u>	<u>2025</u>	<u>2024</u>	<u>\$ Change</u>	<u>Percent Change</u>
General	\$ 16.98	\$ 18.81	\$ (1.83)	-9.7%
Transportation Trust	(0.41)	1.23	(1.64)	-133.3%
CDBG	-	-	-	0.0%
SHIP	0.49	0.67	(0.18)	-26.9%

Landfill Enterprise Fund

Change in Net Assets:

	<u>2025</u>	<u>2024</u>	<u>\$ Change</u>	<u>Percent Change</u>
Invested in capital assets	\$ 0.95	\$ 1.08	\$ (0.13)	-12.0%
Unrestricted	(0.89)	(0.50)	(0.39)	-78.0%

I75/SR6 Utility Fund

Change in Net Assets:

	<u>2025</u>	<u>2024</u>	<u>\$ Change</u>	<u>Percent Change</u>
Invested in capital assets	\$ 1.76	\$ 2.04	\$ (0.28)	-13.7%
Unrestricted	0.22	0.36	(0.14)	-38.9%

ANALYSIS OF SIGNIFICANT VARIATIONS BETWEEN:

Original and Final Budget Amounts

Detailed budget reviews by the Board of County Commissioners continued in fiscal year 2024-25 to ensure that the budgeted amounts are realistic and expenditures are incurred as budgeted. Post year-end, if required, budgets were amended to reflect unexpected revenue sources and funding needs.

Final Budget Amounts and Actual Budget Results for the General, Transportation Trust, and SHIP Funds

General Fund’s final budget exceeded the original by approximately \$4.86 million largely due to the recognition of unanticipated receipts within the Sheriff’s Office and actual reserves exceeding budgeted. Actual receipts and balances exceeded the budgeted amounts by \$9.13 million due to ad valorem taxes (\$2.44 million greater than budgeted and budgetary fund balance (\$6.93 million greater than budgeted). The actual amounts expended were \$7.8 million less than the appropriated amounts due to budgeted contingency/reserves.

Transportation Trust’s budget was not amended. The actual revenues were less than budgeted due to transportation grants being less than budgeted as well as the actual budgetary balance. Expenditures were less than the budgeted amounts by \$1.6 million.

The CDBG budget was not amended. Revenues were less than budgeted \$1.1 million as were expenditures.

The SHIP budget was not amended. Actual revenues were less than budgeted by \$638,600. Greater actual fund balance and intergovernmental revenue combined for the excess actual revenues. Actual expenditures were less than budgeted by \$1.13 million.

CAPITAL ASSET AND LONG-TERM DEBT ACTIVITY

Capital Assets

As indicated in the table below, the County has approximately \$128 million invested in capital assets such as land (including road rights-of-way), buildings, recreation facilities, landfill disposal facilities, roads, bridges, boat ramps, water/wastewater facilities, and equipment. The above amount represents an increase of approximately \$12.16 million over the previous year’s total.

Fiscal year 2025’s major additions included the following (in millions):

Land	\$.40
Buildings, improvements, and roads	14.08
Equipment	2.80

Table 4
Capital Assets (in Millions)

	Governmental		Business-type		Totals	
	Activities		Activities			
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Land	\$ 2.66	\$ 2.26	\$ 0.27	\$ 0.27	\$ 2.93	\$ 2.53
Construction in progress	6.53	12.04	0.08	0.08	6.61	12.12
Buildings	12.47	11.06	-	-	12.47	11.06
Improvements other than buildings	79.20	65.11	9.77	9.75	88.97	74.86
Equipment, furniture, and vehicles	15.90	14.39	1.11	1.11	17.01	15.50
SBITAs	0.09	0.06	-	-	0.09	0.06
Right-to-use assets	<u>0.39</u>	<u>0.18</u>	<u>0.01</u>	<u>0.01</u>	<u>0.40</u>	<u>0.19</u>
Totals	<u>\$ 117.24</u>	<u>\$ 105.10</u>	<u>\$ 11.24</u>	<u>\$ 11.22</u>	<u>\$ 128.48</u>	<u>\$ 116.32</u>

Capital asset additions budgeted for fiscal year 2025-26 are approximately \$32,500 (equipment) in the General Fund and \$3.55 million in the Transportation Trust Fund (roads and equipment).

Debt

The County decreased its outstanding liabilities due to payments on the hurricane recovery note payable (\$240,000) and its pension liability under GASB 68 (\$2.7 million).

OUTSTANDING DEBT AT YEAR-END
(IN MILLIONS)

	Governmental		Business-type		Totals	
	Activities		Activities			
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Est. liability for closure	\$ -	\$ -	\$ 3.40	\$ 2.98	\$ 3.40	\$ 2.98
Compensated absences	0.94	0.88	0.03	0.03	0.97	0.91
OPEB liability	0.20	0.21	-	-	0.20	0.21
Installment purchases	-	-	-	0.04	-	0.04
Note payable	1.12	1.36	-	-	1.12	1.36
SBITAs	0.05	0.04	-	-	0.05	0.04
Right-to-use leases	0.27	0.05	-	-	0.27	0.05
Pension liability	<u>12.91</u>	<u>15.61</u>	<u>-</u>	<u>-</u>	<u>12.91</u>	<u>15.61</u>
Totals	<u>\$ 15.49</u>	<u>\$ 18.15</u>	<u>\$ 3.43</u>	<u>\$ 3.05</u>	<u>\$ 18.92</u>	<u>\$ 21.20</u>

CURRENTLY KNOWN FACTS

2025-26 Budget

A summary of the County's 2025-26 budget is as follows:

General Fund – The Board of County Commissioners budgeted a cash balance forward of \$13.99 million and revenues of \$22 million. Appropriations total \$36 million with budgeted reserves of \$12.32 million.

Transportation Trust Fund – A cash balance forward of \$500,000 and revenues of \$6.50 million, fund appropriations of \$7.04 million with a budgeted reserve of \$798,500.

CDBG Fund – revenue and expenditures of \$1.50 million budgeted.

SHIP Fund – budgeted revenues of \$350,000, fund appropriations of \$350,000.

Enterprise Fund – Cash balance forward budgeted at \$962,128; revenues are budgeted at \$382,750. Budgeted expenses total \$548,516.

I75/SR6 Water/Wastewater Fund – utility revenues are budgeted at \$142,600 and expenses of \$223,200.

Other Conditions

The Board of County Commissioners remains active in seeking economic development opportunities for the County. Working with the Hamilton County Development Authority, the current emphasis is on developing the Jennings, Florida, I75 exit, I75/SR6 exit, and the downtown area of Jasper, FL.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

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



Robbie Roberson
Chairman, Hamilton County Board of County Commissioners



Greg Godwin
Clerk of the Circuit Court, Hamilton County

**BASIC
FINANCIAL STATEMENTS**

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HAMILTON COUNTY, FLORIDA

STATEMENT OF NET POSITION

September 30, 2025

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
Assets			
Cash	\$ 17,022,851	\$ 1,051,198	\$ 18,074,049
Accounts receivable	580,646	33,535	614,181
Due from other governmental units	3,348,262	180,936	3,529,198
Restricted assets			
Cash	-	1,580,358	1,580,358
Capital assets			
Land and construction in progress	9,194,340	354,552	9,548,892
Leased assets, net	309,228	8,339	317,567
SBITA assets, net	61,250	-	61,250
Other capital assets, net of depreciation	<u>49,145,037</u>	<u>2,365,467</u>	<u>51,510,504</u>
Total capital assets	<u>58,709,855</u>	<u>2,728,358</u>	<u>61,438,213</u>
Total assets	<u>79,661,614</u>	<u>5,574,385</u>	<u>85,235,999</u>
Deferred outflows of resources			
OPEB	96,973	-	96,973
Pensions	<u>3,622,071</u>	<u>-</u>	<u>3,622,071</u>
Total deferred outflows of resources	<u>3,719,044</u>	<u>-</u>	<u>3,719,044</u>
Total assets and deferred outflows of resources	<u>\$ 83,380,658</u>	<u>\$ 5,574,385</u>	<u>\$ 88,955,043</u>
Liabilities, deferred inflows of resources, and net position			
Liabilities			
Accounts payable	\$ 540,597	\$ 98,553	\$ 639,150
Contracts payable	56,242	-	56,242
Due to other governmental units	81,999	-	81,999
Payroll withholding/taxes	246,859	4,825	251,684
Unearned revenue	1,619,708	-	1,619,708
Deposits	-	1,600	1,600
Other current liabilities	13,351	-	13,351
Long-term liabilities			
Due within one year			
Installment purchase	-	5,569	5,569
Compensated absences	263,266	25,415	288,681
Right-to-use leases	49,013	1,870	50,883
SBITA contracts	23,120	-	23,120
OPEB liability	5,827	-	5,827
Note payable	1,116,260	-	1,116,260
Due within more than one year			
Compensated absences	674,992	-	674,992
Right-to-use leases	217,644	6,011	223,655
SBITA contracts	30,591	-	30,591
Estimated liability for landfill post-closure	-	3,395,511	3,395,511
OPEB liability	198,109	-	198,109
Pension liability	<u>12,915,844</u>	<u>-</u>	<u>12,915,844</u>
Total liabilities	<u>18,053,422</u>	<u>3,539,354</u>	<u>21,592,776</u>

(Continued)

See notes to financial statements.

HAMILTON COUNTY, FLORIDA

STATEMENT OF NET POSITION

September 30, 2025

	Governmental <u>Activities</u>	Business-type <u>Activities</u>	<u>Total</u>
Deferred inflows of resources			
OPEB	\$ 173,819	\$ -	\$ 173,819
Pensions	<u>2,823,910</u>	<u>-</u>	<u>2,823,910</u>
Total deferred inflows of resources	<u>2,997,729</u>	<u>-</u>	<u>2,997,729</u>
Net position			
Net investment in capital assets	58,389,487	2,714,908	61,104,395
Restricted for:			
Healthcare and recreation	1,085,944	-	1,085,944
Other purposes	1,560,313	-	1,560,313
Unrestricted (deficit)	<u>1,293,763</u>	<u>(679,877)</u>	<u>613,886</u>
Total net position	<u>62,329,507</u>	<u>2,035,031</u>	<u>64,364,538</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 83,380,658</u>	<u>\$ 5,574,385</u>	<u>\$ 88,955,043</u>

HAMILTON COUNTY, FLORIDA

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2025

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities							
General government	\$ 6,773,209	\$ 412,296	\$ 2,614,385	\$ 54,050	\$ (3,692,478)	\$ -	\$ (3,692,478)
Public safety	14,280,276	1,778,804	2,027,455	85,642	(10,388,375)	-	(10,388,375)
Physical environment	236,822	-	43,992	-	(192,830)	-	(192,830)
Transportation	7,635,677	14,263	1,626,184	4,761,761	(1,233,469)	-	(1,233,469)
Economic environment	2,547,837	-	3,025,829	3,385,604	3,863,596	-	3,863,596
Human services	603,089	860	133,854	-	(468,375)	-	(468,375)
Culture/recreation	1,802,527	42,879	502,081	-	(1,257,567)	-	(1,257,567)
Court related	1,038,020	499,713	252,569	-	(285,738)	-	(285,738)
Interest on long term debt	6,265	-	-	-	(6,265)	-	(6,265)
Total governmental activities	<u>34,923,722</u>	<u>2,748,815</u>	<u>10,226,349</u>	<u>8,287,057</u>	<u>(13,661,501)</u>	<u>-</u>	<u>(13,661,501)</u>
Business-type activities							
Garbage/solid waste services	1,206,454	293,692	93,750	-	-	(819,012)	(819,012)
Water/wastewater combination services	526,997	106,281	-	-	-	(420,716)	(420,716)
Total business-type activities	<u>1,733,451</u>	<u>399,973</u>	<u>93,750</u>	<u>-</u>	<u>-</u>	<u>(1,239,728)</u>	<u>(1,239,728)</u>
Total government	<u>\$ 36,657,173</u>	<u>\$ 3,148,788</u>	<u>\$ 10,320,099</u>	<u>\$ 8,287,057</u>	<u>(13,661,501)</u>	<u>(1,239,728)</u>	<u>(14,901,229)</u>
General revenues							
Taxes							
Ad valorem					13,168,397	-	13,168,397
Tourist development					79,606	-	79,606
Fuel - voted					370,233	-	370,233
Fuel - local option					2,142,208	-	2,142,208
Discretionary sales surtax					1,951,812	-	1,951,812
Communications services					6,235	-	6,235
Interest earnings					249,990	16,754	266,744
Miscellaneous					613,033	-	613,033
Special item - gain on asset disposal					122,790	-	122,790
Extraordinary item - contributions					1,085,944	-	1,085,944
Transfers					(279,250)	279,250	-
Total general revenues, special/extraordinary items, and transfers					19,510,998	296,004	19,807,002
Change in net position					<u>5,849,497</u>	<u>(943,724)</u>	<u>4,905,773</u>
Net position - beginning					56,282,205	2,978,755	59,260,960
Prior period adjustment (See Note 1.)					197,805	-	197,805
Net position - beginning, as restated					<u>56,480,010</u>	<u>2,978,755</u>	<u>59,458,765</u>
Net position - ending					<u>\$ 62,329,507</u>	<u>\$ 2,035,031</u>	<u>\$ 64,364,538</u>

HAMILTON COUNTY, FLORIDA

**BALANCE SHEET
GOVERNMENTAL FUNDS**

September 30, 2025

	County				Other	Total
	General	Transportation	CDBG	SHIP	Governmental	Governmental
	<u>Fund</u>	<u>Trust Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Funds</u>	<u>Funds</u>
Assets						
Cash	\$ 14,577,665	\$ 75	\$ -	\$ 1,276,784	\$ 1,158,653	\$ 17,013,177
Accounts receivable	817,335	124,528	-	-	-	941,863
Allowance for doubtful accounts	(361,217)	-	-	-	-	(361,217)
Interfund receivables	2,565,870	-	115,000	4,300	4,424	2,689,594
Due from other governmental units	<u>1,172,281</u>	<u>1,468,703</u>	<u>663,825</u>	<u>-</u>	<u>43,454</u>	<u>3,348,263</u>
Total assets	<u>\$ 18,771,934</u>	<u>\$ 1,593,306</u>	<u>\$ 778,825</u>	<u>\$ 1,281,084</u>	<u>\$ 1,206,531</u>	<u>\$ 23,631,680</u>
Liabilities and fund balances						
Liabilities						
Accounts payable	\$ 421,388	\$ 119,141	\$ -	\$ -	\$ 69	\$ 540,598
Contracts payable	6,421	49,822	-	-	-	56,243
Interfund payables	4,300	1,737,413	778,825	115,000	44,381	2,679,919
Due to other governmental units	1,481	-	-	-	80,519	82,000
Compensated absences	225,771	37,495	-	-	-	263,266
Payroll taxes and other withholding	182,732	50,471	-	-	13,656	246,859
Unearned revenues	940,288	6,321	-	673,098	-	1,619,707
Other current liabilities	<u>5,222</u>	<u>7,550</u>	<u>-</u>	<u>-</u>	<u>579</u>	<u>13,351</u>
Total liabilities	<u>1,787,603</u>	<u>2,008,213</u>	<u>778,825</u>	<u>788,098</u>	<u>139,204</u>	<u>5,501,943</u>
Fund balances						
Restricted for:						
Transportation	-	(414,907)	-	-	-	(414,907)
Other purposes	-	-	-	492,986	1,067,327	1,560,313
Recreation	125,000	-	-	-	-	125,000
Healthcare	960,944	-	-	-	-	960,944
Assigned	1,679,555	-	-	-	-	1,679,555
Unassigned	<u>14,218,832</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,218,832</u>
Total fund balances	<u>16,984,331</u>	<u>(414,907)</u>	<u>-</u>	<u>492,986</u>	<u>1,067,327</u>	<u>18,129,737</u>
Total liabilities and fund balances	<u>\$ 18,771,934</u>	<u>\$ 1,593,306</u>	<u>\$ 778,825</u>	<u>\$ 1,281,084</u>	<u>\$ 1,206,531</u>	<u>\$ 23,631,680</u>

HAMILTON COUNTY, FLORIDA

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

September 30, 2025

Total fund balances for governmental funds \$ 18,129,737

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

Capital assets used in governmental activities are not financial resources and therefore the underlying resources are not recognized currently in the funds.

Land	2,662,486
Construction in progress	6,531,854
Buildings	12,471,583
Accumulated depreciation - buildings	(5,202,921)
Improvements other than buildings (infrastructure)	79,203,510
Accumulated depreciation - improvements other than buildings	(43,076,061)
Equipment	15,896,731
Accumulated depreciation - equipment	(10,147,805)
SBITAs	94,226
Accumulated depreciation - SBITAs	(32,976)
Right-to-use lease assets	387,370
Accumulated depreciation - right-to-use assets	(78,142)
Total capital assets (See note 4.)	<u>58,709,855</u>

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

Deferred outflows related to OPEB	96,973
Deferred outflows related to pensions	3,622,071
Deferred inflows related to OPEB	(173,819)
Deferred inflows related to pensions	(2,823,910)

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

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

Balances at September 30, 2025, are as follows:

Compensated absences - long-term	(674,992)
Note payable - short-term	(1,116,260)
SBITAs - short-term	(23,120)
SBITAs - long-term	(30,591)
Right-to-use leases - short-term	(49,013)
Right-to-use leases - long-term	(217,644)
OPEB liability - short-term	(5,827)
OPEB liability - long-term	(198,109)
Pension liability - short-term	-
Pension liability - long-term	(12,915,844)
Total debt	<u>(15,231,400)</u>
Net position of governmental activities	<u>\$ 62,329,507</u>

HAMILTON COUNTY, FLORIDA

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

For the Year Ended September 30, 2025

	<u>General Fund</u>	<u>County Transportation Trust Fund</u>	<u>CDBG Fund</u>	<u>SHIP Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues						
Taxes	\$ 15,082,653	\$ 2,512,442	\$ -	\$ -	\$ 79,606	\$ 17,674,701
Licenses and permits	168,103	-	-	-	-	168,103
Intergovernmental revenues	9,688,838	6,387,945	526,573	919,778	468,580	17,991,714
Charges for services	2,112,499	14,263	-	-	571,977	2,698,739
Fines and forfeitures	7,392	-	-	-	204,366	211,758
Interest	216,495	6,344	-	11,075	16,075	249,989
Miscellaneous	<u>696,720</u>	<u>91,363</u>	<u>-</u>	<u>25,312</u>	<u>1,663</u>	<u>815,058</u>
Total revenues	<u>27,972,700</u>	<u>9,012,357</u>	<u>526,573</u>	<u>956,165</u>	<u>1,342,267</u>	<u>39,810,062</u>
Expenditures						
Current:						
General government	6,599,344	-	-	-	12,500	6,611,844
Public safety	13,727,082	-	-	-	498,746	14,225,828
Physical environment	235,693	-	-	-	-	235,693
Transportation	-	4,016,974	-	-	-	4,016,974
Economic environment	686,565	-	527,569	1,133,152	152,852	2,500,138
Human services	597,749	-	-	-	-	597,749
Culture/recreation	1,677,159	-	-	-	-	1,677,159
Court related	421,366	-	-	-	658,159	1,079,525
Capital outlay	7,442,389	6,082,149	-	-	-	13,524,538
Debt service						
Principal	336,319	3,828	-	-	4,086	344,233
Interest	<u>5,601</u>	<u>219</u>	<u>-</u>	<u>-</u>	<u>445</u>	<u>6,265</u>
Total expenditures	<u>31,729,267</u>	<u>10,103,170</u>	<u>527,569</u>	<u>1,133,152</u>	<u>1,326,788</u>	<u>44,819,946</u>
Excess (deficiency) of revenues over expenditures	<u>(3,756,567)</u>	<u>(1,090,813)</u>	<u>(996)</u>	<u>(176,987)</u>	<u>15,479</u>	<u>(5,009,884)</u>

(Continued)

See notes to financial statements.

HAMILTON COUNTY, FLORIDA

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

For the Year Ended September 30, 2025

	General <u>Fund</u>	County Transportation <u>Trust Fund</u>	CDBG <u>Fund</u>	SHIP <u>Fund</u>	Other Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
Other financing sources (uses)						
Interfund transfers in	\$ 852,314	\$ -	\$ 996	\$ -	\$ 55,607	\$ 908,917
Interfund transfers out	(335,854)	(674,490)	-	-	(177,823)	(1,188,167)
Lease financing	<u>325,335</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>325,335</u>
Total other financing sources (uses)	<u>841,795</u>	<u>(674,490)</u>	<u>996</u>	<u>-</u>	<u>(122,216)</u>	<u>46,085</u>
Special item						
Proceeds from sale of equipment	-	122,790	-	-	-	122,790
Extraordinary item						
Contributions	<u>1,085,944</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,085,944</u>
Total special and extraordinary items	<u>1,085,944</u>	<u>122,790</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,208,734</u>
Net change in fund balances	(1,828,828)	(1,642,513)	-	(176,987)	(106,737)	(3,755,065)
Fund balances - beginning	<u>18,813,159</u>	<u>1,227,606</u>	<u>-</u>	<u>669,973</u>	<u>1,174,064</u>	<u>21,884,802</u>
Fund balances - ending	<u>\$ 16,984,331</u>	<u>\$ (414,907)</u>	<u>\$ -</u>	<u>\$ 492,986</u>	<u>\$ 1,067,327</u>	<u>\$ 18,129,737</u>

HAMILTON COUNTY, FLORIDA

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

For the Year Ended September 30, 2025

Net change in fund balances - total governmental funds \$ (3,755,065)

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

Capital outlay	13,199,204
Depreciation	(4,721,532)

Governmental funds report financing agreements, SBITAs, and loan proceeds as other financing sources. In the Government-wide statements, the proceeds are eliminated and reported as increases in the respective liabilities

Leases - financial agreements	(288,538)
SBITAs	(36,796)

A Rof U Asset and SBITA is reported as capital outlay (an expenditure) in the governmental fund statements. At the government-wide statements, the amounts are capitalized as an intangible asset and depreciated; the expenditures are removed.

SBITAs and Rof U Assets	325,334
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Governmental funds report principal reductions as expenditures. However, in the statement of activities the expenditure is eliminated. The payment reduces long-term liabilities in the statement of net assets.

Principal reductions	344,234
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Pension costs are recorded in the statement of activities under the accrual basis of accounting; however, the expenditure is not recorded in the governmental funds until paid. The change in the contributions verses the expense is:

FRS/HIS Pension Expense	843,574
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In governmental funds, the long-term portion of accrued annual leave and employee benefits that will likely be paid in the future are not recorded under the modified accrual basis of accounting.

