

Calhoun County, Florida

FINANCIAL STATEMENTS

September 30, 2019



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**CALHOUN COUNTY, FLORIDA
FINANCIAL STATEMENTS
September 30, 2019**

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Carr, Riggs & Ingram, LLC**

Calhoun County, Florida
Table of Contents
September 30, 2019

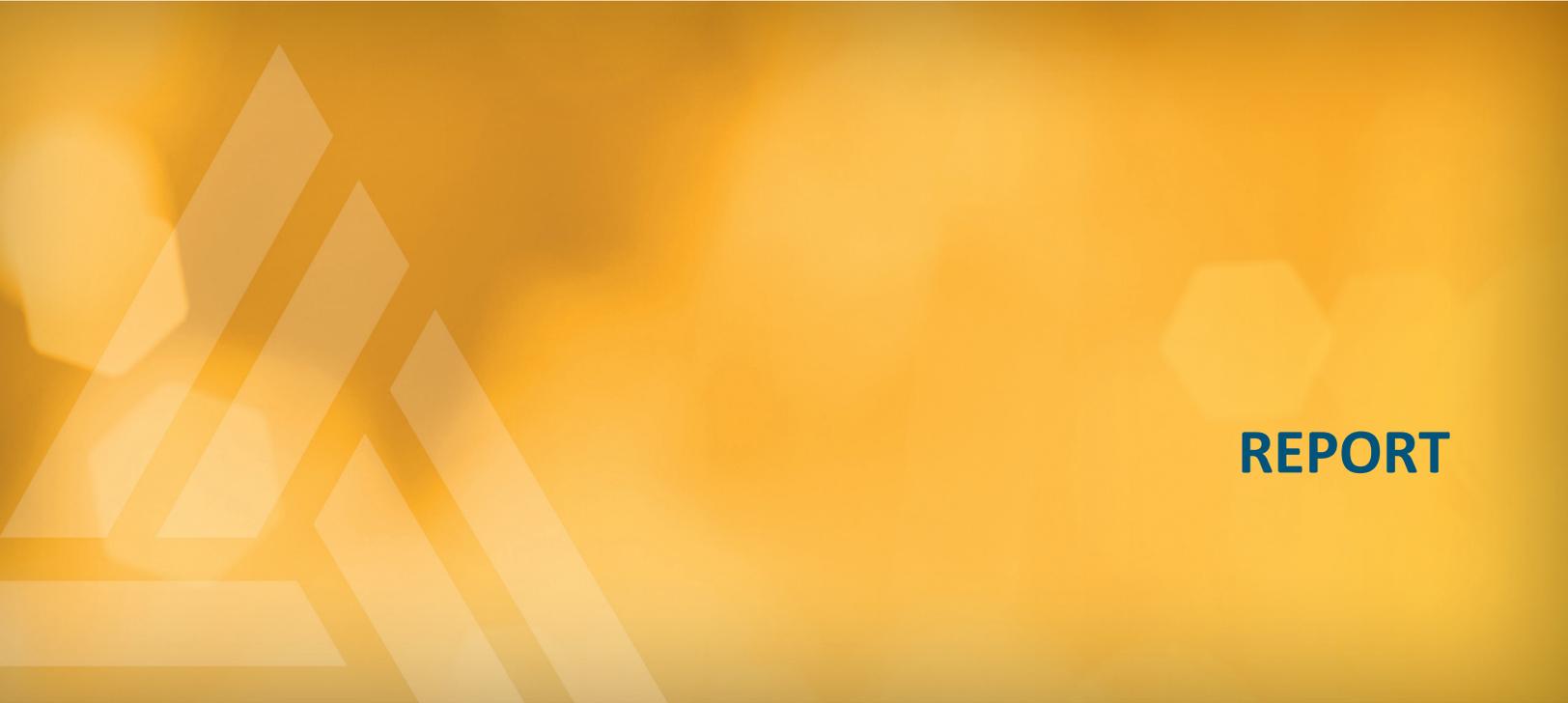
	Page
REPORT	
Independent Auditors’ Report	1
MANAGEMENT’S DISCUSSION AND ANALYSIS	
Management’s Discussion and Analysis	4
BASIC FINANCIAL STATEMENTS	
<i>Government-wide Financial Statements</i>	
Statement of Net Position	5
Statement of Activities	6
<i>Fund Financial Statements</i>	
Balance Sheet – Governmental Funds	7
Reconciliation of the Balance Sheet of Governmental Funds to The Statement of Net Position	8
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	9
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	10
Statement of Revenues, Expenditures, and Changes in Fund Balance – General Fund – Budget to Actual	11
Statement of Revenues, Expenditures, and Changes in Fund Balance – County Transportation Trust Fund I – Budget to Actual	12
Statement of Revenues, Expenditures, and Changes in Fund Balance – County Transportation Trust Fund II – Budget to Actual	13
Statement of Revenues, Expenditures, and Changes in Fund Balance – Affordable Housing (SHIP) – Budget to Actual	14
Statement of Revenues, Expenditures, and Changes in Fund Balance – Industrial Development Authority (IDA) – Budget to Actual	15
Statement of Revenues, Expenditures, and Changes in Fund Balance – Hurricane Michael – Budget to Actual	16
Statement of Fiduciary Net Position – Agency Funds	17
Notes to Financial Statements	18

Calhoun County, Florida
Table of Contents
September 30, 2019

	Page
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Proportional Share of Net Pension Liability Florida Retirement System (Last 7 Fiscal Years)	45
Schedule of Contributions Florida Retirement System (Last 7 Fiscal Years)	46
Schedule of Proportional Share of Net Pension Liability Health Insurance Subsidy (Last 7 Fiscal Years)	47
Schedule of Contributions Health Insurance Subsidy (Last 7 Fiscal Years)	48
Schedule of Changes in the Sponsor’s Total OPEB Liability And Related Ratios	49
SUPPLEMENTARY INFORMATION	
Combining Balance Sheet – Nonmajor Governmental Funds	50
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	53
Combining Statement of Fiduciary Net Position – Agency Funds	56
COMPLIANCE SECTION	
Independent Auditors’ Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government</i> <i>Auditing Standards</i>	58
Independent Auditors’ Report on Compliance for Each Major Federal Program And State Project and on Internal Control Over Compliance Required by Uniform Guidance and Chapter 10.550, Rules of the Auditor General	60
Schedule of Expenditures of Federal Awards and State Financial Assistance Projects	62
Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance	67
Schedule of Findings and Questioned Costs	68
Summary Schedule of Prior Audit Findings	71

Calhoun County, Florida
Table of Contents
September 30, 2019

	Page
COMPLIANCE SECTION (Continued)	
Independent Auditors' Management Letter	73
Independent Accountants' Report on Compliance with Section 218.415, Florida Statutes, <i>Local Government Investment Policies</i>	76
Management's Response	77
Constitutional Officer Financial Statements	
Clerk of the Circuit Court	
Sheriff	
Property Appraiser	
Supervisor of Elections	
Tax Collector	



REPORT



INDEPENDENT AUDITORS' REPORT

To the Honorable Board of County Commissioners
and Constitutional Officers of Calhoun County
Blountstown, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Calhoun County, Florida, as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

to the Honorable Board of County Commissioners
and Constitutional Officers of Calhoun County, Florida
Blountstown, Florida

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Calhoun County, Florida as of September 30, 2019, and the respective changes in financial position thereof and the respective budgetary comparison for the General Fund and the Major Special Revenue Funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4.1 to 4.7 and other required supplementary information as listed in the table of contents be presented to supplement the basic 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 the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Calhoun County, Florida's basic financial statements. The introductory section, combining and individual non-major fund financial statements, are presented for purposes of additional analysis and are not a required part of the basic financial statement. The schedule of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards*, and Chapter 10.550, Rules of the Florida Auditor General, and is not a required part of the basic financial statements.

The combining and individual non-major fund financial statements and the Schedule of Expenditures of Federal Awards and State Financial Assistance Projects are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied to 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 financial statements or to the financial statements themselves, and other additional

to the Honorable Board of County Commissioners
and Constitutional Officers of Calhoun County, Florida
Blountstown, Florida

procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated September 9, 2020, on our consideration of Calhoun County, Florida's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 Calhoun County, Florida's internal control over financial reporting and compliance.

Carly Riggs & Ingram, L.L.C.

Marianna, Florida
September 9, 2020



**MANAGEMENT'S DISCUSSION
AND ANALYSIS**

Calhoun Board of County Commissioners

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Calhoun County, Florida, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended September 30, 2019. We encourage readers to consider the information presented here in conjunction with the County's basic financial statements.

FINANCIAL/COUNTY HIGHLIGHTS

- The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows at September 30, 2019 by \$55,307,755 (net position). Of this amount, \$2,493,068 represents unrestricted net position that may be used to meet the County's ongoing obligations to citizens and creditors.
- Total net position of \$55.31 million is comprised of the following:
 - \$50.38 million of capital assets includes property and equipment, net of accumulated depreciation.
 - \$2.44 million of net position is restricted by constraints imposed from outside the County such as grantors, laws, or regulations.
 - \$2.49 million of unrestricted governmental net position represents the portion available to maintain the County's continuing obligation to citizens and creditors.
- As of September 30, 2019, the County's governmental funds reported combined ending fund balances of \$11,770,125, an increase of \$2,825,602 in comparison with the prior year.
- The County's total governmental net position increased \$824,246 during fiscal year ended September 30, 2019.
- During the current year, the County managed \$4.32 million in federal and state grant funded programs.
- The County expended approximately \$1.68 million of grant funds (federal & state funds) from Florida Department of Transportation (FDOT), the United States Department of Transportation, and U.S. Department of Homeland Security for road and sidewalk projects.
- The County expended approximately \$1.06 million of grant funds (federal & state funds) from the Florida Department of Transportation (FDOT) and the United States Department of Transportation – Federal Aviation Administration (FAA) for taxiway and improvement projects at the County airport.
- The County expended approximately \$1.58 million in additional grants (federal & state funds) to aid the County. Details are available in the Schedule of Expenditures of Federal Award Programs and State Financial Assistance Projects.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements consist of:

1. Government-wide financial statements
2. Fund financial statements
3. Notes to the financial statements

In addition, this report contains supplementary information intended to furnish additional detail to support the basic financial statements.

Government-wide Financial Statements

The *government-wide financial statements*, which consist of the following two statements, are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

- The *statement of net position* presents information on all of the County's assets, liabilities and deferred inflows/outflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.
- The *statement of activities* presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave.)

Both of these government-wide financial statements present the functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the County include general government, public health and safety, physical environment, transportation, economic environment, human services, culture and recreation, and court related.

Fund Financial Statements

A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. Like other state and local governments, Calhoun County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the County's funds may be classified in the broad category of *Governmental Funds* and *Fiduciary (Agency) Funds* as discussed below.

- Governmental Funds - these funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements.

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

- Fiduciary (Agency) Funds – Fiduciary funds are used to report assets held in a trustee or fiduciary capacity for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide statements because the resources of those funds are not available to support the County's own programs.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position

Net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflow of resources exceeded liabilities and deferred inflows of resources by approximately \$55.31 million at the close of the fiscal year ended September 30, 2019.

This was an increase of \$824,246 over prior year net position. In addition, in comparison with FY 2018, capital assets decreased by \$779,939.

	Governmental Activities FY 2019	Governmental Activities FY 2018
Total Assets are comprised of the following elements.		
Current and Other Assets	\$ 13,554,346	10,429,868
Capital Assets, Net	<u>50,375,809</u>	<u>51,155,748</u>
Total Assets	<u>\$ 63,930,155</u>	<u>61,585,616</u>
Deferred Outflows of Resources		
Pensions and other post-employment benefits	<u>3,202,351</u>	<u>3,613,581</u>
Total Deferred Outflows of Resources	<u>3,202,351</u>	<u>3,613,581</u>
Total Liabilities are comprised of the following elements.		
Current and Other Liabilities	1,784,222	1,485,348
Long-term Liabilities	<u>9,163,250</u>	<u>8,196,226</u>
Total Liabilities	<u>\$ 10,947,472</u>	<u>9,681,574</u>
Deferred Inflows of Resources		
Pensions	<u>877,279</u>	<u>1,034,114</u>
Total Deferred Inflows of Resources	<u>877,279</u>	<u>1,034,114</u>
Total Net Position is comprised of the following elements:		
Net Position		
Invested in Capital Assets, Net of Related Debt	50,375,809	51,155,748
Restricted	2,438,878	2,483,579
Unrestricted	<u>2,493,068</u>	<u>844,182</u>
Total Net Position	<u>\$ 55,307,755</u>	<u>54,483,509</u>

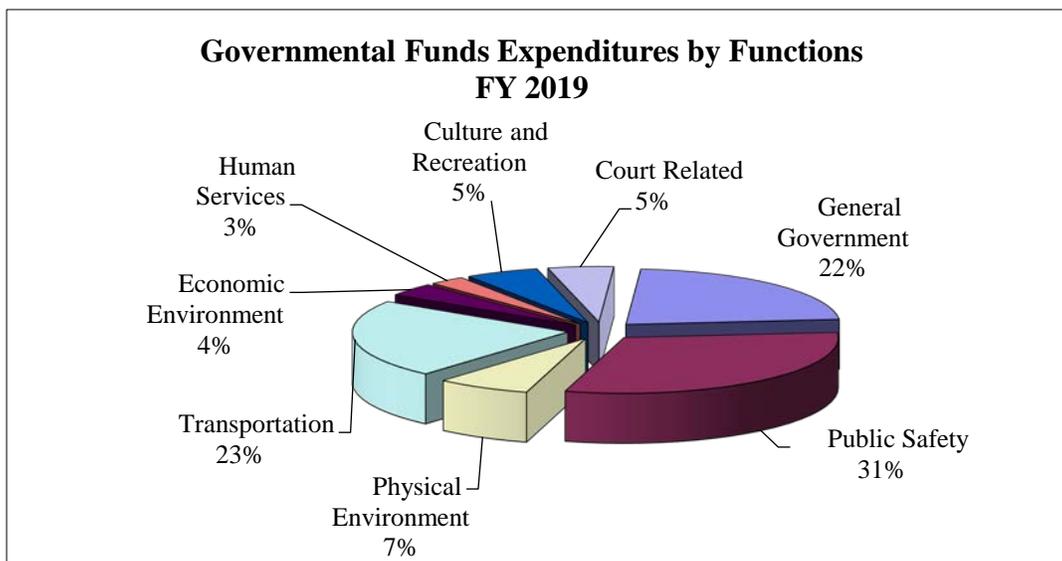
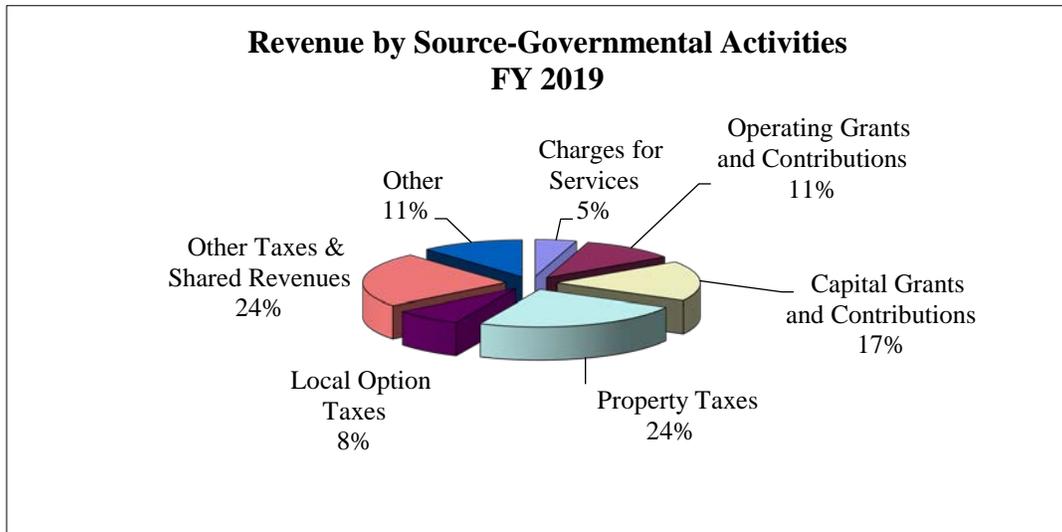
At September 30, 2019 the largest portion of the County's net position reflected investment in capital assets (e.g. land, buildings, infrastructure, equipment, and intangibles). The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

An additional portion of the County's net position represent resources that are subject to restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors.

Statement of Activities

The following schedule summarizes revenues and expenses for the current and prior years:

	Governmental Activities FY 2019	Governmental Activities FY 2018
REVENUES		
Program Revenues		
Charges for Services	\$ 765,820	803,736
Operating Grants and Contributions	1,770,690	2,409,807
Capital Grants and Contributions	2,849,322	4,027,241
 General Revenues:		
Property Taxes	3,923,881	3,907,041
Local Option Taxes	1,255,281	1,083,050
Other Taxes and Shared Revenues	3,918,882	3,766,263
Investment Earnings	177,733	82,919
Gain/loss on disposition of assets	932,406	-
Other	706,909	704,525
Total Revenues	16,300,924	16,784,582
EXPENSES		
Program Activities		
General Government	3,467,297	3,306,311
Public Health and Safety	4,778,876	4,296,966
Physical Environment	1,090,325	1,072,951
Transportation	3,525,257	4,283,543
Economic Environment	582,784	344,199
Human Services	413,875	452,948
Culture and Recreation	855,172	908,529
Court Related	763,092	658,978
Total Expense	15,476,678	15,324,425
 NET INCREASE	 824,246	 1,460,157
 Net Position - Beginning	 54,483,509	 53,023,352
 Net Position - Ending	 \$ 55,307,755	 54,483,509



Governmental activities revenue decreased \$483,658, or 2.9%, from the prior fiscal year.

Governmental Funds

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

As of the end of fiscal year 2019, the County's governmental funds reported combined ending fund balances of \$11,770,125, a \$2,825,602 increase in comparison with the prior year. The unassigned General Fund balance of \$7,742,761 is available for spending at the County's discretion. The Special Revenue Fund balances of \$3,903,753 are for specified purposes.

FINANCIAL ANALYSIS OF INDIVIDUAL FUNDS

This section provides an analysis of the balances and transactions of individual funds. The County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

MAJOR FUNDS

Governmental Funds

The General Fund, County Transportation Trust, County Transportation Trust II, Affordable Housing (SHIP), Industrial Development Authority, and Hurricane Michael are reported as major governmental funds.

- The General Fund is the general operating fund of the County. All general tax revenues and other receipts that are not required either legally or by generally accepted accounting principles to be accounted for in other funds are accounted for in the General Fund.

General operating funds of the Clerk of the Circuit Court, Property Appraiser, Sheriff, Tax Collector, and Supervisor of Elections represent subfunds of the County's General Fund that are held and accounted for individually, but presented with the balance of the Board of County Commissioners' operating funds.

As of September 30, 2019, the County's general fund reported an ending fund balance of \$7,866,372, an increase of \$1,296,789 in comparison with the prior year

- County Transportation Trust accounts for the various gas tax revenues and certain transportation related grants used to finance road and bridge construction and maintenance. The use of these funds is restricted by state statute for such purposes. Fund balance at September 30, 2019 totaled \$1,007,207, a decrease of \$95,881 during the fiscal year.
- County Transportation Trust II accounts for the local option gas tax revenue and specific road paving, resurfacing and improvement projects designated by management. Local option gas taxes are restricted in their use by an ordinance to be used exclusively for transportation expenditures as defined in F.S. 336.025(7). Fund balance at September 30, 2019 totaled \$405,213, an increase of \$82,151 during the fiscal year. Current year grant activity included Department of Transportation federal and state funding of \$1,474,445.
- The Affordable Housing SHIP funds account for grants received from the Florida Housing Coalition for the purpose of meeting the housing needs of the very low, low and moderate-income households. Current year activity in the amount of \$508,165 provided home rehabilitation/repair assistance to eligible applicants as governed by Calhoun County's Local Housing Assistance Plan. Repairs include but are not limited to the correction of code violations, providing safe and sanitary conditions, increase energy efficiency, prevent further deterioration, roof repair, and repair or replacement of septic systems.
- Industrial Development Authority accounts for the grant activity and operations of the Agri-park which includes the County's airport. Facilities include aviation hangars, a commercial building, paved aircraft runway and a water tower.
- Hurricane Michael Fund accounts for revenue from grants and insurance proceeds and related expenditures caused by the destruction of property by Hurricane Michael.

GENERAL FUND BUDGETARY HIGHLIGHTS

The original general fund budget was amended to reflect an increase in revenues, expenditures and other financing uses in the amount of \$807,917. This increase was primarily the result of additional grant proceeds.

General fund revenues for permits, fees and special assessments had a positive variance of \$99,994, this was primarily due to the increase in building permits issued as a result of Hurricane Michael. Grants revenue was \$301,454 less than budgeted due to the timing of Hurricane Michael grant activity.

General government expenditures were less than the final budgeted amount due to the Clerk of the Circuit Court, Tax Collector, Supervisor of Elections, and Property Appraiser having less expenditures than anticipated, as did various Board expenditure line items. Public health and safety expenditures were less than final budgeted amounts due primarily to inmate detention costs being under budget (as this cost varies by inmate population).

CAPITAL ASSETS AND LONG-TERM DEBT

The County's investment in capital assets for its governmental activities as of September 30, 2019 amounted to \$50,375,809 (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment, intangibles, infrastructure (effective 10/1/03) and construction in progress, net of accumulated depreciation. More detailed information about the County's capital assets is presented in the notes to financial statements.