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

OPEB benefits	(11,088)
Adjustment to accrued annual leave	(49,830)

Change in net position of governmental activities	\$ 5,849,497
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HAMILTON COUNTY, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS

September 30, 2025

	<u>Landfill Enterprise</u>	<u>I75/SR6 Utility</u>	<u>Total</u>
Assets			
Current assets			
Cash	\$ 934,574	\$ 116,624	\$ 1,051,198
Accounts receivable	9,995	23,540	33,535
Due from other governments	<u>93,750</u>	<u>87,186</u>	<u>180,936</u>
Total current assets	<u><u>1,038,319</u></u>	<u><u>227,350</u></u>	<u><u>1,265,669</u></u>
Noncurrent assets			
Restricted assets - expendable			
Cash	<u>1,580,358</u>	<u>-</u>	<u>1,580,358</u>
Capital assets			
Land	110,390	156,977	267,367
Construction in progress	-	87,186	87,186
Buildings and improvements	3,882,537	-	3,882,537
Infrastructure	-	5,887,188	5,887,188
Equipment	1,059,364	53,272	1,112,636
Right-to-use leased equipment	10,027	-	10,027
Accumulated depreciation	<u>(4,096,191)</u>	<u>(4,422,392)</u>	<u>(8,518,583)</u>
Net capital assets	<u>966,127</u>	<u>1,762,231</u>	<u>2,728,358</u>
Total noncurrent assets	<u><u>2,546,485</u></u>	<u><u>1,762,231</u></u>	<u><u>4,308,716</u></u>
Total assets	<u><u>\$ 3,584,804</u></u>	<u><u>\$ 1,989,581</u></u>	<u><u>\$ 5,574,385</u></u>
Liabilities			
Current liabilities			
Accounts payable	\$ 88,960	\$ 9,593	\$ 98,553
Payroll taxes payable	4,825	-	4,825
Compensated absences	25,415	-	25,415
Installment purchase payable	5,569	-	5,569
Right-to-use lease payable	1,870	-	1,870
Deposits	<u>-</u>	<u>1,600</u>	<u>1,600</u>
Total current liabilities	<u>126,639</u>	<u>11,193</u>	<u>137,832</u>
Noncurrent liabilities			
Right-to-use lease payable	6,011	-	6,011
Estimated liability for landfill post-closure	<u>3,395,511</u>	<u>-</u>	<u>3,395,511</u>
Total noncurrent liabilities	<u>3,401,522</u>	<u>-</u>	<u>3,401,522</u>
Total liabilities	<u><u>3,528,161</u></u>	<u><u>11,193</u></u>	<u><u>3,539,354</u></u>
Net position			
Net investment in capital assets	952,677	1,762,231	2,714,908
Unrestricted (deficit)	<u>(896,034)</u>	<u>216,157</u>	<u>(679,877)</u>
Total net position	<u><u>56,643</u></u>	<u><u>1,978,388</u></u>	<u><u>2,035,031</u></u>
Total liabilities and net position	<u><u>\$ 3,584,804</u></u>	<u><u>\$ 1,989,581</u></u>	<u><u>\$ 5,574,385</u></u>

HAMILTON COUNTY, FLORIDA

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

For the Year Ended September 30, 2025

	<u>Landfill Enterprise</u>	<u>I75/SR6 Utility</u>	<u>Total</u>
Operating Revenues			
Physical environment			
Garbage/solid waste revenue	\$ 286,982	\$ -	\$ 286,982
Service charges - water utility	-	48,995	48,995
Service charges - sewer/wastewater utility	-	56,810	56,810
Service charges - late fees	-	476	476
Sales of scrap/other miscellaneous	<u>6,710</u>	<u>-</u>	<u>6,710</u>
Total operating revenues	<u>293,692</u>	<u>106,281</u>	<u>399,973</u>
Operating Expenses			
Garbage/solid waste services			
Personal services	287,315	-	287,315
Operating expenses	<u>918,147</u>	<u>-</u>	<u>918,147</u>
Total garbage and solid waste services	<u>1,205,462</u>	<u>-</u>	<u>1,205,462</u>
Water-sewer Combination Services			
Personal services	-	36,211	36,211
Operating expenses	<u>-</u>	<u>490,786</u>	<u>490,786</u>
Total water-sewer combination services	<u>-</u>	<u>526,997</u>	<u>526,997</u>
Total operating expenses	<u>1,205,462</u>	<u>526,997</u>	<u>1,732,459</u>
Operating income (loss)	<u>(911,770)</u>	<u>(420,716)</u>	<u>(1,332,486)</u>
Nonoperating revenues (expenses)			
Intergovernmental revenue			
State Grants	93,750	-	93,750
Interest revenue	15,255	1,499	16,754
Interest expense	<u>(992)</u>	<u>-</u>	<u>(992)</u>
Total nonoperating revenues (expenses)	<u>108,013</u>	<u>1,499</u>	<u>109,512</u>
Income (loss) before transfers	(803,757)	(419,217)	(1,222,974)
Transfers in	<u>279,250</u>	<u>-</u>	<u>279,250</u>
Change in net position	(524,507)	(419,217)	(943,724)
Total net position - beginning	<u>581,150</u>	<u>2,397,605</u>	<u>2,978,755</u>
Total net position - ending	<u>\$ 56,643</u>	<u>\$ 1,978,388</u>	<u>\$ 2,035,031</u>

HAMILTON COUNTY, FLORIDA

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS**

For the Year Ended September 30, 2025

	Landfill Enterprise	I75/SR6 Utility	Total
Cash flows from operating activities			
Cash received from customers	\$ 295,100	\$ 103,185	\$ 398,285
Cash received from sale of scrap and other	6,710	-	6,710
Cash paid to employees/employee benefits	(293,997)	(40,540)	(334,537)
Cash paid to suppliers/others	<u>(296,795)</u>	<u>(190,642)</u>	<u>(487,437)</u>
Net cash provided (used) by operating activities	<u>(288,982)</u>	<u>(127,997)</u>	<u>(416,979)</u>
Cash flows from non-capital financing activities			
State grants received	121,272	-	121,272
Interfund transfers in	<u>279,250</u>	<u>-</u>	<u>279,250</u>
Cash provided by non-capital financing activities	<u>400,522</u>	<u>-</u>	<u>400,522</u>
Cash flows from capital and related financing activities			
Purchase of capital assets	-	(22,707)	(22,707)
Principal payments on installment purchase and RofU lease	(27,259)	-	(27,259)
Interest payments on installment purchase and RofU lease	<u>(992)</u>	<u>-</u>	<u>(992)</u>
Cash provided by (used for) capital and related financing activities	<u>(28,251)</u>	<u>(22,707)</u>	<u>(50,958)</u>
Cash flows from investing activities			
Purchases of certificates of deposit	(15,256)	-	(15,256)
Interest received	<u>15,255</u>	<u>1,499</u>	<u>16,754</u>
Cash provided (used) by investing activities	<u>(1)</u>	<u>1,499</u>	<u>1,498</u>
Net increase (decrease) in cash and cash equivalents	83,288	(149,205)	(65,917)
Cash and cash equivalents, beginning	<u>851,286</u>	<u>265,829</u>	<u>1,117,115</u>
Cash and cash equivalents, ending (see below)	<u>\$ 934,574</u>	<u>\$ 116,624</u>	<u>\$ 1,051,198</u>
Reconciliation of operating income (loss) to net cash provided by operating activities			
Operating income (loss)	<u>\$ (911,770)</u>	<u>\$ (420,716)</u>	<u>\$ (1,332,486)</u>
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:			
Depreciation	130,507	297,086	427,593
(Increase) decrease in current assets			
Accounts receivable	8,118	(3,296)	4,822
Increase (decrease) in current liabilities			
Accounts payable	79,423	3,058	82,481
Payroll taxes payable	98	(1,213)	(1,115)
Accrued compensated absences	(6,780)	(3,116)	(9,896)
Customer deposits	-	200	200
Landfill closure liability	<u>411,422</u>	<u>-</u>	<u>411,422</u>
Total adjustments	<u>622,788</u>	<u>292,719</u>	<u>916,622</u>
Net cash provided (used) by operating activities	<u>\$ (288,982)</u>	<u>\$ (127,997)</u>	<u>\$ (416,979)</u>
Cash per statement of net position			
Cash operating	\$ 934,574	\$ 116,624	\$ 1,051,198
Cash restricted	<u>1,580,358</u>	<u>-</u>	<u>1,580,358</u>
Total cash per statement of net position	2,514,932	116,624	2,631,556
Less: Certificate of deposit	<u>(1,580,358)</u>	<u>-</u>	<u>(1,580,358)</u>
Cash per the statement of cash flows	<u>\$ 934,574</u>	<u>\$ 116,624</u>	<u>\$ 1,051,198</u>
Noncash transactions			
Equipment disposal – Rof U asset	\$ (5,869)	\$ -	\$ (5,869)
Equipment disposal - accumulated depreciation Rof U asset	5,869	-	5,869
Equipment lease – Rof U asset	10,027	-	10,027

HAMILTON COUNTY, FLORIDA

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND**

September 30, 2025

	Custodial
	<u>Fund</u>
Assets	
Cash	\$ 1,333,453
Due from individuals	<u>667</u>
Total assets	<u>1,334,120</u>
Liabilities	
Due to other governments:	
Hamilton County Board of County Commissioners	9,675
Other governmental units	279,858
State of Florida	647,612
Due to individuals	<u>34</u>
Total liabilities	<u>937,179</u>
Fiduciary net position	
Held for others	<u>\$ 396,941</u>

HAMILTON COUNTY, FLORIDA

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

For the Year Ended September 30, 2025

	Custodial Funds
Additions	
Taxes	\$ 21,669,942
Fines and forfeits	1,918,023
Deposits (tax deeds)	106,921
Fees	3,786,139
Other fees and collections	2,581,200
Registry deposits	433,268
Bonds - bail, cash, and forfeiture	192,905
Interest	10,890
Total additions	<u>30,699,288</u>
Deductions	
Other governments	23,689,303
Tax deeds	249,158
Individuals and other	2,704,467
Bonds	173,658
Fees	3,894,531
Commissary sales	55,072
Total deletions	<u>30,766,189</u>
Change in net position	(66,901)
Net position - beginning	463,842
Net position - ending	<u>\$ 396,941</u>

HAMILTON COUNTY, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2025

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

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

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

B. Basis of Presentation, Basis of Accounting

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

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

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

In the government-wide statement of net position, both the government and business-type activities columns are presented on a consolidated basis by column and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations.

The County's net position is reported in three parts:

1. Net investment in capital assets – the historical cost of assets less accumulated depreciation and less any outstanding debt that was used to finance those assets
2. Restricted net position – assets that are restricted by creditors, enabling legislation, and by contributors
3. Unrestricted net position – all net position not report above

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

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

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

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

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

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

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

The County's fiduciary funds are presented in the fiduciary fund financial statements by type (pension, private purpose and custodial) because these assets are being held for the benefit of a third party (other

local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the government. These funds are not incorporated into the government-wide statements.

The County reports the following major governmental funds:

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

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

CDBG Fund: The purpose of the fund is to account for those revenues restricted by the grant award to be used for housing rehabilitation and related expenditures.

SHIP Fund: The purpose of this fund is to account for those revenues restricted by the State Housing Initiatives Partnership Program via *Florida Statutes* 420.9072.

The County reports the following major enterprise funds:

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

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

The County reports the following fund type:

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

Measurement Focus, Basis of Accounting

Government-wide, Proprietary, and Fiduciary Financial Statements:

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

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

Fees and charges and other exchange revenues are recognized when earned and expenses are recognized when incurred.

Governmental Fund Financial Statements:

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

The County considers all revenues reported in the governmental funds to be available if they are collected within six months after the end of the current fiscal period, except for property taxes, for which the period is sixty days. Property tax revenues are recognized in the period for which levied provided they are also available. Intergovernmental revenues and grants are recognized when all eligibility requirements are met, and the revenues are available.

Expenditures are recorded when the related liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized when due and payable. General capital asset acquisitions are reported as expenditures in governmental funds.

Proceeds of long-term debt and acquisitions under installment purchases are reported as other financing sources.

Restricted and unrestricted resources:

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

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

Cash and cash equivalents

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

Inventories

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

Capital Assets

Purchased or constructed capital assets (buildings, roads, and improvements) with an original cost of \$50,000 or more and equipment with a cost of \$5,000 or more are reported at cost or estimated historical cost. Donated fixed assets are recorded at their estimated fair market value at the date of donation. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs for repairs and maintenance are expensed as incurred. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

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

The County reports and depreciates all infrastructure assets constructed or acquired effective with the beginning of the 2003 fiscal year. Infrastructure assets include roads, bridges, underground pipe, boat ramps, etc. These infrastructure assets are, and likely will continue to be, the County’s largest asset class.

Pensions

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

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

Other post-employment benefits (OPEB)

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

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

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

Long-term Liabilities

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

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

Compensated Absences

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

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

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

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

Deferred Outflows/Inflows of Resources

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

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

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

Net Position Flow Assumption

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

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

Governmental Fund Balances

In the governmental fund financial statements, fund balances are classified as follows:

Nonspendable – Amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – Amounts that can be spent only for specific purposes because of state or federal laws, or externally imposed conditions by donors, grantors, or creditors.

Committed – Amounts that can be used only for specific purposes as determined by formal action in the form of a County ordinance.

Assigned – Amounts that are designated by the Board of County Commissioners only to be used for a particular purpose.

Unassigned – amounts that are not constrained for any particular purpose.

Fund Balance Flow Assumptions

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

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

Interfund Activity

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

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

Property Tax Calendar

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

All unpaid taxes on real and tangible personal property become delinquent on April 1, of the year following the year in which taxes were assessed. Procedures for collecting delinquent taxes, including

applicable tax certificate sales, tax deed sales and tangible personal property seizure and sales are provided for by the *Laws of Florida*. Collections of county, municipal and independent taxing district taxes and remittances are accounted for in the Tax Collector's office. No material amounts of unpaid taxes were due at year-end.

Restricted Assets

The Enterprise Fund is required by Florida law to establish and maintain prescribed amounts of resources (consisting of deposits with First Federal Savings Bank of Florida) that can only be used to pay for post closure expenses and closure costs of its landfill. At September 30, 2025, the County had deposits of \$1,580,358 restricted for this purpose.

Estimates

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

Leases

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

Subscription-based information technology agreements (SBITAs)

A SBITA results in a right-to-use asset and a corresponding subscription liability. The standards for SBITA's, to the extent relevant, are based on the standards for leases as indicated above. The right to use another party's information technology software for a specified period of time results in an intangible asset (depreciated/amortized) and a subscription liability.

D. Restricted Net position

The government-wide statement of net position reports \$2,646,257 of restricted net position, none of which is restricted by enabling legislation.

E. Change in Accounting Principles

The County adopted Statement of Governmental Accounting Standards (GASB Statement) No. 101, Compensated Absences and No. 102, Certain Risk Disclosures, in 2025. The adoption of the Standards did not have a material effect on the financial statements.

F. Prior Period Adjustment

During the current year, the County discovered that a payment of \$197,805 toward an equipment purchase made during the year ended September 30, 2024, was incorrectly recorded as other current changes (grant expenditure) rather than capitalized as property and equipment.

As a result, expenses were overstated and net position was understated.

The County evaluated the error and determined that correction of the error required a prior period adjustment. Accordingly, equipment and beginning net position (net investment in capital assets) have been restated to reflect the capitalization of the equipment. (No depreciation was recorded on the partial payment.)

The effect of the correction on the previously reported balances as of October 1, 2024, increased equipment and net position (net investment in capital assets) by \$197,805.

G. Special and Extraordinary Items

During the fiscal year ended September 30, 2025, the County recognized certain nonrecurring transactions that materially affected the financial statements.

Special Item – Sale of Equipment

The County sold a John Deere grader used in its transportation fund in June 2025 for \$122,790. The transaction resulted in proceeds of \$122,790, and a gain of \$122,790, which has been reported as a special item in the government-wide and fund financial statements. Management determined the transaction to be both unusual in nature and within the control of the governing body.

Extraordinary Items – Contributions

During the fiscal year ending September 30, 2025, the County received two contributions and considered the amounts unusual in nature, infrequent in occurrence, and material in amount.

Nutrien, a global provider of crop inputs located within the County, donated \$125,000 to be used in the repair and upgrade of the County's Sports Complex.

Hamilton Health Enterprises, a provider of elder care within the County, donated excess funds from the sale of its operations in the amount of \$960,944. The donation is to be used for the improvement of health care within the County.

The contributions have been reported separately in the Statement of Activities and Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds.

NOTE 2. DEPOSITS AND INVESTMENTS

Deposits with Financial Institutions - The County's cash at September 30, 2025, consists of legally authorized demand deposits in institutions, which are certified as Qualified Public Depositories under the Florida Public Deposits Act. Therefore, the County's deposits at September 30, 2025, are insured

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

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

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

During the year ended September 30, 2025, the County complied with the above requirements.

The County's cash deposits at September 30, 2025, consisted of the following:

<u>Deposits</u>	<u>Balance</u>
Board of County Commissioners (BCC) \$	18,494,901
Clerk of Circuit Court	1,190,852
Property Appraiser	186,791
Sheriff	751,736
Supervisor of Elections	51,356
Tax Collector	<u>302,551</u>
Total deposits	<u>\$ 20,978,186</u>

NOTE 3. RECEIVABLES/DUE FROM OTHER GOVERNMENTS

Accounts receivable represents billed amounts for EMS, the landfill, the I75/SR6 water/sewer utilities, fuel reimbursement and other miscellaneous charges. Accounts receivable at September 30, 2025, consists of the following:

<u>Activity</u>	<u>Miscellaneous Amounts</u>	<u>Billed Accounts (net)</u>	<u>Totals</u>
Governmental			
General	\$ 15,879	\$ 801,456	\$ 817,335
Special Revenue	124,528	-	124,528
Business-type			
Enterprise	<u>-</u>	<u>33,535</u>	<u>33,535</u>
Totals	140,407	834,991	975,398
Less allowance for doubtful accounts - EMS	<u>-</u>	<u>(361,217)</u>	<u>(361,217)</u>
Net accounts receivable	<u>\$ 140,407</u>	<u>\$ 473,774</u>	<u>\$ 614,181</u>

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

Due from other government units at September 30, 2025, consists of the following:

<u>Activity</u>	<u>State of Florida</u>
Governmental	
General	\$ 1,172,280
Special Revenue	2,175,982
Business - type	
Landfill Enterprise	93,750
I75/SR6 Utility	<u>87,186</u>
Total governmental and Business - type	<u>\$ 3,529,198</u>

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

NOTE 4. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2025, was as follows:

	<u>Balance 10/1/2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 9/30/2025</u>
Governmental activities				
Capital assets not being depreciated				
Land	\$ 2,257,304	\$ 405,182	\$ -	\$ 2,662,486
Construction in progress	<u>12,039,611</u>	<u>8,580,401</u>	<u>14,088,158</u>	<u>6,531,854</u>
Total capital assets not being depreciated	<u>14,296,915</u>	<u>8,985,583</u>	<u>14,088,158</u>	<u>9,194,340</u>
Capital assets being depreciated				
Buildings and improvements	11,057,076	1,414,505	-	12,471,581
Improvements other than buildings	65,115,351	14,088,158	-	79,203,509
Machinery, furniture, equipment, and vehicles				
Board of County Commissioners *	11,737,866	2,396,874	933,983	13,200,757
Sheriff (See Note 5.)	2,855,295	402,241	561,561	2,695,975
Right-to-use leased assets	180,328	288,538	81,495	387,371
SBITA assets	<u>57,430</u>	<u>36,796</u>	<u>-</u>	<u>94,226</u>
Total capital assets being depreciated	<u>91,003,346</u>	<u>18,627,112</u>	<u>1,577,039</u>	<u>108,053,419</u>
Less accumulated depreciation for:				
Buildings and improvements	4,956,307	246,615	-	5,202,922
Improvements other than buildings	39,846,323	3,229,737	-	43,076,060
Machinery, furniture, equipment, and vehicles				
Board of County Commissioners	7,916,682	1,072,731	933,983	8,055,430
Sheriff	2,537,119	116,815	561,561	2,092,373
Right-to-use leased assets	126,353	33,285	81,495	78,143
SBITA assets	<u>10,626</u>	<u>22,350</u>	<u>-</u>	<u>32,976</u>
Total accumulated depreciation	<u>55,393,410</u>	<u>4,721,533</u>	<u>1,577,039</u>	<u>58,537,904</u>
Total capital assets being depreciated net	<u>35,609,936</u>	<u>13,905,579</u>	<u>-</u>	<u>49,515,515</u>
Governmental activity capital assets, net	<u>\$ 49,906,851</u>	<u>\$ 22,891,162</u>	<u>\$ 14,088,158</u>	<u>\$ 58,709,855</u>

	Balance <u>10/1/2024</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>9/30/2025</u>
Business-type activities				
Capital assets not being depreciated				
Land	\$ 267,366	\$ -	\$ -	\$ 267,366
Construction in progress	87,186	-	-	87,186
Total capital assets not being depreciated	<u>\$ 354,552</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 354,552</u>
Capital assets being depreciated				
Buildings and landfill improvements	3,882,537	-	-	3,882,537
Water/wastewater plant	5,864,482	22,707	-	5,887,189
Equipment	1,112,635	-	-	1,112,635
Right-to-use leased equipment	5,869	10,027	5,869	10,027
Total capital assets being depreciated	<u>10,865,523</u>	<u>32,734</u>	<u>5,869</u>	<u>10,892,388</u>
Less accumulated depreciation for				
Buildings and improvements	3,045,934	75,091	-	3,121,025
Water/wastewater plant	4,103,906	292,835	-	4,396,741
Machinery, equipment, furniture, and vehicles	941,149	57,979	-	999,128
Right-to-use leased equipment	5,869	1,688	5,869	1,688
Total accumulated depreciation	<u>8,096,858</u>	<u>427,593</u>	<u>5,869</u>	<u>8,518,582</u>
Total capital assets being depreciated, net	<u>2,768,665</u>	<u>(394,859)</u>	<u>-</u>	<u>2,373,806</u>
Total business-type assets, net	<u>\$ 3,123,217</u>	<u>\$ (394,859)</u>	<u>\$ -</u>	<u>\$ 2,728,358</u>

Depreciation expense was charged to functions as follows:

Governmental activities

Function	
General Government	
Legislative	\$ 100,064
Executive	-
Financial & administrative	58,299
Other general government	99,688
Total general government	<u>258,051</u>
Public safety	
Law enforcement	92,568
Fire control	157,528
Corrections	45,786
Protective inspections	9,392
Emergency and disaster relief	122,523
Ambulance and rescue services	70,715
Total public safety	<u>498,512</u>
Physical environment	
Conservation and resource management	1,129
Transportation	
Road and street	<u>3,785,435</u>
Economic environment	
Industry development	44,375
Veterans' Services	10,781
Total economic environment	<u>55,156</u>
Human services	
Health	3,864
Public assistance	1,476
Total human services	<u>5,340</u>
Culture/recreation	
Libraries	12,751
Parks and recreation	84,452
Cultural services	20,707
Total culture/recreation	<u>117,910</u>
Totals	<u>\$ 4,721,533</u>

Business-type activities

Function	
Physical environment	
Garbage/solid waste control services	\$ 130,507
Water/sewer combination services	297,086
Total physical environment	<u>\$ 427,593</u>

NOTE 5. UNEARNED REVENUE

Unearned revenue (amounts received in advance of being earned or meeting eligibility requirements other than time) at September 30, 2025, includes grant amounts received prior to earning (expending) the funds. The amount was as follows:

Unearned revenue	
Board of County Commissioners	\$ 1,586,481
Sheriff	<u>33,227</u>
Total unearned revenue	<u>\$ 1,619,708</u>

NOTE 6. LONG-TERM LIABILITIES

Long-term liabilities of the County at September 30, 2025, include notes payable, right-to-use leases payable, SBITA's, other noncurrent liabilities (see Note 9), and compensated absences.

Governmental Activities

Note payable

The County has a note payable to the Florida Division of Emergency Management in the amount of \$1,116,260. The note was entered into pursuant to the 2023 Specific Appropriation for \$50,000,000 from the State's General Revenue Fund. The loan provides resources to fund gaps in hurricane repairs and recovery to publicly owned facilities damaged during Hurricane Idalia, infrastructure repairs, and loss of local and county revenues within counties designated in the Federal Emergency Management Agency (FEMA) disaster declarations for Hurricane Idalia, based on legislative selection, subject to certain requirements.

The loan carries an interest rate of 0%.

Approximately sixty-six projects were identified that are subject to FEMA reimbursement and will be used to offset the note payable above. Due to the expected completion of all projects in the 2025-26 fiscal year, the note payable is deemed current in its entirety.

Right-to-Use Leases Payable

The County (including its Constitutional Officers) has eighteen right-to-use leases for copiers and postage machines. Information on the leases is as follows:

Source	Right of Use Equipment Leased	Int Rate	Term (Years)	Monthly/Annual Payment
Great America Financial Services Corporation	Kyocera Ecosys M6635 (2)	2.75%	5	\$ 125
Great America Financial Services Corporation	Kyocera Ecosys M8130 (1)	2.75%	5	87
Great America Financial Services Corporation	Copystar CS 4053ci (1)	2.75%	5	145
DM400C Digital Mail	DM400C Digital Mail System	2.75%	5	209
LEAF Capital Funding LLC	Kyocera TA-3564ci copier	2.75%	5	2,222
Pitney Bowes Global Financing	SP 100 label printer and IMI Meter	2.75%	5	3,223
Great America Financial Services Corporation	Kyocera Taskalfa 5054ci copier	2.75%	5	2,554
Great America Financial Services Corporation	Kyocera Taskalfa 3554ci copier	2.75%	5	1,574
Great America Financial Services Corporation	Kyocera Taskalfa 3554ci copier	2.75%	5	1,574
Great America Financial Services Corporation	Kyocera Ecosys M3655 (1)	2.75%	5	62
Great America Financial Services Corporation	Kyocera 8003i, 6004i, 5004i copiers	3.50%	5	7,792
Great America Financial Services Corporation	Copystar CX 3253ci copier	2.75%	5	111
Quadient Leasing	iX-3 Mailing System	2.75%	3	264
Quadient Leasing	iX-3 Series Base with Platform	3.50%	3	267
Great America Financial Services Corporation	Kyocera Ecosys M3655 (1)	2.75%	5	60
Great America Financial Services Corporation	Kyocera 3554ci and M2540dw	3.50%	5	2,193
Enterprise Fleet Mgt	4 Ford Police Interceptors	20.00%	5	5,071
Pitney Bowes	1 SendPro C Series Vs 4	2.75%	5	130

The right-to-use assets and accumulated amortization/depreciation are outlined in Note 4.

Future minimum payments for the governmental right-to-use lease payables are as follows:

<u>Right-to-use leases payable</u>			
Fiscal year ending September 30,	<u>Payments</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 87,295	\$ 49,013	\$ 38,282
2027	84,442	52,447	31,995
2028	82,791	58,245	24,546
2029	72,002	56,384	15,618
2030	<u>55,785</u>	<u>50,568</u>	<u>5,217</u>
Totals	<u>\$ 382,315</u>	<u>\$ 266,657</u>	<u>\$ 115,658</u>

Subscription Based IT Agreements (SBITAs) Payable

In October 2023, the County entered into five-year agreement with Cloudpermit. An initial lease liability was recorded for \$46,731. As of September 30, 2025, the value of the lease liability was \$28,016. The agreement calls for five annual payments of \$10,000.

In December 2023, the County entered into a three-year agreement with iWorQ for a Fleet Management Software. An initial liability was recorded for \$10,699. As of September 30, 2025, the value of the lease liability was \$2,899. The agreement calls for one payment of \$5,000 and two annual payments of \$3,000.

In December 2024, the County entered into a three-year agreement with wizhive for grant management software. An initial liability was recorded for \$36,796. As of September 30, 2025, the value of the lease liability was \$22,796. The agreement calls for three annual payments of \$14,000.

For the above agreements, the software has an estimated useful life equal to the lease term.

The SBITA asset and accumulated amortization/depreciation of the SBITA assets are outlined in Note 4.

The future principal and interest payments of the Subscription Based IT Agreements are as follows:

Fiscal year ending September 30,	<u>Payments</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 25,000	\$ 23,120	\$ 1,880
2027	22,000	20,929	1,071
2028	<u>10,000</u>	<u>9,662</u>	<u>338</u>
Totals	<u>\$ 57,000</u>	<u>\$ 53,711</u>	<u>\$ 3,289</u>

Business-type Activities

Installment Purchase

The County has an installment purchase agreement for equipment with a historical cost and accumulated depreciation of \$239,731 and \$195,935, respectively. The amounts are included in the County's capital asset depreciation. Information on the County's installment purchase agreement is as follows:

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

Future minimum payments for the business-type installment purchase payable is as follows:

Fiscal year ending September 30,	<u>Installment purchase payable</u>		
	<u>Payments</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 5,654	\$ 5,569	\$ 85

Right-to-Use Leases Payable

The Landfill has a right-to-use lease for a copier. Information on the lease is as follows:

<u>Source</u>	<u>Right of Use Equipment Leased</u>	<u>Int Rate</u>	<u>Term (Years)</u>	<u>Monthly/ Annual Payment</u>
Leaf Financing	Kyocera TA-3554ci copier	3.50%	5	2,146

Right-to-Use Lease payments to maturity are as follows:

Fiscal year ending September 30,	<u>Right-to-use leases payable</u>		
	<u>Payments</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 2,146	\$ 1,870	\$ 276
2027	2,145	1,935	210
2028	2,146	2,003	143
2029	2,146	2,073	73
Totals	\$ 8,583	\$ 7,881	\$ 702

Changes in Long-Term Obligations

During the year ended September 30, 2025, the following changes occurred in the County's long-term obligations:

<u>Governmental Activities</u> <u>Long-term Obligations</u>	<u>Balance</u>			<u>Balance</u>	<u>Amounts Due Within</u>
	<u>October 1,</u>	<u>Additions</u>	<u>Deletions</u>		
	<u>2024</u>		<u>2025</u>	<u>One Year</u>	
Right-to-use leases payable	\$ 51,216	\$ 288,538	\$ 73,097	\$ 266,657	\$ 49,013
SBITAs	42,430	36,796	25,515	53,711	23,120
Compensated absences	868,996	820,298	751,036	938,258	263,266
Note payable	1,361,881	-	245,621	1,116,260	1,116,260
Totals	\$ 2,324,523	\$ 1,145,632	\$ 1,095,269	\$ 2,374,886	\$ 1,451,659

<u>Business-type Obligations</u>	Balance October 1, <u>2024</u>	<u>Additions</u>	<u>Deletions</u>	Balance September 30, <u>2025</u>	Amounts Due Within <u>One Year</u>
Installment purchase payable	\$ 37,764	\$ -	\$ 32,195	\$ 5,569	\$ 5,569
Right-to-use leases payable	-	10,026	2,145	7,881	1,870
Estimated liability for landfill closure	2,984,089	411,422	-	3,395,511	-
Compensated absences	<u>28,229</u>	<u>23,256</u>	<u>26,070</u>	<u>25,415</u>	<u>25,415</u>
Totals	<u>\$ 3,050,082</u>	<u>\$ 444,704</u>	<u>\$ 60,410</u>	<u>\$ 3,434,376</u>	<u>\$ 32,854</u>

NOTE 7. INTERFUND ACTIVITIES

Interfund receivable and payables at September 30, 2025, were as follows:

<u>Major Funds</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General	<u>\$ 2,565,870</u>	<u>\$ 4,300</u>
Transportation Trust	-	1,737,413
CDBG	115,000	778,825
Local Housing (SHIP)	<u>4,300</u>	<u>115,000</u>
Total major funds	<u>119,300</u>	<u>2,631,238</u>
<u>Nonmajor Funds</u>		
Tourist Development	-	10,532
Fine and Forfeiture (BCC)	4,424	-
Emergency Management Fund	<u>-</u>	<u>33,849</u>
Total nonmajor funds	<u>4,424</u>	<u>44,381</u>
<u>Fiduciary Funds</u>	<u>-</u>	<u>9,675</u>
Total all funds	<u>\$ 2,689,594</u>	<u>\$ 2,689,594</u>

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

Interfund transfers made during the year ended September 30, 2025, were as follows:

<u>Major Funds</u>	<u>Interfund Transfer In</u>	<u>Interfund Transfers Out</u>
General	\$ 852,313	\$ 335,854
Transportation Trust	-	674,490
CDBG	996	-
Landfill Enterprise	<u>279,250</u>	<u>-</u>
Total major funds	<u>1,132,559</u>	<u>1,010,344</u>
<u>Nonmajor Funds</u>		
Fine and Forfeiture (BCC)	-	177,823
Emergency Management	<u>55,608</u>	<u>-</u>
Total nonmajor funds	<u>55,608</u>	<u>177,823</u>
Total all funds	<u>\$ 1,188,167</u>	<u>\$ 1,188,167</u>

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

NOTE 8. INTERFUND ELIMINATIONS

The following interfund eliminations were made in the combined Countywide General Fund at September 30, 2025:

	Interfund	
	<u>Receivables</u>	<u>Payables</u>
HCBCB	\$ 433,640	\$ -
Clerk of Courts	-	96,592
Property Appraiser	-	182,351
Sheriff	-	80,715
Supervisor of Elections	-	51,356
Tax Collector	-	22,626
Totals	<u>\$ 433,640</u>	<u>\$ 433,640</u>

	Interfund	
	<u>Transfers out</u>	<u>Transfers in</u>
HCBCB	\$ 9,786,124	\$ -
Clerk of Courts	-	433,452
Property Appraiser	-	891,750
Sheriff	-	7,844,075
Supervisor of Elections	-	529,473
Tax Collector	-	87,374
Totals	<u>\$ 9,786,124</u>	<u>\$ 9,786,124</u>

NOTE 9. LANDFILL CLOSURE AND POSTCLOSURE COST

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

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

At September 30, 2025, \$3,395,511 is reported as the landfill closure and post-closure care liability based on 100% of the Landfill’s North and South Cells’ capacity having been used at September 30, 2025, and recognition of \$606,717 in closure costs (54.87% of capacity filled) and \$655,866 post-closure costs of the County’s Class III cell.

For the South Cell (North Cell is no longer required to escrow funds for next year’s expenses), the amount of \$2,132,929 represents the total cumulative liability including an annual adjustment for inflation – no additional amounts remain to be recognized except for annual inflation adjustments.

For the Class III Cell, closure costs of \$499,014 and post-closure costs of \$539,438 are yet to be recognized. The estimated remaining life of the Class III landfill is seven years. The estimated amounts are based on what it would cost to perform all closure and annual post-closure care in 2025. Actual costs of post-closure care and closure may be higher because of inflation, changes in technology, or changes in regulations.

The County is required by state and federal laws and regulations to make annual contributions to an escrow account to finance closure. The County is in compliance with these requirements, and at September 30, 2025, restricted deposits of \$1,580,358 were held for this purpose. The deposits are reported as restricted assets on the Proprietary Funds' Statement of Net position.

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

NOTE 10. FUND BALANCE REPORTING

Classification of fund balances in the governmental funds is detailed in Note 1.

A summary of the fund balances including the restriction source/purpose at September 30, 2025, is as follows:

Description	General Fund	Transportation Trust Fund	CDBG Fund	SHIP Fund	Other Governmental Funds	Total Governmental Funds	Restriction/Purpose
Fund balances:							
Restricted for:							
Transportation	\$ -	\$ (414,907)	\$ -	\$ -	\$ -	\$ (414,907)	Florida Statutes Chapters 206 and 207
Other purposes:							
SHIP	-	-	-	492,986	-	492,986	Florida Statutes 420.9072
Fine & Forfeiture	-	-	-	-	226,187	226,187	Florida Statutes 938.15, 932.704, 775.083
Tourist Development	-	-	-	-	49,536	49,536	Florida Statutes 125.0104
Public Record Modernization	-	-	-	-	58,045	58,045	Florida Statutes 28.24
Inmate Welfare	-	-	-	-	192,455	192,455	Florida Statutes 951.23
911 Communications	-	-	-	-	541,104	541,104	Florida Statutes 365.172
Recreation	125,000	-	-	-	-	125,000	by donor
Health care	960,944	-	-	-	-	960,944	by donor
Assigned	1,679,555	-	-	-	-	1,679,555	GASB 34
Unassigned	14,218,832	-	-	-	-	14,218,832	-
Total fund balance	<u>\$ 16,984,331</u>	<u>\$ (414,907)</u>	<u>\$ -</u>	<u>\$ 492,986</u>	<u>\$ 1,067,327</u>	<u>\$ 18,129,737</u>	

At September 30, 2025, the unassigned general fund balance was \$14,218,832 or forty-five percent of the General Fund's total expenditures.

NOTE 11. CONTINGENT LIABILITIES

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

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

NOTE 12. RISK MANAGEMENT

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

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

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

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

General Information

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

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

The FRS is a cost-sharing multiple-employer public-employee retirement system with two primary plans and approximately 1,000 participating employers. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' web site (www.dms.myflorida.com).

The County's pension expense, FRS \$745,648 and HIS \$97,926 totaled \$843,574, for the fiscal year ended September 30, 2025.

FRS Pension Plan:

Plan Description: The FRS Pension Plan (Plan) is cost-sharing multiple-employer defined benefit plan, with a DROP for eligible employees. The general classes of membership are as follows:

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

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

All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service except for members classified as special risk that are eligible for normal retirement benefits at age 60 or at any age after 30 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service. Employees enrolled in the Plan may include up to 4 years of credit for military service toward creditable service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

The DROP, subject to provisions of Section 121.091, *Florida Statutes*, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS participating employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

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

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

As provided in Section 121.101, *Florida Statutes*, if the member was initially enrolled in the Plan before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3 percent per year. If the member was initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3 percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3 percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

Contributions: The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the 2024-25 fiscal year were as follows:

Class	Percent of Gross Salary		Total Contribution Rate
	Employee	Employer (1)	
FRS, Regular	3.00%	13.63%	16.63%
FRS, Elected County Officers	3.00%	58.68%	61.68%
FRS, Senior Management Service	3.00%	34.52%	37.52%
FRS, Special Risk Regular	3.00%	32.79%	35.79%
FRS, Special Risk Administrative	3.00%	39.82%	42.82%
DROP - Applicable to member from all of the above classes	N/A	21.13%	21.13%

Notes

1. Employer rates include 2 percent for the postemployment health insurance subsidy. Also, employer rates, other than for DROP participants, include 0.06 percent for administrative cost of the Investment Plan.
2. Contribution rates are dependent upon the retirement class in which employed.

The County's contributions, including employee contributions, to the Plan totaled \$1,959,823 for the fiscal year ended September 30, 2025, and were as follows:

	FRS		
	Employer	Employee	Total
Board of County Commissioners	\$ 794,154	\$ 95,271	\$ 889,425
Clerk of Courts	126,381	14,723	141,103
Property Appraiser	52,630	9,381	62,010
Sheriff	607,988	60,748	668,736
Supervisor of Elections	87,431	6,146	93,577
Tax Collector	97,526	7,445	104,971
	<u>\$ 1,766,110</u>	<u>\$ 193,713</u>	<u>\$ 1,959,823</u>

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At September 30, 2025, the County reported a long-term liability of \$9,994,450 for its proportionate share of the Plan's net pension liability. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2025.

The County's proportionate share of the net pension liability was based on the County's 2024-25 fiscal year contributions relative to the 2024-25 fiscal year contributions of all participating members. At June 30, 2025, the County's proportionate shares and increases(decreases) from its proportionate shares measured as of June 30, 2024, were as follows:

Hamilton County	2025	2024	Change
Board of County Commissioners	0.002496%	0.002526%	-0.000030%
Clerk of the Circuit Court	0.013577%	0.013420%	0.000157%
Property Appraiser	0.001246%	0.001274%	-0.000028%
Sheriff	0.001394%	0.000759%	0.000635%
Supervisor of Elections	0.011996%	0.012142%	-0.000146%
Tax Collector	0.001495%	0.001392%	0.000104%
Total	<u>0.032204%</u>	<u>0.031511%</u>	<u>0.000693%</u>

For the fiscal year ended September 30, 2025, the County recognized pension expense of \$745,648. In addition, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

FRS <u>Description</u>	Deferred outflows of resources	Deferred inflows of resources
Difference between expected and actual experience	\$ 1,067,513	\$ -
Changes in assumptions	1,160,616	-
Investments	-	(1,668,675)
Employer specific changes in proportion	1,117,378	(338,547)
Total	\$ 3,345,507	\$ (2,007,222)

The deferred outflows of resources related to pensions, totaling \$548,558, resulting from County contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	Fiscal year ending September 30,						
	2026	2027	2028	2029	2030	Thereafter	
Hamilton County							
Board of County Commissioners	\$ 10,736	\$ 10,736	\$ 10,736	\$ 10,736	\$ 7,516	\$ -	-
Clerk of Courts	(2,055)	(2,055)	(2,055)	(2,055)	(1,439)	-	-
Property Appraiser	(1,895)	(1,895)	(1,895)	(1,895)	(1,327)	-	-
Sheriff	(9,942)	(9,942)	(9,942)	(9,942)	(6,959)	-	-
Supervisor of Elections	7,064	7,064	7,064	7,064	4,944	-	-
Tax Collector	43,309	43,309	43,309	43,309	30,316	-	-

Actuarial Assumptions: The total pension liability in the June 30, 2025, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40 percent
Salary increases	3.50 percent, average, including inflation
Investment rate of return	6.70 percent

Mortality rates were based on the PUB-2010 base table, projected generationally with Scale MP-2021. This is a change from the previous valuation in which the mortality rates were based on the PUB-2010 base table, projected generationally with Scale MP-2018.

The actuarial assumptions that determined the total pension liability as of June 30, 2025, were based on the results of an actuarial experience study July 1, 2018 – June 30, 2023.

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

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.00%	3.20%	3.20%	1.10%
Fixed income	29.00%	5.50%	5.40%	4.00%
Global equity	45.00%	8.50%	6.90%	18.30%
Real estate	12.00%	8.40%	7.10%	16.80%
Private equity	11.00%	12.40%	8.80%	28.40%
Strategic investments	2.00%	6.50%	6.10%	8.70%
	<u>100.00%</u>			
Assumed inflation - mean			2.40%	1.50%

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

Discount Rate: The discount rate used to measure the total pension liability was 6.70 percent. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. The discount rate used in the 2024 valuation was unchanged from the previous valuation.

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

	1% Decrease 5.70%	Current Discount 6.70%	1% Increase 7.70%
County's proportionate share of the net pension liability	<u>\$ 19,613,954</u>	<u>\$ 9,994,450</u>	<u>\$ 1,929,597</u>

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

Payables to the Pension Plan: At September 30, 2025, the County and Constitutional Officers reported no amounts owed for contributions to the Plan required for the fiscal year ended September 30, 2025.

HIS Pension Plan

Plan Description: The HIS Pension Plan (HIS Plan) is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, *Florida Statutes*, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement. **Benefits Provided:** For the fiscal year ended June 30, 2024, eligible retirees and beneficiaries received a monthly HIS payment of \$7.50 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$45 and a maximum HIS payment of \$225 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 can include Federal Medicare.

Contributions: The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2024, the contribution rate was 2 percent of payroll pursuant to section 112.363, *Florida Statutes*. The County contributed 100 percent of its statutorily required contributions for the current and preceding 3 years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The County's contributions to the HIS Plan totaled \$211,799 for the fiscal year ended September 30, 2025, and were as follows:

Hamilton County, FL	HIS		
	FRS	Inv	Total
Board of County Commissioners	\$ 72,269	\$ 23,601	\$ 95,870
Clerk of Courts	9,815	4,252	14,067
Property Appraiser	6,844	1,872	8,716
Sheriff	55,516	26,266	81,782
Supervisor of Elections	4,097	-	4,097
Tax Collector	<u>5,725</u>	<u>1,541</u>	<u>7,266</u>
Total HIS contributions	<u>\$ 154,265</u>	<u>\$ 57,534</u>	<u>\$ 211,799</u>

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At September 30, 2025, the County reported a net pension liability of \$2,921,394 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2024. The County's proportionate share of the net pension liability was based on the County's 2024-25 fiscal year contributions relative to the June 30, 2025, fiscal year contributions of all participating members.

At June 30, 2025, the County's proportionate shares and increases/decreases from its proportionate shares measured as of June 30, 2024, were as follows:

Hamilton County	<u>2025</u>	<u>2024</u>	<u>Change</u>
Board of County Commissioners	0.010237%	0.010188%	0.000050%
Clerk of Courts	0.001538%	0.001560%	-0.000023%
Property Appraiser	0.000952%	0.001186%	-0.000234%
Sheriff	0.008787%	0.008656%	0.000130%
Supervisor of Elections	0.000468%	0.000457%	0.000011%
Tax Collector	<u>0.000811%</u>	<u>0.000782%</u>	<u>0.000029%</u>
Total	<u>0.022792%</u>	<u>0.022829%</u>	<u>-0.000037%</u>

For the fiscal year ended September 30, 2025, the County recognized pension expense of \$97,926. In addition, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>HIS</u> <u>Description</u>	<u>Deferred outflows</u> <u>of resources</u>	<u>Deferred inflows</u> <u>of resources</u>
Difference between expected and actual experience	\$ 17,439	\$ (4,634)
Changes in assumptions	25,858	(706,610)
Investments	-	(2,431)
Employer specific changes in proportion	<u>233,267</u>	<u>(103,013)</u>
Total	<u>\$ 276,564</u>	<u>\$ (816,688)</u>

The deferred outflows of resources, totaling \$53,170 was related to pensions resulting from County contributions to the HIS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Hamilton County	Fiscal year ending September 30,					<u>Thereafter</u>
	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>	
Clerk of the Circuit Court	(638)	(638)	(638)	(638)	(510)	-
Board of County Commissioners	1,410	1,410	1,410	1,410	1,128	-
Property Appraiser	(6,630)	(6,630)	(6,630)	(6,630)	(5,304)	-
Tax Collector	822	822	822	822	657	-
Sheriff	3,677	3,677	3,677	3,677	2,942	-
Supervisor of Elections	309	309	309	309	248	-

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

Inflation	2.4 percent
Salary increases	3.5 percent, average, including inflation
Municipal bond rate	3.93 percent

Salary increases were changed from 3.25 percent in the previous valuation to 3.50 percent.

Mortality rates were based on the PUB-2010 base table, projected generationally with Scale MP-2021. This is a change from the previous valuation in which the mortality rates were based on the PUB-2010 base table, projected generationally with Scale MP-2018.

While an experience study had not been completed for the HIS Plan, the actuarial assumptions that determined the total pension liability for the HIS Plan were based on certain results of the most recent experience study for the FRS Plan.

Discount Rate: The discount rate used to measure the total pension liability was 5.20 percent. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond

Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index. The discount rate changed from 3.65% to 3.93%.

Sensitivity of the County’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the County’s proportionate share of the net pension liability calculated using the discount rate of 5.20 percent, as well as what the County’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (4.20 percent) or 1 percentage-point higher (6.20 percent) than the current rate:

	1% Decrease <u>4.20%</u>	Current Discount <u>5.20%</u>	1% Increase <u>6.20%</u>
County's proportionate share of the net pension liability	<u>\$ 3,294,342.02</u>	<u>2,921,394</u>	<u>\$ 2,608,609.16</u>

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

Payables to the Pension Plan: At September 30, 2025, the County reported a payable of \$0 for the outstanding amount of contributions to the HIS Plan required for the fiscal year ended September 30, 2025.

FRS – Defined Contribution Pension Plan

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

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

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

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

Costs of administering plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of plan members.

Allocations to the investment member's accounts during the 2024-25 fiscal year were as follows:

Class	Contributions		
	<u>Employee</u>	<u>Employer</u>	<u>Total</u>
FRS, Regular	3.00%	8.30%	11.30%
Elected County/Local Officers	3.00%	13.34%	16.34%
FRS, Special Risk	3.00%	16.00%	19.00%
FRS, Senior Management Service	3.00%	9.67%	12.67%

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

Nonvested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over their account. If the employee does not return within the 5-year period, the employee will forfeit the accumulated account balance. At September 30, 2025, the County does not know the amount of forfeited funds, if any, but estimates that the amount would be immaterial.

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

The County's Investment Plan pension expense totaled \$698,540 for the fiscal year ended September 30, 2025, and was as follows:

Hamilton County, FL	Inv				<u>Total</u>
	<u>Retirement</u>	<u>HIS</u>	<u>PEORP</u>		
Board of County Commissioners	\$183,140	\$ 23,601	\$ 708		\$ 207,449
Clerk of Courts	41,946	4,252	128		46,326
Property Appraiser	51,725	1,872	56		53,654
Sheriff	353,473	26,266	788		380,527
Supervisor of Elections	-	-	-		-
Tax Collector	8,996	1,541	46		10,584
Total HIS contributions	<u>\$ 639,280</u>	<u>\$ 57,534</u>	<u>\$ 1,726</u>		<u>\$ 698,540</u>

NOTE 14. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

General Information

Plan description

Hamilton County, Florida, sponsors and administers the single-employer OPEB unfunded plan. The plan covers 164 active employees, one inactive employee and beneficiaries currently receiving benefits, and no inactive employees entitled to and not yet receiving benefits.

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

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

Benefits provided

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

Total OPEB Liability

The County's total OPEB liability of \$203,936, was measured as of September 30, 2025, and was determined by an actuarial valuation as of that date. The liability is reported as \$5,827 current and \$198,109 long-term. The current portion is the average of the annual expense change over the last eight years.

Actuarial assumptions and other inputs: The total OPEB liability in the September 30, 2025, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate: 4.50% per annum; this rate was used to discount all future benefit payments and is based on the return on the S&P Municipal Bond 20-year High Grade index as of the measurement date.

Salary increases: 3.00% per annum

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

Healthcare cost trend rates: Increases in healthcare costs are assumed to be 8.00% for the 2024/25 fiscal year graded down by 0.50% per year to 5.00% for the 2030/31 and later fiscal years.

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

Implied subsidy: Because the insurance carrier charges the same monthly rate for health insurance regardless of age, an implied monthly subsidy of \$700.00 for the retiree and \$600.00 for the retiree's spouse has been assumed for the 2024/25 fiscal year at age 62; at other ages, the implied subsidy was developed based on the age-related morbidity assumption and, for other fiscal years, the implied subsidy was increased in accordance with the healthcare cost trend rates; the implied subsidy is assumed to disappear at age 65.

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

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

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

Coverage election: 5% of eligible employees are assumed to elect medical coverage under the "Blue Options 03748" plan until age 65 upon retirement or disability in accordance with their current election as to coverage status.

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

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

Changes: Since the prior measurement date, the discount rate was increased from 4.06% per annum to 4.50% per annum; the healthcare cost trend rates were increased from 6.50% for the 2024/25 fiscal year graded down to 5.00% for the 2027/28 and later fiscal years; and the monthly implied subsidy at age 62 for the 2024/25 fiscal year for the retiree and his spouse was decreased from \$775.75 and \$668.75, respectively, to \$700 and \$600, respectively.

Net OPEB liability at September 30, 2025:

Total OPEB liability *	\$	203,936
Less fiduciary net position		-
Net OPEB liability **	\$	<u>203,936</u>

* rolled forward from October 1, 2024

** recognized as follows:

Long-term obligations governmental activities	\$	<u>203,936</u>
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OPEB expense for Year Ending September 30, 2025

Service cost	\$	11,026
Other recognized changes in net pension		
Expected interest growth		10,125
Investment gain/loss		-
Demographic gain/loss		2,148
Employee contributions		-
Benefit payments & refunds		(1,625)
Administrative expenses		-
Changes in benefit terms		-
Assumption changes		(10,586)
OPEB expense *	\$	<u>11,088</u>

* expense recognized as follows:

Statement of Activities - governmental	\$	<u>11,088</u>
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Deferred Inflows of Resources and Deferred Outflows of Resources Related to OPEB

	Deferred Outflows of Resources	Deferred Inflows of Resources
Balance as of September 30, 2024	\$ 116,800	\$ 171,724
Change due to:		
Amortization payments	(22,797)	(31,235)
Investment gain/loss	-	-
Demographic gain/loss	2,970	-
Assumption changes	-	33,330
Total change	<u>(19,827)</u>	<u>2,095</u>
Balance as of September 30, 2025	\$ <u>96,973</u>	\$ <u>173,819</u>

Balance Equation

Net OPEB liability as of September 30, 2024	\$	214,770
Plus OPEB expense for the year ending September 30, 2025		11,088
Minus employer contribution for the year ending September 30, 2025		-
Plus change in balance of deferred outflows of resources		(19,827)
Minus change in balance of deferred inflows of resources		<u>(2,095)</u>
Net OPEB liability as of September 30, 2025	\$	<u>203,936</u>

Amortization Schedule for Deferred Outflows and Inflows of Resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Balance as of September 30, 2025	\$ 96,973	\$ 173,819
Amount recognized in the FY 2025-26 OPEB expense:		
Investment gain/loss	-	-
Demographic gain/loss	14,961	12,813
Assumption changes	<u>7,836</u>	<u>18,422</u>
Total	<u>22,797</u>	<u>31,235</u>
Balance as of September 30, 2026	<u>74,176</u>	<u>142,584</u>
Amount recognized in the FY 2026-27 OPEB expense:		
Investment gain/loss	-	-
Demographic gain/loss	14,961	12,813
Assumption changes	<u>7,836</u>	<u>18,422</u>
Total	<u>22,797</u>	<u>31,235</u>
Balance as of September 30, 2027	<u>51,379</u>	<u>111,349</u>
Amount recognized in the FY 2027-28 OPEB expense:		
Investment gain/loss	-	-
Demographic gain/loss	14,961	11,847
Assumption changes	<u>7,199</u>	<u>18,422</u>
Total	<u>22,160</u>	<u>30,269</u>

(continued)

Balance as of September 30, 2028	<u>29,219</u>	<u>81,080</u>
Amount recognized in the FY 2028-29 OPEB expense:		
Investment gain/loss	-	-
Demographic gain/loss	9,729	9,093
Assumption changes	<u>4,194</u>	<u>18,422</u>
Total	<u>13,923</u>	<u>27,515</u>
Balance as of September 30, 2029	<u>15,296</u>	<u>53,565</u>
Amount recognized in the FY 2029-30 OPEB expense:		
Investment gain/loss	-	-
Demographic gain/loss	1,190	5,302
Assumption changes	<u>2,237</u>	<u>15,982</u>
Total	<u>3,427</u>	<u>21,284</u>
Balance as of September 30, 2030	<u>\$ 11,869</u>	<u>\$ 32,281</u>

	Total OPEB <u>Liability</u>	Fiduciary <u>Net Position</u>	Net OPEB <u>Liability</u>
Balance as of September 30, 2024	\$ 214,770	\$ -	\$ 214,770
Change due to:			
Service cost	11,026	-	11,026
Expected interest growth	10,125	-	10,125
Unexpected investment income	-	-	-
Demographic experience	2,970	-	2,970
Employer contributions	-	-	-
Employee contributions	-	-	-
Benefit payments & refunds	(1,625)	-	(1,625)
Administrative expenses	-	-	-
Changes in benefit terms	-	-	-
Assumption changes	<u>(33,330)</u>	-	<u>(33,330)</u>
Balance as of September 30, 2025	<u>\$ 203,936</u>	<u>\$ -</u>	<u>\$ 203,936</u>

Comparison of net OPEB liability using alternative discount rates

	<u>Discount Rate minus 1.00%</u>	<u>4.06% Discount Rate</u>	<u>Discount Rate plus 1.00%</u>
Total OPEB liability	\$ 234,452	\$ 203,936	\$ 178,292
Less fiduciary net position	-	-	-
Net OPEB liability	<u>\$ 234,452</u>	<u>\$ 203,936</u>	<u>\$ 178,292</u>

Comparison of net OPEB liability using alternative healthcare cost trend rates

	<u>Trend rates minus 1.00%</u>	<u>8.00% graded down to 5.00%</u>	<u>Trend rates plus 1.00%</u>
Total OPEB liability	\$ 174,460	\$ 203,936	\$ 239,394
Less fiduciary net position	-	-	-
Net OPEB liability	<u>\$ 174,460</u>	<u>\$ 203,936</u>	<u>\$ 239,394</u>

NOTE 15. ECONOMIC DEPENDENCY

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

NOTE 16. COMMITMENTS

At September 30, 2025, the County had the following construction/administration related commitments:

Administration, Construction, and <u>Engineering Services</u>		<u>Project</u>	<u>Contract Amount</u>	<u>Paid</u>	<u>Balance</u> <u>9/30/2025</u>
Curts Construction	I75/SR6 Project		\$ 4,376,401	\$ 4,376,392	\$ 9
Windstream Florida LLC	Broadband expansion		2,000,000	1,333,333	666,667
Locklear & Associates	Resilient Florida Program Adaption Plan		272,000	26,667	245,333
NFPS, Inc.	CR 158 lift station		98,000	85,200	12,800
Thomas Howell Ferguson	Grant Administration		250,000	154,202	95,798
Anderson Columbia	Resurface CR 132		3,499,995	498,218	3,001,777
Locklear & Associates	CR 132 resurfacing		243,000	151,875	91,125
JD Decker Construction Group	Watson Project		4,165,405	128,411	4,036,994

NOTE 17. ECONOMIC DEVELOPMENT AGREEMENT – TAX ABATEMENT

The County has an Economic Development Agreement with ESA Steel Services, LLC. In return for the Company moving its location to Hamilton County, Florida, and employing approximately one hundred persons, the County agreed to the following terms:

1. Tax abatement

<u>Year</u>	<u>% Exempted</u>
2026	100%
2027	100%
2028	100%
2029	60%
2030	50%
2031	40%
2032	30%
2033	20%
2034	10%
2035	10%

- The County will fund and pay for \$1.5 million to support the expansion and needed upgrades for the building on the leased premises
- Pay for 50% of Lot 6 of the Hamilton County/PCS Phosphate Industrial Park Subdivision.
- Support the release of \$150,000 from the Hamilton County Development Authority.
- Assist in removing the sight scale on the leased premises.
- Provide millings to upgrade the surface surrounding the leased premises.
- Subject to available grants, provide up to \$600,000 in funding for concrete material for the leased premises.