Major additions to capital assets during fiscal year 2019 were as follows:

- Road paving and drainage projects
- Airport – Taxiway Extension
- Building renovations

Governmental Funds Outstanding Debt:

As of September 30, 2019, the County's long-term debt consisted of the following:

Compensated absences	\$ 233,028
Other post-employment benefit obligation	320,447

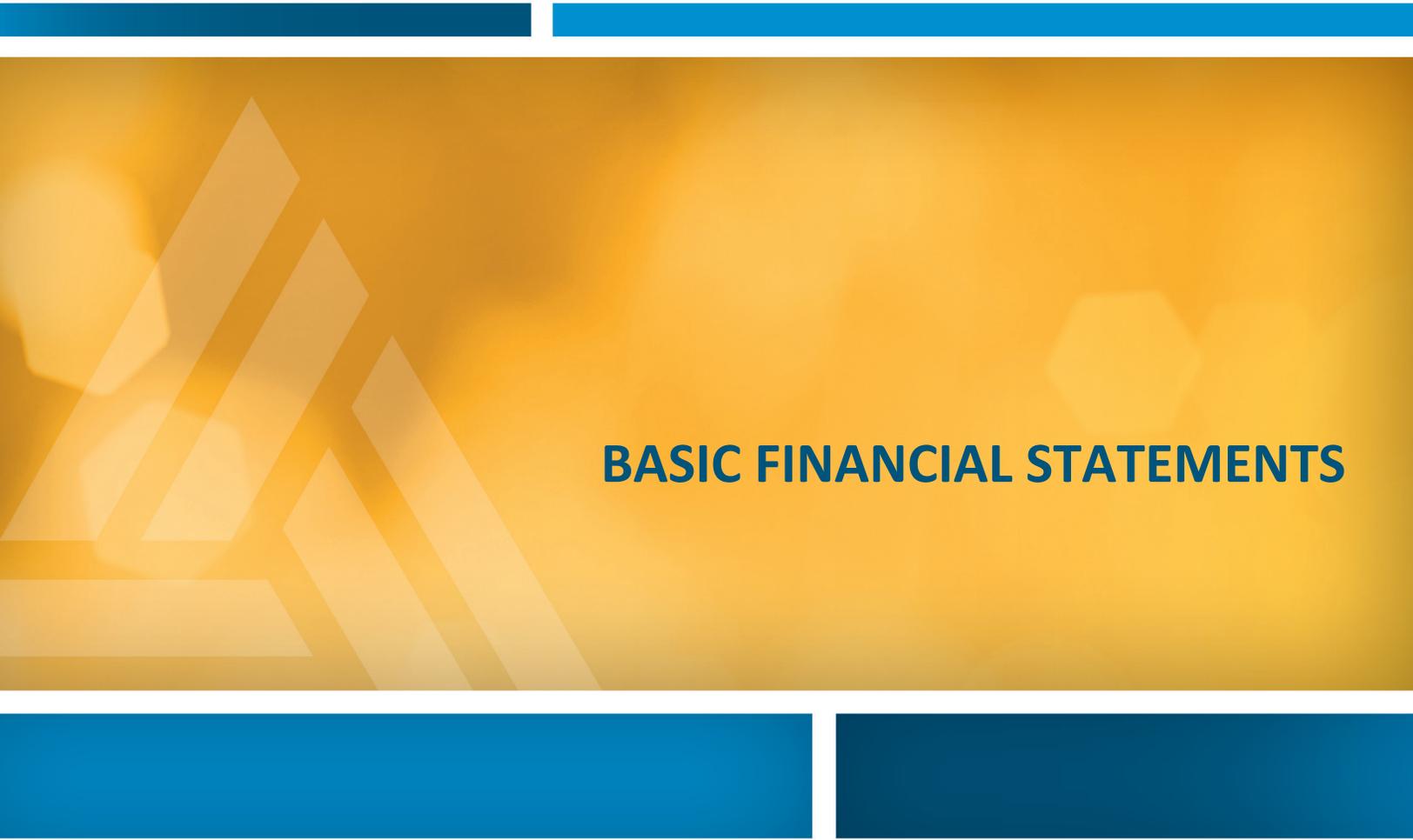
Additional information on the County's long-term debt can be found in the Notes to the Financial Statements in this report.

SIGNIFICANT ECONOMIC FACTORS

- The unemployment rate for the County at fiscal year-end was 3.4%, a minor decrease from the prior year rate of 3.5%.
- The ad valorem tax millage rate was 9.9 mills.

REQUESTS FOR INFORMATION

This report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Carla A. Hand, Clerk of Circuit Court and County Comptroller of Calhoun County, 20859 Central Avenue East, Room 130, Blountstown, Florida 32424. You may also visit our website, www.calhounclerk.com, for further financial information.



BASIC FINANCIAL STATEMENTS

Calhoun County, Florida Statement of Net Position

September 30,

	2019
	Primary Government Governmental Activities
Assets	
Cash and cash equivalents	\$ 11,227,269
Equity in pooled investments	104,125
Accounts receivable	36,687
Inventory	152,478
Due from other funds	57,630
Due from other governmental units	1,912,659
Notes receivable	1,567
Prepaid expenses	61,931
Capital assets	
Land	2,794,219
Buildings and improvements	13,511,752
Machinery and equipment	9,405,469
Infrastructure	58,881,466
Intangible assets	191,569
Construction in progress	1,649,672
Less allowance for depreciation	(36,058,338)
Total assets	63,930,155
Deferred outflows of resources	
Pensions	3,100,324
Other post-employment benefits	102,027
Total deferred outflows of resources	3,202,351
Liabilities	
Accounts payable and accrued expenses	1,069,600
Due to other governmental units	73,169
Unearned revenue	641,453
Long-term liabilities	
Portion due or payable within one year	
Compensated absences	46,606
Portion due or payable after one year	
Compensated absences	186,422
Other post-employment benefit obligation	320,447
Net pension liability	8,609,775
Total liabilities	10,947,472
Deferred inflows of resources	
Pension	877,279
Total deferred inflows of resources	877,279
Net position	
Net investment in capital assets	50,375,809
Restricted for	
General government	123,611
Public safety	446,208
Physical environment	61,817
Transportation	1,509,728
Culture and recreation	231,399
Court related	66,115
Unrestricted	2,493,068
Total net position	\$ 55,307,755

See accompanying notes to financial statements

Calhoun County, Florida
Balance Sheet
Governmental Funds

September 30, 2019

	General Funds	County Transportation Trust I	County Transportation Trust II	Affordable Housing (SHIP)	Industrial Development Authority	Hurricane Michael	Other Governmental Funds	Total Governmental Funds
Assets								
Cash and cash equivalents	\$ 7,216,052	\$ 867,014	\$ 235,288	\$ 489,304	\$ 21,717	\$ 1,518,973	\$ 878,921	\$ 11,227,269
Equity in pooled investments	104,125	-	-	-	-	-	-	104,125
Accounts receivable	25,959	-	-	-	2,772	630	7,584	36,945
Inventory	79,998	37,562	-	-	34,918	-	-	152,478
Due from other funds	100,937	-	-	-	-	-	98,487	199,424
Due from other governmental units	678,917	270,725	471,693	-	228,501	139,043	123,780	1,912,659
Notes receivable	-	-	-	1,567	-	-	-	1,567
Prepaid expenses	43,613	18,318	-	-	-	-	-	61,931
Total assets	\$ 8,249,601	\$ 1,193,619	\$ 706,981	\$ 490,871	\$ 287,908	\$ 1,658,646	\$ 1,108,772	\$ 13,696,398
Liabilities								
Accounts payable and accrued expenses	\$ 318,706	\$ 77,771	\$ 301,768	\$ 20,202	\$ 150,079	\$ 137,689	\$ 63,384	\$ 1,069,599
Due to other funds	55,936	775	-	14,438	34,131	-	36,514	141,794
Due to other governmental units	124	1,700	-	-	-	-	71,603	73,427
Unearned revenue	8,463	106,166	-	456,231	6,390	-	64,203	641,453
Total liabilities	383,229	186,412	301,768	490,871	190,600	137,689	235,704	1,926,273
Fund balances								
Nonspendable	123,611	55,880	-	-	34,918	-	-	214,409
Restricted	-	951,327	405,213	-	62,390	1,520,957	805,563	3,745,450
Committed	-	-	-	-	-	-	67,505	67,505
Unassigned	7,742,761	-	-	-	-	-	-	7,742,761
Total fund balances	7,866,372	1,007,207	405,213	-	97,308	1,520,957	873,068	11,770,125
Total liabilities and fund balances	\$ 8,249,601	\$ 1,193,619	\$ 706,981	\$ 490,871	\$ 287,908	\$ 1,658,646	\$ 1,108,772	\$ 13,696,398

See accompanying notes to financial statements

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

September 30,

2019

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

Total fund balances – governmental funds	\$	11,770,125
Capital assets used in governmental activities are not financial resources, and, therefore, are not reported in the governmental funds.		50,375,809
Long-term liabilities are not due and payable in the current period, and, therefore, are not reported in the governmental funds.		
Total long-term liabilities		(9,163,250)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the governmental funds.		
Deferred outflows of resources - pensions, other post-employment benefits		3,202,350
Deferred inflows of resources - pensions		(877,279)
Net position of governmental activities	\$	55,307,755

See accompanying notes to financial statements

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

For the year ended September 30, 2019

	General Funds	County Transportation Trust I	County Transportation Trust II	Affordable Housing (SHIP)	Industrial Development Authority	Hurricane Michael	Other Governmental Funds	Total Governmental Funds
Revenues								
Taxes	\$ 4,899,388	\$ 25,349	\$ 327,460	\$ -	\$ -	\$ -	\$ -	\$ 5,252,197
Permits, fees and special assessment	130,994	-	-	-	-	-	5,443	136,437
Intergovernmental	3,050,354	954,157	-	-	-	-	171,873	4,176,384
Charges for services	302,184	-	-	-	22,361	-	235,765	560,310
Fines and forfeitures	-	-	-	-	-	-	74,516	74,516
Grants	619,510	246,937	1,474,445	506,608	1,063,439	151,048	427,004	4,488,991
Investment earnings	154,130	6,917	1,213	1,257	118	12,303	1,795	177,733
Contributions and donations	-	-	-	-	-	-	17,189	17,189
Other fees and miscellaneous	157,821	44,605	-	300	84,198	-	58,294	345,218
Total revenues	9,314,381	1,277,965	1,803,118	508,165	1,170,116	163,351	991,879	15,228,975
Expenditures								
Current:								
General government	2,676,914	-	-	-	-	5,394	30,084	2,712,392
Public health and safety	3,587,945	-	-	-	-	157,214	348,981	4,094,140
Physical environment	88,649	-	-	-	-	-	67,882	156,531
Transportation	-	1,005,891	41,169	-	123,674	198,157	-	1,368,891
Economic environment	60,113	-	-	508,165	-	-	-	568,278
Human services	382,386	-	-	-	-	-	-	382,386
Culture and recreation	45,723	-	-	-	-	47,192	619,866	712,781
Court related	159,925	-	-	-	-	-	429,683	589,608
Capital outlay	477,918	383,791	1,679,798	-	1,092,075	141,915	179,045	3,954,542
Total expenditures	7,479,573	1,389,682	1,720,967	508,165	1,215,749	549,872	1,675,541	14,539,549
Excess of revenues over (under) expenditures	1,834,808	(111,717)	82,151	-	(45,633)	(386,521)	(683,662)	689,426
Other financing sources (uses)								
Operating transfers in	-	-	-	-	-	-	567,963	567,963
Operating transfers out	(542,953)	-	-	-	-	-	(25,010)	(567,963)
Transfers from State of Florida	-	-	-	-	-	-	245,783	245,783
Transfers to State of Florida	-	-	-	-	-	-	(37,855)	(37,855)
Insurance proceeds	-	-	-	-	-	1,907,478	-	1,907,478
Net other financing sources (uses)	(542,953)	-	-	-	-	1,907,478	750,881	2,115,406
Net change in fund balances	1,291,855	(111,717)	82,151	-	(45,633)	1,520,957	67,219	2,804,832
Fund balances - beginning	6,569,583	1,103,088	323,062	-	142,941	-	805,849	8,944,523
Inventory adjustment - purchase method	4,934	15,836	-	-	-	-	-	20,770
Fund balances - ending	\$ 7,866,372	\$ 1,007,207	\$ 405,213	\$ -	\$ 97,308	\$ 1,520,957	\$ 873,068	\$ 11,770,125

See accompanying notes to financial statements

Calhoun County, Florida

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

For the year ended September 30,

2019

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

Net change in fund balances - total governmental funds	\$ 2,804,832
Capital outlay, reported as expenditures in governmental funds, are recorded as capital assets and depreciated in the statement of activities	3,954,542
Depreciation expense on governmental capital assets included in the governmental activities in the statement of activities.	(3,716,641)
The net effect of transactions involving capital assets (i.e. sales, transfers, and donations) included in the governmental activities in the statement of activities.	(1,018,020)
Inventory adjustment - purchases method	20,770
Accrued other post-employment benefits do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.	(40,297)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These expenses include:	
Compensated absences	70,230
Pension expenses	(1,251,170)
Change in net position of governmental activities	\$ 824,246

See accompanying notes to financial statements

Calhoun County, Florida
Statement of Revenues, Expenditures, and Changes in Fund Balance
General Fund
Budget to Actual

For the year ended September 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Taxes	\$ 4,909,233	\$ 4,909,233	\$ 4,899,388	\$ (9,845)
Permits, fees and special assessment	31,000	31,000	130,994	99,994
Intergovernmental	2,992,741	3,066,672	3,050,354	(16,318)
Charges for services	239,100	239,850	302,184	62,334
Grants	318,867	920,964	619,510	(301,454)
Investment earnings	45,740	45,740	154,130	108,390
Other fees and miscellaneous	700	131,839	157,821	25,982
Less 5% of estimated revenues	(411,806)	(411,806)	-	411,806
Total revenues	8,125,575	8,933,492	9,314,381	380,889
Expenditures				
Current:				
General government	3,337,943	3,244,475	2,676,914	567,561
Public health and safety	3,565,437	4,082,893	3,587,945	494,948
Physical environment	104,438	104,438	88,649	15,789
Economic environment	53,529	53,529	60,113	(6,584)
Human services	481,136	481,136	382,386	98,750
Culture and recreation	94,988	94,988	45,723	49,265
Court related	231,313	231,313	159,925	71,388
Capital outlay	163,264	554,821	477,918	76,903
Reserve for contingencies	485,834	485,834	-	485,834
Total expenditures	8,517,882	9,333,427	7,479,573	1,853,854
Excess of revenues over (under) expenditures	(392,307)	(399,935)	1,834,808	2,234,743
Other financing sources (uses)				
Operating transfers - net	(526,713)	(520,585)	(542,953)	(22,368)
Net other financing sources (uses)	(526,713)	(520,585)	(542,953)	(22,368)
Net change in fund balance	(919,020)	(920,520)	1,291,855	2,212,375
Fund balances - beginning	6,569,583	6,569,583	6,569,583	-
Inventory adjustment - purchases method	-	-	4,934	4,934
Fund balances - ending	\$ 5,650,563	\$ 5,649,063	\$ 7,866,372	\$ 2,217,309

See accompanying notes to financial statements

Calhoun County, Florida
Statement of Revenues, Expenditures, and Changes in Fund Balance
County Transportation Fund I
Budget to Actual

For the year ended September 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Taxes	\$ 24,187	\$ 24,187	\$ 25,349	\$ 1,162
Intergovernmental	934,171	934,171	954,157	19,986
Grants	499,799	600,364	246,937	(353,427)
Other fees and miscellaneous	-	44,575	44,605	30
Interest earnings	-	-	6,917	6,917
Less 5% of estimated revenues	(47,918)	(47,918)	-	47,918
Total revenues	1,410,239	1,555,379	1,277,965	(277,414)
Expenditures				
Current:				
Transportation	1,223,464	1,324,029	1,005,891	318,138
Capital outlay	562,056	681,631	383,791	297,840
Total expenditures	1,785,520	2,005,660	1,389,682	615,978
Excess of revenues over (under) expenditures	(375,281)	(450,281)	(111,717)	338,564
Net change in fund balance	(375,281)	(450,281)	(111,717)	338,564
Fund balances - beginning	1,103,088	1,103,088	1,103,088	-
Inventory adjustment - purchases method	-	-	15,836	15,836
Fund balances - ending	\$ 727,807	\$ 652,807	\$ 1,007,207	\$ 354,400

See accompanying notes to financial statements

Calhoun County, Florida
Statement of Revenues, Expenditures, and Changes in Fund Balance
County Transportation Fund II
Budget to Actual

For the year ended September 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Taxes	\$ 308,190	\$ 308,190	\$ 327,460	\$ 19,270
Grants	916,534	3,088,947	1,474,445	(1,614,502)
Other fees and miscellaneous	-	-	1,213	1,213
Less 5% of estimated revenues	(15,410)	(15,410)	-	15,410
Total revenues	1,209,314	3,381,727	1,803,118	(1,578,609)
Expenditures				
Current:				
Transportation	619,924	776,422	41,169	735,253
Capital outlay	733,390	2,749,305	1,679,798	1,069,507
Total expenditures	1,353,314	3,525,727	1,720,967	1,804,760
Excess of revenues over (under) expenditures	(144,000)	(144,000)	82,151	226,151
Net change in fund balance	(144,000)	(144,000)	82,151	226,151
Fund balances - beginning	323,062	323,062	323,062	-
Fund balances - ending	\$ 179,062	\$ 179,062	\$ 405,213	\$ 226,151

See accompanying notes to financial statements

Calhoun County, Florida
Statement of Revenues, Expenditures, and Changes in Fund Balance
Affordable Housing (SHIP)
Budget to Actual

For the year ended September 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Grants	\$ 592,051	\$ 1,017,176	\$ 506,608	\$ (510,568)
Investment earnings	-	-	1,257	1,257
Miscellaneous	-	-	300	300
Total revenues	592,051	1,017,176	508,165	(509,011)
Expenditures				
Current:				
Economic environment	592,051	1,017,176	508,165	509,011
Total expenditures	592,051	1,017,176	508,165	509,011
Excess of revenues over (under) expenditures	-	-	-	-
Net change in fund balance	-	-	-	-
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ -	\$ -	\$ -

See accompanying notes to financial statements

Calhoun County, Florida
Statement of Revenues, Expenditures, and Changes in Fund Balance
Industrial Development Authority
Budget to Actual

For the year ended September 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Charges for services	\$ 165,000	\$ 165,000	\$ 22,361	\$ (142,639)
Investment earnings	-	-	118	118
Grants	850,000	2,022,314	1,063,439	(958,875)
Other fees and miscellaneous	135,000	135,000	84,198	(50,802)
Less 5% of estimated revenues	(15,000)	(15,000)	-	15,000
Total revenues	1,135,000	2,307,314	1,170,116	(1,137,198)
Expenditures				
Current:				
Transportation	284,625	434,625	123,674	310,951
Capital outlay	870,375	1,892,689	1,092,075	800,614
Total expenditures	1,155,000	2,327,314	1,215,749	1,111,565
Excess of revenues over (under) expenditures	(20,000)	(20,000)	(45,633)	(25,633)
Net change in fund balance	(20,000)	(20,000)	(45,633)	(25,633)
Fund balances - beginning	142,941	142,941	142,941	-
Fund balances - ending	\$ 122,941	\$ 122,941	\$ 97,308	\$ (25,633)

See accompanying notes to financial statements

Calhoun County, Florida
Statement of Revenues, Expenditures, and Changes in Fund Balance
Hurricane Michael
Budget to Actual

For the year ended September 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Investment earnings	\$ -	\$ 12,303	\$ 12,303	\$ -
Grants	-	537,118	151,048	(386,070)
Total revenues	-	549,421	163,351	(386,070)
Expenditures				
Current:				
General government	-	1,849,052	5,394	1,843,658
Public health and safety	-	949,691	157,214	792,477
Transportation	-	2,008,605	198,157	1,810,448
Culture and recreation	-	307,202	47,192	260,010
Capital outlay	-	2,427,871	141,915	2,285,956
Total expenditures	-	7,542,421	549,872	6,992,549
Excess of revenues over (under) expenditures	-	(6,993,000)	(386,521)	6,606,479
Other financing sources (uses)				
Insurance proceeds	-	6,993,000	1,907,478	(5,085,522)
Total other financing sources (uses)	-	6,993,000	1,907,478	(5,085,522)
Net change in fund balance	-	-	1,520,957	1,520,957
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ -	\$ 1,520,957	\$ 1,520,957

See accompanying notes to financial statements

Calhoun County, Florida
Statement of Fiduciary Net Position
Agency Funds

September 30, 2019

	Agency Funds
Assets	
Cash and cash equivalents	\$ 524,060
Due from other funds	190
Due from individuals	3,586
Total assets	\$ 527,836
Liabilities	
Due to other funds	\$ 24,374
Due to Board of County Commissioners	33,446
Due to other governmental units	282,757
Due to individuals	187,259
Total liabilities	\$ 527,836

See accompanying notes to financial statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The accounting and reporting framework and the more significant accounting principles and practices are discussed in subsequent sections of this Note. The remainder of the notes is organized to provide explanations, including required disclosures, of the County's financial activities for the fiscal year ended September 30, 2019.

Reporting Entity

Calhoun County, Florida (the "County") located in Northwest Florida, is a political subdivision of the State of Florida and provides services to approximately 14,000 residents in many areas including general government, public safety, physical environment, transportation, economic environment, human services, and culture and recreation. It was created by an act of the Florida Legislative Council on January 26, 1838. It is governed by a five-member elected Board of County Commissioners (the "Board"), which derives its authority by Florida Statutes and regulations. In addition to the members of the Board, there are five elected constitutional officers: Clerk of the Circuit Court, Sheriff, Tax Collector, Property Appraiser and Supervisor of Elections.

The elected offices of the Clerk of the Circuit Court, Sheriff, Tax Collector, Property Appraiser, and Supervisor of Elections are operated as separate County agencies in accordance with applicable provisions of Florida Statutes. These constitutional officers operate on a budget system whereby County-appropriated funds are received from the Board with unexpended funds returned to the Board except for excess federal financial participation payments and support incentive payments from the State Title IV-D agency and other Board approved special projects. The Clerk of the Circuit Court also operates as a fee officer by retaining various fees collected by this office and receives appropriated funds from the State of Florida to fund court-related activities. Separate accounting records and budgets are maintained by each individual office.

As outlined in Governmental Accounting Standards Board (GASB) Statement No. 14, *The Reporting Entity*, the financial reporting entity consists of the primary government, and its component units, for which the primary government is considered to be financially accountable. Also included are other entities whose exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Each potential component unit is individually evaluated using specific criteria outlined in GASB Statement No. 14 to determine whether the entity is: a) part of the primary government; b) a component unit which should be included in the reporting entity (blended or discretely presented); or c) an organization which should be excluded from the reporting entity entirely. The principal criteria for classifying a potential component unit include the legal separateness of the organization, the financial accountability of the primary government for the potential component unit resulting from either the primary government's ability to impose its will on the potential component unit, or the potential component unit's fiscal dependency on the primary government.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The dependent special district, Industrial Development Authority, is considered a component unit, and is blended in the financial statements of the County as part of the special revenue funds. There were no other entities for which there were positive responses to specific criteria used for establishing oversight responsibility that were excluded from the County's financial statements.