In addition, in accordance with *Florida Statutes* 196.1995(5), the County exempts the Company from paying ad valorem taxes on Parcel Nos 2254-012, 2254-014, and 2254-016. Based on gross tax for 2024, the abatements are as follows:

<u>Year</u>	<u>% Exempted</u>	<u>Parcel #</u>		
		<u>2254-012 *</u>	<u>2254-014 *</u>	<u>2254-016 **</u>
2026	100%	\$ 6,028	\$ 7,325	\$ 941
2027	100%	6,028	7,325	941
2028	100%	6,028	7,325	941
2029	60%	3,617	4,395	565
2030	50%	3,014	3,663	471
2031	40%	2,411	2,930	376
2032	30%	1,808	2,198	282
2033	20%	1,206	1,465	188
2034	10%	603	733	94
2035	10%	603	733	94

* abatement based on actual taxes paid in 2024

** abatement based on exempt value 2024

The agreement has no provision for recapturing abated taxes. However, if the agreement is materially breached, upon written notice by either party, a forty-five day “cure period” is allowed. If such cure or plan is not provided within the 45-day cure period, the agreement may be terminated.

NOTE 18. CURRENT/FUTURE ACCOUNTING PRONOUNCEMENTS

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

Statement No. 103, *Financial Reporting Model Improvements* (April 2024, effective for fiscal years beginning after June 15, 2025, and reporting periods thereafter. Earlier application is encouraged.) Paragraph 10: FY 2025-26

Statement No. 104, *Disclosure of Certain Capital Assets* (September 2024, effective for fiscal years beginning after June 15, 2025, and reporting periods thereafter. Earlier application is encouraged.) Paragraphs 4, 8, and 10: FY 2025-26

The County is evaluating the effects that these statements will have on its financial statements for the year ending September 30, 2026, and beyond.

NOTE 19. CERTAIN RISK DISCLOSURE

In accordance with Florida Statutes 212.055(8) the County adopted an Emergency Fire Rescue Services and Facilities Surtax. However, the statute requires that the ad valorem tax levy in its next and subsequent budgets be reduced by the estimated amount of revenue provided by the surtax. As a result, the levy provides no new “net” revenues. The County has lobbied to have the law changed as it relates to fiscally constrained counties to eliminate the netting without success.

The County has begun evaluating mitigating measures, including identifying alternative revenue sources, pursuing economic initiatives, and reviewing expenditure reductions.

NOTE 20. SUBSEQUENT EVENTS

County management has evaluated subsequent events through the date of the audit report – May 29, 2026, and reports the following:

Grants awarded			
<u>Source</u>	<u>ID#</u>	<u>Amount</u>	<u>Purpose</u>
Florida Department of Commerce	H2625	\$1.5 million	Housing rehabilitation
Donations			
<u>Source</u>	<u>Date</u>	<u>Amount</u>	<u>Purpose</u>
Watson Healthcare	10/21/25	\$ 130,000	Land: parcel 6088-000
Construction contracts awarded			
<u>Contractor</u>	<u>Date</u>	<u>Amount</u>	<u>Project</u>
Decker Construction Group LLC	10/21/25	\$ 121,991	Construction Manager - Watson Healthcare Project
Curt's Construction, Inc.	02/10/26	232,685	demolition of 116 Hatley Building

<u>Vendor</u>	<u>Date</u>	<u>Amount</u>	<u>Description</u>
Ring Power	10/09/25	\$ 342,402	road graders
Clarmente Cristiano Inc.	11/24/25	225,000	Parcel 2254-030, 3.02 acres

Loans received			
<u>Source</u>	<u>Date</u>	<u>Amount</u>	<u>Purpose</u>
Florida Department of Commerce	1/5/2026	\$1.4 million	financial assistance for local government impacted by federally declared disasters

Consent Order			
<u>Source</u>	<u>Date</u>	<u>Amount</u>	<u>Agreement stipulations</u>
Florida Department of Environmental Protection	4/13/2026	\$ 21,385	<p>Under the consent order the County agrees to the following:</p> <ol style="list-style-type: none"> 1. submit missing discharge monitoring reports. 2. Submit a plan to resolve identified violations 3. submit a written report quarterly providing information regarding the status and projects being completed. 4. Projects are to be completed by March 31, 2028 5. Pay withing 30 days of the effective date of the order \$21,385 in settlement of the regulatory matters. <p>Failure to timely comply with the Order will result in fines of \$200 per day. In lieu of the cash payment of \$20,635 in civil penalties, the County may elect to off-set the amount by implementing and in-kind penalty project which must be approved by the Department. The value of the in-kind project shall be one and a half times the civil penalty off-set amount which is at least \$30,953.</p>

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**REQUIRED SUPPLEMENTARY
INFORMATION**

HAMILTON COUNTY, FLORIDA

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

For the Year Ended September 30, 2025

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Budgetary fund balance	\$ 11,880,764	\$ 11,880,764	\$ 18,813,159	\$ 6,932,395
Estimated receipts				
Taxes	12,635,684	12,635,684	15,082,653	2,446,969
Licenses and permits	200,650	200,650	168,103	(32,547)
Intergovernmental revenues	11,087,577	11,089,350	9,688,838	(1,400,512)
Charges for services	2,549,897	2,679,097	2,112,500	(566,597)
Judgments, fines, and forfeits	12,216	12,216	7,392	(4,824)
Miscellaneous revenues	430,992	749,939	1,999,160	1,249,221
Other sources	<u>674,490</u>	<u>674,490</u>	<u>1,177,648</u>	<u>503,158</u>
Total estimated receipts and balances	<u>39,472,270</u>	<u>39,922,190</u>	<u>49,049,453</u>	<u>9,127,263</u>
Appropriations				
General government services	6,151,776	6,174,996	8,544,595	(2,369,599)
Public safety	13,977,704	14,730,307	15,840,280	(1,109,973)
Physical environment	236,490	236,490	250,183	(13,693)
Economic environment	5,359,976	5,359,976	4,376,531	983,445
Human services	866,052	866,052	597,750	268,302
Culture and recreation	1,638,437	1,638,437	1,698,563	(60,126)
Other uses	-	-	335,854	(335,854)
Other nonoperating (contingency)	10,999,646	10,673,743	-	10,673,743
Court related	<u>242,189</u>	<u>242,189</u>	<u>421,366</u>	<u>(179,177)</u>
Total appropriations	<u>39,472,270</u>	<u>39,922,190</u>	<u>32,065,122</u>	<u>7,857,068</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,984,331</u>	<u>\$ 16,984,331</u>

HAMILTON COUNTY, FLORIDA

**BUDGETARY COMPARISON SCHEDULE
COUNTY TRANSPORTATION TRUST FUND**

For the Year Ended September 30, 2025

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Budgetary fund balance	\$ 2,217,254	\$ 2,217,254	\$ 1,227,606	\$ (989,648)
Estimated receipts				
Taxes	2,218,704	2,218,704	2,512,442	293,738
Intergovernmental revenue	9,047,779	9,047,779	6,387,945	(2,659,834)
Charges for services	-	-	14,263	14,263
Miscellaneous revenues	<u>321,904</u>	<u>321,904</u>	<u>220,498</u>	<u>(101,406)</u>
Total estimated receipts and balances	<u>13,805,641</u>	<u>13,805,641</u>	<u>10,362,754</u>	<u>(3,442,887)</u>
Appropriations				
Transportation				
Roads and bridges	11,738,081	11,738,081	10,103,171	1,634,910
Other uses	<u>674,490</u>	<u>674,490</u>	<u>674,490</u>	<u>-</u>
Total transportation	12,412,571	12,412,571	10,777,661	1,634,910
Reserves				
Reserve for contingencies	<u>1,393,070</u>	<u>1,393,070</u>	<u>-</u>	<u>1,393,070</u>
Total appropriations	<u>13,805,641</u>	<u>13,805,641</u>	<u>10,777,661</u>	<u>3,027,980</u>
Budgetary fund balance at year end	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (414,907)</u>	<u>\$ (414,907)</u>

HAMILTON COUNTY, FLORIDA

**BUDGETARY COMPARISON SCHEDULE
CDBG HOUSING CONSTRUCTION FUND**

For the Year Ended September 30, 2025

	Original <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>	Variance with Final Budget Positive <u>(Negative)</u>
Budgetary fund balance	\$ -	\$ -	\$ -	\$ -
Estimated receipts				
Intergovernmental revenue				
Federal grants				
Federal housing	1,633,390	1,633,390	526,573	(1,106,817)
Other financing sources				
Interfund transfer in	<u>-</u>	<u>-</u>	<u>996</u>	<u>996</u>
Total revenues	<u>1,633,390</u>	<u>1,633,390</u>	<u>527,569</u>	<u>(1,105,821)</u>
Appropriations				
Economic environment				
Housing and urban development				
Operating expenditures	1,633,390	1,633,390	527,569	1,105,821
Grants and aids	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total housing and urban development	<u>1,633,390</u>	<u>1,633,390</u>	<u>527,569</u>	<u>1,105,821</u>
Other financing sources (uses)				
Interfund transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total appropriations	<u>1,633,390</u>	<u>1,633,390</u>	<u>527,569</u>	<u>1,105,821</u>
Budgetary fund balance at year end	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

HAMILTON COUNTY, FLORIDA

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

For the Year Ended September 30, 2025

	Original <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>	Variance with Final Budget Positive <u>(Negative)</u>
Budgetary fund balance	\$ 427,236	\$ 427,236	\$ 669,973	\$ 242,737
Estimated receipts				
Intergovernmental revenue				
Local Housing Assistance Program	1,837,000	1,837,000	919,778	(917,222)
Miscellaneous revenues				
Interest	500	500	11,075	10,575
Miscellaneous	-	-	25,312	25,312
Other financing sources				
Interfund transfer in	-	-	-	-
Total estimated receipts and balances	<u>2,264,736</u>	<u>2,264,736</u>	<u>1,626,138</u>	<u>(638,598)</u>
Appropriations				
Economic environment				
Housing and urban development				
Operating expenditures	<u>2,264,736</u>	<u>2,264,736</u>	<u>1,133,152</u>	<u>1,131,584</u>
Other financing uses				
Interfund transfers out	-	-	-	-
Total appropriations	<u>2,264,736</u>	<u>2,264,736</u>	<u>1,133,152</u>	<u>1,131,584</u>
Budgetary fund balance at year end	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 492,986</u>	<u>\$ 492,986</u>

HAMILTON COUNTY, FLORIDA

NOTES TO BUDGETARY COMPARISON SCHEDULES

September 30, 2025

NOTE 1. LEGAL COMPLIANCE - BUDGETS

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

1. Prior to July 15, the Clerk of the Circuit Court, the Budget Officer, submits to the Board of County Commissioners a tentative budget for the fiscal year commencing October 1.
2. Public hearings are conducted by the Board of County Commissioners to obtain taxpayer comments.
3. Prior to September 30, the Board of County Commissioners legally enacts the budget through passage of a resolution.
4. The Board of County Commissioners is authorized to amend fixed appropriations by motion to the extent that appropriations do not exceed the total approved budget of the fund; or appropriate for the special purpose intended, reserves or unanticipated receipts. Appropriations lapse at year end. No supplemental appropriations were necessary during the year. One amendment was made after year-end.
5. Formal budgetary integration is employed as a management control device in all governmental funds.
6. The legally amended budgetary data presented in the accompanying financial statements for the fiscal year ending September 30, 2025, are shown on the County's budgetary basis of accounting. Notes to the major fund budgetary comparison schedules reconcile GAAP basis revenues and expenditures to the budgeted amounts.
7. The County's annual operating budget serves as legal authorization for expenditures and the proposed means of financing them. For the Board of County Commissioners, the legal level of budgetary control is the fund level. Budgetary information is integrated into the accounting system and appropriations are controlled at the account level within each fund for management control purposes.

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

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

	General <u>Fund</u>	County Transportation <u>Trust Fund</u>	CDBG <u>Fund</u>	SHIP <u>Fund</u>
Sources/inflows of resources				
Financial statement major funds				
Actual amount (budgetary basis) of the estimated receipts and balances from the budgetary comparison schedules	\$ 49,049,453	\$ 10,362,754	\$ 527,569	\$ 1,626,138
Adjustments				
Budgetary fund balance is an amount available for appropriation but is not considered a revenue for GAAP reporting	(18,813,160)	(1,227,607)	-	(669,973)
Extraordinary items are available for appropriation but is not considered a revenue for GAAP reporting	(1,085,944)	-	-	-
SBITA/lease financing is available for appropriation but is not considered a revenue for GAAP reporting	(325,335)	-	-	-
Proceeds from the sale of equipment is available for appropriation but is not considered a revenue for GAAP reporting	-	(122,790)	-	-
Transfers in are available for appropriation but are not revenues for GAAP reporting	<u>(852,314)</u>	<u>-</u>	<u>(996)</u>	<u>-</u>
Total revenues reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 27,972,700</u>	<u>\$ 9,012,357</u>	<u>\$ 526,573</u>	<u>\$ 956,165</u>
Uses/outflows of resources				
Actual amounts (budgetary basis) "total appropriations" from the budgetary comparison schedules	\$ 32,065,122	\$ 10,777,661	\$ 527,569	\$ 1,133,152
Transfers out are appropriations for budgeting purposes but are not expenditures for GAAP reporting	<u>(335,855)</u>	<u>(674,491)</u>	<u>-</u>	<u>-</u>
Total expenditures reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 31,729,267</u>	<u>\$ 10,103,170</u>	<u>\$ 527,569</u>	<u>\$ 1,133,152</u>

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

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Hamilton County, Florida's proportion of the net pension liability (asset)										
Clerk of Courts	0.00250%	0.00253%	0.00271%	0.002726%	0.002897%	0.003038%	0.003039%	0.003087%	0.003234%	0.003138%
Board of County Commissioners	0.01358%	0.01342%	0.01185%	0.010764%	0.010808%	0.010510%	0.010356%	0.010367%	0.010518%	0.010512%
Property Appraiser	0.00125%	0.00127%	0.00108%	0.001183%	0.001157%	0.001133%	0.001157%	0.001097%	0.001076%	0.001118%
Tax Collector	0.00139%	0.00076%	0.00078%	0.000979%	0.001004%	0.000946%	0.000949%	0.000951%	0.001891%	0.002175%
Sheriff	0.01200%	0.01214%	0.01046%	0.011019%	0.010355%	0.012875%	0.012997%	0.012478%	0.012668%	0.013374%
Supervisor of Elections	<u>0.00150%</u>	<u>0.00139%</u>	<u>0.00144%</u>	<u>0.001386%</u>	<u>0.001449%</u>	<u>0.001519%</u>	<u>0.001601%</u>	<u>0.001592%</u>	<u>0.000855%</u>	<u>0.000442%</u>
Total Hamilton County, Florida's proportion of the net pension liability (asset)	<u>0.029708%</u>	<u>0.028985%</u>	<u>0.025604%</u>	<u>0.025332%</u>	<u>0.024773%</u>	<u>0.026983%</u>	<u>0.027061%</u>	<u>0.026484%</u>	<u>0.027008%</u>	<u>0.027621%</u>
Hamilton County, Florida's proportionate share of the net pension liability (asset)										
Clerk of Courts	\$ 774,544	\$ 977,116	\$ 1,080,607	\$ 1,014,188	\$ 218,822	\$ 1,316,737	\$ 1,046,522	\$ 929,682	\$ 956,635	\$ 792,307
Board of County Commissioners	4,213,637	5,191,303	4,721,056	4,005,145	816,422	4,552,616	3,566,318	3,119,528	3,111,042	2,654,379
Property Appraiser	386,630	492,682	428,833	440,331	87,433	490,912	398,574	330,330	318,297	282,419
Tax Collector	432,570	293,465	309,062	364,273	75,822	409,824	326,976	286,339	559,409	549,078
Sheriff	3,723,013	4,697,073	4,167,908	4,100,077	782,230	5,580,040	4,473,075	3,758,339	3,746,971	3,376,832
Supervisor of Elections	<u>464,055</u>	<u>538,359</u>	<u>575,586</u>	<u>515,732</u>	<u>109,423</u>	<u>658,536</u>	<u>551,380</u>	<u>479,521</u>	<u>252,984</u>	<u>111,606</u>
Total Hamilton County, Florida's proportionate share of the net pension liability (asset)	<u>\$ 9,994,450</u>	<u>\$ 12,189,998</u>	<u>\$ 11,283,052</u>	<u>\$ 10,439,746</u>	<u>\$ 2,090,152</u>	<u>\$ 13,008,665</u>	<u>\$ 10,362,845</u>	<u>\$ 8,903,739</u>	<u>\$ 8,945,338</u>	<u>\$ 7,766,621</u>
Hamilton County, Florida's covered-employee payroll										
Board of County Commissioners	\$ 4,793,498	\$ 4,297,732	\$ 4,087,338	\$ 3,439,141	\$ 3,319,454	\$ 3,172,205	\$ 3,054,243	\$ 2,874,047	\$ 2,868,004	\$ 2,755,213
Clerk of Courts	703,362	660,895	678,370	654,908	612,999	618,153	592,483	554,936	563,159	537,991
Property Appraiser	435,803	506,961	441,818	416,337	404,042	372,143	363,828	338,606	348,671	328,070
Sheriff	4,089,099	3,714,424	3,573,961	3,167,753	2,846,192	2,822,802	2,953,120	2,683,182	2,834,688	2,646,264
Supervisor of Elections	204,845	202,978	182,920	174,002	160,633	150,713	140,632	135,878	138,603	118,771
Tax Collector	<u>363,321</u>	<u>337,627</u>	<u>320,068</u>	<u>303,331</u>	<u>293,847</u>	<u>262,223</u>	<u>257,418</u>	<u>252,234</u>	<u>245,318</u>	<u>241,082</u>
Total Hamilton County, Florida's covered-employee payroll	<u>\$ 10,589,928</u>	<u>\$ 9,720,617</u>	<u>\$ 9,284,475</u>	<u>\$ 8,155,474</u>	<u>\$ 7,637,166</u>	<u>\$ 7,398,239</u>	<u>\$ 7,361,724</u>	<u>\$ 6,838,883</u>	<u>\$ 6,998,443</u>	<u>\$ 6,627,391</u>
Hamilton County, Florida's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	94.38%	125.40%	121.53%	128.01%	27.37%	175.83%	140.77%	130.19%	127.82%	117.19%
Plan fiduciary net position as a percentage of the total pension liability	87.26%	83.70%	82.38%	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%

Notes to Schedule

Note 1. Measurement Date

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

Note 2. Covered Employees

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

HAMILTON COUNTY, FL
SCHEDULE OF EMPLOYER CONTRIBUTIONS

Last 10 Fiscal Years

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution										
Board of County Commissioners	\$ 794,154	\$ 681,283	\$ 512,114	\$ 447,849	\$ 466,796	\$ 458,414	\$ 423,580	\$ 377,002	\$ 301,339	\$ 285,252
Clerk of Courts	126,381	124,216	114,509	119,487	128,215	119,048	111,979	102,576	85,654	79,641
Property Appraiser	52,630	72,995	55,574	56,910	46,404	45,731	42,427	40,612	26,686	27,597
Sheriff	607,988	539,422	440,135	402,394	540,532	535,452	491,022	459,208	379,805	350,577
Supervisor of Elections	87,431	83,514	71,002	66,576	58,611	54,462	52,567	49,012	31,712	10,350
Tax Collector	<u>97,526</u>	<u>41,789</u>	<u>36,377</u>	<u>40,966</u>	<u>46,594</u>	<u>38,349</u>	<u>35,382</u>	<u>33,048</u>	<u>43,458</u>	<u>54,365</u>
Total Hamilton County, Florida, contractually required contribution	<u>1,766,110</u>	<u>1,543,219</u>	<u>1,229,710</u>	<u>1,134,181</u>	<u>1,287,152</u>	<u>1,251,456</u>	<u>1,156,957</u>	<u>1,061,457</u>	<u>868,654</u>	<u>807,782</u>
Contributions in relation to the contractually required contribution										
Board of County Commissioners	\$ 794,154	\$ 681,283	\$ 512,114	447,849	466,796	458,414	423,580	377,002	301,339	285,252
Clerk of Courts	126,381	124,216	114,509	119,487	128,215	119,048	111,979	102,576	85,654	79,641
Property Appraiser	52,630	72,995	55,574	56,910	46,404	45,731	42,427	40,612	26,686	27,597
Sheriff	607,988	539,422	440,135	402,394	540,532	535,452	491,022	459,208	379,805	350,577
Supervisor of Elections	87,431	83,514	71,002	66,576	58,611	54,462	52,567	49,012	31,712	10,350
Tax Collector	<u>97,526</u>	<u>41,789</u>	<u>36,377</u>	<u>40,966</u>	<u>46,594</u>	<u>38,349</u>	<u>35,382</u>	<u>33,048</u>	<u>43,458</u>	<u>54,365</u>
Total Hamilton County, Florida, contractually required contribution	<u>1,766,110</u>	<u>1,543,219</u>	<u>1,229,710</u>	<u>1,134,181</u>	<u>1,287,152</u>	<u>1,251,456</u>	<u>1,156,957</u>	<u>1,061,457</u>	<u>868,654</u>	<u>807,782</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Hamilton County, Florida's covered-employee payroll	<u>\$ 10,589,928</u>	<u>\$ 9,720,617</u>	<u>\$ 9,284,475</u>	<u>\$ 8,155,474</u>	<u>\$ 7,637,166</u>	<u>\$ 7,398,239</u>	<u>\$ 7,361,724</u>	<u>\$ 6,838,883</u>	<u>\$ 6,998,443</u>	<u>\$ 6,627,391</u>
Contributions as a percentage of covered-employee payroll	16.68%	15.88%	13.24%	13.91%	16.85%	16.92%	15.72%	15.52%	12.41%	12.19%

Note 1. Covered Employees

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

HAMILTON COUNTY, FL
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY

Last 10 Fiscal Years

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Hamilton County, Florida's proportion of the net pension liability (asset)										
Board of County Commissioners	0.01024%	0.00156%	0.00966%	0.00938%	0.00926%	0.00901%	0.00906%	0.00876%	0.00855%	0.00844%
Clerk of Courts	0.00154%	0.01019%	0.00168%	0.00172%	0.00172%	0.00180%	0.00172%	0.00170%	0.00182%	0.00173%
Property Appraiser	0.00095%	0.00119%	0.00109%	0.00112%	0.00112%	0.00106%	0.00108%	0.00098%	0.00105%	0.00106%
Sheriff	0.00879%	0.00078%	0.00811%	0.00861%	0.00781%	0.00825%	0.00840%	0.00831%	0.00841%	0.00887%
Supervisor of Elections	0.00047%	0.00866%	0.00046%	0.00047%	0.00045%	0.00042%	0.00042%	0.00041%	0.00029%	0.00037%
Tax Collector	<u>0.00081%</u>	<u>0.00046%</u>	<u>0.00079%</u>	<u>0.00083%</u>	<u>0.00081%</u>	<u>0.00075%</u>	<u>0.00077%</u>	<u>0.00077%</u>	<u>0.00077%</u>	<u>0.00078%</u>
Total Hamilton County, Florida's proportion of the net pension liability (asset)	<u>0.02279%</u>	<u>0.02283%</u>	<u>0.02178%</u>	<u>0.02212%</u>	<u>0.02117%</u>	<u>0.02129%</u>	<u>0.02145%</u>	<u>0.02094%</u>	<u>0.02088%</u>	<u>0.02125%</u>
Hamilton County, Florida's proportionate share of the net pension liability (asset)										
Board of County Commissioners	\$ 1,312,172	\$ 1,528,226	\$ 1,534,201	\$ 993,874	\$ 1,135,782	\$ 1,100,654	\$ 1,013,742	\$ 927,667	\$ 913,810	\$ 983,995
Clerk of Courts	197,100	234,061	266,215	181,778	210,958	219,791	192,508	180,147	194,501	202,204
Property Appraiser	121,988	177,942	172,412	118,458	137,057	129,532	121,348	103,849	111,796	123,274
Sheriff	1,126,206	1,298,555	1,287,471	912,008	958,311	1,006,801	939,453	879,486	899,592	1,033,669
Supervisor of Elections	59,933	68,501	73,157	49,526	55,645	50,988	46,923	43,464	43,203	43,203
Tax Collector	<u>103,995</u>	<u>117,353</u>	<u>125,486</u>	<u>87,545</u>	<u>98,983</u>	<u>91,871</u>	<u>85,645</u>	<u>81,177</u>	<u>81,936</u>	<u>90,614</u>
Total Hamilton County, Florida's proportionate share of the net pension liability (asset)	<u>\$ 2,921,394</u>	<u>\$ 3,424,638</u>	<u>\$ 3,458,942</u>	<u>\$ 2,343,189</u>	<u>\$ 2,596,736</u>	<u>\$ 2,599,637</u>	<u>\$ 2,399,619</u>	<u>\$ 2,215,790</u>	<u>\$ 2,244,838</u>	<u>\$ 2,476,959</u>
Hamilton County, Florida's covered-employee payroll										
Board of County Commissioners	\$ 4,793,498	\$ 4,297,732	\$ 4,087,338	\$ 3,439,141	\$ 3,319,454	\$ 3,172,205	\$ 3,054,243	\$ 2,874,047	\$ 2,868,004	\$ 2,755,213
Clerk of Courts	703,362	660,895	678,370	654,908	612,999	618,153	592,483	554,936	563,159	537,991
Property Appraiser	435,803	506,961	441,818	416,337	404,042	372,143	363,828	338,606	348,671	328,070
Sheriff	4,089,099	3,714,424	3,573,961	3,167,753	2,846,192	2,822,802	2,953,120	2,683,182	2,834,688	2,646,264
Supervisor of Elections	204,845	202,978	182,920	174,002	160,633	150,713	140,632	135,878	138,603	118,771
Tax Collector	<u>363,321</u>	<u>337,627</u>	<u>320,068</u>	<u>303,331</u>	<u>293,847</u>	<u>262,223</u>	<u>257,418</u>	<u>252,234</u>	<u>245,318</u>	<u>241,082</u>
Total Hamilton County, Florida's covered-employee payroll	<u>\$ 10,589,928</u>	<u>\$ 9,720,617</u>	<u>\$ 9,284,475</u>	<u>\$ 8,155,474</u>	<u>\$ 7,637,166</u>	<u>\$ 7,398,239</u>	<u>\$ 7,361,724</u>	<u>\$ 6,838,883</u>	<u>\$ 6,998,443</u>	<u>\$ 6,627,391</u>
Hamilton County, Florida's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	27.59%	35.23%	37.26%	28.73%	34.00%	35.14%	32.60%	32.40%	32.08%	37.37%
Plan fiduciary net position as a percentage of the total pension liability	6.36%	4.80%	4.12%	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%