Government-wide and Fund Financial Statements

The basic financial statements consist of the government-wide financial statements and fund financial statements. The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for Calhoun County, Florida, as a whole excluding fiduciary activities. For the most part, the effect of inter-fund activity has been removed from these statements. Individual funds are not displayed but the statement distinguishes governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues are classified into three categories: charges for services, operating grants and contributions, and capital grants and contributions. Charges for services refer to direct recovery from customers for services rendered. Grants and contributions refer to revenues restricted for specific programs whose use may be restricted further to operational or capital items. The general revenues section displays revenue collected that helps support all functions of government and contributes to the change in the net position for the fiscal year.

The fund financial statements follow and report additional and detailed information about operations for major funds individually and nonmajor funds in the aggregate for governmental funds. Reconciliation is provided that converts the results of governmental fund accounting to the government-wide presentations.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period, considered to be sixty days. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Major revenue sources susceptible to accrual include: sales and use taxes, various motor fuel taxes, property taxes, intergovernmental revenues, and investment income. In general, other revenues are recognized when cash is received.

The fiduciary fund statements are prepared using the economic resources measurement focus and the accrual basis of accounting.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as needed.

When expenditures are incurred for which committed, assigned or unassigned amounts could be used, it is the County's policy to use them in that order.

The County reports six major governmental funds:

General Fund - The general fund is the County's primary operating fund. It accounts for all resources traditionally associated with governments except those required to be accounted for in another fund.

County Transportation Trust I - This special revenue fund accounts for motor fuel taxes and various grants earmarked for County road construction and maintenance.

County Transportation Trust II – This special revenue fund accounts for the County's local option gas tax revenue and grants for various road paving, resurfacing and improvement projects.

Affordable Housing (SHIP) – This fund accounts for the grants received from the Florida Housing Finance Corporation for low income housing improvements.

Industrial Development Authority (IDA) – This special revenue fund accounts for all operations at the industrial park including revenues for fuel sales and hangar rent.

Hurricane Michael – This special revenue fund accounts for the related revenue and expenses caused by the destruction of property by Hurricane Michael.

The County reports one type of fiduciary fund, agency funds which are used to account for the collection and disbursement of monies by the County on behalf of other governments and individuals.

Budgets and Budgetary Accounting

General governmental revenue and expenditures accounted for in budgetary funds are controlled by a budgetary accounting system in accordance with various legal requirements which govern the County's operations. Budgets are monitored at varying levels of classification detail; however, expenditures cannot legally exceed total appropriations at the individual fund level. All budget changes that affect the total of a fund's budget must be approved by the Board.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgets and Budgetary Accounting (Continued)

The budgetary information presented for the general fund and any major special revenue funds is prepared on the modified accrual basis. Encumbrances are not recorded. Unexpended items at year-end must be reappropriated in the subsequent year.

Cash and Cash Equivalents

Cash and Cash Equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the government.

Equity in Pooled Investments

Equity in pooled investments includes amounts placed with the State Board of Administration for participation in the Local Government Surplus Funds Trust Fund investment pools created by Sections 218.405 and 218.417, Florida Statutes.

Investments

Investments consist of those deposits made locally in commercial banks with a maturity date greater than three months of the date acquired by the government.

The County follows GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, in reporting on investments owned. Generally, this statement requires various investments be reported at fair value, including debt securities and open-ended mutual funds.

Receivables

Receivables are shown at their net realizable value. The County estimates there are no material uncollectible accounts. Therefore, the County is of the opinion an allowance for doubtful accounts is not necessary.

Due from (to) Other Funds

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds."

Inventories

Inventory is valued at lower of cost or net realizable value. The County accounts for inventory in governmental funds using the purchases method.

Prepaid Expenses

Payments made to vendor for services that will benefit periods beyond September 30, 2019, are recorded as prepaid items using the consumption method by recording an asset for the prepaid amount and reflecting the expenditures/expense in the year in which services are consumed. At the fund reporting level, an equal amount of fund balance is reported as nonspendable, showing this amount is not in a spendable form.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets

Capital assets, which include property, plant, equipment, intangible and infrastructure (e.g., roads, right of ways, stormwater system, sidewalks, and similar items) assets, are reported in the governmental column in the government-wide financial statements. Property and equipment with initial, individual costs that exceed \$1,000 and an estimated useful life in excess of one year are recorded as capital assets. Buildings, roads, bridges, and sidewalks are capitalized when their initial costs exceed \$25,000 and possess estimated useful lives of more than one year. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed.

Donated capital assets are recorded at estimated acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are expensed as incurred.

In accordance with the provisions of GASB Statement No. 34, the County has elected not to retroactively report major infrastructure constructed prior to October 1, 2003.

Buildings, infrastructure, and machinery and equipment are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	50
Machinery and equipment	3-15
Infrastructure	15-25

Major outlays for capital assets and improvements are capitalized as projects are constructed. For assets constructed with governmental fund resources, interest during construction is not capitalized.

Unearned Revenues

Unearned revenues reported in the government-wide financial statements represent grant receipts that have not been earned. The unearned revenues will be recognized as revenue in the fiscal year they are earned in accordance with the accrual basis of accounting. Unearned revenues reported in governmental fund financial statements represent unearned revenues or revenues which are measurable but not available, and in accordance with the modified accrual basis of accounting.

Compensated Absences

The County maintains a policy that permits employees to accumulate earned but unused vacation and sick benefits that will be paid to employees upon separation from County service. These benefits, plus their related tax and retirement costs are classified as compensated absences. Employees may be paid for unused vacation hours accrued up to a maximum amount. Payment of unused sick leave, upon termination, is also provided for up to varying amounts.

Both the current and long-term portion of compensated absences are accrued and reported in the government-wide financial statements. No expenditure is reported in the government fund level statements for these amounts until payment is due. Compensated absences liability is based on current rates of pay. This is accounted for pursuant to GASB Statement No. 16, *Accounting for Compensated Absences*.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Fund Balances

The County follows GASB Statement No. 54, *Fund Balance Reporting and Governmental Type Definitions* which clarifies governmental fund balance classifications and fund-type definitions. Fund balances are classified either as non-spendable or spendable. See Note 13.

Net Position

For the year ended September 30, 2019, the County reports net position as restricted, unrestricted or net investment in capital assets. Restricted net positions have externally imposed constraints placed on the use of resources by creditors, grantors, contributors, laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Unrestricted net positions are comprised of all other balances, including committed, assigned and unassigned. Net investment in capital assets net positions includes capital assets less accumulated depreciation and outstanding balances of bonds, mortgages, notes or other borrowings attributable to the acquisition, construction or improvement of those assets.

Long-term Debt

In the government-wide financial statements, outstanding debt is reported as liabilities. The governmental fund financial statements recognize the proceeds of debt as other financial sources of the current period. Issuance costs are reported as expenditures.

Management Estimates and Assumptions

The preparation of financial statements in conformity with GAAP requires management to make use of estimates that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amount of revenues and expenditures during the reporting period. Actual results could differ from estimates.

Encumbrances

Encumbrances represent commitments in the form of purchase orders which are chargeable to an appropriation and for which a part of the appropriation is reserved. Encumbrances do not represent expenditures or liabilities. The County does not record encumbrances outstanding at year end.

Impact of Recently Issued Accounting Pronouncements

New Accounting Standards Adopted

In fiscal year 2019, the County adopted three new statements of financial accounting standards issued by the GASB:

- GASB Statement No. 83, *Certain Asset Retirement Obligations* (GASB 83)
- GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements* (GASB 88)
- GASB Statement No. 95, *Postponement of the Effective Date of Certain Authoritative Guidance* (GASB 95)

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impact of Recently Issued Accounting Pronouncements (Continued)

GASB 83 establishes standards of accounting and financial reporting requirements for legally enforceable liabilities associated with the retirement of certain tangible capital assets. State and local governments that have legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the regulation of the statement. The requirements of GASB 83 are effective for reporting periods beginning after June 15, 2019. Management elected to early implement GASB 83. GASB 83 had no impact on the County's financial statements.

GASB 88 defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. GASB 88 requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant subjective acceleration clauses. GASB 88 also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. The requirements of GASB 88 are effective for reporting periods beginning after June 15, 2019. Management elected to early implement GASB 88. GASB 88 had no impact on the County's financial statements.

GASB 95 extends the effective date of certain accounting and financial reporting provisions in Statements and Implementation Guides that were first effective for reporting periods beginning after June 15, 2018. The requirements of this Statement apply to the financial statements of all state and local governments. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. The requirements of the Statement are effective immediately.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impact of Recently Issued Accounting Pronouncements (Continued)

Recently Issued But Not Yet Effective

GASB has issued the following pronouncements that may affect future financial position, results of operations, cash flows, or financial presentation of the County upon implementation. Management has not yet evaluated the effect of implementation of these standards.

GASB Statement No.	GASB Accounting Standard	Effective Fiscal Year
84	<i>Fiduciary Activities</i>	2020
87	<i>Leases</i>	2021
89	<i>Accounting for Interest Cost Incurred before the End of a Construction Period</i>	2021
90	<i>Majority Equity Interest an amendment of GASB Statements No. 14 and No. 61</i>	2020
91	<i>Conduit Debt Obligations</i>	2022
92	<i>Omnibus 2020</i>	2021
93	<i>Replacement of Interbank Offered Rates</i>	2023
94	<i>Public-Private and Public-Public Partnerships and Availability Payment Requirements</i>	2023
96	<i>Subscription-based Information Technology Arrangements</i>	2023
97	<i>Certain Component Unit Criteria and Accounting And Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans</i>	2022

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, September 9, 2020 and determined there were no events that occurred that required disclosure.

Note 2: PROPERTY TAXES

Under Florida law, the assessment of all properties and the collection of all county, municipal and school board property taxes are consolidated in the offices of the Property Appraiser and Tax Collector. The laws of the state regulating tax assessment are also designed to assure a consistent property valuation method statewide. Florida Statutes permit counties to levy property taxes at a rate of up to 10 mills for general operations. The 2019 millage rate assessed by the County was 9.9 mills.

Note 2: PROPERTY TAXES (Continued)

The tax levy of the County is established by the Board prior to October 1, of each year and the Property Appraiser incorporates the County millage into the total tax levy, which includes the various municipalities, the county school board, and other taxing authorities. All property is assessed according to its fair market value January 1, of each year. Each assessment roll is submitted to the Executive Director of the Florida Department of Revenue for review to determine if the rolls meet all of the appropriate requirements of Florida Statutes. All taxes become payable on November 1, of each year, or as soon thereafter as the assessment roll is certified and delivered to the Tax Collector. All unpaid taxes become delinquent on April 1 following the year in which they are assessed. Discounts are allowed for early payment at the rate of 4% in the month of November, 3% in the month of December, 2% in the month of January and 1% in the month of February.

Taxes paid in March are without discount.

On or prior to June 1, following the tax year, tax certificates are sold for all delinquent taxes on real property. After sale, tax certificates bear interest of 18% per year or at any lower rate bid by the buyer. Application for a tax deed on any unredeemed tax certificates may be made by the certificate holder after a period of two years. Unsold tax certificates are held by the County.

Note 3: DUE FROM OTHER GOVERNMENTS

Due from other governments consists of funds earned as of September 30, 2019, but not yet received by the County. The majority of these amounts were received in October and November 2019.

Note 4: DEPOSITS AND INVESTMENTS

At year end, the carrying amount of the County's deposits was \$11,751,329 and the bank balance was \$13,319,203. The bank balance was covered by federal depository insurance and, for the amount in excess of such federal depository insurance, by the State of Florida's Public Deposit Act. Provisions of the Act require that public deposits may only be made at qualified public depositories. The Act requires each qualified public depository to deposit with the State Treasurer eligible collateral equal to or in excess of the required collateral as determined by the provisions of the Act. In the event of a failure by a qualified public depository, losses in excess of federal depository insurance and proceeds from the sale of securities pledged by the defaulting depository are assessed against the other qualified public depositories of the same type as the depository in default. When other qualified public depositories are assessed additional amounts, they are assessed on a pro-rata basis.

Note 4: DEPOSITS AND INVESTMENTS (Continued)

Florida Statutes authorize the County to invest in certificates of deposit, repurchase agreements and the State Treasurer's Investment Pool. In addition, the statutes allow the County to invest in bonds, notes or other obligations of the United States Government, certain bonds of any state or local government unit, and bonds issued by certain government agencies.

The County invested funds in the Florida State Board of Administration Local Governments Surplus Funds Investment Pool (PRIME Fund). At September 30, 2019, the market value and the carrying value of these funds was \$104,125. The funds are carried as equity in pooled investments on the balance sheet at September 30, 2019.

The PRIME Fund is administered by the Florida State Board of Administration (SBA), which provides regulatory oversight. The powers and duties of the SBA are defined in Florida Statute 218.409. In addition, Chapter 19-7 of the Florida Administrative Code identifies the rules and regulations governing the administration of the State Pool. These rules provide guidance and establish the general operating procedures for the administration of the pool. The SBA provides regulatory oversight for the PRIME Fund. As a pool participant, the County owns a share of the respective pool, not the underlying securities.

The PRIME Fund is an external investment pool that has adopted operating procedures consistent with the requirements of GASB Statement No. 79 to measure its investments at amortized cost. Therefore, the County's investment in the PRIME Fund is at amortized cost. Additional information and investment policies regarding the PRIME Fund may be obtained from the State Board of Administration at www.sbafla.com/prime. There are no restrictions or limitations on withdrawals; however, the PRIME Fund may on the occurrence of an event that has material impact on liquidity or operations, impose restrictions on withdrawals for up to 48 hours.

CREDIT RISK

As of September 30, 2019, the County's investment in the PRIME Fund is rated by Standard and Poors and the current rating is AAAM.

INTEREST RATE RISK

The weighted average days to maturity (WAM) of the PRIME Fund at September 30, 2019, is 37 days. Next interest rate reset for floating rate securities are used in the calculation of the WAM. The weighted average life (WAL) of the PRIME Fund at September 30, 2019, is 85 days.

CUSTODIAL CREDIT RISK

At September 30, 2019, the County did not hold any deposits or investments that were considered to have a custodial credit risk.

CONCENTRATION OF CREDIT RISK

At September 30, 2019, the County did not hold any investments that were considered to have a concentration of credit risk.

Calhoun County, Florida
Notes to Financial Statements

Note 4: DEPOSITS AND INVESTMENTS (Continued)

Fair Value Measurement and Application

Governmental entities are required to record investments at fair value unless an exception applies and disclose the fair value measurement and hierarchy. Paragraph 69 of GASB 72 lists several investments that should be measured as described in GASB Statement 31 which includes investments in nonparticipating interest-earning investment contracts (certificates of deposit) and money market investments that have a maturity at the time of purchase of one year or less.

All County depositories are banks or savings institutions designated by the State Treasurer as qualified public depositories. Chapter 280, Florida Statutes "Florida Security for Public Deposits Act" provides procedures for public depositories to ensure monies in banks and savings institutions are collateralized with the Treasurer as an agent for the public entities. All County cash consists of checking accounts in local banks.

Note 5: INTERFUND BALANCES

Interfund balances at September 30, 2019, consisted of the following:

Receivable Fund	Payable Fund	
General fund	Affordable Housing (SHIP)	\$ 14,438
	IDA	34,131
	Health Grant	2,083
	Community development block grant	45
	Sheriff special revenue funds	2,921
	Modernization trust fund	12,258
	Agency	36,452
Agency Fund	General fund	190
Sheriff 911 Wireless	Sheriff 911 Operating	19,365
Sheriff Special Revenue Funds	General fund	56,073
Clerk Article V	Agency Fund	18,831
Sheriff Special Revenue Funds	Agency Fund	1,263
Sheriff Special Revenue Funds	Nonmajor Governmental Funds	100
Modernization Trust Fund	Agency Fund	1,274
Total		\$ 199,424

The general fund has amounts due to and from constitutional officers, which represent the return of excess monies due at the end of the fiscal year, from either budget officers or fee officers. All remaining balances resulted from the time lag between the dates that (a) interfund goods and services are provided or reimbursable expenditures occur, (b) transactions are recorded in the accounting system, and (c) payments between funds are made.

Calhoun County, Florida
Notes to Financial Statements

Note 5: INTERFUND BALANCES (Continued)

Interfund transfers for the year ended September 30, 2019, consisted of the following:

	TRANSFERS IN	TRANSFERS OUT
General fund	\$ -	\$ 542,953
Special revenue funds:		
Waste Management Grant	-	25,010
Library	389,571	-
Sheriff's special revenue funds	178,392	-
Total	\$ 567,963	\$ 567,963

Transfers from unrestricted general fund revenues finance library and public safety activities that are accounted for in other funds.

Note 6: CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2019, was as follows:

	BEGINNING BALANCE	INCREASES	DECREASES	ENDING BALANCE
Governmental activities:				
Capital assets, not being depreciated:				
Land and improvements	\$ 2,773,844	\$ 20,375	\$ -	\$ 2,794,219
Historical buildings	660,423	-	-	660,423
Construction in progress	3,776,669	3,756,728	5,883,725	1,649,672
Total capital assets, not being depreciated	7,210,936	3,777,103	5,883,725	5,104,314
Capital assets, being depreciated:				
Buildings and improvements	13,332,404	1,834,577	2,315,652	12,851,329
Machinery and equipment	7,726,839	557,269	580,179	7,703,929
Machinery and equipment - Sheriff	1,836,732	359,762	494,954	1,701,540
Intangibles	171,569	20,000	-	191,569
Infrastructure	54,873,108	4,008,358	-	58,881,466
Total capital assets, being depreciated	77,940,652	6,779,966	3,390,785	81,329,833
Less: Total accumulated depreciation	33,995,840	3,716,641	1,654,143	36,058,338
Total capital assets, being depreciated, net	43,944,812	3,063,325	1,736,642	45,271,495
Governmental activities capital assets, net	\$ 51,155,748	\$ 6,840,428	\$ 7,620,367	\$ 50,375,809

Calhoun County, Florida
Notes to Financial Statements

Note 6: CAPITAL ASSETS (Continued)

Depreciation expense was charged to governmental activities functions/programs of the primary government as follows:

Governmental activities	
General government	\$ 213,514
Public safety	281,176
Physical environment	912,136
Transportation	2,143,159
Human services	31,489
Culture and recreation	123,071
Court related	12,096
<hr/>	
Total depreciation expense-governmental activities	\$ 3,716,641

Note 7: LONG-TERM LIABILITIES

Long-term debt activity for the year ended September 30, 2019, was as follows:

	BEGINNING			ENDING		DUE
	BALANCE	ADDITIONS	REDUCTIONS	BALANCE	WITHIN	ONE YEAR
Governmental activities:						
Other post-employment benefits	\$ 178,123	\$ 150,823	\$ 8,499	\$ 320,447	\$	-
Compensated absences	303,258	358,875	429,105	233,028		46,606
<hr/>						
Total	\$ 481,381	\$ 509,698	\$ 437,604	\$ 553,475	\$	46,606

Note 8: STATE RETIREMENT PROGRAM AND NET PENSION LIABILITY

Defined Benefit Plans

The County participates in two defined benefit pension plans that are administered by the State of Florida, Department of Management Services, Division of Retirement. The plans provide retirement, disability or death benefits to retirees or their designated beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The State of Florida issues a publicly available financial report that includes financial statements and required supplementary information for the plans. That report is available from the Florida Department of Management Services' website (www.dms.myflorida.com).

Note 8: STATE RETIREMENT PROGRAM AND NET PENSION LIABILITY (Continued)

Defined Benefit Plans (Continued)

The Florida Retirement System (FRS) Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan with a Deferred Retirement Option Program (DROP) available for eligible employees. The FRS was established and is administered in accordance with Chapter 121, Florida Statutes. Retirees receive a lifetime pension benefit with joint and survivor payment options. FRS membership is compulsory for employees filling regularly established positions in a state agency, county agency, state university, state college, or district school board, unless restricted from FRS membership under Sections 121.053 or 121.122, Florida Statutes, or allowed to participate in a defined contribution plan in lieu of FRS membership. Participation by cities, municipalities, special districts, charter schools and metropolitan planning organizations is optional.

The Retiree Health Insurance Subsidy (HIS) Program is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with Section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. To be eligible to receive a HIS benefit, a retiree under a state administered retirement system must provide proof of eligible health insurance coverage, which can include Medicare.

Benefits Provided

Benefits under the FRS Pension 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 five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight 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 plan and/or class to which the member belonged when the service credit was earned.

Eligible retirees and beneficiaries receive a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month, pursuant to Section 112.363, Florida Statutes.

Calhoun County, Florida
Notes to Financial Statements

Note 8: STATE RETIREMENT PROGRAM AND NET PENSION LIABILITY (Continued)

Contributions

The contribution requirements of plan members and the employer are established and may be amended by the Florida Legislature. Employees are required to contribute 3.00% of their salary to the FRS. The employer's contribution rates as of September 30, 2019, were as follows:

Class or Plan	FRS	HIS
Florida Retirement System:		
Regular	6.81%	1.66%
County Elected Officers	47.16%	1.66%
Senior Management Service Class	23.75%	1.66%
Special Risk	23.82%	1.66%
DROP	12.94%	1.66%

The employer's contributions for the year ended September 30, 2019, were \$651,562 to the FRS and \$70,484 to the HIS.

Pension Liabilities and Pension Expense

In its financial statements for the year ended September 30, 2019, the County reported a liability for its proportionate share of the net pension liabilities of the FRS Pension Plan and its proportionate share of the net pension liability of the HIS Program. The net pension liabilities were measured as of June 30, 2019. The County's proportions of the net pension liabilities were based on the County's share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

	FRS	HIS
Net Pension Liability at June 30, 2019	\$ 7,188,291	\$ 1,421,484
Proportion at:		
Current measurement date	0.0002087	0.0001270
Prior measurement date	0.0002130	0.0001240
Pension expense (benefit)	\$ 1,875,860	\$ 97,526

Calhoun County, Florida
Notes to Financial Statements

Note 8: STATE RETIREMENT PROGRAM AND NET PENSION LIABILITY (Continued)

Deferred Outflows/Inflows of Resources Related to Pensions

At September 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	FRS		HIS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 426,358	\$ (4,461)	\$ 17,266	\$ (1,741)
Changes of assumptions	1,846,262	-	164,594	(116,181)
Net difference between projected and actual earnings on pension plan investments	-	(397,694)	917	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	399,797	(282,141)	69,423	(75,061)
County contributions subsequent to the measurement date	159,481	-	16,226	-
Total	\$ 2,831,898	\$ (684,296)	\$ 268,426	\$ (192,983)

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year end will be recognized as a reduction of the net pension liability in the reporting period ended September 30, 2020. Other pension-related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

<i>Fiscal Years Ending June 30,</i>	FRS	HIS
2020	\$ 746,433	\$ 16,391
2021	235,048	19,024
2022	501,648	13,062
2023	383,512	(10,329)
2024	88,924	5,076
Thereafter	32,556	15,993
Total	\$ 1,988,121	\$ 59,217

Calhoun County, Florida
Notes to Financial Statements

Note 8: STATE RETIREMENT PROGRAM AND NET PENSION LIABILITY (Continued)

Actuarial Assumptions

The total pension liability for each of the defined benefit plans, measured as of June 30, 2019, was determined by an actuarial valuation dated July 1, 2019, using the individual entry age normal actuarial cost method and the following significant actuarial assumptions:

	FRS	HIS
Inflation	2.60%	2.60%
Salary increases	3.25%	3.25%
Investment rate of return	6.90%	N/A
Discount rate	6.90%	3.50%

Mortality assumptions for both plans were based on the Generational RP-2000 with Projection Scale BB.

For both plans, the actuarial assumptions used in the valuation dated July 1, 2019 were based on the results of an actuarial experience study for the period July 1, 2013, through June 30, 2018.

The following changes in key actuarial assumptions occurred in 2019:

FRS: The long-term expected rate of return and the discount rate used to determine the total pension liability decreased from 7.00% to 6.90%.

HIS: The municipal bond index rate and the discount rate used to determine the total pension liability increased from 3.87% to 3.50%.

The long-term expected investment rate of return was not based on historical returns, but instead was based on a forward-looking capital market economic model. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. For the FRS Pension Plan, the table below summarizes the consulting actuary's assumptions based on the long-term target asset allocation.

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.00%	3.30%	3.3%	1.2%
Fixed Income	18.00%	4.10%	4.1%	3.5%
Global Equity	54.00%	8.00%	6.8%	16.5%
Real Estate (Property)	10.00%	6.70%	6.1%	11.7%
Private Equity	11.00%	11.20%	8.4%	25.8%
Strategic Investments	6.00%	5.90%	5.7%	6.7%
Total	100.00%			

Calhoun County, Florida
Notes to Financial Statements

Note 8 - STATE RETIREMENT PROGRAM AND NET PENSION LIABILITY (Continued)

Discount Rate

The discount rate used to measure the total pension liability for the FRS Pension Plan was 6.90%. FRS' 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.

Because the HIS Program is essentially funded on a pay-as-you-go basis, a municipal bond rate of 3.50% was used to determine the total pension liability for the program. The Bond Buyer General Obligation Bond 20-Bond Municipal Bond Index was used as the applicable municipal bond index.

Sensitivity Analysis

The following tables demonstrate the sensitivity of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact to the employer's proportionate share of the net pension liability if the discount rate was 1.00% higher or 1.00% lower than the current discount rate.

	FRS Net Pension Liability		
	Current		
	1% Decrease	Discount Rate	1% Increase
	(5.90%)	(6.90%)	(7.90%)
Governmental Employer's proportionate share of the net pension liability	\$ 12,426,161	\$ 7,188,291	\$ 2,813,783

	HIS Net Pension Liability		
	Current		
	1% Decrease	Discount Rate	1% Increase
	(2.50%)	(3.50%)	(4.50%)
Governmental Employer's proportionate share of the net pension liability	\$ 1,622,697	\$ 1,421,484	\$ 1,253,896

Pension Plans' Fiduciary Net Position

Detailed information about the pension plans' fiduciary net position is available in the State's separately issued financial reports.

Note 8: STATE RETIREMENT PROGRAM AND NET PENSION LIABILITY (Continued)

Defined Contribution Plan

Pursuant to Chapter 121, Florida Statutes, the Florida Legislature created the Florida Retirement Investment Plan ("FRS Investment Plan"), a defined contribution pension plan qualified under Section 401(a) of the Internal Revenue Code. The FRS Investment Plan is an alternative available to members of the Florida Retirement System in lieu of the defined benefit plan. There is a uniform contribution rate covering both the defined benefit and defined contribution plans, depending on membership class.

Note 9: OTHER DISCLOSURES

Local Ordinance 2019-2, adopted on June 25, 2019 and expiring on January 1, 2030, extended the six-cents per gallon motor fuel and special fuel gas tax. The tax has been in existence since 1990 and renews at ten year intervals.

Local Ordinance 2008-2, adopted on April 15, 2008 and in effect until repealed by an extraordinary vote of the Board of County Commissioners, extended the 1% discretionary sales surtax to be used for general operating purposes. The tax generates approximately \$820,000 in annual revenue. The tax has been in existence since 1993.

Note 10: GRANTS

The County participates in several state and federal grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The audits of these programs for or including the year ended September 30, 2019, have not yet been accepted/approved by the grantors. Accordingly, the final determination of the County's compliance with applicable grant requirements will be established at a future date. The amount, if any, of expenditures which may be disallowed by the grantor agencies cannot be determined, although the County expects such amounts, if any, to be immaterial.

Note 11: EMERGENCY MEDICAL AND AMBULANCE SERVICES

The County contracted with Calhoun-Liberty Hospital Association, Inc. (Hospital) to provide EMS services through August 2022 at a cost of \$240,000 per year.

Note 12: RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors or omissions; injuries to employees and/or the public; or damage to property of others. The County is a member of the Florida Association of Counties Trust (the Trust) for its general liability insurance coverage. The County pays an annual premium to the Trust. The Trust is to be self-sustaining through member premiums and will reinsure through commercial companies for certain claims. The County continues to purchase commercial insurance to cover its other risks of loss. Insurance against losses are provided for the following types of risk:

- Workers' compensation and employer's liability
- General and automobile liability
- Real and personal property damage
- Public officials' liability
- Accidental death and dismemberment
- Inmate major medical

The County's coverage for workers' compensation is under a retrospectively rated policy. Premiums are accrued based on the ultimate cost to-date of the County's experience for this type of risk.

The Sheriff participates in the Florida Sheriff's Self-Insurance Fund Program, which is a public entity risk pool that permits the Sheriff to cover risk relating to professional liability, public officials' liability, public employees' blanket bond, and money and securities coverage. The Sheriff purchases commercial insurance to cover other risks and losses for use of a helicopter.

The funding agreements provide that the self-insurance fund will be self-sustaining through member premiums and that the Sheriff's liability fund will reinsure through commercial companies.

Note 13: FUND BALANCE

Fund balances are classified based upon a hierarchy of the County's ability to control spending of these fund balances and can be classified in the following categories:

Non-spendable fund balances include amounts that cannot be spent because they are not in spendable form or are legally or contractually required to be maintained intact. The County had \$214,409 in non-spendable fund balance which represents prepaid expense and inventory at September 30, 2019.

Spendable fund balances are classified based on a hierarchy of the County's ability to control the spending of these fund balances and are reported in the following categories: restricted, committed, assigned and unassigned. For the year ended September 30, 2019, the County reports net position as restricted, committed, assigned and unassigned. Restricted fund balance has externally imposed constraints placed on the use of resources by creditors, grantors, contributors, laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Committed fund balance has amounts constrained by a specific purpose by the Board of County Commissioners. Assigned fund balance has constraints placed on the use of resources by the County's intent to use the resources for specific purposes. Unassigned fund balances have not been restricted, committed or assigned to specific purposes within the general fund.

Calhoun County, Florida
Notes to Financial Statements

Note 13: FUND BALANCE (Continued)

At September 30, 2019, fund balance is comprised of the following:

Restricted Fund Balance:

Funds	Purpose	
Special Revenue Fund		
	County Transportation I	\$ 951,327
	County Transportation II	405,213
	Hurricane Michael	1,520,957
	Industrial Development Authority	62,390
	Nonmajor governmental funds:	
	Domestic violence	21,863
	Boating improvement program	29,540
	Police education	4,250
	Radio communications	13,009
	Library	201,859
	Waste management	61,817
	Crime prevention	21,023
	Courthouse facilities	36,408
	Teen court	14,874
	Article V grant fund	24
	Modernization of public records	14,833
	Emergency 911 operations	171,419
	Drug enforcement	100
	Investigative resources	130,774
	Other public safety	16,373
	Inmate welfare	67,397
	Total nonmajor governmental funds	805,563
	Total restricted fund balance	\$ 3,745,450

Committed Fund Balance:

Funds	Purpose	
Special Revenue Fund	Old Courthouse Restoration	67,505
	Total committed fund balance	\$ 67,505

Calhoun County, Florida
Notes to Financial Statements

Note 13: FUND BALANCE (Continued)

Non-spendable Fund Balance:

Funds	Purpose		
	Funding for:		
General Fund	Prepaid expenses	\$	43,613
	Inventory		79,998
County Transportation Trust I	Prepaid expenses		18,318
	Inventory		37,562
Industrial Development Authority	Inventory		34,918
Total non-spendable fund balance		\$	214,409

Note 14: AGRI-PARK FACILITIES

The County owns a 314 acre agri-park located on Highway 71, north of Blountstown. Situated thereon are hangar facilities, a 3100 foot paved aircraft runway, a commercial building, and a water tank.

Note 15: LITIGATION AND CONTINGENT LIABILITIES

The County is involved in various litigation arising from the ordinary course of business. In the opinion of management, after consultation with legal counsel, these matters will be resolved without a material adverse effect on the County's financial position.

Note 16: COOPERATIVE AGREEMENT

The Clerk has a Cooperative Agreement with the Florida Department of Revenue. This agreement encompasses all the Clerk's child support functions. It allows for indirect cost reimbursement. The Clerk uses an established indirect cost rate to invoice the Department of Revenue each month. These amounts are federal funds received under CFDA #93.563. The net amount received was \$93,534.

Note 17: POST EMPLOYMENT BENEFITS OTHER THAN PENSION

The County’s post-employment benefits other than pension activity are reported in the statement of net position in the County’s financial statements.

Plan Description – The Calhoun County Retiree Healthcare Plan (Plan) is a single-employer defined benefit healthcare plan which provides Other Postemployment Benefits (OPEB) to eligible retirees and their eligible dependents. Pursuant to the provisions of Section 112.0801, the Florida Statutes, employees who retire from the County and eligible dependents, may continue to participate in the group health insurance plan. Retirees and their eligible dependents shall be offered the same health insurance coverage as is offered to active employees at a premium cost of no more than the premium cost applicable to active employees. The Plan does not issue a publicly available financial report.

Eligibility for participation in the Plan is limited to full-time employees of the Board and the Constitutional officers. For regular, senior management service and elected officials, participants are eligible for normal retirement upon attaining the earlier of 1) six years of service and age 62 or 2) 30 years of service regardless of age. For Special Risk, participants are eligible for normal retirement upon attaining the earlier of 1) six years of special risk service and age 55 or 2) 25 total years of service consisting both of special risk service up to four years of military service and age 52 or 3) 25 total years of special risk service, regardless of age or 4) 30 years of any credible service, regardless of age.

Benefits Provided – The County provides post-employment healthcare to its retirees. Health benefits are provided through the County’s healthcare provider, Capital Health Plan (CHP). The benefit levels are the same as those afforded to active employees. Health benefits include inpatient and outpatient medical services and prescriptions.

Membership – At September 30, 2019, there were no terminated employees entitled to benefits but not yet receiving them. The membership of the Plan consisted of:

Active employees	78
Retirees and beneficiaries currently receiving benefits	5
Total membership	83
<hr/>	
Participating employers	1
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Note 17: POST EMPLOYMENT BENEFITS OTHER THAN PENSION (Continued)

Funding Policy – A qualifying trust or agency fund has not been authorized by the County. The County negotiates the premium rates with CHP. The required contribution is based on pay-as-you-go financing requirements. Retirees and employees with dependent coverage are required to contribute 100% of their current premium costs. The annual premium for retirees or dependent coverage is \$43,574. The chart below shows the cost of the monthly retiree premiums at September 30, 2019.

Coverage	CHP	FSMET (Sheriff)
Retiree	\$ 609.27	\$ 495.66
Retiree & Dependent	\$ 1,218.54	\$ 1,104.18

OPEB Liabilities, OPEB Expense – At September 30, 2019, the County reported a liability of \$320,447 for the net OPEB liability. The net OPEB liability was measured as of September 30, 2019, and was determined by an actuarial valuation as of October 1, 2018. Standard actuarial update procedures were used to roll forward to the measurement date from the actuarial valuation date. For the year ended September 30, 2019, the County recognized OPEB expense of \$40,297.

The significant components of Other Postemployment Benefits follows:

	Total OPEB Liability	OPEB Expense
Balance at October 1, 2018	\$ 178,123	\$ -
Service Cost	28,968	28,968
Expected interest growth	7,263	7,263
Demographic experience	70,343	7,713
Assumption changes	44,249	4,852
Benefit Payments	(8,499)	(8,499)
Balance as of fiscal year ended September 30, 2019	\$ 320,447	\$ 40,297

Calhoun County, Florida
Notes to Financial Statements

Note 17: POST EMPLOYMENT BENEFITS OTHER THAN PENSION (Continued)

For the year ended September 30, 2019, under GASB 75 the county OPEB expense is \$40,297. The Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB as of September 30, 2019 from various sources are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Demographic experience	\$ 70,343	\$ -
Changes of assumptions or other inputs	44,249	-
Amortization payments	(12,565)	-
Total	\$ 102,027	\$ -

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

Year ended September 30,		
2020		\$ 12,565
2021		12,565
2022		12,565
2023		12,565
2024		12,565
Thereafter		39,202
Total		\$ 102,027

Discount Rate - Given the County's decision not to fund the program, all future benefit payments were discounted using a high-quality municipal bond rate of 3.58%. The high-quality municipal bond rate was based on the week closest but not later than the measurement date of the Bond Buyer 20-Bond Index as published by the Federal Reserve. The 20-Bond General Obligation Bond Index consists of 20 general obligation bonds that mature in 20 years.

Actuarial Method and Assumptions – The total OPEB liability in the October 1, 2018, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Healthcare Cost Trend Rates	5.00%
Salary Increase Rate(s)	3.00%
Discount Rate	3.58%
Age-related Morbidity	3.50%
Coverage Election	20.00%

Calhoun County, Florida
Notes to Financial Statements

Note 17: POST EMPLOYMENT BENEFITS OTHER THAN PENSION (Continued)

All mortality rates were based on the RP-2000 combined mortality tables with full generational improvements in mortality using Scale BB.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate - The following presents the County's proportionate share of the net OPEB liability using a discount rate that is 1 percent lower (2.58%) or 1 percent point higher (4.58%) than the current discount rate:

	1% Decrease (2.58%)	Current Discount Rate (3.58%)	1% increase (4.58%)
Net OPEB Liability	\$353,953	\$320,447	\$291,297

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate - The following presents the County's proportionate share of the net OPEB liability if it were calculated using healthcare cost trend rates that are 1 percent lower (4.00%) or 1 percent point higher (6.00%) than the current healthcare cost trend rates:

	1% Decrease (4.00%)	Current Medical Trend (5.00%)	1% increase (6.00%)
Net OPEB Liability	\$284,579	\$320,447	\$363,012

Note 18: COMMITMENTS

The County's construction commitments at September 30, 2019 were approximately \$2,529,000. These construction commitments include airport buildings, improvements to the Neal Landing boat ramp, road improvements and other infrastructure projects funded primarily by federal and state grants.

Note 19: SUBSEQUENT EVENTS

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

Note 20: INSURANCE RECOVERIES AND ASSET IMPAIRMENT RELATED TO HURRICANE MICHAEL

Hurricane Michael caused significant damage in the Florida Panhandle on October 10, 2018. The County has filed insurance claims for reimbursement of damages and additional costs related to the hurricane, such reimbursements totaled \$2,701,362 for the current year. Insurance proceeds of \$1,907,478 have been included in "Other financing Sources" at the fund level and \$2,701,362 has been included in Gain/Loss on disposition of assets at the government wide level. Assets were reviewed and evaluated by management for potential impairment because of the hurricane. Additional costs including but not limited to debris removal, repairs and overtime have been reported under operating expenses and personnel expenses respectively that were directly related to the effects of the hurricane. The difference in amounts recognized is related to cost for capital outlay paid by the insurer to contractors and not to the County.



**REQUIRED SUPPLEMENTARY
INFORMATION**

Calhoun County, Florida
Schedule of Proportional Share of Net Pension Liability
Florida Retirement System (Last 7 fiscal years)

	2019	2018	2017	2016	2015	2014	2013
County's proportion of the net pension liability (asset)	0.020872769%	0.021300000%	0.020600000%	0.020300000%	0.020100000%	0.018600000%	0.016400000%
County's proportionate share of the net pension liability (asset)	\$ 7,188,291	\$ 6,403,845	\$ 6,086,676	\$ 5,128,175	\$ 2,593,231	\$ 1,135,718	\$ 1,459,788
County's covered payroll	\$ 4,168,974	\$ 4,105,434	\$ 4,076,920	\$ 3,936,433	\$ 4,000,025	\$ 3,608,819	\$ 3,935,661
County's proportionate share of the net pension liability (asset) as a percentage of its own covered payroll	172.42%	155.98%	149.30%	130.27%	64.83%	31.47%	37.09%
FRS Plan fiduciary net position as a percentage of the total pension liability	82.61%	84.26%	83.89%	84.88%	92.00%	96.09%	N/A

Note: Data was unavailable prior to 2013

Calhoun County, Florida
Schedule of Contributions
Florida Retirement System (Last 7 fiscal years)

	2019	2018	2017	2016	2015	2014	2013
Contractually required contributions	\$ 647,206	\$ 605,914	\$ 535,682	\$ 495,280	\$ 489,498	\$ 407,722	\$ 220,273
Contributions in relation to the contractually required contribution	(647,206)	(605,914)	(535,682)	(495,280)	(489,498)	(407,722)	(220,273)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County's covered payroll	\$ 4,215,032	\$ 4,127,418	\$ 4,076,920	\$ 3,936,433	\$ 4,000,025	\$ 3,608,819	\$ 3,935,661
Contributions as a percentage of covered payroll	15.35%	14.68%	13.14%	12.58%	12.24%	11.30%	5.60%

Calhoun County, Florida
Schedule Proportional Share of Net Pension Liability
Health Insurance Subsidy (Last 7 fiscal years)

	2019	2018	2017	2016	2015	2014	2013
County's proportion of the net pension liability (asset)	0.012704300%	0.012400000%	0.012300000%	0.012900000%	0.012600000%	0.012800000%	0.013700000%
County's proportionate share of the net pension liability (asset)	\$ 1,421,484	\$ 1,311,000	\$ 1,319,817	\$ 1,498,531	\$ 1,287,829	\$ 1,196,118	\$ 1,189,980
County's covered payroll	\$ 4,168,974	\$ 4,105,434	\$ 4,076,920	\$ 3,936,433	\$ 4,000,025	\$ 3,608,819	\$ 3,935,661
County's proportionate share of the net pension liability (asset) as a percentage of its own covered payroll	34.10%	31.93%	32.37%	38.07%	32.20%	33.14%	30.24%
HIS Plan fiduciary net position as a percentage of the total pension liability	2.63%	2.15%	1.64%	0.97%	0.50%	0.99%	N/A

Note: Data was unavailable prior to 2013

Note to schedule:

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

Calhoun County, Florida
Schedule of Contributions
Health Insurance Subsidy (Last 7 fiscal years)

	2019	2018	2017	2016	2015	2014	2013
Contractually required contributions	\$ 70,546	\$ 67,172	\$ 65,325	\$ 65,905	\$ 48,271	\$ 43,822	\$ 44,774
Contributions in relation to the contractually required contribution	(70,546)	(67,172)	(65,325)	(65,905)	(48,271)	(43,822)	(44,774)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County's covered payroll	\$ 4,215,032	\$ 4,127,418	\$ 4,076,920	\$ 3,936,433	\$ 4,000,025	\$ 3,608,819	\$ 3,935,661
Contributions as a percentage of covered-employee payroll	1.67%	1.63%	1.60%	1.67%	1.21%	1.21%	1.14%

Note to schedule:

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

Calhoun County, Florida
Schedule of Changes in the Sponsor's Total OPEB Liability and Related Ratios
Last 10 Fiscal Years*

<i>For the year ended September 30,</i>	2019	2018
Total OPEB Liability		
Service Cost	\$ 28,968	\$ 23,910
Expected Interest Growth	7,263	6,542
Changes in Benefit Terms	-	-
Differences between Expected and Actual Experience with Regard to Economic or Demographic Assumptions	-	-
Current Year Amortization of Experience Difference	-	-
Changes in benefit terms	-	-
Differences between expected and actual experience	70,343	-
Changes in assumptions	44,249	-
Benefit Payments	(8,499)	(16,125)
Other changes	-	-
Net change in total OPEB liability	142,324	14,327
Total OPEB Liability - beginning	178,123	163,796
Total OPEB Liability - ending (a)	320,447	178,123
Plan Fiduciary Net Position		
Contributions - employer	8,499	16,125
Benefit payments	(8,499)	(16,125)
Net change in plan fiduciary net position	-	-
Plan fiduciary net position - beginning	-	-
Plan fiduciary net position - ending (b)	-	-
Net OPEB Liability - ending (a) - (b)	\$ 320,447	\$ 178,123
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%
Covered employee payroll	\$ 3,229,368	\$4,127,418
Net OPEB liability as a percentage of covered payroll	9.92%	4.32%
Contributions as a percentage of covered payroll	0.26%	0.39%

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

See Independent Auditors' Report



SUPPLEMENTARY INFORMATION

Calhoun County, Florida
Combining Balance Sheet
Nonmajor Governmental Funds

September 30, 2019

	Clerk's Article V Fund	Waste Management Grants	Community Development Block Grant	Sheriff's Special Revenue Funds
Assets				
Cash and cash equivalents	\$ 66,205	\$ 45,898	\$ -	\$ 247,681
Accounts receivable	-	1,523	-	3,553
Due from other funds	18,831	-	-	76,217
Due from other governmental units	18	18,582	3,045	89,395
Total assets	\$ 85,054	\$ 66,003	\$ 3,045	\$ 416,846
Liabilities				
Accounts payable and accrued expenses	\$ 12,974	\$ 4,186	\$ 3,000	\$ 8,397
Due to other funds	-	-	45	22,386
Due to other governmental units	70,920	-	-	-
Unearned revenue	1,160	-	-	-
Total liabilities	85,054	4,186	3,045	30,783
Fund balances				
Nonspendable	-	-	-	-
Restricted	-	61,817	-	386,063
Committed	-	-	-	-
Total fund balances	-	61,817	-	386,063
Total liabilities and fund balances	\$ 85,054	\$ 66,003	\$ 3,045	\$ 416,846