Notes to Schedule

Note 1. Measurement Date

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

Note 2. Covered Employees

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

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

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution										
Board of County Commissioners	\$ 95,870	\$ 85,955	\$ 69,761	\$ 57,090	\$ 55,103	\$ 52,659	\$ 50,701	\$ 47,709	\$ 46,315	\$ 45,107
Clerk of Courts	14,067	13,218	11,825	10,872	10,176	10,261	9,836	9,212	9,348	8,931
Property Appraiser	8,716	10,139	7,750	6,911	6,707	6,178	6,040	5,324	5,335	5,446
Sheriff	81,782	74,289	59,702	52,585	47,247	46,858	49,022	44,541	45,264	43,928
Supervisor of Elections	4,097	4,060	3,189	2,888	2,667	2,502	2,335	2,256	1,685	1,864
Tax Collector	7,266	6,753	5,595	5,035	4,878	4,353	4,273	4,187	4,072	4,002
Total Hamilton County, Florida, contractually required contribution	<u>211,799</u>	<u>194,413</u>	<u>157,823</u>	<u>135,381</u>	<u>126,777</u>	<u>122,811</u>	<u>122,207</u>	<u>113,229</u>	<u>112,020</u>	<u>109,278</u>
Contributions in relation to the contractually required contribution										
Board of County Commissioners	\$ 95,870	\$ 85,955	\$ 69,761	\$ 57,090	55,103	52,659	50,701	47,709	46,315	45,107
Clerk of Courts	14,067	13,218	11,825	10,872	10,176	10,261	9,836	9,212	9,348	8,931
Property Appraiser	8,716	10,139	7,750	6,911	6,707	6,178	6,040	5,324	5,335	5,446
Sheriff	81,782	74,289	59,702	52,585	47,247	46,858	49,022	44,541	45,264	43,928
Supervisor of Elections	4,097	4,060	3,189	2,888	2,667	2,502	2,335	2,256	1,685	1,864
Tax Collector	7,266	6,753	5,595	5,035	4,878	4,353	4,273	4,187	4,072	4,002
Total Hamilton County, Florida, contractually required contribution	<u>211,799</u>	<u>194,413</u>	<u>157,823</u>	<u>135,381</u>	<u>126,777</u>	<u>122,811</u>	<u>122,207</u>	<u>113,229</u>	<u>112,020</u>	<u>109,278</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Hamilton County, Florida's covered-employee payroll	<u>\$ 10,589,928</u>	<u>\$ 9,720,617</u>	<u>\$ 9,284,475</u>	<u>\$ 8,155,474</u>	<u>\$ 7,637,166</u>	<u>\$ 7,398,239</u>	<u>\$ 7,361,724</u>	<u>\$ 6,838,883</u>	<u>\$ 6,998,443</u>	<u>\$ 6,627,391</u>
Contributions as a percentage of covered-employee payroll	2.00%	2.00%	1.70%	1.66%	1.66%	1.66%	1.66%	1.66%	1.60%	1.65%

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

<u>Measurement Date</u>	<u>Total OPEB Liability</u>	<u>Fiduciary Net Position</u>	<u>Net OPEB Liability</u>	<u>Funded Percentage</u>	<u>Covered Payroll</u>	<u>Net OPEB Liability as a % of Covered Payroll</u>
9/30/2025	\$ 203,936	\$ -	\$ 203,936	0.00%	\$ 7,975,546	2.56%
9/30/2024	214,770	-	214,770	0.00%	7,702,496	2.79%
9/30/2023	184,229	-	184,229	0.00%	7,110,260	2.59%
9/30/2022	186,319	-	186,319	0.00%	6,679,835	2.79%
9/30/2021	263,892	-	263,892	0.00%	6,145,484	4.29%
9/30/2020	375,559	-	375,559	0.00%	6,251,424	6.01%
9/30/2019	214,226	-	214,226	0.00%	5,936,404	3.61%
9/30/2018	234,081	-	234,081	0.00%	5,670,706	4.13%
9/30/2017	234,170	-	234,170	0.00%	5,670,706	4.13%

* Information is presented for those years available

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

<u>Fiscal Year</u>	<u>Service Cost</u>	<u>Expected Interest Growth</u>	<u>Unexpected Investment Income</u>	<u>Demographic Experience</u>	<u>Employer Contribution</u>	<u>Employee Contribution</u>	<u>Benefit Payments & Refunds</u>	<u>Administrative Expenses</u>	<u>Changes in Benefit Terms</u>	<u>Assumption Changes</u>
2024-25	\$ 11,026	\$ 10,125	\$ -	\$ 2,970	\$ -	\$ -	\$ (1,625)	\$ -	\$ -	\$ (33,330)
2023-24	12,361	7,942	-	(11,953)	-	-	(1,989)	-	-	24,180
2022-23	9,749	9,590	-	9,314	-	-	(1,505)	-	-	(29,238)
2021-22	10,106	12,604	-	(5,557)	-	-	(19,739)	-	-	(74,987)
2020-21	12,673	9,222	-	(70,499)	-	-	(17,573)	-	-	(45,490)
2019-20	13,646	4,666	-	132,478	-	-	(19,755)	-	-	30,298
2018-19	11,358	8,305	-	(36,234)	-	-	(27,147)	-	-	23,863
2017-18	8,313	8,521	-	-	-	-	(16,923)	-	-	-

Note 1. Amortization Period

The amortization period for demographic experience and assumption changes was 10.18 years for the 2024-25 fiscal year, 10.81 years for the 2023-24 fiscal year, 10.37 years for the 2022-23 fiscal year, 9.95 years for the 2021-22 fiscal year, 9.49 years for the 2020-21 fiscal year, 9.62 years for the 2029-20 fiscal year and, 9.74 year for the 2018-2019 fiscal year.

* Information is presented for those years available

SUPPLEMENTARY INFORMATION

HAMILTON COUNTY, FLORIDA

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS

September 30, 2025

	Fine & Forfeiture	Tourist Development	Public Records Modernization	Clerk's Fine & Forfeiture	Sheriff's Emerg. Mgt.	Sheriff's Inmate Welfare	Sheriff's 911 Commx	Total Nonmajor Special Revenue Funds
Assets								
Cash	\$ 221,763	\$ 58,016	\$ 58,045	\$ 86,691	\$ -	\$ 193,034	\$ 541,104	\$ 1,158,653
Accounts receivable	-	-	-	-	-	-	-	-
Interfund receivables	4,424	-	-	-	-	-	-	4,424
Due from other governmental units	-	3,326	-	3,917	36,211	-	-	43,454
Total assets	<u>\$ 226,187</u>	<u>\$ 61,342</u>	<u>\$ 58,045</u>	<u>\$ 90,608</u>	<u>\$ 36,211</u>	<u>\$ 193,034</u>	<u>\$ 541,104</u>	<u>\$ 1,206,531</u>
Liabilities and fund balances								
Liabilities								
Accounts payable	\$ -	\$ 69	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 69
Unearned revenue	-	-	-	-	-	-	-	-
Interfund payables	-	10,532	-	-	33,849	-	-	44,381
Due to other governmental units	-	-	-	80,519	-	-	-	80,519
Payroll liabilities	-	1,205	-	10,089	2,362	-	-	13,656
Other current liabilities	-	-	-	-	-	579	-	579
Total liabilities	<u>-</u>	<u>11,806</u>	<u>-</u>	<u>90,608</u>	<u>36,211</u>	<u>579</u>	<u>-</u>	<u>139,204</u>
Fund balances								
Restricted for:								
Other purposes	<u>226,187</u>	<u>49,536</u>	<u>58,045</u>	<u>-</u>	<u>-</u>	<u>192,455</u>	<u>541,104</u>	<u>1,067,327</u>
Total liabilities and fund balance	<u>\$ 226,187</u>	<u>\$ 61,342</u>	<u>\$ 58,045</u>	<u>\$ 90,608</u>	<u>\$ 36,211</u>	<u>\$ 193,034</u>	<u>\$ 541,104</u>	<u>\$ 1,206,531</u>

(Continued)

See notes to financial statements.

HAMILTON COUNTY, FLORIDA

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

For the Year Ended September 30, 2025

	<u>Fine & Forfeiture</u>	<u>Tourist Development</u>	<u>Public Records Modernization</u>	<u>Clerk's Fine & Forfeiture</u>	<u>Sheriff's Emerg. Mgt.</u>	<u>Sheriff's Inmate Welfare</u>	<u>Sheriff's 911 Commx</u>	<u>Total Nonmajor Special Revenue Funds</u>
Revenues								
Taxes	\$ -	\$ 79,606	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 79,606
Intergovernmental revenues	-	-	-	252,570	164,654	-	51,356	468,580
Charges for services	-	-	24,078	239,287	-	41,162	267,450	571,977
Fines and forfeitures	36,775	-	30	167,544	-	17	-	204,366
Interest	3,112	635	-	1,858	-	2,759	7,711	16,075
Miscellaneous	-	-	-	1,431	232	-	-	1,663
Total revenues	<u>39,887</u>	<u>80,241</u>	<u>24,108</u>	<u>662,690</u>	<u>164,886</u>	<u>43,938</u>	<u>326,517</u>	<u>1,342,267</u>
Expenditures								
Current								
General government	-	-	12,500	-	-	-	-	12,500
Public safety	4,552	-	-	-	220,493	22,181	251,520	498,746
Economic environment	-	152,852	-	-	-	-	-	152,852
Court related	-	-	-	658,159	-	-	-	658,159
Capital outlay	-	-	-	-	-	-	-	-
Debt service								
Principal	-	-	-	4,086	-	-	-	4,086
Interest	-	-	-	445	-	-	-	445
Total expenditures	<u>4,552</u>	<u>152,852</u>	<u>12,500</u>	<u>662,690</u>	<u>220,493</u>	<u>22,181</u>	<u>251,520</u>	<u>1,326,788</u>

(Continued)

See notes to financial statements.

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

For the Year Ended September 30, 2025

	Fine & Forfeiture	Tourist Development	Public Records Modernization	Clerk's Fine & Forfeiture	Sheriff's Emerg. Mgt.	Sheriff's Inmate Welfare	Sheriff's 911 Commx	Total Nonmajor Special Revenue Funds
Excess (deficiency) of revenues over expenditures	<u>\$ 35,335</u>	<u>\$ (72,611)</u>	<u>\$ 11,608</u>	<u>\$ -</u>	<u>\$(55,607)</u>	<u>\$ 21,757</u>	<u>\$ 74,997</u>	<u>\$ 15,479</u>
Other financing sources (uses)								
Interfund transfers in	-	-	-	-	55,607	-	-	55,607
Interfund transfers out	-	-	-	-	-	-	-	-
Transfers out to Constitutional Officers	<u>(177,823)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(177,823)</u>
Total other financing sources (uses)	<u>(177,823)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>55,607</u>	<u>-</u>	<u>-</u>	<u>(122,216)</u>
Net change in fund balances	(142,488)	(72,611)	11,608	-	-	21,757	74,997	(106,737)
Fund balances at beginning of year	<u>368,675</u>	<u>122,147</u>	<u>46,437</u>	<u>-</u>	<u>-</u>	<u>170,698</u>	<u>466,107</u>	<u>1,174,064</u>
Fund balances at end of year	<u>\$ 226,187</u>	<u>\$ 49,536</u>	<u>\$ 58,045</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 192,455</u>	<u>\$ 541,104</u>	<u>\$ 1,067,327</u>

HAMILTON COUNTY, FLORIDA

COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS

September 30, 2025

	Custodial Funds						<u>Totals</u>
	<u>Clerk of Courts</u>			<u>Sheriff</u>	<u>Tax Collector</u>		
	<u>Registry of Courts</u>	<u>Bond Estreatures</u>	<u>Clerk's Trust</u>	<u>Child Support</u>	<u>Inmate Custodial</u>	<u>Tax and Fees Custodial</u>	
Assets							
Cash	\$ 125,106	\$ 104,917	\$ 815,018	\$ -	\$ 8,488	\$ 279,924	\$ 1,333,453
Due from individuals	-	-	-	-	-	667	667
Total assets	<u>125,106</u>	<u>104,917</u>	<u>815,018</u>	<u>-</u>	<u>8,488</u>	<u>280,591</u>	<u>1,334,120</u>
Liabilities							
Due to other governments:							
Hamilton County Board of County Commissioners	-	-	4,424	-	-	5,251	9,675
Other governmental units	-	-	4,552	-	-	275,306	279,858
State of Florida	-	-	647,612	-	-	-	647,612
Due to individuals	-	-	-	-	-	34	34
Total liabilities	<u>-</u>	<u>-</u>	<u>656,588</u>	<u>-</u>	<u>-</u>	<u>280,591</u>	<u>937,179</u>
Fiduciary net position							
Held for others	<u>\$ 125,106</u>	<u>\$ 104,917</u>	<u>\$ 158,430</u>	<u>\$ -</u>	<u>\$ 8,488</u>	<u>\$ -</u>	<u>\$ 396,941</u>

HAMILTON COUNTY, FLORIDA

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

For the Year Ended September 30, 2025

	Custodial Funds						Totals
	<u>Registry of Courts</u>	<u>Clerk of Courts Bond Estreatures</u>	<u>Clerk's Trust</u>	<u>Child Support</u>	<u>Sheriff Inmate Custodial</u>	<u>Tax Collector Tax and Fees Custodial</u>	
Additions							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,669,942	\$ 21,669,942
Fines and forfeits	-	-	1,918,023	-	-	-	1,918,023
Deposits (tax deeds)	-	-	106,921	-	-	-	106,921
Fees	-	-	-	1,979	-	3,784,160	3,786,139
Other fees and collections	-	-	2,225,364	43,913	311,923	-	2,581,200
Registry deposits	433,268	-	-	-	-	-	433,268
Bonds - bail, cash, and forfeiture	-	192,905	-	-	-	-	192,905
Interest	-	-	-	-	-	10,890	10,890
Total additions	<u>433,268</u>	<u>192,905</u>	<u>4,250,308</u>	<u>45,892</u>	<u>311,923</u>	<u>25,464,992</u>	<u>30,699,288</u>
Deductions							
Other governments	-	-	2,075,578	43,264	-	21,570,461	23,689,303
Tax deeds	-	-	249,158	-	-	-	249,158
Individuals and other	391,791	-	2,055,060	2,628	254,988	-	2,704,467
Bonds	-	173,658	-	-	-	-	173,658
Fees	-	-	-	-	-	3,894,531	3,894,531
Commissary sales	-	-	-	-	55,072	-	55,072
Total deletions	<u>391,791</u>	<u>173,658</u>	<u>4,379,796</u>	<u>45,892</u>	<u>310,060</u>	<u>25,464,992</u>	<u>30,766,189</u>
Changes in net position	41,477	19,247	(129,488)	-	1,863	-	(66,901)
Net position - beginning	83,629	85,670	287,918	-	6,625	-	463,842
Net position - ending	<u>\$ 125,106</u>	<u>\$ 104,917</u>	<u>\$ 158,430</u>	<u>\$ -</u>	<u>\$ 8,488</u>	<u>\$ -</u>	<u>\$ 396,941</u>

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OTHER INFORMATION

HAMILTON COUNTY, FLORIDA

**BUDGETARY COMPARISON SCHEDULE
FINE AND FORFEITURE FUND**

For the Year Ended September 30, 2025

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Budget</u>	<u>Budget</u>		<u>(Negative)</u>
Budgetary/actual fund balance	\$ 338,140	\$ 338,140	\$ 368,675	\$ 30,535
Estimated receipts				
Fines and forfeits				
Judgments and fines	6,400	6,400	5,548	(852)
Other fines and/or forfeits	17,800	17,800	31,227	13,427
Miscellaneous revenues				
Interest	-	-	3,112	3,112
Miscellaneous	<u>2,500</u>	<u>2,500</u>	<u>-</u>	<u>(2,500)</u>
Total estimated receipts and balances	<u>364,840</u>	<u>364,840</u>	<u>408,562</u>	<u>43,722</u>
Appropriations				
Public safety				
Emergency services				
Operating expenditures	-	-	4,552	(4,552)
Other financing uses				
Interfund transfers out	-	-	177,823	(177,823)
Reserves	<u>364,840</u>	<u>364,840</u>	<u>-</u>	<u>364,840</u>
Total appropriations	<u>364,840</u>	<u>364,840</u>	<u>182,375</u>	<u>182,465</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 226,187</u>	<u>\$ 226,187</u>

HAMILTON COUNTY, FLORIDA

**BUDGETARY COMPARISON SCHEDULE
TOURIST DEVELOPMENT FUND**

For the Year Ended September 30, 2025

	<u>Original</u> <u>Budget</u>	<u>Final</u> <u>Budget</u>	<u>Actual</u>	Variance with Final Budget Positive <u>(Negative)</u>
Budgetary fund balance	\$ 140,000	\$ 140,000	\$ 122,147	\$ (17,853)
Estimated receipts				
Taxes				
Local option tourist development tax	73,000	73,000	79,606	6,606
Intergovernmental revenue	5,000	5,000	-	(5,000)
Miscellaneous revenues				
Interest	-	-	635	635
Other miscellaneous revenues	<u>200</u>	<u>200</u>	<u>-</u>	<u>(200)</u>
Total estimated receipts and balances	<u>218,200</u>	<u>218,200</u>	<u>202,388</u>	<u>(15,812)</u>
Appropriations				
Economic environment				
Industry development				
Personal services	74,405	74,405	82,303	(7,898)
Operating expenditures	51,395	51,395	70,550	(19,155)
Other uses (reserves)	<u>92,400</u>	<u>92,400</u>	<u>-</u>	<u>92,400</u>
Total industry development	<u>218,200</u>	<u>218,200</u>	<u>152,853</u>	<u>65,347</u>
Budgetary fund balance at year end	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49,535</u>	<u>\$ 49,535</u>

COMPLIANCE SECTION

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CERTIFIED PUBLIC ACCOUNTANT

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

To the Honorable Board of County Commissioners
Hamilton County, Florida

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standard* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Hamilton County, Florida, as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Hamilton County, Florida's basic financial statements, and have issued my report thereon dated May 29, 2026.

Report on Internal Control Over Financial Reporting

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

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

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be

material weaknesses or significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

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

Purpose of this Report

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



Kenneth M. Daniels
Certified Public Accountant
May 29, 2026

HAMILTON COUNTY, FLORIDA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

For the Year Ended September 30, 2025

Federal/State Agency Pass through Entity Federal Program/State Project Federal Financial Assistance	Assistance Listing/ CSFA Number	Grant/Contract Number	Award Amount	Revenue	Expenditures	Transfers to Subrecipients
Department of Housing and Urban Development Florida Department of Economic Opportunity Community Development Block Grant	14.228	23DB-H11	\$ 700,000	\$ 482,581	\$ 482,581	\$ -
Florida Department of Commerce Community Development Block Grant	14.228	22CV-S46	933,390	43,992	43,992	-
Total Community Development Block Grants			1,633,390	526,573	526,573	-
Department of Justice Florida Department of Law Enforcement						
Edward Byrne Memorial Justice Assistance Program	16.738	6N142	71,917	71,917	71,917	-
Edward Byrne Memorial Justice Assistance Program	16.738	JG026	2,143	2,143	2,143	-
Edward Byrne Memorial Justice Assistance Program	16.738	R7244	60,000	60,000	60,000	-
Total Edward Byrne Memorial Justice Assistance Program			134,060	134,060	134,060	-
Department of the Treasury Coronavirus State and Local Fiscal Recovery Funds	21.027	-	2,802,470	1,090,897	1,090,897	-
Florida Department of Economic Opportunity Coronavirus State and Local Fiscal Recovery Funds	21.027	G0091	5,457,290	3,385,604	3,385,604	-
Total Coronavirus State and Local Fiscal Recovery Funds			8,259,760	4,476,501	4,476,501	-
Department of the Treasury Local Assistance and Tribal Consistency Fund (ARPA)	21.032	-	100,000	11,228	11,228	--
Election Assistance Commission Florida Department of State HAVA Election Security Grants	90.404	24.e.am000.023	11,160	11,160	11,160	--
United States Department of Health and Human Services Florida Department of Revenue Child Support Enforcement	93.563	CDC24	133,854	133,854	133,854	--
United States Department of Homeland Security Disaster Grants - Public Assistance	97.036	PA-00-03-34-02-003	392,114	392,114	392,114	-
Disaster Grants - Public Assistance	97.036	PA-00-03-34-02-019	128,426	128,426	128,426	-
Total Disaster Grants - Public Assistance			520,540	520,540	520,540	-
United States Department of Homeland Security Florida Division of Emergency Management Emergency Management Performance Grants	97.042	G0527	47,206	47,206	47,206	-
Total federal assistance			10,839,970	5,861,122	5,861,122	-
State Financial Assistance						
Executive Office of the Governor Division of Emergency Management Emergency Management Programs	31.063	A0488	105,806	11,673	11,673	-
Emergency Management Programs	31.063	A0488	105,806	105,775	105,775	-
Total Emergency Management Programs			211,612	117,448	117,448	-
Executive Office of the Governor State Hurricane Recovery Grant Program - Hurricane Idalia	31.085	Z3900	247,229	247,229	247,229	--
Florida Department of Environmental Protection Small County Consolidated Grants	37.012	SC512	93,750	93,750	93,750	--
Florida Department of Environmental Protection Statewide Water Quality Restoration Projects	37.039	LPA0534	750,000	4,650	4,650	--
Florida Department of Environmental Protection Resilient Florida Program	37.098	23PLN11	300,000	100,000	100,000	-
Resilient Florida Program	37.098	25PLN31	272,000	22,667	22,667	-
Total Relilient Florida Program			572,000	122,667	122,667	-
Florida Housing Finance Corporation State Housing Initiatives Partnership (SHIP) Program	40.901	-	350,000	350,000	563,374	-
Hurricane Housing Recovery Program	40.901	-	1,487,000	569,778	569,778	-
Total Florida Housing Finance Corporation			1,837,000	919,778	1,133,152	-
Florida Department of Financial Services Local Government Fire Service Grants - Equipment/Training Materials	43.010	FM1003	470,000	467,384	467,384	-

(Continued)
See notes to schedule.

HAMILTON COUNTY, FLORIDA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

For the Year Ended September 30, 2025

Federal/State Agency Pass through Entity <u>Federal Program/State Project</u>	Assistance Listing/ CSFA <u>Number</u>	Grant/Contract <u>Number</u>	Award <u>Amount</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Transfers to Subrecipients</u>
Florida Department of State and Secretary of State State Aid to Libraries	45.030	25-ST-81	<u>288,483</u>	<u>288,483</u>	<u>288,483</u>	<u>-</u>
Florida Department of Transportation Small County Outreach Program	55.009	G2066	4,050,000	664,968	664,968	-
Small County Outreach Program	55.009	G2067	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>-</u>
Total Small County Outreach Program (SCOP)			<u>4,350,000</u>	<u>964,968</u>	<u>964,968</u>	<u>-</u>
Small County Road Assistance Program	55.016	G2067	<u>3,796,793</u>	<u>3,796,793</u>	<u>3,796,793</u>	<u>-</u>
Florida Department of Health Emergency Medical Services (EMS) Matching Awards	64.003	C2524	6,110	6,110	6,110	-
Emergency Medical Services (EMS) Matching Awards	64.003	M2518	41,400	-	-	-
Emergency Medical Services (EMS) Matching Awards	64.003	M2519	<u>225,000</u>	<u>108,596</u>	<u>108,596</u>	<u>-</u>
Total Emergency Medical Services (EMS) Matching Awards			<u>272,510</u>	<u>114,706</u>	<u>114,706</u>	<u>-</u>
Florida Department of Law Enforcement LE Salary Assistance for Fiscally Constrained Counties	71.067	ME012CA04	271,011	203,258	203,258	-
LE Salary Assistance for Fiscally Constrained Counties	71.067	LG012	<u>357,607</u>	<u>89,402</u>	<u>89,402</u>	<u>-</u>
Total LE Salary Assistance for Fiscally Constrained Counties			<u>628,618</u>	<u>292,660</u>	<u>292,660</u>	<u>-</u>
Florida Department of Management Services Wireless 911 Emergency Telephone System	72.001	25-04-11	4,621	4,621	4,621	-
Wireless 911 Emergency Telephone System	72.001	24-10-12	<u>46,734</u>	<u>46,734</u>	<u>46,734</u>	<u>-</u>
Total Wireless 911 Emergency Telephone System			<u>51,355</u>	<u>51,355</u>	<u>51,355</u>	<u>-</u>
Florida Department of Highway Safety and Motor Vehicles Florida Arts License Plates Project	76.041	-	<u>20</u>	<u>20</u>	<u>20</u>	<u>-</u>
Florida State Courts System HVAC Replacement	-	SC00DPH	<u>98,000</u>	<u>49,400</u>	<u>49,400</u>	<u>-</u>
Florida Division of Emergency Management Hurricane Repair and Public Assistance	-	D1544	<u>62,975</u>	<u>62,975</u>	<u>62,975</u>	<u>-</u>
Florida Department of Health High Performance Resuscitation Agency Training Program	-	401.113	<u>31,200</u>	<u>31,200</u>	<u>31,200</u>	<u>-</u>
Florida Division of Emergency Management FEMA matching funds of 12.5%	-	Z4233	<u>21,404</u>	<u>21,404</u>	<u>21,404</u>	<u>-</u>
Florida Division of Emergency Management Hurricane Repair and Public Assistance	-	D1544	<u>105,591</u>	<u>105,591</u>	<u>105,591</u>	<u>-</u>
Total state financial assistance			<u>13,888,540</u>	<u>7,752,461</u>	<u>7,965,835</u>	<u>-</u>
Total financial assistance			<u>\$ 24,728,510</u>	<u>\$ 13,613,583</u>	<u>\$ 13,826,957</u>	<u>\$ -</u>

Notes to Schedule:

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards and state financial assistance includes the federal and state grant award activity for Hamilton County, Florida, under the programs of the federal government and State of Florida for the year ended September 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and Chapter 10.550, Rules of the Auditor General. Because the Schedule presents only a selected portion of the operations of Hamilton County, Florida, it is not intended to and does not present the financial position, changes in net assets/position, or cash flows of Hamilton County, Florida.