See Independent Auditors' Report

Calhoun County, Florida
Combining Balance Sheet
Nonmajor Governmental Funds

September 30, 2019

	Article V Grant Fund	Library	Boating Improvement Program	Old Courthouse Restoration	Supervisor of Elections' Grants Fund	Domestic Violence
Assets						
Cash and cash equivalents	\$ 11,565	\$ 273,075	\$ 29,076	\$ 67,505	\$ -	\$ 21,748
Accounts receivable	-	-	-	-	-	-
Due from other funds	-	-	464	-	-	115
Due from other governmental units	-	12,740	-	-	-	-
Total assets	\$ 11,565	\$ 285,815	\$ 29,540	\$ 67,505	\$ -	\$ 21,863
Liabilities						
Accounts payable and accrued expenses	\$ -	\$ 32,454	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-
Due to other governmental units	-	-	-	-	-	-
Unearned revenue	11,541	51,502	-	-	-	-
Total liabilities	11,541	83,956	-	-	-	-
Fund balances						
Nonspendable	-	-	-	-	-	-
Restricted	24	201,859	29,540	-	-	21,863
Committed	-	-	-	67,505	-	-
Total fund balances	24	201,859	29,540	67,505	-	21,863
Total liabilities and fund balances	\$ 11,565	\$ 285,815	\$ 29,540	\$ 67,505	\$ -	\$ 21,863

See Independent Auditors' Report

Calhoun County, Florida
Combining Balance Sheet
Nonmajor Governmental Funds

September 30, 2019

	Clerk's Modernization Trust Fund	Courthouse Facilities	Other Special Revenue	Total Nonmajor Governmental Funds
Assets				
Cash and cash equivalents	\$ 26,307	\$ 35,655	\$ 54,206	\$ 878,921
Accounts receivable	-	-	2,508	7,584
Due from other funds	1,274	753	833	98,487
Due from other governmental units	-	-	-	123,780
Total assets	\$ 27,581	\$ 36,408	\$ 57,547	\$ 1,108,772
Liabilities				
Accounts payable and accrued expenses	\$ 490	\$ -	\$ 1,883	\$ 63,384
Due to other funds	12,258	-	1,825	36,514
Due to other governmental units	-	-	683	71,603
Unearned revenue	-	-	-	64,203
Total liabilities	12,748	-	4,391	235,704
Fund balances				
Restricted	14,833	36,408	53,156	805,563
Committed	-	-	-	67,505
Total fund balances	14,833	36,408	53,156	873,068
Total liabilities and fund balances	\$ 27,581	\$ 36,408	\$ 57,547	\$ 1,108,772

See Independent Auditors' Report

Calhoun County, Florida

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds**

For the year ended September 30, 2019

	Clerk's Article V Fund	Waste Management Grants	Community Development Block Grant	Sheriff's Special Revenue Funds
Revenues				
Permits, fees and special assessment	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	131,021
Charges for services	135,456	-	-	62,692
Fines and forfeitures	70,927	-	-	-
Grants	-	73,393	3,045	103,123
Investment earnings	72	-	-	106
Contributions and donations	-	-	-	17,189
Other fees and miscellaneous	-	25,367	-	2,576
Total revenue	206,455	98,760	3,045	316,707
Expenditures				
Current:				
General government	-	-	-	-
Public health and safety	-	-	-	339,013
Physical environment	-	67,882	-	-
Economic environment	-	-	-	-
Human services	-	-	-	-
Culture and recreation	-	-	-	-
Court related	414,383	-	-	-
Capital outlay	-	6,844	3,045	111,507
Total expenditures	414,383	74,726	3,045	450,520
Excess of revenues over (under) expenditures	(207,928)	24,034	-	(133,813)
Other financing sources (uses)				
Operating transfers in	-	-	-	178,392
Operating transfers out	-	(25,010)	-	-
Transfers from State of Florida	245,783	-	-	-
Transfers to State of Florida	(37,855)	-	-	-
Net other financing sources (uses)	207,928	(25,010)	-	178,392
Net change in fund balances	-	(976)	-	44,579
Fund balances - beginning	-	62,793	-	341,484
Fund balances - ending	\$ -	\$ 61,817	\$ -	\$ 386,063

See Independent Auditors' Report

Calhoun County, Florida

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

For the year ended September 30, 2019

	Article V Grant Fund	Library	Boating Improvement Program	Old Courthouse Restoration	Supervisor of Elections' Grant Fund	Domestic Violence
Revenues						
Permits, fees and special assessment	\$ -	\$ -	\$ 5,443	\$ -	\$ -	\$ -
Intergovernmental	-	40,852	-	-	-	-
Charges for services	-	3,671	-	-	-	1,705
Fines and forfeitures	-	842	-	-	-	-
Grants	-	170,158	-	-	42,986	-
Investment earnings	24	1,559	-	-	-	-
Contributions and donations	-	-	-	-	-	-
Other fees and miscellaneous	-	9,014	-	-	-	-
Total revenue	24	226,096	5,443	-	42,986	1,705
Expenditures						
Current:						
General government	-	-	-	-	30,084	-
Public health and safety	-	-	-	-	-	-
Physical environment	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-
Human services	-	-	-	-	-	-
Culture and recreation	-	619,866	-	-	-	-
Court related	-	-	-	-	-	-
Capital outlay	-	2,160	-	-	13,106	-
Total expenditures	-	622,026	-	-	43,190	-
Excess of revenues over (under) expenditures	24	(395,930)	5,443	-	(204)	1,705
Other financing sources (uses)						
Operating transfers in	-	389,571	-	-	-	-
Operating transfers out	-	-	-	-	-	-
Transfers from State of Florida	-	-	-	-	-	-
Transfers to State of Florida	-	-	-	-	-	-
Net other financing sources (uses)	-	389,571	-	-	-	-
Net change in fund balances	24	(6,359)	5,443	-	(204)	1,705
Fund balances - beginning	-	208,218	24,097	67,505	204	20,158
Fund balances - ending	\$ 24	\$ 201,859	\$ 29,540	\$ 67,505	\$ -	\$ 21,863

See Independent Auditors' Report

Calhoun County, Florida

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

For the year ended September 30, 2019

	Clerk's Modernization Trust Fund	Courthouse Facilities	Other Special Revenue	Total Nonmajor Governmental Funds
Revenues				
Permits, fees and special assessment	\$ -	\$ -	\$ -	\$ 5,443
Intergovernmental	-	-	-	171,873
Charges for services	17,411	6,607	8,223	235,765
Fines and forfeitures	-	-	2,747	74,516
Grants	-	-	34,299	427,004
Investment earnings	34	-	-	1,795
Contributions and donations	-	-	-	17,189
Other fees and miscellaneous	-	-	21,337	58,294
Total revenue	17,445	6,607	66,606	991,879
Expenditures				
Current:				
General government	-	-	-	30,084
Public health and safety	-	-	9,968	348,981
Physical environment	-	-	-	67,882
Culture and recreation	-	-	-	619,866
Court related	12,747	-	2,553	429,683
Capital outlay	-	-	42,383	179,045
Total expenditures	12,747	-	54,904	1,675,541
Excess of revenues over (under) expenditures	4,698	6,607	11,702	(683,662)
Other financing sources (uses)				
Operating transfers in	-	-	-	567,963
Operating transfers out	-	-	-	(25,010)
Transfers from State of Florida	-	-	-	245,783
Transfers to State of Florida	-	-	-	(37,855)
Net other financing sources (uses)	-	-	-	750,881
Net change in fund balances	4,698	6,607	11,702	67,219
Fund balances - beginning	10,135	29,801	41,454	805,849
Fund balances - ending	\$ 14,833	\$ 36,408	\$ 53,156	\$ 873,068

See Independent Auditors' Report

Calhoun County, Florida
Combining Statement of Fiduciary Net Position
Agency Funds

September 30, 2019

	Clerk		
	General Trust	Child Support	Jury and Witness
Assets			
Cash and cash equivalents	\$ 243,802	\$ 1,269	\$ 4,040
Due from other funds	-	-	-
Due from individuals	802	-	-
Total assets	\$ 244,604	\$ 1,269	\$ 4,040
Liabilities			
Due to other funds	\$ 23,111	\$ -	\$ -
Due to Board of County Commissioners	23,387	1,042	1,050
Due to other governmental units	23,626	90	2,990
Due to individuals	174,480	137	-
Total liabilities	\$ 244,604	\$ 1,269	\$ 4,040

See Independent Auditors' Report

Calhoun County, Florida
Combining Statement of Fiduciary Net Position
Agency Funds

September 30, 2019

	<u>Sheriff</u>		<u>Tax Collector</u>		Totals			
	Inmate	Trust	Tax	Tag				
Assets								
Cash and cash equivalents	\$	13,905	\$	226,351	\$	34,693	\$	524,060
Due from other funds		-		190		-		190
Due from individuals		-		1,989		795		3,586
Total assets	\$	13,905	\$	228,530	\$	35,488	\$	527,836
Liabilities								
Due to other funds	\$	1,263	\$	-	-	-	\$	24,374
Due to Board of County Commissioners		-		-		7,967		33,446
Due to other governmental units		-		228,530		27,521		282,757
Due to individuals		12,642		-		-		187,259
Total liabilities	\$	13,905	\$	228,530	\$	35,488	\$	527,836

See Independent Auditors' Report



COMPLIANCE SECTION



Carr, Riggs & Ingram, LLC
4267 Lafayette Street
Marianna, FL 32446

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

Mailing Address:
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www.cricpa.com

To the Honorable Board of County Commissioners
and Constitutional Officers of Calhoun County
Blountstown, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the *Government Auditing Standards* issued by the Comptroller of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Calhoun County, Florida (the "County") as of and for the year ended September 30, 2019, and the related notes, which collectively comprise Calhoun County, Florida's basic financial statements and have issued our report thereon dated September 9, 2020.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *material weakness* is deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items SOE2004-001 and SH2004-002 to be significant deficiencies.

To the Honorable Board of County Commissioners
and Constitutional Officers of Calhoun County
Blountstown, Florida

Compliance and Other Matters

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

Calhoun County's Response to Findings

Calhoun County, Florida's response to the findings identified in our audit is described in the accompanying letter. Calhoun County, Florida's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

We also noted certain other matters that we reported to the management of the County in a separate letter dated September 9, 2020.

Purpose of this Report

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

Cary Riggs & Ingram, L.L.C.

Marianna, Florida
September 9, 2020

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

To the Honorable Board of County Commissioners
and Constitutional Officers of Calhoun County
Blountstown, Florida

Report on Compliance for Each Major Federal Program and State Project

We have audited Calhoun County, Florida's (the "County") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the requirements described in the *Department of Financial Services' State Projects Compliance Supplement*, that could have a direct and material effect on each of the County's major federal programs and state projects for the year ended September 30, 2019. The County's major federal programs and major state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

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

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

To the Honorable Board of County Commissioners
and Constitutional Officers of Calhoun County
Blountstown, Florida

Opinion on Each Major Federal Program and State Project

In our opinion, the County, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs or major state projects for the year ended September 30, 2019.

Report on Internal Control Over Compliance

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

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

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

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

Cary Riggs & Ingram, L.L.C.

Marianna, Florida
September 9, 2020

Page 1 of 5

Calhoun County, Florida

Schedule of Expenditures of Federal Awards and State Financial Assistance

For the year ended September 30, 2019

Federal Agency Pass through entity Federal Award Programs	CFDA Number	Grant/ Contract Number	Expenditures
U.S. Department of Homeland Security			
Federal Emergency Management Agency			
Pass through Florida Division Of Emergency Management			
Disaster Grants - Public Assistance (Presidentially Declared Disasters):			
Disaster #4399 - Hurricane Michael (BOCC)	97.036	Z0852	\$ 141,397
Disaster #4399 - Hurricane Michael (Sheriff)	97.036	Z0869	119,551
Disaster #4177 - Severe Storms and Flooding (BOCC)	97.036	15-SP-8Z-02-17-02-503	420
Disaster #4337 - Hurricane Irma (Sheriff)	97.036	Z0361-3	3,710
Disaster #4337 - Hurricane Irma (BOCC)	97.036	Z0361-3	5,292
Total Disaster Grants - Public Assistance (Presidentially Declared Disasters)			270,370
Emergency Management Performance Grants	97.042	19-BG-21-02-17-01-010	1,283
Pre-Disaster Mitigation	97.047	PDMC-PL-04-FL-2017-010	192
Hazard Mitigation Grant Program (HMGP):			
Black Bottom Road Drainage Project #4177-11-R	97.039	18HM-H4-01-17-01-299	39,550
Troy McCroan Road Drainage Project #4177-12-R	97.039	18HM-H4-02-17-01-301	130,001
Bears Head Road Drainage Project #4177-13-R	97.039	18HM-H4-01-17-01-300	4,000
Sam Duncan Road Drainage Project #4177-17-R	97.039	18HM-H4-02-17-01-302	34,307
Total Hazard Mitigation Grant Program			207,858
Total U.S. Department of Homeland Security			479,703
U.S. Department of Transportation			
Federal Aviation Administration			
Airport Improvement Program	20.106	3-12-0158-007-2018	155,345
Total Airport Improvement Program			155,345
Pass through Florida Department of Transportation			
Highway Planning Construction Cluster			
Highway Planning and Construction:			
Local Agency Program - Design of Altha Elementary School Sidewalk Project	20.205	G0087	43,553
Local Agency Program - Construction of Altha Elementary School Sidewalk Project	20.205	G1840	1,436
Total Highway Planning Construction Cluster			44,989
Highway Safety Cluster			
State and Community Highway Safety - Distracted Driving Program	20.600	G1031	7,962
Total U.S. Department of Transportation			208,296

See Independent Auditors' Report and
Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance

Page 2 of 5

Calhoun County, Florida

Schedule of Expenditures of Federal Awards and State Financial Assistance

U.S. Department of Health and Human Services			
Agency for Children and Families			
Pass through Florida Department of Revenue			
Child Support Enforcement			
Child Support Enforcement - Title IV-D	93.563	COC07	93,534
Child Support Enforcement - Incentive Funds	93.563	n/a	164
Child Support Enforcement - Title IV-D	93.563	CST07	1,597
Total Child Support Enforcement			95,295
Total U.S. Department of Health and Human Services			
	16.607	2018/2019	47
U.S. Department of Justice			
Bureau of Justice Assistance			
Bulletproof Vest Partnership Program			
Pass through State of Florida to the Florida Coalition Against Domestic Violence (FCADV)			
Violence Against Women Office			
Violence Against Women Formula Grants - Equipment Grant	16.588	19-8057-LE Equipment	18,355
Violence Against Women Formula Grants - (STOP 1-AWLOO)	16.588	19-8057-LE-ENH	10,698
Violence Against Women Formula Grants - (STOP 1-AWLOO)	16.588	20-8057-LE-ENH	8,024
Total Violence Against Women Formula Grants			37,077
Pass through State of Florida Office of the Attorney General			
Crime Victim Assistance - Victims of Crime Act (VOCA)	16.575	VOCA-2018-Calhoun County Sheriff's-00071	42,989
Pass through Florida Department of Law Enforcement			
Edward Byrne Memorial Competitive Grant Program:			
JAGD Grant - Calhoun County Sheriff's Office - Portable Radio	16.751	2020-JAGD-CALH-1-Y6-005	1,000
JAGD Grant - Calhoun County Sheriff's Office - Portable Radio	16.751	2019-JAGD-CALH-1-N3-003	1,000
JAGC Grant - CCSO Drug Enforcement Program	16.751	2020-JAGC-CALH-1-Y5-009	22,218
JAGC Grant - Drug Enforcement Program	16.751	2019-JAGC-CALH-1-N2-013	23,409
Total Edward Byrne Memorial Competitive Grant Program			47,627
Total U.S. Department of Justice			
			127,740
U.S. Department of Housing and Urban Development			
Pass through Florida Department of Economic Opportunity			
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii:			
FFY 2018 Funding Cycle Neighborhood Revitalization	14.228	20DB-00-02-17-01-N15	3,045
Total U.S. Department of Housing and Urban Development			
			3,045

Calhoun County, Florida Schedule of Expenditures of Federal Awards and State Financial Assistance

U.S. Election Assistance Commission			
Pass through Florida Department of State, Division of Elections			
Help America Vote Act Requirements Payments:			
Voting Systems Assistance Grants	90.401	MOA # 2016-2017-0003-CAL	13,165
Voter Education Grant	90.401	19.e.fa.000.283	1,336
Albert Network Monitoring Solutions Grant	90.401	19.e.an.000.045	33,310
Elections Security Grant	90.401	19.e.es.000.094	8,340
Total Help America Vote Act Requirements Payments			56,151
Total U.S. Election Assistance Commission			
			56,151
Total expenditures of federal awards			
		\$	970,230

*See Independent Auditors' Report and
Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance*

Page 4 of 5

Calhoun County, Florida Schedule of Expenditures of Federal Awards and State Financial Assistance

For the year ended September 30, 2019

State Agency State Program State Financial Assistance Projects	CSFA Number	Grant/ Contract Number	Expenditures
Florida Department of Transportation Highway Operations			
County Incentive Grant Program (CIGP) - Alliance Road	55.008	436666-1-54-01	\$ 503,052
Small County Outreach Program (SCOP):			
Silas Green Rd. Construction	55.009	440646-1-54-01	369
Design Bodford Rd.	55.009	445008-1-34-01	46,998
CR392 From SR73 to SR71	55.009	436836-1-54-01	15,045
Design Silas Green Road	55.009	440646-1-34-01	7,630
Total Small County Outreach Program (SCOP)			70,042
Small County Road Assistance Program (SCRAP):			
County Road 549	55.016	440863-1-54-01	816,312
County Road 287A - Design	55.016	442416-1-34-01	33,950
NE Live Oak Lane/Frank Williams Lane	55.016	438305-1-54-01	6,100
Total Small County Road Assistance Program (SCRAP)			856,362
Transportation Systems Development Aviation Grant Programs:			
Hangar Design and Construction	55.004	G1797	13,495
Terminal Design and Construction	55.004	G1919	13,659
North Taxiway Extension PH 1	55.004	G0W52	537,255
North Taxiway Extension PH 1	55.004	G0325	58,538
North Taxiway Extension PH 1	55.004	G0L12	285,147
Total Aviation Grant Programs			908,094
Total Florida Department of Transportation			2,337,550
Florida Housing Finance Corporation Florida Housing Finance Corporation			
State Housing Initiatives Partnership Program (SHIP)	40.901	17/18	185,836
State Housing Initiatives Partnership Program (SHIP)	40.901	18/19	288,781
State Housing Initiatives Partnership Program (SHIP) - Disaster Recovery Funds	40.901	18/19	31,991
Total Florida Housing Finance Corporation			506,608

See Independent Auditors' Report and
Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance

Page 5 of 5

Calhoun County, Florida Schedule of Expenditures of Federal Awards and State Financial Assistance

Florida Department of State and Secretary of State Library and Information Services State Aid to Libraries	45-030	Project 19-ST-65	170,158
Total Florida Department of State and Secretary of State			170,158
Florida Executive Office of the Governor Emergency Management Emergency Management Programs Emergency Management Programs	31.063 31.063	19-BG-21-02-17-01-010 A0014	87,993 24,175
Total Florida Executive Office of the Governor			112,168
Florida Department of Health Community Public Health Emergency Medical Services (EMS) Matching Awards	64.003	M5026	34,299
Total Florida Department of Health			34,299
Florida Department of Law Enforcement Investigative Services Program Jail Kitchen/Administrative Building - Calhoun County Sheriff's Office	71.026	G1618	45,529
Total Florida Department of Law Enforcement			45,529
Florida Department of Environmental Protection Waste Management Small County Consolidated Grants	37.012	SC903	73,393
Total Florida Department of Environmental Protection			73,393
Florida Department of Management Services Technology Program Wireless 911 Emergency Telephone System Rural County Grant Program	72.001	19-04-04	38,535
Total Florida Department of Management Services			38,535
Florida Department Of Agriculture and Consumer Services Consumer Protection Mosquito Control	42.003	25505	34,481
Total Florida Department of Agriculture and Consumer Services			34,481
Total state financial assistance			3,352,721
Total federal awards and state financial assistance			\$ 4,322,951

NOTE: There were no Federal Awards or State Financial Assistance passed through to sub recipients.

*See Independent Auditors' Report and
Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance*

- 66 -

Calhoun County, Florida
Notes to Schedule of Expenditures of Federal Awards
And State Financial Assistance
For the year ended September 30, 2019

Note 1: BASIS OF ACCOUNTING

The supplementary Schedule of Expenditures of Federal Awards and State Financial Assistance includes the grant activity of Calhoun County, Florida (the County). Federal and state expenditures are presented on the modified accrual basis of accounting. The information in these schedules is presented in accordance with the requirement of Title 2 U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance) and Chapter 10.550, Rules of the Florida Auditor General. Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 2: REPORTING ENTITY

The County for purposes of the supplementary Schedule of Expenditures of Federal Awards and State Financial Assistance includes all the funds of the primary government as defined by GASB 14, *The Financial Reporting Entity*.

Note 3: PASS-THROUGH AWARDS

The County receives certain federal awards from pass-through awards of the State. The total amount of such pass-through awards is included on the supplementary Schedule of Expenditures of Federal Awards and State Financial Assistance.

Note 4: INDIRECT COST

The County has elected to use the ten percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 5: OTHER TYPES OF FINANCIAL ASSISTANCE

There were no other types of financial assistance to include endowments, insurance in effect, non-cash assistance, donated property or free rent received or included in the Schedule of Expenditures of Federal Awards and State Financial Assistance.

Note 6: PASS-THROUGH TO SUBRECIPIENTS

There were no Federal or state awards passed through to subrecipients.