Note 2. Summary of Significant Accounting Policies

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

Note 3. Indirect Cost Rate

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

Note 4. Noncash Assistance

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

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CERTIFIED PUBLIC ACCOUNTANT

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

To the Honorable Board of County Commissioners
Hamilton County, Florida

Report on Compliance for Each Major Federal Program and State Project

Opinion on Each Major Federal Program and State Project

I have audited Hamilton County, Florida's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the Department of Financial Services' *State Projects Compliance Supplement* that could have a direct and material effect on each of the Hamilton County, Florida's major federal programs and state projects for the year ended September 30, 2025. Hamilton County, Florida's major federal programs and state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In my opinion, Hamilton County, Florida, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended September 30, 2025.

Basis for Opinion on Each Major Federal Program and State Project

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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*. My responsibilities under those standards, the Uniform Guidance, Chapter 10.550, *Rules of the Auditor General* and the *State Projects Compliance Supplement* are further described in the Auditor's Responsibilities for the Audit of Compliance section of my report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

My objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Hamilton County, Florida's compliance based on my audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, Chapter 10.550, *Rules of the Auditor General*, and the *State Projects Compliance Supplement* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Hamilton County, Florida's compliance with the requirements of each major federal program and state project as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, Florida Single Audit Act, Chapter 10.550, *Rules of the Auditor General*, and the *State Projects Compliance Supplement*, I:

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

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

Report on Internal Control over Compliance

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

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

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

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



Kenneth M. Daniels
Certified Public Accountant
May 29, 2026

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

For the Year Ended September 30, 2025

SUMMARY OF AUDITOR'S RESULTS

<u>Financial Statements</u>	
Type of auditor's report issued:	Unmodified
Internal control over financial reporting: Material weakness(es) identified? Significant deficiency(ies) identified?	No None reported
Noncompliance material to financial statements noted?	No
<u>Federal Awards and State Projects</u>	
Internal control over major programs/projects: Material weakness(es) identified? Significant deficiency(ies) identified?	No None reported
Type of auditor's report issued on compliance for major programs/projects:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with CFR 200.516(a) or Chapter 10.557 <i>Rules of the Auditor General</i> ?	No
Identification of major projects: Federal Program or Cluster Coronavirus State and Local Fiscal Recovery Funds	Federal AL No. 21.027
State Projects State of Florida, Department of Transportation State Housing Initiatives Partnership Program (SHIP) Small County Outreach Program Small County Road Assistance Program	State CSFA No. 40.901 55.009 55.016
Dollar threshold used to distinguish between Type A and Type B programs – federal programs:	\$1,000,000
Dollar threshold used to distinguish between Type A and Type B programs – state projects:	\$750,000
Auditee qualified as low-risk pursuant to the Uniform Guidance (not applicable for State projects)	No
Findings – Financial Statements Finding Number None	Finding -
Findings and Questioned Costs – Major Federal Programs and State Projects Finding Number None	Finding -

Other Issues

Summary Schedule of Prior Year Audit Findings

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

Corrective Action Plan

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

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INDEPENDENT ACCOUNTANT'S REPORT

To the Honorable Board of County Commissioners
Hamilton County, Florida

I have examined Hamilton County, Florida's compliance with *Florida Statutes* 218.415 during the period October 1, 2024, to September 30, 2025. Management of Hamilton County is responsible for the County's compliance with the specified requirements. My responsibility is to express an opinion on Hamilton County, Florida's compliance based on my examination.

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

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

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

In my opinion, Hamilton County, Florida, complied, in all material respects, with the specified requirements indicated above during the period October 1, 2024, to September 30, 2025.



Kenneth M. Daniels
Certified Public Accountant
May 29, 2026

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INDEPENDENT ACCOUNTANT'S REPORT

To the Honorable Board of County Commissioners
Hamilton County, Florida

I have examined Hamilton County, Florida's compliance with *Florida Statutes* 365.172(10) and 365.173(2)(d) October 1, 2024, to September 30, 2025. Management of Hamilton County is responsible for the County's compliance with the specified requirements. My responsibility is to express an opinion on Hamilton County, Florida's compliance based on my examination.

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

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

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

In my opinion, Hamilton County, Florida, complied in all material respects, with the specified requirements indicated above during the period October 1, 2024, to September 30, 2025.



Kenneth M. Daniels
Certified Public Accountant
May 29, 2026

KENNETH M. DANIELS
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MANAGEMENT LETTER

To the Honorable Board of County Commissioners
Hamilton County, Florida

Report on the Financial Statements

I have audited the financial statements of Hamilton County, Florida, as of and for the fiscal year ended September 30, 2025, and have issued my report thereon dated May 29, 2026.

Auditor's Responsibility

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

Other Reporting Requirements

I have issued my Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance; and Independent Accountant's Reports on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550 *Rules of the Auditor General*. Disclosures in those reports and schedule, which is dated May 29, 2026, should be considered in conjunction with this management letter.

Prior audit findings

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

All prior year audit findings were cleared.

Current year audit findings

2025-001 Raffles

Criteria or specific requirement:

Local governments cannot conduct raffles under *Florida Statutes* 849.0935. Only certain charitable, non-profit, or educational organizations are authorized to hold raffles in Florida.

Condition:

From my miscellaneous receipts audit, I noted raffle proceeds of \$1,046.

Cause:

The County's Fair Committee sponsored the raffle as a means of raising funds during the annual hog show and sale.

Effect or potential effect:

Violation of *Florida Statutes*.

Context:

The proceeds of the raffle were noted during the audit of the County's receipts and are an isolated incident.

Recommendation:

The County Fair Committee should seek alternative means to raise funds and cease the use of raffles.

2025-002 Remote Receipt Remittance

Criteria or specific requirement:

To reduce the risk of theft or loss, funds collected outside of the Clerk's finance office should be remitted for deposit on a timely basis.

Condition:

The following receipts were held as indicated below prior to remittance for deposit:

<u>Date</u>	<u>Location</u>	<u>Amount</u>	<u>Days Held</u>
12/11/24	Landfill	\$1,194.80	14
01/31/25	Building Dept	2,094.08	18
02/18/25	Landfill	476.30	14
02/18/25	Landfill	354.70	24
03/21/25	Jennings Library	29.45	13
04/04/25	Landfill	716.75	15
04/29/25	Landfill	594.45	14
06/23/25	Land use	100.00	14
06/23/25	Road Dept	50.00	49
06/23/25	Road Dept	25.00	21
06/23/25	Road Dept	50.00	14

Cause:

The delay in remitting remote receipts was largely due to inadequate monitoring and lack of clearly enforced timelines regarding the remittance of remote collections.

Effect or potential effect:

Greater risk of theft, loss, or misuse of public funds.

Context:

Late remittance noted during the test of the County's receipts.

Recommendation:

Strengthen controls over remote collections by establishing and enforcing formal deposit guidelines, require periodic review of receipt activity, and implement procedures to ensure that remote collections are remitted promptly for deposit.

2025-003 Payment of Invoices

Criteria or specific requirement:

Florida Statutes 218.74 requires that a local government make payment for goods or services (other than construction) within 45 days.

Condition:

During my review of accounts payable, I noted that vendor invoices were not consistently processed and remitted for payment in a timely manner. Invoices dated from March 17, 2025, through September 22, 2025, totaling \$31,183 were remitted for payment as follows: \$28,533 paid in December 2025 and \$2,650 were paid in March 2026.

Cause:

The delays in processing invoices were primarily attributable to inadequate monitoring of outstanding invoices.

Effect or potential effect:

Untimely payment of invoices may result in late payment penalties, strained vendor relationships, interruption of services, lack of compliance with *Florida Statutes*, and inaccurate financial reporting due to expenditures not being recorded in the appropriate period.

Context:

The Clerk's finance department provided the payable amounts during the search for unrecorded payables.

Recommendation:

I recommend management strengthen accounts payable procedures by establishing timelines based on the above reference statute for invoice approval and payment processing, implementing controls over outstanding invoices, and periodically reviewing unpaid invoices to ensure obligations are remitted timely.

2025-004 Concessions

Criteria or specific requirement:

Sound financial management requires the periodic review of auxiliary operations to ensure that public resources are being used effectively. Those that generate losses should be evaluated to determine if corrective actions, operational changes, or the discontinuance of services is warranted.

Condition:

During my review of concession stand operations for the fiscal year ended September 30, 2025, I noted that it incurred a loss of \$8,730.

The loss is a significant change from prior years in which the concessions provided a break-even to slight profit.

Cause:

The potential loss could be the result of excessive inventory and spoilage, pricing that may not adequately recover costs, or insufficient monitoring of concession operations.

Effect or potential effect:

The concession losses must be subsidized by other governmental resources.

Context:

The operating loss was noted during a review of the Recreation Department receipts.

Recommendation:

1. Perform a profitability analysis of concession stand operations
2. Monitor revenues, expenditures, and inventory levels
3. Evaluate prices to ensure recovery of operating costs
4. Minimize waste and inventory spoilage
5. Consider alternative operating models

Official Title and Legal Authority

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements.

Name and legal authority for the County - See Note 1. The Hamilton County, Florida's financial statements included no component units.

Financial Condition and Management

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

Pursuant to Sections 10.554(1)(i)5. b. and 10.556(8), *Rules of the Auditor General*, I applied financial condition assessment procedures. It is management's responsibility to monitor

Hamilton County's financial condition, and my financial condition assessment was based in part on representations made by management and the review of financial information provided by same. The financial condition assessment was performed as of September 30, 2025.

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

Property Assessed Clean Energy (PACE) Programs

As required by Section 10.554(1)(i)6.a., *Rules of the Auditor General*, Hamilton County, Florida, affirms that a PACE program authorized pursuant to Section 163.081 or Section 163.082 *Florida Statutes*, did not operate with Hamilton County, Florida's geographical boundaries during the fiscal year ending September 30, 2025.

Special District Component Units

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

Additional Matters

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

Purpose of this Letter

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



Kenneth M. Daniels
Certified Public Accountant May 29, 2026

JIMMY MURPHY
District 1 – Jennings
ROBBY ROBERSON
District 2 – Jasper
JAMES HOWELL
District 3 – Jasper
TRAVIS ERIXTON
District 4 – White Springs
RICHIE MCCOY
District 5 - Jasper



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May 29, 2026

Kenneth M. Daniels, CPA
107 2nd Avenue SE
Jasper, Florida 32052

Re: 2025 Management Letter Findings

Dear Mr. Daniels:

Please find below the County's responses to the referenced findings identified in Section II of the Audit Management Letter.

2025-001 - Raffles

The County Fair Board will seek alternative methods of fundraising and will discontinue the use of raffles, as recommended.

2025-002 — Remote Receipt Remittance

The Board of County Commissioners will establish a remote collections policy and strengthen internal controls over remote collections. Staff will also regularly review receipt activity to ensure compliance and accountability.

2025-003 — Payment of Invoices

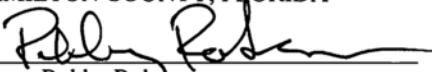
The Board of County Commissioners will strengthen accounts payable procedures by establishing timelines in compliance with Florida Statute 218.74, as recommended. Staff will periodically meet with all departments to ensure invoices are processed and remitted in a timely manner.

2025-004 — Concessions

The Recreation Department will conduct a profitability analysis of concession stand operations and closely monitor revenues, expenditures, and inventory levels, as recommended. Every effort will be made to minimize waste and inventory spoilage.

We appreciate the cooperation and assistance provided by you and your staff to the Hamilton County Board of County Commissioners throughout this process. We look forward to continuing to work together to improve County operations and strengthen internal controls.

BOARD OF COUNTY COMMISSIONERS
HAMILTON COUNTY, FLORIDA

By 
Robby Roberson
Chairman

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INDEPENDENT AUDITOR'S REPORT

Honorable Clerk of the Circuit Court
Hamilton County, Florida

Report on the Audit of the Financial Statements

Opinions

I have audited the financial statements of the major fund and the aggregate remaining fund information of the Hamilton County Clerk of the Circuit Court, as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Hamilton County Clerk of the Circuit Court's financial statements, as listed in the table of contents.

In my opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the major fund and the aggregate remaining fund information for the Hamilton County Clerk of the Circuit Court, as of September 30, 2025, and the respective changes in financial position thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the *Rules of the Auditor General* of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of the major fund and the aggregate remaining fund information, only for that portion of the major funds, and the aggregate remaining fund information, of Hamilton County, Florida, that is attributable to the

Hamilton County Clerk of the Circuit Court. They do not purport to, and do not, present fairly the financial position of Hamilton County, Florida, as of September 30, 2025, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. My opinion is not modified with respect to these matters.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Hamilton County Clerk of the Circuit Court's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Hamilton County Clerk of the Circuit Court's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information in Section III pages 14-17 be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the financial statements, and other knowledge I obtained during my audit of the financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated May 29, 2026, on my consideration of the Hamilton County Clerk of the Circuit Court's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters included under the heading Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Hamilton County Clerk of the Circuit Court's internal control over financial reporting and compliance.



Kenneth M. Daniels
Certified Public Accountant
May 29, 2026

FINANCIAL STATEMENTS

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

**BALANCE SHEET
GOVERNMENTAL FUNDS**

September 30, 2025

	<u>General Fund</u>	<u>Public Records Modernization Trust Fund</u>	<u>Fine & Forfeiture Fund</u>	<u>Total Governmental Funds</u>
Assets				
Cash	\$ 1,075	\$ 58,045	\$ 86,691	\$ 145,811
Accounts receivable	646	-	-	646
Due from other governmental units				
HCBCC	40,559	-	-	40,559
State of Florida	<u>23,630</u>	<u>-</u>	<u>3,917</u>	<u>27,547</u>
Total assets	<u>\$ 65,910</u>	<u>\$ 58,045</u>	<u>\$ 90,608</u>	<u>\$ 214,563</u>
Liabilities and fund balances				
Liabilities				
Accounts payable	\$ 37	\$ -	\$ -	\$ 37
Due to other governmental units				
Due to HCBCC - General Fund	56,033	-	-	56,033
Due to State of Florida	-	-	80,519	80,519
Payroll liabilities	<u>9,840</u>	<u>-</u>	<u>10,089</u>	<u>19,929</u>
Total liabilities	<u>65,910</u>	<u>-</u>	<u>90,608</u>	<u>156,518</u>
Fund balances				
Restricted - public records modernization	<u>-</u>	<u>58,045</u>	<u>-</u>	<u>58,045</u>
Total liabilities and fund balances	<u>\$ 65,910</u>	<u>\$ 58,045</u>	<u>\$ 90,608</u>	<u>\$ 214,563</u>

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

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

For the Year Ended September 30, 2025

	<u>General Fund</u>	<u>Public Records Modernization Trust Fund</u>	<u>Fine & Forfeiture Fund</u>	<u>Total Governmental Funds</u>
Revenues				
Intergovernmental revenue	\$ 133,854	\$ -	\$ 252,570	\$ 386,424
Charges for services	47,874	24,078	239,287	311,239
Fines and forfeits	-	30	167,544	167,574
Miscellaneous				
Interest	1,463	-	1,858	3,321
Other miscellaneous	<u>12,972</u>	<u>-</u>	<u>1,431</u>	<u>14,403</u>
Total revenues	<u>196,163</u>	<u>24,108</u>	<u>662,690</u>	<u>882,961</u>
Expenditures				
Current				
General government				
Financial and administrative (513)				
Personal services	485,652	-	-	485,652
Operating expenditures	50,143	-	-	50,143
Other general governmental services (519)				
Personal services	76,491	-	-	76,491
Operating expenditures	13,325	12,500	-	25,825
Court related expenditures				
General administration				
Clerk of Court administration (604)				
Personal services	-	-	219,243	219,243
Operating expenditures	-	-	88,559	88,559
Jury management (608)				
Personal services	-	-	5,532	5,532
Operating expenditures	-	-	3,243	3,243
Circuit Court - Criminal (614)				
Clerk of Court				
Personal services	-	-	127,519	127,519
Operating expenditures	-	-	3,643	3,643
Circuit Court - Criminal (619)				
Expert Witness Fees				
Operating expenditures	-	-	6	6
Circuit Court - Civil (634)				
Clerk of Court				
Personal services	-	-	13,834	13,834
Operating expenditures	-	-	541	541
Circuit Court - Family (654)				
Clerk of Court				
Personal services	-	-	42,516	42,516
Operating expenditures	-	-	1,332	1,332
Circuit Court - Juvenile (674)				
Clerk of Court				
Personal services	-	-	23,346	23,346
Operating expenditures	-	-	768	768

(Continued)

See notes to financial statements.

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

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

For the Year Ended September 30, 2025

	General <u>Fund</u>	Public Records Modernization <u>Trust Fund</u>	Fine & Forfeiture <u>Fund</u>	Total Governmental <u>Funds</u>
Expenditures - Court related (continued)				
Circuit Court - Probate (694)				
Clerk of Court				
Personal services	\$ -	\$ -	\$ 5,579	\$ 5,579
Operating expenditures	-	-	191	191
County Court - Criminal (724)				
Clerk of Court				
Personal services	-	-	35,320	35,320
Operating expenditures	-	-	1,158	1,158
County Court - Civil (744)				
Clerk of Court				
Personal services	-	-	26,509	26,509
Operating expenditures	-	-	862	862
County Court - Traffic (764)				
Clerk of Court				
Personal services	-	-	56,740	56,740
Operating expenditures	-	-	1,718	1,718
Debt service				
Principal	3,410	-	4,086	7,496
Interest	594	-	445	1,039
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>629,615</u>	<u>12,500</u>	<u>662,690</u>	<u>1,304,805</u>
Excess (deficiency) of revenues over expenditures				
	(433,452)	11,608	-	(421,844)
Other financing sources in (out)				
Interfund transfer HCBCC	433,452	-	-	433,452
Lease financing	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources in (out)	<u>433,452</u>	<u>-</u>	<u>-</u>	<u>433,452</u>
Net change in fund balances	-	11,608	-	11,608
Fund balances at beginning of year	<u>-</u>	<u>46,437</u>	<u>-</u>	<u>46,437</u>
Fund balances at end of year	<u>\$ -</u>	<u>\$ 58,045</u>	<u>\$ -</u>	<u>\$ 58,045</u>

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

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND**

September 30, 2025

	Custodial Fund
Assets	
Cash	<u>\$ 1,045,041</u>
Liabilities	
Due to other governments:	
Hamilton County Board of County Commissioners	4,424
Other governmental units	4,552
State of Florida	<u>647,612</u>
Total liabilities	<u>656,588</u>
Fiduciary net position	
Held for others	<u>\$ 388,453</u>

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

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

For the Year Ended September 30, 2025

	Custodial <u>Fund</u>
Additions	
Fines and forfeits	
State of Florida	\$ 1,799,728
Hamilton County, Florida	49,360
Municipalities	57,916
Hamilton County School District	11,019
Deposits (tax deeds)	106,921
Clerk fees	1,979
Other fees and collections	2,269,277
Registry deposits	433,268
Bonds - bail, cash, and forfeiture	<u>192,905</u>
Total additions	<u>4,922,373</u>
Deductions	
Fines and forfeits distributed to:	
State of Florida	1,998,882
Hamilton County, Florida	49,631
Municipalities	59,484
Hamilton County School District	10,845
Deposits distributed (tax deeds)	249,158
Distributions to individuals and others	2,449,479
Distributions of unclaimed funds (State of Florida)	<u>173,658</u>
Total deletions	<u>4,991,137.00</u>
Change in net position	(68,764)
Net position - beginning	<u>457,217</u>
Net position - ending	<u>\$ 388,453</u>

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

NOTES TO FINANCIAL STATEMENTS

September 30, 2025

NOTE 1. THE REPORTING ENTITY

Hamilton County is a political subdivision of the State of Florida and, accordingly, is subject to restrictions imposed by the Florida Constitution and Statutes, as well as by its own ordinances.

The County is governed by a board of five elected County Commissioners. Additionally, five elected Constitutional Officers operate certain functions of county government in a fiduciary capacity. These officers are the Clerk of the Circuit Court, Property Appraiser, Sheriff, Supervisor of Elections and Tax Collector. The duties of these individual officers and the laws regulating the operations of their offices are detailed in the Florida Constitution and Statutes.

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Basis of Presentation

Fund financial statements: The fund financial statements provide information about the Clerk's funds, including its fiduciary funds. Separate statements for each fund category – governmental and fiduciary – are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

The Clerk reports the following major funds:

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

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

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

The Clerk reports the following fund type:

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

The following Fiduciary Funds are maintained:

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

B. Measurement Focus and Basis of Accounting

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

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

General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of long-term debt, lease liabilities for right-of-use assets, and acquisitions under capital leases are reported as other financing sources.

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

C. Deposits

See Note 2 at Section II.

In accordance with GASB 34, \$4,424 of cash held in the Clerk's Fiduciary Funds was reclassified from interfund payables into cash at the government-wide financial statements.

D. Receivables/Due from other governments

At September 30, 2025, the Clerk was owed the following amounts:

<u>Fund</u>	<u>State of Florida</u>	<u>Description</u>
General	\$ 23,630	Budget transfers/Child Support Enforcement Grant
F&F	<u>3,917</u>	Jury and Witness Fees
Total	<u>\$ 27,547</u>	

E. Capital Assets

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

F. Due to Other Governments

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

At September 30, 2025, this balance was \$80,519 and is reported in the Clerk's Fine and Forfeiture Fund.

At September 30, 2025, the Clerk held excess budget funds in the amount of \$56,033, which was owed to the Hamilton County Board of County Commissioners.

G. Compensated Absences

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

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

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

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

See Note 13 at Section II.

NOTE 3. LEASE LIABILITIES

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

<u>Description</u>	<u>Payment</u>
Kyocera Ecosys M3655 (1)	\$ 744
Kyocera 8003i, 6004i, 5004i copiers	7,792

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

NOTE 4. INTERFUND BALANCES AND TRANSFERS

Budgeted transfers from the Hamilton County Board of County Commissioners totaled \$433,452.