Calhoun County, Florida
Schedule of Findings and Questioned Costs
For the year ended September 30, 2019

SECTION I – A. SUMMARY OF AUDITORS’ RESULTS

Financial Statements:

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

Federal Awards:

- | 1. Type of auditors’ report issued on compliance for major programs | Unmodified | | | | | | |
|---|--|-----------------|--------|--|--------|---------------------------------|--|
| 2. Internal control over major programs: | | | | | | | |
| a. Material weaknesses identified? | No | | | | | | |
| b. Significant deficiencies identified not considered to be material weaknesses? | No | | | | | | |
| 3. Any audit findings disclosed that are required to be reported in accordance with 2CFR section 200.516(a)? | None Noted | | | | | | |
| 4. Identification of major programs: | | | | | | | |
| <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center; border-bottom: 1px solid black;">CFDA Number</th> <th style="text-align: center; border-bottom: 1px solid black;">Federal Program</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">97.036</td> <td style="text-align: center;">Disaster Grants – Public Assistance
(Presidentially Declared Disasters)</td> </tr> <tr> <td style="text-align: center;">97.039</td> <td style="text-align: center;">Hazard Mitigation Grant Program</td> </tr> </tbody> </table> | CFDA Number | Federal Program | 97.036 | Disaster Grants – Public Assistance
(Presidentially Declared Disasters) | 97.039 | Hazard Mitigation Grant Program | |
| CFDA Number | Federal Program | | | | | | |
| 97.036 | Disaster Grants – Public Assistance
(Presidentially Declared Disasters) | | | | | | |
| 97.039 | Hazard Mitigation Grant Program | | | | | | |
| 5. Dollar threshold used to distinguish between type A and type B programs: | \$750,000 | | | | | | |
| 6. Auditee qualified as low-risk auditee under 2 CFR 200.520? | No | | | | | | |

State Financial Assistance:

- | | |
|---|------------|
| 1. Type of auditors’ report issued on compliance for major projects | Unmodified |
| 2. Internal control over major projects: | |

Calhoun County, Florida
Schedule of Findings and Questioned Costs
For the year ended September 30, 2019

SECTION I – A. SUMMARY OF AUDITORS’ RESULTS (CONTINUED)

- a. Material weaknesses identified? No
- b. Significant deficiencies identified not considered to be material weaknesses? No
3. Any audit findings disclosed that are required to be reported in accordance with Chapter 10.550, *Rules of the Auditor General*? No
4. Identification of major projects:
- | CSFA Number | State Project |
|-------------|--|
| 55.016 | Small County Road Assistance Program (SCRAP) |
| 55.004 | Aviation Grant Program |
5. Dollar threshold used to distinguish between type A and type B projects: \$750,000

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

SHERIFF

NEED FOR SEGREGATION OF DUTIES, FINDING SH 2004-002

CRITERIA: The internal control environment should include proper segregation of duties and responsibilities over accounting functions.

CONDITION: There is a lack of segregation of duties between employees who have recordkeeping responsibility and employees in custody of the Sheriff’s assets.

CAUSE: The Sheriff has limited personnel in the accounting department.

EFFECT: The possibility exists that unintentional or intentional errors or irregularities could occur and not be promptly detected.

RECOMMENDATION: We realize that due to the limited number of employees and certain incompatible duties being performed by the same employee, it is difficult to achieve ideal separation of duties. Nevertheless, internal control is strengthened when incompatible duties are separated and review procedures are established and adhered to. We also recommend the Sheriff log in to the bank’s website and review the original bank statement.

VIEW OF RESPONSIBLE OFFICIALS: See Management’s Response and Corrective Action Plan beginning on page 77.

Calhoun County, Florida
Schedule of Findings and Questioned Costs
For the year ended September 30, 2019

SUPERVISOR OF ELECTIONS

NEED FOR SEGREGATION OF DUTIES, FINDING SOE 2004-001

CRITERIA: The internal control environment should include proper segregation of duties and responsibilities over accounting functions.

CONDITION: There is a lack of segregation of duties between employees who have recordkeeping responsibility and employees in custody of Supervisor of Elections' assets.

CAUSE: The Supervisor of Elections' has limited personnel in the accounting department.

EFFECT: The possibility exists that unintentional or intentional errors or irregularities could occur and not be promptly detected.

RECOMMENDATION: We realize that due to the size of the Supervisor of Elections' staff it is difficult to achieve ideal separation of duties. However, the Supervisor of Elections should remain very active and involved in the day-to-day operations. Controls should be implemented to help compensate for these weakness and to provide check and balances.

VIEW OF RESPONSIBLE OFFICIALS: See Management's Response and Corrective Action Plan beginning on page 77.

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS

There were no current year audit findings.

D. FINDINGS AND QUESTIONED COSTS - MAJOR STATE FINANCIAL ASSISTANCE PROJECTS

There were no current year audit findings.

Calhoun County, Florida
Summary Schedule of Prior Audit Findings
For the year ended September 30, 2019

PRIOR-YEAR AUDIT FINDINGS AND QUESTIONED COSTS

PROPERTY APPRAISER

PREPARATION OF GAAP-BASED FINANCIAL STATEMENTS, FINDING PA 2018-001 - RESOLVED

CRITERIA: Internal control activities and procedures should be structured and monitored to provide accurate financial reporting.

CONDITION: Beginning fund balance was overstated by \$16,115 due to errors in posting prior year adjustments. Additionally, a monthly appropriation from the Board of County Commissioners was misclassified causing revenue and the year-end liability Due to Board of County Commissioners to be misstated by \$60,055.

CAUSE: Staff did not detect errors in financial reports or individual account balances.

EFFECT: Fund balance, board appropriations and Due to Board of County Commissioners were misstated.

RECOMMENDATION: All financial reports should be carefully reviewed for accuracy. Additionally, it is recommended that a third party with the necessary financial expertise assist and review all adjusting entries and year end reports for accuracy, when needed.

STATUS: This condition was resolved.

SUPERVISOR OF ELECTIONS

PREPARATION OF GAAP-BASED FINANCIAL STATEMENTS, SOE 2018-001 - RESOLVED

CRITERIA: Internal control activities and procedures should be structured and monitored to provide accurate financial reporting.

CONDITION: Audit adjustments were made to correct misclassification of grant related revenues and expenditures between funds, to correct fund balance and related deferred revenue.

CAUSE: Staff were not aware of financial reporting requirements and did not detect errors in financial reports or individual account balances.

Calhoun County, Florida
Summary Schedule of Prior Audit Findings
For the year ended September 30, 2019

PRIOR-YEAR AUDIT FINDINGS AND QUESTIONED COSTS (CONTINUED)

EFFECT: Grant revenue and expenditures were not accurately reported. Balances in fund balance and deferred revenue were misstated.

RECOMMENDATION: All financial reports should be carefully reviewed for accuracy. Additionally, it is recommended that a third party with the necessary financial expertise assist and review all adjusting entries and year end reports for accuracy, when needed.

STATUS: This condition was resolved.

INDEPENDENT AUDITORS' MANAGEMENT LETTER

To the Honorable Board of County Commissioners
and Constitutional Officers of Calhoun County, Florida
Blountstown, Florida

Report on the Financial Statements

We have audited the financial statements of Calhoun County, Florida (the "County") as of and for the fiscal year ended September 30, 2019, and have issued our report thereon dated September 9, 2020.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditors' Report on Compliance For Each Major Federal Program and State Project and on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated September 9, 2020 should be considered in conjunction with this management letter.

Prior Audit Findings

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

To the Honorable Board of County Commissioners
and Constitutional Officers of Calhoun County, Florida
Blountstown, Florida

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 the management letter, unless disclosed in the notes to the financial statements. This information is disclosed in the notes to the financial statements.

Financial Condition and Management

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

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

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we address in the management letter any findings and recommendations that improve financial management. In connection with our audit, we have no recommendations.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts and 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 warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

To the Honorable Board of County Commissioners
and Constitutional Officers of Calhoun County, Florida
Blountstown, Florida

Purpose of this Letter

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

Carly Riggs & Ingram, L.L.C.

Marianna, Florida
September 9, 2020



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**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH
SECTION 218.415, FLORIDA STATUTES, *LOCAL GOVERNMENT
INVESTMENT POLICIES***

To the Honorable Board of County Commissioners
and Constitutional Officers of Calhoun County, Florida
Blountstown, Florida

We have examined Calhoun County, Florida's compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2019. Management is responsible for the Calhoun County, Florida's compliance with those requirements. Our responsibility is to express an opinion on the Calhoun County, Florida's compliance based on our examination.

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

In our opinion, the Calhoun County, Florida complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2019.

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

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

Marianna, Florida
September 9, 2020

Calhoun County, Florida
Management's Response

Sheriff



Glenn H. Kimbrel
Calhoun County

State of Florida
Auditor General
P.O. Box 1735
Tallahassee, FL 32303

RE: Fiscal Year Audit Report 2018/2019, Management Letter Comments & Findings

Dear Sir or Madam:

Calhoun County Sheriff's Office would like to address the following audit findings:

FINDING 2004-002 - NEED FOR SEGREGATION OF DUTIES:

COMMENT:

There is a lack of segregation of duties between employees who have recordkeeping responsibility and employees in custody of the Sheriff's assets.

RECOMMENDATION:

We realize that due to the limited number of employees and certain incompatible duties being performed by the same employee, it is difficult to achieve ideal separation of duties. Nevertheless, internal control is strengthened when incompatible duties are separated and review procedures are established and adhered to. We also recommend the Sheriff log in to the bank's website and review the original bank statement.

CALHOUN CO. SHERIFF'S OFFICE RESPONSE:

Calhoun County Sheriff's Office is a very small agency (consisting of approximately 35 employees). There is one financial officer whose duties include administration assistant duties, human resources, grant writing and administration, and all of the accounting duties (budgeting, payroll, accounts payable, etc). Limited funding prohibits the hiring of additional staff to strengthen internal controls. However, the finance officer/administrative assistant is supervised directly by the sheriff. Sheriff Kimbrel will continue to monitor the finances and review bank statements each month in order to provide a measure of assurance of proper accountability and handling of the Calhoun County Sheriff's Office finances.

Please contact me if you have additional questions or concerns.

Sincerely,

A handwritten signature in blue ink that reads "Glenn Kimbrel".

Sheriff Glenn Kimbrel



Sharon Chason
Calhoun County Supervisor of Elections

March 23, 2020

Carr, Riggs & Ingram, LLC
4267 Lafayette Street
Marianna, FL 32446

The following is a response to the current year findings and recommendations.

Finding 2004 -001: The possibility exists that unintentional or intentional errors or irregularities could occur and not be promptly detected.

Recommendation: The Supervisor of Elections should remain very active and involved in the day-to-day operations. Controls should be implemented to help compensate for these weakness and to provide checks and balances.

Response: The staff of the Calhoun County Supervisor of Elections Office is limited to only the Supervisor and one employee, complete segregation of bookkeeping tasks is not possible. An outside Accountant is hired to file taxes and assist with bookkeeping.

Sincerely,

A handwritten signature in cursive script that reads "Sharon Chason".

Sharon Chason
Supervisor of Elections
Calhoun County



**CONSTITUTIONAL OFFICER
FINANCIAL STATEMENTS**

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

Financial Statements

September 30, 2019



CRI CARR
RIGGS &
INGRAM

CPAs and Advisors

CRIcpa.com

**Calhoun County, Florida
Clerk of the Circuit Court
Table of Contents
September 30, 2019**

	Page
REPORT	
Independent Auditors' Report	1
FINANCIAL STATEMENTS	
Balance Sheet - Governmental Funds	4
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	5
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual - General Fund	6
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual - Court Article V Fund	7
Statement of Fiduciary Net Position - Agency Funds	8
Notes to Financial Statements	9
SUPPLEMENTARY INFORMATION	
Combining Statement of Fiduciary Net Position - Agency Funds	20
COMPLIANCE SECTION	
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	21
Independent Accountants' Report on Compliance with Section 218.415, Florida Statutes, <i>Local Government Investment Policies</i>	23
Independent Accountants' Report on Compliance with Section 28.35, Florida Statutes, <i>Florida Clerks of Court Operations Corporation</i> , and Section 28.36, Florida Statutes, <i>Budget Procedure</i>	24
Independent Accountants' Report on Compliance with Section 61.181, Florida Statutes, <i>Depository for Alimony Transactions, Support, Maintenance and Support Payments; Fees</i>	25
Independent Auditors' Management Letter.....	26



REPORT





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INDEPENDENT AUDITORS' REPORT

Honorable Carla A. Hand
Clerk of Circuit Court
Calhoun County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the Calhoun County, Florida, Clerk of the Circuit Court (the "Clerk") as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Clerk's financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Honorable Carla A. Hand
Clerk of Circuit Court
Calhoun County, Florida

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the remaining aggregate fund information of the Clerk as of September 30, 2019, and the respective changes in financial position and the respective budgetary comparison for the General Fund and the Major Special Revenue Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position, where applicable, of each major fund, and the aggregate remaining fund information, only for that portion of each major fund, and the aggregate remaining fund information, of Calhoun County, Florida that is attributable to the Clerk. They do not purport to, and do not, present fairly the financial position of Calhoun County, Florida, as of September 30, 2019, and the changes in its financial position, where applicable, for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to these matters.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Clerk's basic financial statements. The combining and individual fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

Honorable Carla A. Hand
Clerk of Circuit Court
Calhoun County, Florida

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 24, 2020, on our consideration of the Clerk's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Clerk's internal control over financial reporting and compliance.

Carri Riggs & Ingram, L.L.C.

Marianna, Florida

March 24, 2020



FINANCIAL STATEMENTS

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

<i>September 30, 2019</i>	Major Funds		Non-major Fund		Total Governmental Funds
	General Fund	Court Article V	Modernization Trust Fund		
Assets					
Cash and cash equivalents	\$ 266,916	\$ 66,205	\$ 26,307	\$	359,428
Due from other funds	15,264	18,831	1,274		35,369
Due from other governmental units	17,642	18	-		17,660
Total assets	\$ 299,822	\$ 85,054	\$ 27,581	\$	412,457
Liabilities					
Accounts payable and accrued expenses	\$ 18,811	\$ 12,974	\$ 490	\$	32,275
Due to other funds	-	-	12,258		12,258
Due to Board of County Commissioners	105,681	-	-		105,681
Due to other governmental units	-	70,920	-		70,920
Unearned revenue	1,800	1,160	-		2,960
Total liabilities	126,292	85,054	12,748		224,094
Fund balances					
Restricted	-	-	14,833		14,833
Unassigned	173,530	-	-		173,530
Total fund balances	173,530	-	14,833		188,363
Total liabilities and fund balances	\$ 299,822	\$ 85,054	\$ 27,581	\$	412,457

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

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

	Major Funds		Non-major Fund		Total Governmental Funds
	General Fund	Court Article V	Modernization Trust Fund		
<i>For the year ended September 30, 2019</i>					
Revenues					
Charges for services	\$ 46,927	\$ 135,456	\$ 17,411	\$	199,794
Fines and forfeitures	-	70,927	-	-	70,927
Grants	93,534	-	-	-	93,534
Investment earnings	153,890	72	34	-	153,996
Other fees and miscellaneous	2,234	-	-	-	2,234
Total revenues	296,585	206,455	17,445	-	520,485
Expenditures					
Current:					
General government:					
Personal services	291,478	-	-	-	291,478
Operating expenses	70,357	-	-	-	70,357
Public Safety					
Personal services	8,792	-	-	-	8,792
Court-related:					
Personal services	46,801	379,358	-	-	426,159
Operating expenses	9,598	35,025	12,747	-	57,370
Capital outlay:					
General government	43,665	-	-	-	43,665
Total expenditures	470,691	414,383	12,747	-	897,821
Excess (deficiency) of revenues over (under) expenditures	(174,106)	(207,928)	4,698	-	(377,336)
Other financing sources (uses)					
Appropriations from Board of County Commissioners	347,325	-	-	-	347,325
Reversion to Board of County Commissioners	(117,829)	-	-	-	(117,829)
Transfer from State of Florida	-	245,783	-	-	245,783
Transfer to State of Florida	-	(37,855)	-	-	(37,855)
Net other financing sources (uses)	229,496	207,928	-	-	437,424
Net change in fund balances	55,390	-	4,698	-	60,088
Fund balances - beginning	118,140	-	10,135	-	128,275
Fund balances - ending	\$ 173,530	\$ -	\$ 14,833	\$	188,363

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

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

<i>For the year ended September 30, 2019</i>	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Charges for services	\$ 36,000	\$ 36,000	\$ 46,927	\$ 10,927
Grants	75,000	75,000	93,534	18,534
Investment earnings	45,740	45,740	153,890	108,150
Other fees	-	-	2,234	2,234
Total revenues	156,740	156,740	296,585	139,845
Expenditures				
Current:				
General government:				
Personal services	363,735	363,735	291,478	72,257
Operating expenses	88,040	88,040	70,357	17,683
Public Safety				
Personal services	-	-	8,792	(8,792)
Court-related:				
Personal services	96,550	96,550	46,801	49,749
Operating expenses	3,100	3,100	9,598	(6,498)
Capital outlay				
General government	64,540	64,540	43,665	20,875
Reserve for Contingency	6,100	6,100	-	6,100
Total expenditures	622,065	622,065	470,691	151,374
Excess (deficiency) of revenues over (under) expenditures	(465,325)	(465,325)	(174,106)	291,219
Other financing sources (uses)				
Appropriations from Board of County Commissioners	347,325	347,325	347,325	-
Reversion to Board of County Commissioners	-	-	(117,829)	(117,829)
Net other financing sources (uses)	347,325	347,325	229,496	(117,829)
Net change in fund balance	(118,000)	(118,000)	55,390	173,390
Fund balance - beginning	118,000	118,000	118,140	140
Fund balance - ending	\$ -	\$ -	\$ 173,530	\$ 173,530

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

Calhoun County, Florida
Clerk of the Circuit Court
Statement of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual
Court Article V Fund

<i>For the year ended September 30, 2019</i>	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Charges for services	\$ 109,350	\$ 109,350	\$ 135,456	\$ 26,106
Fines and forfeitures	59,200	59,200	70,927	11,727
Investment earnings	50	50	72	22
Total revenues	168,600	168,600	206,455	37,855
Expenditures				
Current:				
Court-related:				
Personal services	366,480	366,480	379,358	(12,878)
Operating expenses	48,987	48,987	35,025	13,962
Total expenditures	415,467	415,467	414,383	1,084
Excess (deficiency) of revenues over (under) expenditures	(246,867)	(246,867)	(207,928)	38,939
Other financing sources (uses)				
Transfers from State of Florida	246,867	246,867	245,783	(1,084)
Transfers to State of Florida	-	-	(37,855)	(37,855)
Net other financing sources (uses)	246,867	246,867	207,928	(38,939)
Net change in fund balance	-	-	-	-
Fund balance - beginning	-	-	-	-
Fund balance - ending	\$ -	\$ -	\$ -	\$ -

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

Calhoun County, Florida
Clerk of the Circuit Court
Statement of Fiduciary Net Position
Agency Funds

<i>September 30, 2019</i>	Agency Funds
<hr/>	
Assets	
Cash and cash equivalents	\$ 249,111
Due from individuals	802
<hr/>	
Total assets	\$ 249,913
<hr/>	
Liabilities	
Due to other funds	\$ 23,111
Due to Board of County Commissioners	25,479
Due to other governmental units	26,706
Due to individuals	174,617
<hr/>	
Total liabilities	\$ 249,913
<hr/>	

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Calhoun County, Florida, Clerk of the Circuit Court (the “Clerk”) conform to generally accepted accounting principles (GAAP), as applicable to governments. The following is a summary of significant accounting principles and policies used in the preparation of these financial statements.

Reporting Entity

The Calhoun County Clerk of Circuit Court (Clerk) is an integral part of Calhoun County, Florida and is an elected Constitutional Officer who is governed by state statutes and regulations. The financial statements of the Clerk are included in Calhoun County, Florida’s basic financial statements. The Clerk operates on a fee and budgetary system. Under the fee system, the officer retains fees, commissions, and other revenue to pay all operating expenditures, including statutory compensation. Under the budgetary system, appropriated funds are received from the Board of County Commissioners and any unexpended appropriations are remitted to the Board of County Commissioners after the end of the fiscal year. The Clerk receives appropriated funds from the State of Florida to fund court-related activities. The receipts from the State are recorded as other financing sources on the Clerk’s financial statements. The Clerk’s financial statements do not purport to reflect the financial position or the results of operations of Calhoun County, Florida taken as a whole.

Entity status for financial reporting purposes is governed by Statement No. 14 of the Governmental Accounting Standards Board (GASB). Although the Clerk’s office is operationally autonomous from the Board of County Commissioners (the “Board”), it does not hold sufficient corporate powers of its own to be considered a legally separate entity for financial reporting purposes. Therefore, the Clerk is reported as part of the primary government of Calhoun County, Florida.

These financial statements are not intended to be a complete presentation of the financial position and results of operations of Calhoun County, Florida taken as a whole. As permitted by Chapter 10.556(5), Rules of the Auditor General State of Florida, the financial statements consist of only the *fund level* financial statements as defined in GASB No. 34, and do not include presentations of *government-wide* financial statements of the Clerk.

Under the budgetary system, a portion of the operations of the Clerk are funded by the Board. The receipts from the Board are recorded as other financing sources on the Clerk’s financial statements and as other financing uses on the Board’s financial statements. Any excess of revenue and other financial sources received over expenditures are remitted to the Board at year-end except for budgeted excess federal financial participation payments and support incentive payments from the State’s Title IV-D agency and other Board approved special projects.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation

The Clerk's financial statements have been prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida (the "Rules"). These financial statements are the fund financial statements required by generally accepted accounting principles. However, these fund statements do not constitute a complete presentation because, in conformity with the Rules, the Clerk has not presented reconciliations to the government-wide financial statements, management's discussion and analysis, or the pension or the other post-employment benefit related required supplementary information. Also, certain notes to the financial statements may supplement rather than duplicate the notes included in the County's countywide financial statements. 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 each major fund, and the aggregate remaining fund information, of Calhoun County, Florida, that is attributable to the Clerk. They do not purport to, and do not, present fairly the financial position of Calhoun County, Florida, as of September 30, 2019, and the changes in its financial position, for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

In preparing these financial statements the following are reported as major governmental funds:

General Fund - The general fund is the general operating fund of the Clerk. It is used to account for all financial resources, except for those required to be accounted for in another fund.

Court Article V Fund - Special Revenue Fund that accounts for all court related functions in accordance with Florida Statutes Section 28.

In addition, the Clerk has reported the following non-major governmental fund:

Modernization Trust Fund - The modernization trust fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

The Clerk also reported the following fund type:

Agency Funds - Agency funds are custodial in nature and account for assets held in a trust capacity or as agent for individuals, other governmental units and/or other funds. Agency funds only report assets and liabilities and do not measure results of operations. The Clerk reports the General Trust, Child Support and Jury and Witness as Agency Funds.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

All governmental fund financial statements are reported using a current financial resources measurement focus on a modified accrual basis of accounting. The major modifications to the accrual basis are: (a) revenues are recorded in the accounting period in which they become available and measurable (available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, considered to be sixty days for all revenue) and (b) expenditures are recorded in the accounting period in which the liability is incurred, except for accumulated sick and vacation pay, which are not recorded until due. Charges for services and investment revenue are recorded as earned.