Interfund balances at September 30, 2025, are as follows:

<u>Due from/to HCBCC</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>	<u>Purpose</u>
General Fund	\$ <u>40,559</u>	\$ <u>56,033</u>	Budget transfer and excess

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**REQUIRED SUPPLEMENTARY
INFORMATION**

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

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

For the Year Ended September 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive <u>(Negative)</u>
Revenues				
Intergovernmental revenue				
Federal grant	\$ 200,000	\$ 200,000	\$ 133,854	\$ (66,146)
Charges for services				
General government	44,000	44,000	47,874	3,874
Miscellaneous				
Interest	2,000	2,000	1,463	(537)
Other miscellaneous	<u>9,700</u>	<u>9,700</u>	<u>12,972</u>	<u>3,272</u>
Total revenues	<u>255,700</u>	<u>255,700</u>	<u>196,163</u>	<u>(59,537)</u>
Expenditures				
General government				
Financial and administrative				
Personal services	450,931	450,931	485,652	(34,721)
Operating expenditures	52,800	52,800	50,143	2,657
Capital outlay	-	-	-	-
Debt service	<u>3,028</u>	<u>3,028</u>	<u>3,570</u>	<u>(542)</u>
Total financial and administrative	<u>506,759</u>	<u>506,759</u>	<u>539,365</u>	<u>(32,606)</u>
Other general government services				
Personal services	73,762	73,762	76,491	(2,729)
Operating expenditures	21,535	21,535	13,325	8,210
Debt service	368	368	434	(66)
Other uses	<u>40,000</u>	<u>40,000</u>	<u>-</u>	<u>40,000</u>
Total financial and administrative	<u>135,665</u>	<u>135,665</u>	<u>90,250</u>	<u>45,415</u>
Total expenditures	<u>642,424</u>	<u>642,424</u>	<u>629,615</u>	<u>12,809</u>
Excess (deficiency) of revenues over expenditures	(386,724)	(386,724)	(433,452)	(46,728)
Other financing sources (uses)				
Interfund transfer in - HCBC	386,724	386,724	433,452	46,728
Lease financing	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>386,724</u>	<u>386,724</u>	<u>433,452</u>	<u>46,728</u>
Net change in fund balance	-	-	-	-
Fund balances at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

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

For the Year Ended September 30, 2025

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
Budgetary fund balance, beginning	\$ -	\$ -	\$ 46,437	\$ 46,437
Resources (inflows)				
Charges for services				
General government	-	-	24,078	24,078
Judgments, fines, and forfeits				
General government	<u>-</u>	<u>-</u>	<u>30</u>	<u>30</u>
Total amounts available for appropriation	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 70,545</u>	<u>\$ 70,545</u>
Charges to appropriations (outflows)				
General government				
Operating expenditures	\$ -	\$ -	\$ 12,500	\$ (12,500)
Other uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total general government	-	-	12,500	(12,500)
Net change in fund balance	<u>-</u>	<u>-</u>	<u>58,045</u>	<u>(58,045)</u>
Total appropriations and reserves	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 70,545</u>	<u>\$ (70,545)</u>

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

BUDGETARY COMPARISON SCHEDULE - FINE AND FORFEITURE FUND

For the Year Ended September 30, 2025

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues				
Intergovernmental revenue	\$ 297,925	\$ 297,925	\$ 252,570	\$ 45,355
Charges for services	204,600	204,600	239,287	(34,687)
Judgments, fines, and forfeits	172,500	172,500	167,544	4,956
Miscellaneous	<u>-</u>	<u>-</u>	<u>3,289</u>	<u>(3,289)</u>
Total revenues	<u>675,025</u>	<u>675,025</u>	<u>662,690</u>	<u>12,335</u>
Expenditures				
Court related expenditures				
General administration	569,829	569,829	539,366	30,463
Court related (continued)	<u>105,196</u>	<u>105,196</u>	<u>123,324</u>	<u>(18,128)</u>
Total expenditures	<u>675,025</u>	<u>675,025</u>	<u>662,690</u>	<u>12,335</u>
Excess (deficiency) of revenues over expenditures	-	-	-	-
Fund balances at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

NOTES TO BUDGETARY COMPARISON SCHEDULES

September 30, 2025

NOTE 1. BUDGET

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

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

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

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

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

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

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

	Public Records Modernization <u>Fund</u>
Sources/inflows of resources	
Financial statement major funds	
Total amounts available for appropriation	\$ 70,545
Adjustments	
Budgetary fund balances are available for appropriation but are not considered revenue for GAAP reporting	(46,437)
Total revenues reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 24,108</u>

NOTE 3. EXPENDITURES IN EXCESS OF APPROPRIATIONS

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

SUPPLEMENTARY INFORMATION

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

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

September 30, 2025

	Custodial Funds				<u>Totals</u>
	<u>Registry of Courts</u>	<u>Bond Estreatures</u>	<u>Clerk's Trust</u>	<u>Child Support</u>	
Assets					
Cash	\$ 125,106	\$ 104,917	\$ 815,018	\$ -	\$ 1,045,041
Liabilities					
Due to other governments:					
Hamilton County Board of County Commissioners	-	-	4,424	-	4,424
Other governmental units	-	-	4,552	-	4,552
State of Florida	-	-	647,612	-	647,612
Total liabilities	-	-	656,588	-	656,588
Fiduciary net position					
Held for others	\$ 125,106	\$ 104,917	\$ 158,430	\$ -	\$ 388,453

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

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

For the Year Ended September 30, 2025

	Custodial Funds				<u>Totals</u>
	<u>Registry of Courts</u>	<u>Bond Estreatures</u>	<u>Clerk's Trust</u>	<u>Child Support</u>	
Additions					
Fines and forfeits					
State of Florida	\$ -	\$ -	\$ 1,799,728	\$ -	\$ 1,799,728
Hamilton County, Florida	-	-	49,360	-	49,360
Municipalities	-	-	57,916	-	57,916
Hamilton County School District	-	-	11,019	-	11,019
Deposits (tax deeds)	-	-	106,921	-	106,921
Clerk fees	-	-	-	1,979	1,979
Other fees and collections	-	-	2,225,364	43,913	2,269,277
Registry deposits	433,268	-	-	-	433,268
Bonds - bail, cash, and forfeiture	-	<u>192,905</u>	-	-	<u>192,905</u>
Total additions	<u>433,268</u>	<u>192,905</u>	<u>4,250,308</u>	<u>45,892</u>	<u>4,922,373</u>
Deductions					
Distributions					
State of Florida	-	-	1,955,618	43,264	1,998,882
Hamilton County, Florida	-	-	49,631	-	49,631
Municipalities	-	-	59,484	-	59,484
Hamilton County School District	-	-	10,845	-	10,845
Tax deeds	-	-	249,158	-	249,158
Individuals and others	391,791	-	2,055,060	2,628	2,449,479
Bonds	-	<u>173,658</u>	-	-	<u>173,658</u>
Total deletions	<u>391,791</u>	<u>173,658</u>	<u>4,379,796</u>	<u>45,892</u>	<u>4,991,137</u>
Changes in net position	41,477	19,247	(129,488)	-	(68,764)
Net position - beginning	<u>83,629</u>	<u>85,670</u>	<u>287,918</u>	<u>-</u>	<u>457,217</u>
Net position - ending	<u>\$ 125,106</u>	<u>\$ 104,917</u>	<u>\$ 158,430</u>	<u>\$ -</u>	<u>\$ 388,453</u>

COMPLIANCE SECTION

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

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

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Hamilton County Clerk of the Circuit Court, as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Hamilton County Clerk of the Circuit Court's financial statements, and have issued my report thereon dated May 29, 2026.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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



Kenneth M. Daniels
Certified Public Accountant
May 29, 2026

KENNETH M. DANIELS
CERTIFIED PUBLIC ACCOUNTANT

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INDEPENDENT ACCOUNTANT'S REPORT

Honorable Clerk of the Circuit Court
Hamilton County, Florida

I have examined the Hamilton County Clerk of the Circuit Court's compliance with *Florida Statutes* 218.415 during the period October 1, 2024, to September 30, 2025. Management of the Hamilton County Clerk of the Circuit Court is responsible for the Clerk of the Circuit Court's compliance with the specified requirements. My responsibility is to express an opinion on the Hamilton County Clerk of the Circuit Court's compliance based on my examination.

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

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

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

In my opinion, the Hamilton County Clerk of the Circuit Court complied in all material respects, with the specified requirements indicated above during the period October 1, 2024, to September 30, 2025.



Kenneth M. Daniels
Certified Public Accountant
May 29, 2026

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INDEPENDENT ACCOUNTANT'S REPORT

Honorable Clerk of the Circuit Court
Hamilton County, Florida

I have examined the Hamilton County Clerk of the Circuit Court's compliance with *Florida Statutes* 28.35 and 28.36 during the period October 1, 2024, to September 30, 2025. Management of the Hamilton County Clerk of the Circuit Court is responsible for the Clerk of the Circuit Court's compliance with the specified requirements. My responsibility is to express an opinion on the Hamilton County Clerk of the Circuit Court's compliance based on my examination.

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

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

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

In my opinion, the Hamilton County Clerk of the Circuit Court complied in all material respects, with the specified requirements indicated above during the period October 1, 2024, to September 30, 2025.



Kenneth M. Daniels
Certified Public Accountant
May 29, 2026

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INDEPENDENT ACCOUNTANT'S REPORT

Honorable Clerk of the Circuit Court
Hamilton County, Florida

I have examined the Hamilton County Clerk of the Circuit Court's compliance with *Florida Statutes* 61.181 during the period October 1, 2024, to September 30, 2025. Management of the Hamilton County Clerk of the Circuit is responsible for the Clerk of the Circuit Court's compliance with the specified requirements. My responsibility is to express an opinion on the Hamilton County Clerk of the Circuit Court's compliance based on my examination.

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

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

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

In my opinion, the Hamilton County Clerk of the Circuit Court complied in all material respects, with the specified requirements indicated above during the period October 1, 2024, to September 30, 2025.



Kenneth M. Daniels
Certified Public Accountant
May 29, 2026

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MANAGEMENT LETTER

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

Report on the Financial Statements

I have audited the financial statements of the Hamilton County Clerk of the Circuit Court, as of and for the fiscal year ended September 30, 2025, and have issued my report thereon dated May 29, 2026.

Auditor's Responsibility

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

Other Reporting Requirements

I have issued my Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Reports on examinations conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550 *Rules of the Auditor General*. Disclosures in those reports, which are dated May 29, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

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

Financial Management

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

Additional Matters

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

Purpose of this Letter

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



Kenneth M. Daniels
Certified Public Accountant
May 29, 2026

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INDEPENDENT AUDITOR'S REPORT

Honorable Property Appraiser
Hamilton County, Florida

Report on the Audit of the Financial Statements

Opinions

I have audited the financial statements of the major fund of the Hamilton County Property Appraiser, as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Hamilton County Property Appraiser's financial statements, as listed in the table of contents.

In my opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the major fund information for the Hamilton County Property Appraiser, as of September 30, 2025, and the respective changes in financial position thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the *Rules of the Auditor General* of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of the major fund and the aggregate remaining fund information, only for that portion of the major funds, and the aggregate remaining fund information, of Hamilton County, Florida, that is attributable to the Hamilton County Property Appraiser. They do not purport to, and do not, present fairly the

financial position of Hamilton County, Florida, as of September 30, 2025, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. My opinion is not modified with respect to these matters.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Hamilton County Property Appraiser's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Hamilton County Property Appraiser's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated May 29, 2026, on my consideration of the Hamilton County Property Appraiser's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Hamilton County Property Appraiser's internal control over financial reporting and compliance.



Kenneth M. Daniels
Certified Public Accountant
May 29, 2026

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FINANCIAL STATEMENTS

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**HAMILTON COUNTY, FLORIDA
PROPERTY APPRAISER**

**BALANCE SHEET
GOVERNMENTAL FUNDS**

September 30, 2025

	<u>General Fund</u>
Assets	
Cash	<u>\$ 186,791</u>
Liabilities and fund balance	
Liabilities	
Accounts payable	\$ 4,440
Due to other governmental units	
Hamilton County Board of County Commissioners	<u>182,351</u>
Total liabilities	<u>186,791</u>
Fund balance - unassigned	<u>-</u>
Total liabilities and fund balance	<u>\$ 186,791</u>

**HAMILTON COUNTY, FLORIDA
PROPERTY APPRAISER**

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

For the Year Ended September 30, 2025

	<u>General Fund</u>
Expenditures	
Current	
General government services	
Financial and administrative	
Personal services	\$ 681,867
Operating expenditures	208,284
Capital outlay	
General government services	
Financial and administrative	3,038
Debt service	
General government services	
Principal	1,504
Interest	<u>96</u>
Total expenditures	<u>894,789</u>
Excess (deficiency) of revenues over expenditures	(894,789)
Other financing sources (uses)	
Interfund transfers in - HCBCC	891,751
Lease financing	<u>3,038</u>
Total other financing sources	<u>894,789</u>
Net change in fund balance	-
Fund balance at beginning of year	<u>-</u>
Fund balance at end of year	<u>\$ -</u>

**HAMILTON COUNTY, FLORIDA
PROPERTY APPRAISER**

NOTES TO FINANCIAL STATEMENTS

September 30, 2025

NOTE 1. THE REPORTING ENTITY

Hamilton County is a political subdivision of the State of Florida incorporated under the authority of Article VIII, Section 1 of the State Constitution and, accordingly, is subject to restrictions imposed by the Florida Constitution and Statutes, as well as by its own ordinances.

The County is governed by a board of five elected County Commissioners. Additionally, five elected Constitutional Officers operate certain functions of county government in a fiduciary capacity. These officers are the Clerk of the Circuit Court, Property Appraiser, Sheriff, Supervisor of Elections, and Tax Collector. The duties of these individual officers and the laws regulating the operations of their offices are also detailed in the Florida Constitution and Statutes.

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

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Basis of Presentation

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

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

The Property Appraiser reports the following major fund:

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

B. Measurement Focus and Basis of Accounting

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

C. Deposits

See Note 2 at Section II.

D. Capital Assets

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

E. Compensated Absences

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

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

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

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

See Note 13 at Section II.

NOTE 3. LEASE LIABILITIES

The Property Appraiser has the following right-to-use lease agreements:

<u>Source</u>	<u>Description</u>	<u>Interest (Discount) Rate</u>	<u>Term</u>	<u>Payment</u>
Great America Financial Services Corporation	Copystar CX 3253ci copier	2.75%	5	\$ 111
Quadient Leasing	iX-3 Mailing System	3.50%	3	267

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

NOTE 4. INTERFUND TRANSFERS

Transfers from the Hamilton County Board of County Commissioners' General Fund at September 30, 2025, were as follows:

\$891,751 Budgetary transfers

The Property Appraiser returned \$182,351 in excess budget transfers and other fees post year end. The amount was due to the Board of County Commissioners at September 30, 2025.

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**REQUIRED SUPPLEMENTARY
INFORMATION**

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**HAMILTON COUNTY, FLORIDA
PROPERTY APPRAISER**

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

For the Year Ended September 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for services				
County officer fees	\$ -	\$ -	\$ -	\$ -
Expenditures				
General Government Services				
Personal services	750,372	794,864	681,867	112,997
Operating expenditures	248,383	252,379	208,284	44,095
Capital Outlay	-	-	3,038	(3,038)
Debt service	2,700	2,700	1,600	1,100
Other uses	<u>39,000</u>	<u>4,532</u>	-	<u>4,532</u>
Total expenditures	<u>1,040,455</u>	<u>1,054,475</u>	<u>894,789</u>	<u>159,686</u>
Excess (deficiency) of revenues over expenditures	<u>(1,040,455)</u>	<u>(1,054,475)</u>	<u>(894,789)</u>	<u>159,686</u>
Other financing sources (uses)				
Transfers from HCBCC General Fund	1,040,455	1,054,475	891,751	(162,724)
Lease financing	-	-	3,038	3,038
Other financing sources (uses)	<u>1,040,455</u>	<u>1,054,475</u>	<u>894,789</u>	<u>(159,686)</u>
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**HAMILTON COUNTY, FLORIDA
PROPERTY APPRAISER**

NOTES TO BUDGETARY COMPARISON SCHEDULE

September 30, 2025

NOTE 1. BUDGET

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

Per *Florida Statutes* Chapter 195.087, “On or before June 1 of each year, every property appraiser, regardless of the form of county government, shall submit to the Department of Revenue a budget for the operation of the property appraiser's office for the ensuing fiscal year beginning October 1. The property appraiser shall submit his or her budget in the manner and form required by the department. A copy of such budget shall be furnished at the same time to the board of county commissioners . . .”

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

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

The Property Appraiser amended its budget between object level codes during the year ended September 30, 2025.

NOTE 2. BUDGET OVEREXPENDITURE

The Property Appraiser over expended the capital outlay object level code during the year ended September 30, 2025.

COMPLIANCE SECTION

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

To the Honorable Property Appraiser
Hamilton County, Florida

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Hamilton County Property Appraiser, as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Hamilton County Property Appraiser's financial statements, and have issued my report thereon dated May 29, 2026.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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



Kenneth M. Daniels
Certified Public Accountant
May 29, 2026

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INDEPENDENT ACCOUNTANT'S REPORT

Honorable Property Appraiser
Hamilton County, Florida

I have examined the Hamilton County Property Appraiser's compliance with *Florida Statutes* 218.415 during the period October 1, 2024, to September 30, 2025. Management of the Hamilton County Property Appraiser is responsible for the Property Appraiser's compliance with the specified requirements. My responsibility is to express an opinion on Hamilton County Property Appraiser's compliance based on my examination.

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

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

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

In my opinion, the Hamilton County Property Appraiser complied in all material respects, with the specified requirements indicated above during the period October 1, 2024, to September 30, 2025.



Kenneth M. Daniels
Certified Public Accountant
May 29, 2026

KENNETH M. DANIELS
CERTIFIED PUBLIC ACCOUNTANT

107 2nd Ave S.E.
Jasper, FL 32052

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MANAGEMENT LETTER

The Honorable Property Appraiser
Hamilton County, Florida

Report on the Financial Statements

I have audited the financial statements of the Hamilton County Property Appraiser, as of and for the fiscal year ended September 30, 2025, and have issued my report thereon dated May 29, 2026.

Auditor's Responsibility

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

Other Reporting Requirements

I have issued my Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550 *Rules of the Auditor General*. Disclosures in those reports, which are dated May 29, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings

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

There were no findings and recommendations made in the preceding or current annual financial audit report.

Official Title and Legal Authority

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

Financial Management

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

Additional Matters

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

Purpose of this Letter

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



Kenneth M. Daniels
Certified Public Accountant
May 29, 2026

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INDEPENDENT AUDITOR'S REPORT

Honorable Sheriff
Hamilton County, Florida

Report on the Audit of the Financial Statements

Opinions

I have audited the financial statements of each major fund and the aggregate remaining fund information of the Hamilton County Sheriff, as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Hamilton County Sheriff's financial statements, as listed in the table of contents.

In my opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the major fund and the aggregate remaining fund information for the Hamilton County Sheriff, as of September 30, 2025, and the respective changes in financial position thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the *Rules of the Auditor General* of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of each major fund and the aggregate remaining fund information, only for that portion of the major funds, and the aggregate remaining fund information, of Hamilton County, Florida, that is attributable to the Hamilton County Sheriff. They do not purport to, and do not, present fairly the financial position

of Hamilton County, Florida, as of September 30, 2025, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. My opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Hamilton County Sheriff's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

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

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

Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated May 29, 2026, on my consideration of the Hamilton County Sheriff's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters included under the heading Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Hamilton County Sheriff's internal control over financial reporting and compliance.



Kenneth M. Daniels
Certified Public Accountant
May 29, 2026

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FINANCIAL STATEMENTS

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**HAMILTON COUNTY, FLORIDA
SHERIFF**

**BALANCE SHEET
GOVERNMENTAL FUNDS**

September 30, 2025

	<u>General Fund</u>	<u>Emergency Management Fund</u>	<u>Inmate Welfare Fund</u>	<u>911 Communications Fund</u>	<u>Total Governmental Funds</u>
Assets					
Current assets					
Cash	\$ 9,110	\$ -	\$ 193,034	\$ 541,104	\$ 743,248
Interfund receivables	31,956	-	-	-	31,956
Due from other governmental units					
HCBCC - General Fund	80,715	-	-	-	80,715
Due from the State of Florida	-	<u>36,211</u>	-	-	<u>36,211</u>
Total assets	<u>\$ 121,781</u>	<u>\$ 36,211</u>	<u>\$ 193,034</u>	<u>\$ 541,104</u>	<u>\$ 892,130</u>
Liabilities and Fund Balances					
Liabilities					
Current liabilities					
Payroll withholding	\$ 10,055	\$ 2,362	\$ -	\$ -	\$ 12,417
Health insurance payable	78,499	-	-	-	78,499
Unearned revenue	33,227	-	-	-	33,227
Interfund payables	-	31,956	-	-	31,956
Due to other governmental units					
HCBCC - General Fund	-	1,893	-	-	1,893
Other current liabilities	-	-	<u>579</u>	-	<u>579</u>
Total liabilities	<u>121,781</u>	<u>36,211</u>	<u>579</u>	<u>-</u>	<u>158,571</u>
Fund balances					
Restricted for:					
Other purposes	-	-	<u>192,455</u>	<u>541,104</u>	<u>733,559</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 121,781</u>	<u>\$ 36,211</u>	<u>\$ 193,034</u>	<u>\$ 541,104</u>	<u>\$ 892,130</u>

**HAMILTON COUNTY, FLORIDA
SHERIFF**

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

For the Year Ended September 30, 2025

	General <u>Fund</u>	Emergency Management <u>Fund</u>	Inmate Welfare <u>Fund</u>	911 Communications <u>Fund</u>	Total Governmental <u>Funds</u>
Revenues					
Intergovernmental	\$ 1,773	\$ 164,654	\$ -	\$ 51,356	\$ 217,783
Charges for services	120,000	-	41,162	267,450	428,612
Fines and forfeits	-	-	17	-	17
Interest	-	-	2,759	7,711	10,470
Miscellaneous revenues	<u>318,947</u>	<u>232</u>	<u>-</u>	<u>-</u>	<u>319,179</u>
Total revenues	<u>440,720</u>	<u>164,886</u>	<u>43,938</u>	<u>326,517</u>	<u>976,061</u>
Expenditures					
Current					
Public safety					
Law enforcement					
Personal services	3,081,472	-	-	-	3,081,472
Operating expenditures	831,120	-	-	-	831,120
Corrections					
Personal services	2,327,241	-	-	-	2,327,241
Operating expenditures	944,616	-	22,181	-	966,797
Emergency services					
Emergency management					
Personal services	-	171,702	-	-	171,702
Operating expenditures	-	48,791	-	-	48,791
Emergency communications					
Personal services	770,445	-	-	-	770,445
Operating expenditures	14,365	-	-	251,520	265,885
Courts - General Operations					
Courthouse security					
Personal services	39,554	-	-	-	39,554
Operating expenditures	2,012	-	-	-	2,012
Capital outlay					
Public safety					
Law enforcement					
Capital outlay	610,125	-	-	-	610,125
Corrections					
Capital outlay	25,320	-	-	-	25,320

(Continued)
See notes to financial statements.

**HAMILTON COUNTY, FLORIDA
SHERIFF**

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

For the Year Ended September 30, 2025

	General Fund	Emergency Management Fund	Inmate Welfare Fund	911 Communications Fund	Total Governmental Funds
Expenditures (continued)					
Emergency communications					
Capital outlay	\$ -	\$ -	\$ -	\$ -	\$ -
Debt service					
Principal	46,072	-	-	-	46,072
Interest	<u>3,480</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,480</u>
Total expenditures	<u>8,695,822</u>	<u>220,493</u>	<u>22,181</u>	<u>251,520</u>	<u>9,190,016</u>
Excess (deficiency) of revenues over expenditures	<u>(8,255,102)</u>	<u>(55,607)</u>	<u>21,757</u>	<u>74,997</u>	<u>(8,213,955)</u>
Other financing sources (uses)					
Lease financing	233,204	-	-	-	233,204
Transfers in HCBCC	<u>8,021,898</u>	<u>55,607</u>	<u>-</u>	<u>-</u>	<u>8,077,505</u>
Total other financing sources (uses)	<u>8,255,102</u>	<u>55,607</u>	<u>-</u>	<u>-</u>	<u>8,310,709</u>
Net change in fund balances	-	-	21,757	74,997	96,754
Fund balances at beginning of year	<u>-</u>	<u>-</u>	<u>170,698</u>	<u>466,107</u>	<u>636,805</u>
Fund balances at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 192,455</u>	<u>\$ 541,104</u>	<u>\$ 733,559</u>

**HAMILTON COUNTY, FLORIDA
SHERIFF**

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND**

September 30, 2025

	Custodial <u>Fund</u>
Assets	
Cash	<u>\$ 8,488</u>
Liabilities	<u> -</u>
Fiduciary net position	
Held for others	<u><u>\$ 8,488</u></u>

**HAMILTON COUNTY, FLORIDA
SHERIFF**

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

For the Year Ended September 30, 2025

	Custodial <u>Fund</u>
Additions	
Fees and collections	
Collections from inmates	<u>\$ 311,923</u>
Deductions	
Commissary sales	55,072
Distribution to individuals and others	
Bond fees	185,199
Booking fees	3,825
Daily fees	6,664
Indigent packs	210
Medical	4,056
Unclaimed funds	1,542
Inmate withdrawals	<u>53,492</u>
Total deletions	<u>310,060</u>
 Change in net position	 1,863
 Net position - beginning	 <u>6,625</u>
Net position - ending	<u><u>\$ 8,488</u></u>

**HAMILTON COUNTY, FLORIDA
SHERIFF**

NOTES TO FINANCIAL STATEMENTS

September 30, 2025

NOTE 1. THE REPORTING ENTITY

Hamilton County is a political subdivision of the State of Florida incorporated under the authority of Article VIII, Section 1, of the State Constitution and, accordingly, is subject to restrictions imposed by the Florida Constitution and Statutes, as well as by its own ordinances.

The County is governed by a board of five elected County Commissioners. Additionally, five elected Constitutional Officers operate certain functions of county government in a fiduciary capacity. These officers are the Clerk of the Circuit Court, Property Appraiser, Sheriff, Supervisor of Elections and Tax Collector. The duties of these individual officers and the laws regulating the operations of their offices are detailed in the Florida Constitution and Statutes.

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Basis of Presentation

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

The Sheriff reports the following major funds:

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

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

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

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

The Sheriff reports the following fund types:

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

B. Measurement Focus and Basis of Accounting

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

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

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

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

C. Deposits

See Note 2 at Section II.

D. Receivables/Due from other governments

At September 30, 2024, the Sheriff was owed the following amounts:

Hamilton County, Florida \$ 80,715 Grant expenditure reimbursement

E. Capital Assets

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

F. Compensated Absences

Compensated absences are absences for which employees will be paid, such as vacation and sick leave. The Sheriff's policies regarding annual and sick leave are as follows: full-time, permanent employees are granted vacation benefits in varying amounts ranging from five to twenty days per year depending on length of service. The maximum annual carryover of annual leave is 240 hours.

Sick leave accrues to full-time, permanent employees at a rate of one day per month (four (4) hours biweekly) without limitation. Upon ten years of creditable and continuous service or retirement, employees are paid for unused sick leave at a rate of one hour for every two hours of unused sick leave.

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

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

See Note 13 at Section II.

NOTE 3. LEASE LIABILITIES

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

<u>Source</u>	<u>Collateral</u>	<u>Term (years)</u>	<u>Annual Payments</u>
Great America Financial Services Corporation	Kyocera Ecosys M3655	5	\$ 720
Great America Financial Services Corporation	Kyocera 3554ci and M2540dw	5	2,193
Enterprise Fleet Mgt	4 Ford Police Interceptors	5	60,857

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

NOTE 4. INTERFUND BALANCES AND TRANSFERS

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

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>	<u>Purpose</u>
Major Funds			
Sheriff’s General Fund	\$ 31,956	\$ -	Interfund loan for grant expenditures
Emergency Management Fund	<u>-</u>	<u>31,956</u>	Interfund loan for grant expenditures
Totals	<u>\$ 31,956</u>	<u>\$ 31,956</u>	

Due to HCBCC

<u>Fund</u>	<u>Budget Excess</u>
Emergency Management Fund	<u>\$ 1,893</u>

Transfers from HCBCC

	<u>Budget Transfers</u>
General Fund	\$ 7,844,075
Fine and Forfeiture Fund	<u>177,823</u>
Total transfer to Sheriff’s General Fund	<u>\$ 8,021,898</u>

During the year ended September 30, 2025, the Hamilton County Board of County Commissioners made budgetary transfers of \$8,021,898 to the Sheriff’s General Fund and \$55,607 to the Emergency Management Fund for grant match and 911 Mapping.

NOTE 5. CONTINGENT LIABILITIES

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

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

NOTE 6. RISK MANAGEMENT

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

The Sheriff continues to carry commercial insurance for other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. The pooling agreements allow for the pools to make additional assessments to make the pools self-sustaining. It is not possible to estimate the amount of such additional assessments, which might have to be paid by the Sheriff.

NOTE 7. COMMITMENTS

The Sheriff has entered into the following agreements:

Food Service

The Sheriff has an agreement with Summit Food Service, LLC. (Summit), for the food services at the Hamilton County Jail. The agreement began March 22, 2022 and remains in effect until March 25, 2023. It can be renewed annually and was renewed in March 2024. Summit agrees to provide products in connection with Food Service for the Sheriff's inmates, employees, guests, and other persons at the Hamilton County Jail. The Sheriff pays Summit cost plus 25% for all products and services provided.