The fiduciary fund statements are prepared using the economic resources measurement focus and the accrual basis of accounting.

When both restricted and unrestricted resources are available for use, it is the Clerk's policy to use restricted resources first, then unrestricted resources as needed.

Measurement Focus

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

Budgetary Requirements

Government fund revenues and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with the Florida Statutes. An annual budget is adopted for the general fund. All budget amounts presented in the accompanying financial statements have been adjusted for legally authorized amendments of the annual budget for the year. Budgets are prepared on the modified accrual basis of accounting.

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

The budget for funds necessary to perform court-related functions as provided in Florida Statutes 28.36 is filed with the Florida Clerks of Court Operations Corporation; and

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Departments within the Clerk's office that deal primarily or exclusively with the County are budgeted with appropriations from the Board. The fees generated by the various non-court activities of the Clerk are used to pay operating expenditures of that department. The Clerk's annual budget is monitored at varying levels of classification detail. However, for purposes of budgetary control, expenditures cannot legally exceed the total annual budget appropriations at the individual fund level.

Cash and Cash Equivalents

Cash and cash equivalents includes amounts in demand deposits as well as short term investments with a maturity date within three months of the date acquired by the government. Cash equivalents include investments placed with the State Board of Administration for participation in the Local Government Surplus Funds Trust Fund investment pools created by Sections 218.405 and 218.417, Florida Statutes.

Capital Assets

Tangible personal property is recorded as expenditures in the governmental fund types at the time an asset is acquired. Assets acquired by the Clerk are capitalized at cost in the capital asset accounts of the County. The Clerk's assets are reported in the statement of net position in the County's financial statements. The Clerk maintains custodial responsibility for the capital assets used by her office.

Unearned Revenues

Unearned revenues reported in governmental fund financial statements represent unearned revenues or revenues which are measurable but not available, and in accordance with the modified accrual basis of accounting, are reported as unearned revenues.

Accumulated Compensated Absences

Permanent full-time employees of the Clerk are entitled to accrue sick leave hours based on pay periods worked, with a limit on total hours accrued being 280 hours at calendar year end. Vacation time is earned depending on the length of employment. Upon separation from employment, employees can be paid for unused annual and sick leave in accordance with personnel policy.

The Clerk's accumulated compensated absences are reported in the statement of net position in the County's financial statements.

Fund Balance Reporting and Governmental Fund-Type Definitions

The Clerk follows GASB Statement No. 54, *Fund Balance Reporting and Governmental Type Definitions* which clarifies governmental fund balance classifications and fund-type definitions. Fund balances are classified either as non-spendable or spendable. See Note 9.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Management Estimates and Assumptions

The preparation of financial statements in conformity with GAAP requires management to make use of estimates that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amount of revenues and expenditures during the reporting period. Actual results could differ from estimates.

Risk Management

The Clerk is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors or omissions; injuries to employees and the public; or damage to property of others. The Clerk participates in the risk management program through the Calhoun County Board of County Commissioners, which uses commercial insurance to cover certain risks from loss.

The Board obtained commercial insurance against losses for the following types of risk:

- Real and Personal Property Damage
- Public Employees' Bond
- Workers' Compensation
- General and Automobile Liability

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, March 24, 2020 and determined there were no events that occurred that required disclosure.

Interfund Loans and Transfers

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

Impact of Recently Issued Accounting Pronouncements

In fiscal year 2019, the Clerk adopted two new statements of financial accounting standards issued by the Governmental Accounting Standards Board (GASB):

- GASB Statement No. 83, *Certain Asset Retirement Obligations* ("GASB 83")
- GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings And Direct Placements* ("GASB 88")

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impact of Recently Issued Accounting Pronouncements (Continued)

GASB 83 establishes standards of accounting and financial reporting requirements for legally enforceable liabilities associated with the retirement of certain tangible capital assets. State and local governments that have legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the regulation of the statement. The requirements of GASB 83 are effective for reporting periods beginning after June 15, 2018. GASB 83 had no impact on the Clerk's financial statements.

GASB 88 defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. GASB 88 requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant subjective acceleration clauses. GASB 88 also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. The requirements of GASB 88 are effective for reporting periods beginning after June 15, 2018. GASB 88 had no impact on the Clerk's Financial Statements.

Pronouncements Issued But Not Yet Effective

GASB has issued the following pronouncements that may affect future financial position, results of operations, cash flows, or financial presentation of the Clerk upon implementation. Management has not yet evaluated the effect of implementation of these standards.

GASB Statement No.	GASB Accounting Standard	Effective Fiscal Year
84	<i>Fiduciary Activities</i>	2020
87	<i>Leases</i>	2021
89	<i>Accounting for Interest Cost Incurred before the End of a Construction Period</i>	2021
90	<i>Majority Equity Interest an amendment of GASB Statements No. 14 and No. 61</i>	2020
91	<i>Conduit Debt Obligations</i>	2022

Note 2: DEPOSITS AND INVESTMENTS

At year end, the carrying amount of the Clerk's deposits was \$608,539 and the bank balance was \$620,581. The bank balance was covered by federal depository insurance and, for the amount in excess of such federal depository insurance, by the State of Florida's Public Deposit Act. Provisions of the Act require that public deposits may only be made at qualified public depositories. The Act requires each qualified public depository to deposit with the State Treasurer eligible collateral equal to or in excess of the required collateral as determined by the provisions of the Act. In the event of a failure by a qualified public depository, losses in excess of federal depository insurance and proceeds from the sale of securities pledged by the defaulting depository are assessed against the other qualified public depositories of the same type as the depository in default. When other qualified public depositories are assessed additional amounts, they are assessed on a pro-rata basis.

The Clerk's investment practices are governed by Chapter 218.415 of the Florida Statutes. The Clerk is authorized to invest in certificates of deposit, money market certificates, obligations of the U.S. Treasury, mutual funds and repurchase agreements collateralized by U.S. Government securities, and the Local Government Surplus Trust Fund.

The Clerk's invested funds in the Florida State Board of Administration Local Governments Surplus Funds Investment Pool. At September 30, 2019, the market value and carrying value of these funds totaled \$48,016. The funds are carried as a cash equivalent on the balance sheet at September 30, 2019 (See Note 1 for definition of cash equivalents) and are included in carrying value and bank balance in the first paragraph of this note. Additional information and investment policies regarding the Local Government Surplus Funds Trust Fund may be obtained from the State Board of Administration at www.sbafla.com/prime.

The Florida PRIME Fund is administered by the Florida State Board of Administration (SBA), which provides regulatory oversight. The powers and duties of the SBA are defined in Florida Statute 218.409. In addition, Chapter 19-7 of the Florida Administrative Code identifies the rules and regulations governing the administration of the pool. These rules provide guidance and establish the general operating procedures for the administration of the pool. The SBA provides regulatory oversight for the Florida PRIME Fund. As a pool participant, the County owns a share of the respective pool, not the underlying securities.

The Florida PRIME Fund is an external investment pool that has adopted operating procedures consistent with the requirements of GASB Statement No. 79 to measure its investments at amortized cost. Therefore, the County's investment in the Florida PRIME Fund is at amortized cost.

There are no restrictions or limitations on withdrawals, however, Florida PRIME or Standard and Poor's may on the occurrence of an event that has a material impact on liquidity or operations, impose restrictions on withdrawals for up to 48 hours.

Note 2: DEPOSITS AND INVESTMENTS (Continued)

CREDIT RISK

The credit risk of certain investments, such as investment pools managed by other governments, cannot be categorized as to credit risk because the Clerk's investments are not evidenced by specific, identifiable investment securities.

As of September 30, 2019, the Clerk's investment in the Florida PRIME Fund is rated by Standard and Poor's and the current rating is AAAM.

INTEREST RATE RISK

The weighted average days to maturity (WAM) of the Florida PRIME Fund at September 30, 2019, is 37 days. Next interest rate reset for floating rate securities are used in the calculation of the WAM. The weighted average life (WAL) of the Florida PRIME Fund at September 30, 2019 is 85 days.

CUSTODIAL CREDIT RISK

At September 30, 2019, the Clerk did not hold any deposits or investments that were considered to have custodial risk.

CONCENTRATION OF CREDIT RISK

At September 30, 2019, the Clerk did not hold any investments that were considered to have concentration of credit risk.

Note 3: EMPLOYEE PENSION PLAN

The Clerk participates in the Florida Retirement System (FRS), a cost-sharing, multiple employer defined benefit public retirement system administered by the State of Florida Department of Administration, Division of Retirement, to provide retirement and survivor benefits to participating public employees. Chapter 121, Florida Statutes, establishes the authority for participant eligibility, contribution requirements, vesting eligibility and benefit provisions. FRS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the State of Florida Division of Retirement, Tallahassee, Florida, 32399-1560, or by accessing their internet site at the website below: www.dms.myflorida.com/workforce_operations/retirement/publications/annual_reports.

For those employees hired prior to July 1, 2011, FRS provides vesting of benefits after six years of creditable service. Members are eligible for normal retirement after six years of service and attaining age 62, or 30 years of service regardless of age. Early retirement may be taken any time after completing six years of service; however, there is a 5% benefit reduction for each year prior to normal retirement. For those employees hired on or after July 1, 2011, the System provides for vesting of benefits after eight years of creditable service. Normal retirement benefits are available to these employees who retire at or after age 65 with eight years of service with a 5% reduction of benefits for each year prior to normal retirement. FRS also provides death and disability benefits and cost-of-living adjustments. Generally, membership is compulsory for all full-time and part-time employees. Prior to July 1, 2011, retirement coverage was employee noncontributory. Effective July 1, 2011 the Florida Legislature mandated all employees contribute 3% to their retirement coverage with immediate vesting of their contributions.

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

Note 3: EMPLOYEE PENSION PLAN (Continued)

The funding method and the determination of benefits payable are provided in various acts of the Florida Legislature. These acts provide that employers and employees pay contributions at rates determined each year by the legislature. The employer rates, as a percentage of gross earnings, are as follows:

	10/01/18 Through 06/30/19	07/01/19 Through 09/30/19
Regular employees	8.26%	8.47%
Senior management	24.06%	25.41%
Elected county officials' class	48.70%	48.82%
DROP participants	14.03%	14.60%

Chapter 121, Florida Statutes establishes the authority for participant eligibility, contribution requirements, vesting eligibility and benefit provisions. For the year October 1, 2018 through September 30, 2019, the total payroll for all covered employees was \$503,471. The retirement contributions for all employees' covered by the System for the years ended September 30, 2019, 2018 and 2017 were \$94,975, \$89,192 and \$83,197, which were the required contributions. For the year ended September 30, 2019, retirement contributions represent 18.86% of covered payroll.

GASB Statement No. 68 establishes standards of accounting and financial reporting, but not funding or budgetary standards, for defined benefit pensions and defined contribution pensions provided to the employees of state and local governmental employers through pension plans that are administered through trusts or equivalent arrangements. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans within the scope of the Statement.

The requirements of Statement No. 68 apply to the financial statements of all state and local governmental employers whose employees (or volunteers that provide services to state and local governments) are provided with pensions through pension plans that are administered through trusts or equivalent arrangements, and to the financial statements of state and local governmental nonemployer contributing entities that have a legal obligation to make contributions directly to such pension plans. This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures related to pensions. Note disclosure and RSI requirements about pensions also are addressed. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

Note 3: EMPLOYEE PENSION PLAN (Continued)

The adoption of Statement No. 68 has no impact on the Calhoun County, Florida Clerk's governmental fund financial statements, which continue to report expenditures in the amount of the actuarially determined contributions, as required by State law. The calculation of pension contributions is unaffected by the change.

Note 4: POST EMPLOYMENT BENEFITS OTHER THAN PENSION

In addition to the retirement plan in Note 3, the County, in accordance with Section 112.0801, Florida Statutes, provides post-retirement health care benefits to all retired employees who participated in the group health plan while employed. Employees of the Clerk are covered under the County's plan. The County is required to measure and recognize the annual cost of the future benefits and calculate the annual employer funding requirements and, to the extent funding is not made by the County recognize another post-employment benefit (OPEB) liability on the balance sheet of the County. These amounts, if any, are recorded in the County's government-wide financial statements.

Note 5: COOPERATIVE AGREEMENT

The Clerk has a Cooperative Agreement with the Florida Department of Revenue. This agreement encompasses all of the Clerk's child support functions. It allows for indirect cost reimbursement. The Clerk uses an established indirect cost rate to invoice the Department of Revenue each month. These amounts are federal funds received under CFDA #93.563. The net amount received was \$93,534.

Note 6: EXCESS FEES

Pursuant to Section 218.36(2), Florida Statutes, each County Officer shall pay into the county general fund all money in excess of the sum to which he or she is entitled under the provisions of Chapter 145. The Clerk remitted excess fees of \$117,829 to the Board of County Commissioners.

Note 7: COURT RELATED FEES

Based on the legal opinion provided by the Clerks of Court Operations Corporation general counsel of 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 Governmental Units. As of September 30, 2019, excess court-related funds were \$70,920.

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

Note 8: BALANCES DUE TO/FROM OTHER FUNDS

Balances due to/from other funds at September 30, 2019, consist of the following:

Receivable Fund	Payable Fund	Amount
Governmental Funds		
General Fund	Agency Fund	\$ 3,006
General Fund	Modernization Trust Fund	12,258
Court Article V Fund	Agency Fund	18,831
Modernization Trust Fund	Agency Fund	1,274
Total governmental funds		\$ 35,369

Balances due are for general operating activity. All amounts will be repaid within one year. The remaining balances were generally used to meet cash demands on allowable Clerk expenditures that will be repaid within one year.

Note 9: FUND BALANCE

Non-spendable fund balances include amounts that cannot be spent because they are not spendable form or are legally or contractually required to be maintained intact. The Clerk had no non-spendable fund balances at September 30, 2019.

Spendable fund balances are classified based on a hierarchy of the Clerk’s ability to control the spending of these fund balances and are reported in the following categories: restricted, committed, assigned and unassigned. For the year ending September 30, 2019, the Clerk reports fund balance as restricted and unassigned. Restricted fund balances have externally imposed constraints placed on the use of resources by creditors, grantors, contributors, laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Unassigned fund balances have not been restricted, committed or assigned to specific purposes within the general fund.

Restricted fund balance shows amounts that are legally restricted for specific uses. The purpose for each is indicated as follows:

Funds	Purpose	
Special Revenue Fund	Funding for:	
	Modernization of Public Records	\$ 14,833
Total restricted fund balance		\$ 14,833



SUPPLEMENTARY INFORMATION

Calhoun County, Florida
Clerk of the Circuit Court
Combining Statement of Fiduciary Net Position
Agency Funds

<i>September 30, 2019</i>	General Trust	Child Support	Jury and Witness	Total
Assets				
Cash and cash equivalents	\$ 243,802	\$ 1,269	\$ 4,040	\$ 249,111
Due from individuals	802	-	-	802
Total assets	\$ 244,604	\$ 1,269	\$ 4,040	\$ 249,913
Liabilities				
Due to other funds	\$ 23,111	\$ -	\$ -	\$ 23,111
Due to Board of County Commissioners	23,387	1,042	1,050	25,479
Due to other governmental units	23,626	90	2,990	26,706
Due to individuals	174,480	137	-	174,617
Total liabilities	\$ 244,604	\$ 1,269	\$ 4,040	\$ 249,913

See Independent Auditors' Report



COMPLIANCE SECTION

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

Honorable Carla A. Hand
Clerk of Circuit Court
Calhoun County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of each major fund and the aggregate remaining fund information of the Calhoun County, Florida Clerk of the Circuit Court (the "Clerk") as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Clerk's basic financial statements and have issued our report thereon dated March 24, 2020.

Internal Control Over Financial Reporting

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

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

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

Honorable Carla A. Hand
Clerk of Circuit Court
Calhoun County, Florida

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Clerk'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.

Caru, Riggs & Ingram, L.L.C.

Marianna, Florida

March 24, 2020

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH SECTION
218.415, FLORIDA STATUTES, LOCAL GOVERNMENT INVESTMENT POLICIES**

Honorable Carla A. Hand
Clerk of Circuit Court
Calhoun County, Florida

We have examined Calhoun County, Florida, Clerk of the Circuit Court's (the "Clerk") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2019. Management is responsible for the Clerk's compliance with those requirements. Our responsibility is to express an opinion on the Clerk's compliance based on our examination.

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

In our opinion, the Clerk complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2019.

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

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

Marianna, Florida

March 24, 2020

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH SECTION
28.35, FLORIDA STATUTES, *FLORIDA CLERKS OF COURT OPERATIONS*
CORPORATION, AND SECTION 28.36, FLORIDA STATUTES, *BUDGET PROCEDURE***

Honorable Carla A. Hand
Clerk of Circuit Court
Calhoun County, Florida

We have examined the office of the Calhoun County, Florida, Clerk of Circuit Court's (the "Clerk") compliance with the requirements of Section 28.35, Florida Statutes, *Florida Clerks of Court Operations Corporation*, and Section 28.36, Florida Statutes, *Budget Procedure*, during the year ended September 30, 2019. Management is responsible for the Clerk's compliance with those requirements. Our responsibility is to express an opinion on the Clerk's compliance based on our examination.

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

In our opinion, the Clerk complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2019.

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

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

Marianna, Florida

March 24, 2020

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH SECTION
61.181, FLORIDA STATUTES, *DEPOSITORY FOR ALIMONY TRANSACTIONS,
SUPPORT, MAINTENANCE AND SUPPORT PAYMENTS; FEES***

Honorable Carla A. Hand
Clerk of Circuit Court
Calhoun County, Florida

We have examined the office of the Calhoun County, Florida Clerk of Circuit Court's (the "Clerk") compliance with the requirements of Section 61.181, Florida Statutes, *Depository for Alimony Transactions, Support, Maintenance and Support Payments; Fees* during the year ended September 30, 2019. Management is responsible for the Clerk's compliance with those requirements. Our responsibility is to express an opinion on the Clerk's compliance based on our examination.

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

In our opinion, the Clerk complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2019.

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

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

Marianna, Florida

March 24, 2020

INDEPENDENT AUDITORS' MANAGEMENT LETTER

Honorable Carla A. Hand
Clerk of Circuit Court
Calhoun County, Florida

Report on the Financial Statements

We have audited the financial statements of the Calhoun County, Florida, Clerk of the Circuit Court (the "Clerk"), as of and for the year ended September 30, 2019, and have issued our report thereon dated March 24, 2020.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 24, 2020, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Honorable Carla A. Hand
Clerk of Circuit Court
Calhoun County, Florida

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 the management letter, unless disclosed in the notes to the financial statements. The Calhoun County, Florida, Clerk of the Circuit Court was established by the Constitution of the State of Florida, Article VIII, Section 1(d). There were no component units related to the Calhoun County, Florida, Clerk of the Circuit Court.

Financial Management

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

Additional Matters

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

Purpose of this Letter

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

Carri Riggs & Ingram, L.L.C.

Marianna, Florida

March 24, 2020

**Calhoun County, Florida
Sheriff**

FINANCIAL STATEMENTS

September 30, 2019



Calhoun County, Florida
Sheriff
Table of Contents
September 30, 2019

	Page
REPORT	
Independent Auditors' Report.....	1
FINANCIAL STATEMENTS	
Balance Sheet - Governmental Funds	4
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.....	5
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	6
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Emergency 911	7
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Investigative Resource.....	8
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Inmate Welfare.....	9
Statement of Fiduciary Net Position - Agency Fund	10
Notes to Financial Statements.....	11
SUPPLEMENTARY INFORMATION	
Combining Balance Sheet - Nonmajor Governmental Funds	22
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds.....	23
COMPLIANCE SECTION	
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.....	24
Independent Accountant's Report on Compliance with Section 218.415, Florida Statutes, <i>Local Government Investment Policies</i>	27
Independent Accountant's Report on Compliance with Sections 365.172(10) and 365.173(2)(d), Florida Statutes.....	28
Independent Auditors' Management Letter	29
Management's Response.....	31



REPORT



INDEPENDENT AUDITORS' REPORT

Honorable Glenn H. Kimbrel
Sheriff
Calhoun County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the Calhoun County, Florida, Sheriff (the "Sheriff") as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Honorable Glenn H. Kimbrel
Sheriff
Calhoun County, Florida

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the Sheriff as of September 30, 2019, and the respective changes in financial position, where applicable, and the respective budgetary comparison for the General Fund, Emergency 911 Fund, Investigative Resource Fund and Inmate Welfare Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position, where applicable, of each major fund, and the aggregate remaining fund information, only for that portion of each major fund, and the aggregate remaining fund information, of Calhoun County, Florida that is attributable to the Sheriff. They do not purport to, and do not, present fairly the financial position of Calhoun County, Florida, as of September 30, 2019, and the changes in its financial position, where applicable, for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to these matters.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Sheriff's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

Honorable Glenn H. Kimbrel
Sheriff
Calhoun County, Florida

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated August 25, 2020, on our consideration of the Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Sheriff's internal control over financial reporting and compliance.

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

Marianna, Florida
August 25, 2020



FINANCIAL STATEMENTS

**Calhoun County, Florida
Sheriff
Balance Sheet
Governmental Funds**

September 30, 2019

	General Fund	Emergency 911	Investigative Resource	Inmate Welfare Fund	Other Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	\$ 2,144	\$ 89,890	\$ 75,035	\$ 66,183	\$ 16,573	\$ 249,825
Accounts receivable	-	-	-	3,553	-	3,553
Due from other funds	2,921	19,365	55,589	1,263	-	79,138
Due from Board of County Commissioners	775	-	-	-	-	775
Due from other governmental units	150,029	89,245	150	-	-	239,424
Total assets	\$ 155,869	\$ 198,500	\$ 130,774	\$ 70,999	\$ 16,573	\$ 572,715
Liabilities						
Accounts payable and accrued expenses	\$ 93,717	\$ 7,716	\$ -	\$ 681	\$ -	\$ 102,114
Due to other funds	55,489	19,365	-	2,921	100	77,875
Deferred revenue	6,663	-	-	-	-	6,663
Total liabilities	155,869	27,081	-	3,602	100	186,652
Fund balances						
Restricted	-	171,419	130,774	67,397	16,473	386,063
Total fund balances	-	171,419	130,774	67,397	16,473	386,063
Total liabilities and fund balances	\$ 155,869	\$ 198,500	\$ 130,774	\$ 70,999	\$ 16,573	\$ 572,715

The accompanying notes are an integral part of this financial statement.