Inmate Telephone Services

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

Inmate Medical Care

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

**REQUIRED SUPPLEMENTARY
INFORMATION**

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**HAMILTON COUNTY, FLORIDA
SHERIFF**

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

For the Year Ended September 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ -	\$ 1,773	\$ 1,773	\$ -
Charges for services	-	120,000	120,000	-
Miscellaneous revenues	-	<u>318,947</u>	<u>318,947</u>	-
Total revenues	<u>-</u>	<u>440,720</u>	<u>440,720</u>	<u>-</u>
Expenditures				
Public safety				
Law enforcement				
Personal services	2,957,368	3,080,290	3,081,472	(1,182)
Operating expenditures	753,947	715,658	831,120	(115,462)
Capital outlay	-	376,921	610,125	(233,204)
Debt service	-	45,256	48,612	(3,356)
Other uses	<u>4,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total law enforcement	<u>3,715,315</u>	<u>4,218,125</u>	<u>4,571,329</u>	<u>(353,204)</u>
Corrections				
Personal services	2,331,539	2,327,241	2,327,241	-
Operating expenditures	729,485	944,616	944,616	-
Capital outlay	-	25,320	25,320	-
Debt service	-	180	180	-
Other uses	<u>4,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total corrections	<u>3,065,024</u>	<u>3,297,357</u>	<u>3,297,357</u>	<u>-</u>
Emergency communications				
Personal services	743,259	770,445	770,445	-
Operating expenditures	21,200	14,365	14,365	-
Capital outlay	2,500	-	-	-
Debt service	<u>-</u>	<u>760</u>	<u>760</u>	<u>-</u>
Total emergency communications	<u>766,959</u>	<u>785,570</u>	<u>785,570</u>	<u>-</u>
Total public safety	<u>7,547,298</u>	<u>8,301,052</u>	<u>8,654,256</u>	<u>(353,204)</u>
Courts - General Operations				
Courthouse security				
Personal services	40,967	39,554	39,554	-
Operating expenditures	<u>1,750</u>	<u>2,012</u>	<u>2,012</u>	<u>-</u>
Total courthouse security	<u>42,717</u>	<u>41,566</u>	<u>41,566</u>	<u>-</u>
Total expenditures	<u>7,590,015</u>	<u>8,342,618</u>	<u>8,695,822</u>	<u>(353,204)</u>

(Continued)

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

**HAMILTON COUNTY, FLORIDA
SHERIFF**

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

For the Year Ended September 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Excess (deficiency) of revenues over expenditures	\$(7,590,015)	\$(7,901,898)	\$(8,255,102)	\$ (353,204)
Other financing sources (uses)				
Lease financing	-	-	233,204	233,204
Interfund transfers	-	-	-	-
Interfund transfers - HCBCC	<u>7,590,015</u>	<u>7,901,898</u>	<u>8,021,898</u>	<u>120,000</u>
Total other financing sources	<u>7,590,015</u>	<u>7,901,898</u>	<u>8,255,102</u>	<u>353,204</u>
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**HAMILTON COUNTY, FLORIDA
SHERIFF**

BUDGETARY COMPARISON SCHEDULE - INMATE WELFARE FUND

For the Year Ended September 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Budgetary fund balance, beginning	\$ -	\$ 20,000	\$170,698	\$ 150,698
Revenues (inflows)				
Charges for services	-	41,162	41,162	-
Fines and forfeits	-	17	17	-
Interest	-	2,759	2,759	-
Other miscellaneous	-	-	-	-
Total amounts available for appropriation	<u>-</u>	<u>63,938</u>	<u>214,636</u>	<u>150,698</u>
Charges to appropriation (outflows)				
Corrections				
Operating expenditures	-	22,181	22,181	-
Capital outlay	-	-	-	-
Grants and aids	-	-	-	-
Other uses	-	41,757	-	41,757
Total charges to appropriations	<u>-</u>	<u>63,938</u>	<u>22,181</u>	<u>41,757</u>
Budgeted reserves	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total appropriations and reserves	<u>-</u>	<u>63,938</u>	<u>22,181</u>	<u>41,757</u>
Budgetary fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$192,455</u>	<u>\$ 192,455</u>

**HAMILTON COUNTY, FLORIDA
SHERIFF**

BUDGETARY COMPARISON SCHEDULE - 911 COMMUNICATIONS

For the Year Ended September 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget
				Positive (Negative)
Budgetary fund balance, beginning	\$ -	\$200,000	\$466,107	\$ 266,107
Resources (inflows)				
Intergovernmental	-	140,441	51,356	89,085
Charges for services	-	178,364	267,450	(89,086)
Interest	-	<u>7,710</u>	<u>7,711</u>	<u>1</u>
Total amounts available for appropriation	-	<u>526,515</u>	<u>792,624</u>	<u>266,107</u>
Charges to appropriations (outflows)				
Emergency communications				
Personal services	-	251,520	-	251,520
Operating expenditures	-	<u>274,995</u>	<u>251,520</u>	<u>23,475</u>
Total charges to appropriations	-	<u>526,515</u>	<u>251,520</u>	<u>274,995</u>
Other financing sources	-	-	-	-
Total appropriations and other financing sources	-	<u>526,515</u>	<u>251,520</u>	<u>274,995</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$541,104</u>	<u>\$ 541,102</u>

**HAMILTON COUNTY, FLORIDA
SHERIFF**

BUDGETARY COMPARISON SCHEDULE - EMERGENCY MANAGEMENT FUND

For the Year Ended September 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$153,012	\$164,654	\$164,654	\$ -
Miscellaneous	<u>-</u>	<u>232</u>	<u>232</u>	<u>-</u>
Total amounts available for appropriation	<u>153,012</u>	<u>164,886</u>	<u>164,886</u>	<u>-</u>
Expenditures				
Emergency services				
Personal services	102,206	87,510	171,702	(84,192)
Operating expenditures	105,806	134,876	48,791	86,085
Capital outlay	<u>2,500</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total emergency management	<u>210,512</u>	<u>222,386</u>	<u>220,493</u>	<u>1,893</u>
Excess (deficiency) of revenues over expenditures	<u>(57,500)</u>	<u>(57,500)</u>	<u>(55,607)</u>	<u>1,893</u>
Other financing sources				
Interfund transfer in - HCBCC	57,500	57,500	55,607	(1,893)
Interfund transfer out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources	<u>57,500</u>	<u>57,500</u>	<u>55,607</u>	<u>(1,893)</u>
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**HAMILTON COUNTY, FLORIDA
SHERIFF**

NOTES TO BUDGETARY COMPARISON SCHEDULES

September 30, 2025

NOTE 1. BUDGET

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

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

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

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

	Inmate Welfare <u>Fund</u>	911 Communications <u>Fund</u>
Sources/inflows of resources		
Financial statement major funds		
Total amounts available for appropriation	\$ 214,636	\$ 792,624
Adjustments		
Budgetary fund balances are available for appropriation but are not considered revenue for GAAP reporting	<u>(170,698)</u>	<u>(466,107)</u>
Total revenues reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 43,938</u>	<u>\$ 326,517</u>

NOTE 3. EXPENDITURES IN EXCESS OF APPROPRIATIONS

The Sheriff's General and Emergency Management Funds exceeded their appropriations at the legal level of budgetary control (the object level code). The General Fund's budget was exceeded in total. Original budgets were not adopted for the Inmate Welfare and 911 Communications Funds until after the fiscal year began.

COMPLIANCE SECTION

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

To the Honorable Sheriff
Hamilton County, Florida

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Hamilton County Sheriff, as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Hamilton County Sheriff’s financial statements, and have issued my report thereon dated May 29, 2026.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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



Kenneth M. Daniels
Certified Public Accountant
May 29, 2026

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INDEPENDENT ACCOUNTANT'S REPORT

Honorable Sheriff
Hamilton County, Florida

I have examined the Hamilton County Sheriff's compliance with *Florida Statutes* 218.415 during the period October 1, 2024, to September 30, 2025. Management of the Hamilton County Sheriff is responsible for the Sheriff's compliance with the specified requirements. My responsibility is to express an opinion on Hamilton County Sheriff's compliance based on my examination.

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

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

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

In my opinion, the Hamilton County Sheriff complied in all material respects, with the specified requirements indicated above during the period October 1, 2024, to September 30, 2025.



Kenneth M. Daniels
Certified Public Accountant
May 29, 2026

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MANAGEMENT LETTER

To the Honorable Sheriff
Hamilton County, Florida

Report on the Financial Statements

I have audited the financial statements of the Hamilton County Sheriff, as of and for the fiscal year ended September 30, 2025, and have issued my report thereon dated May 29, 2026.

Auditor's Responsibility

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

Other Reporting Requirements

I have issued my Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550 *Rules of the Auditor General*. Disclosures in those reports, which are dated May 29, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

Financial Management

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

Additional Matters

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

Purpose of this Letter

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



Kenneth M. Daniels
Certified Public Accountant
May 29, 2026

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INDEPENDENT AUDITOR'S REPORT

Honorable Supervisor of Elections
Hamilton County, Florida

Report on the Audit of the Financial Statements

Opinions

I have audited the financial statements of the major fund of the Hamilton County Supervisor of Elections, as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Hamilton County Supervisor of Elections' financial statements, as listed in the table of contents.

In my opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the major fund for the Hamilton County Supervisor of Elections, as of September 30, 2025, and the respective changes in financial position thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the *Rules of the Auditor General* of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of the major fund and the aggregate remaining fund information, only for that portion of the major funds, and the aggregate remaining fund information, of Hamilton County, Florida, that is attributable to the Hamilton County Supervisor of Elections. They do not purport to, and do not, present fairly the financial position of Hamilton County, Florida, as of September 30, 2025, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles

generally accepted in the United States of America. My opinion is not modified with respect to these matters.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Hamilton County Supervisor of Elections' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

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

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

Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated May 29, 2026, on my consideration of the Hamilton County Supervisor of Elections' internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters included under the heading Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Hamilton County Supervisor of Elections' internal control over financial reporting and compliance.



Kenneth M. Daniels
Certified Public Accountant
May 29, 2026

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FINANCIAL STATEMENTS

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**HAMILTON COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS**

**BALANCE SHEET
GOVERNMENTAL FUNDS**

September 30, 2025

	General Fund
Assets	
Cash	<u>\$ 51,356</u>
Liabilities and fund balance	
Liabilities	
Due to other governmental units	
Hamilton County Board of County Commissioners (HCBCC)	\$ 51,356
Fund balance	
Unassigned	<u>-</u>
Total liabilities and fund balance	<u>\$ 51,356</u>

**HAMILTON COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS**

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

For the Year Ended September 30, 2025

	General Fund
Expenditures	
Current	
General government services	
Financial and administrative	
Personal services	\$ 349,468
Operating expenditures	174,405
Capital outlay	
Equipment	<u>5,600</u>
Total expenditures	<u>529,473</u>
Excess (deficiency) of revenues over expenditures	(529,473)
Other financing sources	
Interfund transfers in - HCBCC	<u>529,473</u>
Net change in fund balance	-
Fund balance at beginning of year	<u>-</u>
Fund balance at end of year	<u><u>\$ -</u></u>

**HAMILTON COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS**

NOTES TO FINANCIAL STATEMENTS

September 30, 2025

NOTE 1. THE REPORTING ENTITY

Hamilton County is a political subdivision of the State of Florida incorporated under the authority of Article VIII, Section 1, of the State Constitution and, accordingly, is subject to restrictions imposed by the Florida Constitution and Statutes, as well as by its own ordinances.

The County is governed by a board of five elected County Commissioners. Additionally, five elected Constitutional Officers operate certain functions of county government in a fiduciary capacity. These officers are the Clerk of the Circuit Court, Property Appraiser, Sheriff, Supervisor of Elections, and Tax Collector. The duties of these individual officers and the laws regulating the operations of their offices are also detailed in the Florida Constitution and Statutes.

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Basis of Presentation

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

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

The Supervisor reports the following major fund:

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

B. Measurement Focus and Basis of Accounting

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this

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

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

C. Deposits

See Note 2 at Section II.

D. Capital Assets

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

E. Compensated Absences

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

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

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

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

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

See Note 13 at Section II.

NOTE 3. INTERFUND TRANSFERS

Transfers were made from the Hamilton County Board of County Commissioners' General Fund into the Supervisor of Elections' General Fund in the amount of \$529,473. The budgeted transfers were made in accordance with *Florida Statutes* 129.201.

Post year-end, the Supervisor returned excess budget transfers and fees collected in the amount of \$51,356 to the Board of County Commissioners. The excess was owed at September 30, 2025.

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**REQUIRED SUPPLEMENTARY
INFORMATION**

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**HAMILTON COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS**

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

For the Year Ended September 30, 2025

	Budgeted Amounts			Actual	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>	
Expenditures					
General Government Services					
Personal services	\$ 383,058	\$ 383,058	\$ 349,468	\$ 33,590	
Operating expenditures	186,596	180,996	174,405	6,591	
Capital outlay	-	5,600	5,600	-	
Other uses	1,500	1,500	-	1,500	
Total expenditures	571,154	571,154	529,473	41,681	
Excess (deficiency) of revenues over expenditures	(571,154)	(571,154)	(529,473)	41,681	
Other financing sources (uses)					
Interfund transfers - HCBCC	571,154	571,154	529,473	(41,681)	
Net change in fund balance	-	-	-	-	
Fund balance at beginning of year	-	-	-	-	
Fund balance at end of year	\$ -	\$ -	\$ -	\$ -	

**HAMILTON COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS**

NOTES TO BUDGETARY COMPARISON SCHEDULE

September 30, 2025

NOTE 1. Budget

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

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

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

The legal level of budgetary control is the object level classification. The Supervisor of Elections amended its budget once for the year ended September 30, 2025.

COMPLIANCE SECTION

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CERTIFIED PUBLIC ACCOUNTANT

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

To the Honorable Supervisor of Elections
Hamilton County, Florida

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Hamilton County Supervisor of Elections, as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Hamilton County Supervisor of Elections' financial statements, and have issued my report thereon dated May 29, 2026.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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



Kenneth M. Daniels
Certified Public Accountant
May 29, 2026

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INDEPENDENT ACCOUNTANT'S REPORT

Honorable Supervisor of Elections
Hamilton County, Florida

I have examined the Hamilton County Supervisor of Elections' compliance with *Florida Statutes* 218.415 during the period October 1, 2024, to September 30, 2025. Management of the Hamilton County Supervisor of Elections is responsible for the Supervisor of Elections' compliance with the specified requirements. My responsibility is to express an opinion on Hamilton County Supervisor of Elections' compliance based on my examination.

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

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

My examination does not provide a legal determination on Hamilton County Supervisor of Elections' compliance with the specified requirements.

In my opinion, the Hamilton County Supervisor of Elections complied in all material respects, with the specified requirements indicated above during the period October 1, 2024, to September 30, 2025.



Kenneth M. Daniels
Certified Public Accountant
May 29, 2026

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MANAGEMENT LETTER

The Honorable Supervisor of Elections
Hamilton County, Florida

Report on the Financial Statements

I have audited the financial statements of the Hamilton County Supervisor of Elections, as of and for the fiscal year ended September 30, 2025, and have issued my report thereon dated May 29, 2026.

Auditor's Responsibility

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

Other Reporting Requirements

I have issued my Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550 *Rules of the Auditor General*. Disclosures in those reports, which are dated May 29, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings

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

There were no findings and/or recommendations made in the preceding or current annual financial audit report.

Official Title and Legal Authority

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

Financial Management

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

Additional Matters

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

Purpose of this Letter

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



Kenneth M. Daniels
Certified Public Account
May 29, 2026

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INDEPENDENT AUDITOR'S REPORT

Honorable Tax Collector
Hamilton County, Florida

Report on the Audit of the Financial Statements

Opinions

I have audited the financial statements of the major fund and the aggregate remaining fund information of the Hamilton County Tax Collector, as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Hamilton County Tax Collector's financial statements, as listed in the table of contents.

In my opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the major fund and the aggregate remaining fund information for the Hamilton County Tax Collector, as of September 30, 2025, and the respective changes in financial position thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the *Rules of the Auditor General* of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of the major fund and the aggregate remaining fund information, only for that portion of the major funds, and the aggregate remaining fund information, of Hamilton County, Florida, that is attributable to the Hamilton County Tax Collector. They do not purport to, and do not, present fairly the financial

position of Hamilton County, Florida, as of September 30, 2025, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. My opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Hamilton County Tax Collector's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

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

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

Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated May 29, 2026, on my consideration of the Hamilton County Tax Collector's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Hamilton County Tax Collector's internal control over financial reporting and compliance.



Kenneth M. Daniels
Certified Public Accountant
May 29, 2026

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FINANCIAL STATEMENTS

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**HAMILTON COUNTY, FLORIDA
TAX COLLECTOR**

**BALANCE SHEET
GOVERNMENTAL FUNDS**

September 30, 2025

	General Fund
Assets	
Cash	\$ <u>22,626</u>
Liabilities and fund balance	
Liabilities	
Due to other governmental units	
Hamilton County Board of County Commissioners (HCBCC)	\$ <u>22,626</u>
Fund balance - unassigned	<u>-</u>
Total liabilities and fund balance	\$ <u>22,626</u>

**HAMILTON COUNTY, FLORIDA
TAX COLLECTOR**

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

For the Year Ended September 30, 2025

	General Fund
Revenues	
Charges for services	
General government	\$595,501
Miscellaneous revenues	
Interest	1,481
Total revenues	<u>596,982</u>
Expenditures	
Current	
General government services	
Financial and administrative	
Personal services	571,895
Operating expenditures	111,477
Debt service	
Principal	960
Interest	23
Total expenditures	<u>684,355</u>
Excess (deficiency) of revenues over expenditures	(87,373)
Other financing sources	
Interfund transfers in (out) - HCBCC	<u>87,373</u>
Net change in fund balance	-
Fund balance at beginning of year	<u>-</u>
Fund balance at end of year	<u><u>\$ -</u></u>

**HAMILTON COUNTY, FLORIDA
TAX COLLECTOR**

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND**

September 30, 2025

	Custodial	
Cash	\$	279,924
Due from individuals		667
Total assets		<u>280,591</u>
 Liabilities		
Due to other governments:		
Hamilton County Board of County Commissioners		5,251
Other governmental units		275,306
Due to others		34
Total liabilities		<u>280,591</u>
 Fiduciary net position		<u>-</u>
Total net position	\$	<u><u>-</u></u>

**HAMILTON COUNTY, FLORIDA
TAX COLLECTOR**

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

For the Year Ended September 30, 2025

	<u>Custodial Fund</u>
Additions	
Taxes	
Taxes	\$ 20,805,813
Delinquent taxes	864,129
Fees	
State of Florida	
Fees - drivers licenses, fish and game, motor vehicle	1,834,979
Sales tax	1,806,926
Tax Collector fees	123,822
Miscellaneous fees	1,426
Hamilton County	17,007
Interest	<u>10,890</u>
Total additions	<u>25,464,992</u>
Deductions	
Distributions to other governments	
Property taxes distributed to other governments	20,789,575
Property taxes distributed to others	770,347
Interest distributed to other governments	10,539
Fees/taxes distributed	
State of Florida (motor vehicle, fish and game, driver's licenses, sales tax)	3,752,802
Tax Collector (ad valorem, motor vehicle, driver's licenses, other)	123,810
Hamilton County, Florida	16,501
Miscellaneous fees distributed	<u>1,418</u>
Total liabilities	<u>25,464,992</u>
Change in net position	-
Net position - beginning	<u>-</u>
Net position - ending	<u>\$ -</u>

**HAMILTON COUNTY, FLORIDA
TAX COLLECTOR**

NOTES TO FINANCIAL STATEMENTS

September 30, 2025

NOTE 1. THE REPORTING ENTITY

Hamilton County is a political subdivision of the State of Florida incorporated under the authority of Article VIII, Section 1 of the State Constitution and, accordingly, is subject to restrictions imposed by the Florida Constitution and Statutes, as well as by its own ordinances.

The County is governed by a board of five elected County Commissioners. Additionally, five elected Constitutional Officers operate certain functions of county government in a fiduciary capacity. These officers are the Clerk of the Circuit Court, Property Appraiser, Sheriff, Supervisor of Elections, and Tax Collector. The duties of these individual officers and the laws regulating the operations of their offices are also detailed in the Florida Constitution and Statutes.

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Basis of Presentation

Fund Financial Statements: The fund financial statements provide information about the Tax Collector's funds, including its fiduciary fund. Separate statements for each fund category – governmental and fiduciary – are presented. The emphasis of the Tax Collector's fund financial statements is on its major governmental fund.

The Tax Collector reports the following major fund:

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

The Tax Collector reports the following fund type:

Fiduciary Fund – This Custodial Fund accounts for monies (including fees) collected and disbursed to other governmental units and individuals and are, therefore, not available to support other County programs.

B. Measurement Focus and Basis of Accounting

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

C. Deposits

See Note 2 at Section II.

In accordance with GASB 34, \$5,251 of the Tax Collector’s Custodial Fund’s cash was reclassified into the County’s at the County-wide Financial Statement Level.

D. Capital Assets

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

E. Compensated Absences

Compensated absences are absences for which employees will be paid, such as vacation and sick leave. The Tax Collector’s policies regarding annual and sick leave are as follows: full-time, permanent employees are granted vacation benefits in varying amounts ranging from five to twenty days per year depending on length of service.

Sick leave accrues to full-time, permanent employees at a rate of one day per month with a maximum accrual of sixty days. Upon termination in good standing or retirement, employees are paid for unused sick leave at a rate of one - half day for each day of unused sick leave. Employees may also convert sick leave in excess of the sixty-day maximum to annual leave at the conversion rate of three sick days to one day of annual leave.

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

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

See Note 13 at Section II.

NOTE 3. LEASE LIABILITIES

The Tax Collector has the following right-to-use lease agreement:

<u>Lessor</u>	<u>Equipment leased</u>	<u>Interest rate</u>	<u>Term (years)</u>	<u>Payment</u>
Ricoch USA Inc	Ricoh IMC2000	2.75%	5	\$ 105

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

NOTE 4. INTERFUND TRANSFERS

Transfers were made from the Hamilton County Board of County Commissioners' General Fund into the Tax Collector's General Fund in the amount of \$87,373. The budgeted transfers were made in accordance with *Florida Statutes* 145.141.

Post year-end, the Tax Collector returned \$22,626, of excess transfers, to the Board of County Commissioners.

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**REQUIRED SUPPLEMENTARY
INFORMATION**

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**HAMILTON COUNTY, FLORIDA
TAX COLLECTOR**

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

For the Year Ended September 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
Revenues				
Charges for services	\$ 631,405	\$ 640,605	\$ 595,501	\$ (45,104)
Miscellaneous revenues				
Interest	1,500	1,500	1,481	(19)
Total revenues	632,905	642,105	596,982	(45,123)
Expenditures				
General government services				
Personal services	592,092	601,292	571,895	29,397
Operating expenditures	150,813	150,813	111,477	39,336
Debt service	-	-	983	(983)
Total expenditures	742,905	752,105	684,355	67,750
Excess (deficiency) of revenues over expenditures	(110,000)	(110,000)	(87,373)	22,627
Other financing sources				
Interfund transfers in (out) - HCBCC	110,000	110,000	87,373	(22,627)
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ -	\$ -

**HAMILTON COUNTY, FLORIDA
TAX COLLECTOR**

NOTES TO BUDGETARY COMPARISON SCHEDULE

September 30, 2025

NOTE 1. BUDGET

The Tax Collector in accordance with *Florida Statutes* Chapter 195.087 adopts a budget for all governmental funds. All annual appropriations lapse at fiscal year-end.

Per Chapter 195.087(2), “On or before August 1 of each year, each tax collector, regardless of the form of county government, shall submit to the Department of Revenue a budget for the operation of the tax collector's office for the ensuing fiscal year, in the manner and form prescribed by the department. A copy of such budget shall be furnished at the same time to the board of county commissioners. The department shall examine the budget and, if it is found adequate to carry on the work of the tax collector, shall approve the budget and certify it back to the tax collector. If the department finds the budget inadequate or excessive, it shall return such budget to the tax collector, together with its ruling thereon. The tax collector shall revise the budget as required and resubmit it to the department. After the final approval of the budget by the department, there shall be no reduction or increase by any officer, board, or commission without the approval of the department . . .”

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

The Tax Collector made one supplemental budgetary appropriation during the year ended September 30, 2025.

NOTE 2. Budget Over expenditure

The Tax Collector over-expended the Debt Service object level code, however, the budget was not exceeded in total.

COMPLIANCE SECTION

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

To the Honorable Tax Collector
Hamilton County, Florida

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Hamilton County Tax Collector, as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Hamilton County Tax Collector's basic financial statements, and have issued my report thereon dated May 29, 2026.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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



Kenneth M. Daniels
Certified Public Accountant
May 29, 2026

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INDEPENDENT ACCOUNTANT'S REPORT

Honorable Tax Collector
Hamilton County, Florida

I have examined the Hamilton County Tax Collector's compliance with *Florida Statutes* 218.415 during the period October 1, 2024, to September 30, 2025. Management of the Hamilton County Tax Collector is responsible for the Tax Collector's compliance with the specified requirements. My responsibility is to express an opinion on the Hamilton County Tax Collector's compliance with the specified requirements above based on my examination.

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

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

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

In my opinion, the Hamilton County Tax Collector complied in all material respects, with the specified requirements indicated above during the period October 1, 2024, to September 30, 2025.



Kenneth M. Daniels
Certified Public Accountant
May 29, 2026

KENNETH M. DANIELS
CERTIFIED PUBLIC ACCOUNTANT

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MANAGEMENT LETTER

To the Honorable Tax Collector
Hamilton County, Florida

Report on the Financial Statements

I have audited the financial statements of the Hamilton County Tax Collector, as of and for the fiscal year ended September 30, 2025, and have issued my report thereon dated May 29, 2026.

Auditor's Responsibility

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

Other Reporting Requirements

I have issued my Independent Auditor's Report on Internal Control over Financial Reporting and 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 May 29, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings

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

There were no findings and recommendations made in the preceding or current annual financial audit report.

Official Title and Legal Authority

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

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

Financial Management

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

Additional Matters

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

Purpose of this Letter

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



Kenneth M. Daniels
Certified Public Accountant
May 29, 2026

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