**Calhoun County, Florida
Sheriff
Statement of Revenues, Expenditures, and
Changes in Fund Balances
Governmental Funds**

For the year ended September 30, 2019

	General Fund	Emergency 911	Investigative Resource	Inmate Welfare Fund	Other Governmental Funds	Total Governmental Funds
Revenues						
Intergovernmental	\$ 158,664	\$ 131,021	\$ -	\$ -	\$ -	\$ 289,685
Charges for services	69,745	-	14,029	48,663	-	132,437
Grants	239,903	56,594	45,529	-	1,000	343,026
Investment earnings	-	106	-	-	-	106
Contributions and donations	-	-	-	-	17,189	17,189
Other fees and miscellaneous	109,678	-	2,576	-	-	112,254
Total revenues	577,990	187,721	62,134	48,663	18,189	894,697
Expenditures						
Current:						
Public health and safety:						
Law enforcement						
Personal services	1,286,058	-	-	-	-	1,286,058
Operating expenses	389,467	-	869	-	-	390,336
Corrections and detention						
Personal services	356,734	-	-	2,921	-	359,655
Operating expenses	133,500	-	-	6,720	-	140,220
Other public health and safety						
Personal services	134,973	224,108	-	-	-	359,081
Operating expenses	7,392	99,279	-	-	5,116	111,787
Capital Outlay						
Law enforcement	293,947	-	54,825	-	1,000	349,772
Corrections and detention	4,339	-	-	-	-	4,339
Other public health and safety	-	20,900	-	34,782	-	55,682
Total expenditures	2,606,410	344,287	55,694	44,423	6,116	3,056,930
Excess (deficiency) of revenues over (under) expenditures	(2,028,420)	(156,566)	6,440	4,240	12,073	(2,162,233)
Other financing sources (uses)						
Appropriations from Board of County Commissioners	2,028,420	178,392	-	-	-	2,206,812
Net other financing sources (uses)	2,028,420	178,392	-	-	-	2,206,812
Net change in fund balances	-	21,826	6,440	4,240	12,073	44,579
Fund balances - beginning	-	149,593	124,334	63,157	4,400	341,484
Fund balances - ending	\$ -	\$ 171,419	\$ 130,774	\$ 67,397	\$ 16,473	\$ 386,063

The accompanying notes are an integral part of this financial statement.

Calhoun County, Florida
Sheriff
Statement of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual
General Fund

For the year ended September 30, 2019

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Intergovernmental	\$ 85,069	\$ 159,000	\$ 158,664	\$ (336)
Charges for services	14,000	14,750	69,745	54,995
Other fees and miscellaneous	-	110,028	109,678	(350)
Grant revenue	45,453	295,950	239,903	(56,047)
Total revenues	144,522	579,728	577,990	(1,738)
Expenditures				
Current:				
Public health and safety:				
Law enforcement				
Personal services	1,219,008	1,287,105	1,286,058	1,047
Operating expenses	280,016	389,585	389,467	118
Corrections and detention				
Personal services	374,190	356,738	356,734	4
Operating expenses	101,400	133,857	133,500	357
Other public health and safety				
Personal services	161,478	135,068	134,973	95
Operating expenses	8,850	7,445	7,392	53
Capital Outlay				
Law enforcement	25,000	294,000	293,947	53
Corrections and detention	-	4,350	4,339	11
Courthouse security	3,000	-	-	-
Total expenditures	2,172,942	2,608,148	2,606,410	1,738
Excess (deficiency) of revenues over (under) expenditures	(2,028,420)	(2,028,420)	(2,028,420)	-
Other financing sources (uses)				
Appropriations from Board of County Commissioners				
	2,028,420	2,028,420	2,028,420	-
Total other financing sources (uses)	2,028,420	2,028,420	2,028,420	-
Net change in fund balance	\$ -	\$ -	\$ -	\$ -

The accompanying notes are an integral part of this financial statement.

Calhoun County, Florida
Sheriff

Statement of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual
Emergency 911

For the year ended September 30, 2019

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Intergovernmental	\$ 132,706	\$ 132,706	\$ 131,021	\$ (1,685)
Investment earnings	106	106	106	-
Grant revenue	38,535	56,594	56,594	-
Total revenues	171,347	189,406	187,721	(1,685)
Expenditures				
Current:				
Public health and safety:				
Other public health and safety				
Personal services	216,215	237,763	224,108	13,655
Operating expenses	112,624	109,135	99,279	9,856
Capital Outlay				
Other public health and safety	20,900	20,900	20,900	-
Total expenditures	349,739	367,798	344,287	23,511
Excess (deficiency) of revenues over (under) expenditures	(178,392)	(178,392)	(156,566)	21,826
Other financing sources (uses)				
Appropriations from Board of County Commissioners	178,392	178,392	178,392	-
Total other financing sources (uses)	178,392	178,392	178,392	-
Net change in fund balance	\$ -	\$ -	\$ 21,826	\$ 21,826

The accompanying notes are an integral part of this financial statement.

Calhoun County, Florida
Sheriff
Statement of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual
Investigative Resource

For the year ended September 30, 2019

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Charges for services	\$ 14,029	\$ 14,029	\$ 14,029	\$ -
Other fees and miscellaneous	2,576	2,576	2,576	-
Grant revenue	45,529	45,529	45,529	-
Total revenues	62,134	62,134	62,134	-
Expenditures				
Current:				
Public health and safety:				
Law enforcement				
Operating expenses	7,309	7,309	869	6,440
Capital Outlay				
Law enforcement	54,825	54,825	54,825	-
Total expenditures	62,134	62,134	55,694	6,440
Excess (deficiency) of revenues over (under) expenditures	-	-	6,440	6,440
Net change in fund balance	\$ -	\$ -	\$ 6,440	\$ 6,440

The accompanying notes are an integral part of this financial statement.

**Calhoun County, Florida
Sheriff**

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

For the year ended September 30, 2019

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Charges for services	\$ 48,663	\$ 48,663	\$ 48,663	\$ -
Total revenues	48,663	48,663	48,663	-
Expenditures				
Current:				
Public health and safety:				
Corrections and detention				
Personal services	3,000	3,000	2,921	79
Operating expenses	10,881	10,881	6,720	4,161
Capital Outlay				
Corrections and detention	34,782	34,782	34,782	-
Total expenditures	48,663	48,663	44,423	4,240
Excess (deficiency) of revenues over (under) expenditures	-	-	4,240	4,240
Net change in fund balance	\$ -	\$ -	\$ 4,240	\$ 4,240

The accompanying notes are an integral part of this financial statement.

**Calhoun County, Florida
Sheriff
Statement of Fiduciary Net Position
Agency Fund**

September 30, 2019

	Inmate Trust
Assets	
Cash and cash equivalents	\$ 13,905
Total assets	\$ 13,905
Liabilities	
Due to other funds	1,263
Due to individuals	12,642
Total liabilities	\$ 13,905

The accompanying notes are an integral part of this financial statement.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Calhoun County, Florida, Sheriff (the “Sheriff”) conform to generally accepted accounting principles (GAAP), as applicable to governments. The following is a summary of significant accounting principles and policies used in the preparation of these financial statements.

Reporting Entity

The Calhoun County, Florida, Sheriff (the “Sheriff”) is a separately elected County official established pursuant to the Constitution of the State of Florida. The Sheriff’s financial statements do not purport to reflect the financial position or the results of operations of Calhoun County, Florida taken as a whole.

Entity status for financial reporting is governed by Statement No. 14 of the Governmental Accounting Standards Board (GASB). Although the Sheriff’s office is operationally autonomous from the Board of County Commissioners (“the Board”), it does not hold sufficient corporate powers of its own to be considered a legally separate entity for financial reporting purposes. Therefore, the Sheriff is reported as part of the primary government of Calhoun County, Florida.

These financial statements are not intended to be a complete presentation of the financial position and results of operations of Calhoun County, Florida taken as a whole. As permitted by Chapter 10.556(5), Rules of the Auditor General State of Florida, the financial statements consist of only the *fund level* financial statements as defined in GASB No. 34, and do not include presentations of *government-wide* financial statements of the Sheriff.

The operations of the Sheriff are primarily funded by the Board. The receipts from the Board are recorded as other financing sources on the Sheriff’s financial statements and as other financing uses on the Board’s financial statements. Any excess of revenues and other financing sources received over expenditures are remitted to the Board at year-end.

Basis of Presentation

The Sheriff’s financial statements have been prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida (the “Rules”). These financial statements are the fund financial statements required by generally accepted accounting principles. However, these fund statements do not constitute a complete presentation because, in conformity with the Rules, the Sheriff has not presented reconciliations to the government-wide financial statements, management’s discussion and analysis, or the pension or the other post-employment benefit related required supplementary information. Also, certain notes to the financial statements may supplement rather than duplicate the notes included in the County’s countywide financial statements. 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 each major fund, and the aggregate remaining fund information, of Calhoun County, Florida, that is attributable to the Sheriff. They do not purport to, and do not, present fairly the financial position of Calhoun County, Florida, as of September 30, 2019, and the changes in its financial position, for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In preparing these financial statements the following are reported as major governmental funds:

General Fund - The General Fund is used to account for all revenue and expenditures applicable to the general operations of the Sheriff that are not required either legally or by generally accepted accounting principles to be accounted for in another fund.

Emergency 911 – This special revenue fund accounts for the operation of the emergency 911 system of Calhoun County.

Investigative Resource Fund – This special revenue fund accounts for revenues and expenditures relating to various forfeitures, investigative fees and restitution.

Inmate Welfare Fund – This special revenue fund accounts for the activities related to operation of the inmate commissary.

In addition, the Sheriff reported the following non-major governmental funds:

Special Revenue Funds - Special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. The Sheriff reports the following special revenue funds in the financial statements under the title “Other Governmental Funds.”

Drug Enforcement Fund - Accounts for revenues and expenses of the Calhoun County Sheriff’s office drug enforcement program.

Contribution Fund - Accounts for revenues and expenditures relating to public donations to assist the less fortunate.

The Sheriff also reported the following fund type:

Agency Funds - The agency funds are used to account for assets held by the Sheriff as an agent for individuals, private organizations, and other governments. Agency funds are custodial in nature and do not involve measurement of changes in financial position.

Measurement Focus

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting refers to the timing of the measurements made, regardless of the measurement focus applied.

All governmental fund financial statements are reported using a current financial resources measurement focus on a modified accrual basis of accounting. The major modifications to the accrual basis are: (a) revenues are recorded in the accounting period in which they become available and measurable (available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, considered to be sixty days for all revenue) (b) expenditures are recorded in the accounting period in which the liability is incurred, except for accumulated sick and vacation pay, which are not recorded until paid. Charges for services and investment revenue are recorded as earned.

The fiduciary fund statements are prepared using the economic resources measurement focus and the accrual basis of accounting.

When both restricted and unrestricted resources are available for use, it is the Sheriff's policy to use restricted resources first, then unrestricted resources as needed.

Budgetary Requirements

Florida Statutes, Chapter 30.49 and 129.03(2), details the preparation, adoption and administration of the Sheriff's annual budget. The Sheriff establishes an annual balanced budget for his office, which displays the revenues available to the office and the functions for which the money is to be expended. All budget amounts presented in the accompanying financial statements have been adjusted for legally authorized amendments of the annual budget for the year. Budgets are prepared on the modified accrual basis of accounting.

The Sheriff's annual budgets are monitored at varying levels of classification detail. However, for purposes of budgetary control, expenditures cannot legally exceed the total annual budget appropriations at the individual fund level. All appropriations lapse at year end.

Cash and Cash Equivalents

Cash and cash equivalents includes amounts in demand deposits as well as short term investments with a maturity date within three months of the date acquired by the government.

Capital Assets

Tangible personal property is recorded as expenditures in the governmental fund types at the time an asset is acquired. Assets acquired by the Sheriff are capitalized at cost in the capital asset accounts of the County. The Sheriff's assets are reported in the statement of net assets in the County's financial statements. The Sheriff maintains custodial responsibility for the capital assets used by his office.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Sheriff adopted GASB Statement No. 54, *Fund Balance Reporting and Governmental Type Definitions* (GASB Statement No. 54) effective October 1, 2010. This GASB Statement clarifies governmental fund balance classifications and fund-type definitions. Fund balances are classified either as non-spendable or spendable. See Note 10.

Accumulated Compensated Absences

Permanent full-time employees of the Sheriff are entitled to accrue up to 360 hours of sick leave and up to 240 hours of vacation time depending on the length of employment. Upon separation of employment, employees can be paid their vacation time and up to 25% of unused sick time, with the payment of unused sick time being subject to various criteria.

The Sheriff's accumulated compensated absences are reported in the statement of net position in the County's financial statements.

Due to Others

This account is used to account for assets held by the Sheriff in a trustee capacity for other governmental agencies or individuals.

Risk Management and Insurance

The Sheriff participates in the Florida Sheriff Self-Insurance Fund, which is considered a public entity risk pool which purchases insurance policies on behalf of its members. The pool's members are not obligated for risk associated with such coverage. Coverage under these programs includes:

- General Liability
- Public Employees Blanket Bond
- Automobiles
- Money and Securities Coverage

The Sheriff provides for workers' compensation coverage through the Board. A separate insurance policy is carried for aircraft. In addition, the Sheriff participates in the Florida Self-Insurance Fund for risks related to professional liability and public officials' coverage. The funding agreement provides that the liability fund will be self-sustaining through member premiums and that it will reinsure through commercial companies. Aggregate coverage provided by the liability fund is \$3,500,000 for professional liability and \$3,500,000 for public officials' coverage.

Management Estimates and Assumptions

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, August 25, 2020 and determined there were no events that occurred that required disclosure.

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

Interfund Loans and Transfers

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

Impact of Recently Issued Accounting Pronouncements

In fiscal year 2019, the Sheriff adopted two new statements of financial accounting standards issued by the Governmental Accounting Standards Board (GASB):

- GASB Statement No. 83, *Certain Asset Retirement Obligations* (“GASB 83”)
- GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings And Direct Placements* (“GASB 88”)

GASB 83 establishes standards of accounting and financial reporting requirements for legally enforceable liabilities associated with the retirement of certain tangible capital assets. State and local governments that have legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the regulation of the statement. The requirements of GASB 83 are effective for reporting periods beginning after June 15, 2018. GASB 83 had no impact on the Sheriff's financial statements.

Calhoun County, Florida
Sheriff
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impact of Recently Issued Accounting Pronouncements (Continued)

GASB 88 defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. GASB 88 requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant subjective acceleration clauses. GASB 88 also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. The requirements of GASB 88 are effective for reporting periods beginning after June 15, 2018. GASB 88 had no impact on the Sheriff's Financial Statements.

Pronouncements Issued But Not Yet Effective

GASB has issued the following pronouncements that may affect future financial position, results of operations, cash flows, or financial presentation of the Sheriff upon implementation. Management has not yet evaluated the effect of implementation of these standards.

GASB Statement No.	GASB Accounting Standard	Effective Fiscal Year
84	<i>Fiduciary Activities</i>	2020
87	<i>Leases</i>	2021
89	<i>Accounting for Interest Cost Incurred before the End of a Construction Period</i>	2021
90	<i>Majority Equity Interest an amendment of GASB Statements No. 14 and No. 61</i>	2020
91	<i>Conduit Debt Obligations</i>	2022

Note 2: DEPOSITS AND INVESTMENTS

At September 30, 2019, the carrying amount of the Sheriff's cash and cash equivalents and restricted cash was \$263,730 and the bank balance was \$455,605. The bank balance was covered by federal depository insurance and, for the amount in excess of such federal depository insurance, by the State of Florida's Public Deposit Act. Provisions of the Act require that public deposits may only be made at qualified public depositories. The Act requires each qualified public depository to deposit with the State Treasurer eligible collateral equal to or in excess of the required collateral as determined by the provisions of the Act. In the event of a failure by a qualified public depository, losses in excess of federal depository insurance and proceeds from the sale of securities pledged by the defaulting depository are assessed against the other qualified public depositories of the same type as the depository in default. When other qualified public depositories are assessed additional amounts, they are assessed on a pro-rata basis.

Florida Statutes authorize the Sheriff to invest in certificates of deposit, repurchase agreements and the State Treasurer's Investment Pool. In addition, the statutes allow the Sheriff to invest in bonds, notes or other obligations of the United States Government, certain bonds of any state or local government unit, and bonds issued by certain government agencies.

CREDIT RISK

At September 30, 2019, the Sheriff did not hold any deposits or investments that were considered to have credit risk.

INTEREST RATE RISK

At September 30, 2019, the Sheriff did not hold any investments that were considered to have interest rate risk.

CUSTODIAL CREDIT RISK

At September 30, 2019, the Sheriff did not hold any deposits or investments that were considered to have custodial credit risk.

CONCENTRATION OF CREDIT RISK

At September 30, 2019, the Sheriff did not hold any investments that were considered to have concentration of credit risk.

Note 3: INTERFUND RECEIVABLES AND PAYABLES

Interfund receivables and payables at September 30, 2019, are as follows:

Due to/from Other Funds:

Receivable Fund	Payable Fund		
General Fund	Inmate Welfare	\$	2,921
Investigative Resource	General Fund	\$	55,489
Investigative Resource	Drug Enforcement Fund	\$	100
Inmate Welfare	Inmate Trust	\$	1,263
911 Wireless	911 General Operating	\$	19,365

The balances resulted from the time lag between the dates that (a) interfund goods and services are provided or reimbursable expenditures occur, (b) transactions are recorded in the accounting system, and (c) payments between funds are made. Amounts are generally repaid during the next fiscal year.

Note 4: EMPLOYEE PENSION PLAN

The Sheriff participates in the Florida Retirement System (FRS), a cost-sharing, multiple employer defined benefit public retirement system administered by the State of Florida Department of Administration, Division of Retirement, to provide retirement and survivor benefits to participating public employees. FRS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the State of Florida Division of Retirement, Tallahassee, Florida, 32399-1560, or by accessing their internet site at www.dms.myflorida.com/workforce_operations/retirement/publications/annual_reports.

For those employees hired prior to July 1, 2011, FRS provides vesting of benefits after six years of creditable service. Members are eligible for normal retirement after six years of service and attaining age 62, or 30 years of service regardless of age. Early retirement may be taken any time after completing six years of service; however, there is a 5% benefit reduction for each year prior to normal retirement. For those employees hired on or after July 1, 2011, the System provides for vesting of benefits after eight years of creditable service. Normal retirement benefits are available to these employees who retire at or after age 65 with eight years of service with a 5% reduction of benefits for each year prior to normal retirement. FRS also provides death and disability benefits and cost-of-living adjustments. Generally, membership is compulsory for all full-time and part-time employees. Prior to July 1, 2011, retirement coverage was employee noncontributory. Effective July 1, 2011 the Florida Legislature mandated all employees contribute 3% to their retirement coverage with immediate vesting of their contributions.

Calhoun County, Florida
Sheriff
Notes to Financial Statements

Note 4: EMPLOYEE PENSION PLAN (Continued)

The funding methods and the determination of benefits payable are provided in various acts of the Florida Legislature. These acts provide that employers and employees pay contributions at rates determined each year by the legislature. The employer rates, as a percentage of gross earnings, are as follows:

	10/01/18 Through <u>06/30/19</u>	07/01/19 Through <u>09/30/19</u>
Regular employees	8.26%	8.47%
Senior management	24.06%	25.41%
Elected county officials	48.70%	48.82%
Special risk employees	24.50%	25.48%
DROP participants	14.03%	14.60%

Chapter 121, Florida Statutes establishes the authority for participant eligibility, contribution requirements, vesting eligibility and benefit provisions. For the year October 1, 2018 through September 30, 2019, the total payroll for all covered employees was \$1,430,585. The retirement contributions for all employees covered by the System for the years ended September 30, 2019, 2018, 2017 were 274,281, \$237,452, and \$215,091, respectively, which were the required contributions. For the year ended September 30, 2019, retirement contributions represented 19.17% of covered payroll.

GASB Statement No. 68 establishes standards of accounting and financial reporting, but not funding or budgetary standards, for defined benefit pensions and defined contribution pensions provided to the employees of state and local governmental employers through pension plans that are administered through trusts or equivalent arrangements. This Statement replaces the requirements of Statement No. 27, Accounting for Pensions by State and Local Governmental Employers, as well as the requirements of Statement No. 50, Pension Disclosures, as they relate to pensions that are provided through pension plans within the scope of the Statement.

The requirements of Statement No. 68 apply to the financial statements of all state and local governmental employers whose employees (or volunteers that provide services to state and local governments) are provided with pensions through pension plans that are administered through trusts or equivalent arrangements, and to the financial statements of state and local governmental nonemployer contributing entities that have a legal obligation to make contributions directly to such pension plans. This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures related to pensions. Note disclosure and RSI requirements about pensions also are addressed. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

Calhoun County, Florida
Sheriff
Notes to Financial Statements

Note 4: EMPLOYEE PENSION PLAN (Continued)

The adoption of Statement No. 68 has no impact on the Calhoun County, Florida Sheriff's governmental fund financial statements, which continue to report expenditures in the amount of the actuarially determined contributions, as required by State law. The calculation of pension contributions is unaffected by the change.

Note 5: POST EMPLOYMENT BENEFITS OTHER THAN PENSION

In addition to the retirement plan in Note 5, the County, in accordance with Section 112.0801, Florida Statutes, provides post-retirement health care benefits to all retired employees who participated in the group health plan while employed. Employees of the Sheriff are covered under the County's plan. The County is required to measure and recognize the annual cost of the future benefits and calculate the annual employer funding requirements and, to the extent funding is not made by the County recognize another post-employment benefit (OPEB) liability on the balance sheet of the County. These amounts, if any, are recorded in the County's government-wide financial statements.

Note 6: EXCESS REVENUE

Pursuant to Section 218.36(2), Florida Statutes, any excess revenues over expenditures determined as of the fiscal year end, "...is returned to each governmental unit in the same proportion as fees paid by the governmental unit bear to the total fee income of the Sheriff." Excess revenues over expenditures returned to the Board of County Commissioners as required by Florida Statutes are accrued and reported as a reversion to Board of County Commissioners. The Sheriff's general fund ended this year with no excess fees.

Note 7: GRANTS

The Sheriff participates in several state and federal grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The audits of these programs for or including the year ended September 30, 2019, have not yet been accepted/approved by the grantors. Accordingly, the final determination of the Sheriff's compliance with applicable grant requirements will be established at a future date. The amount, if any, of expenditures which may be disallowed by the grantor agencies cannot be determined, although the Sheriff expects such amounts, if any, to be immaterial.

Note 9: LITIGATION AND CONTINGENT LIABILITIES

The Sheriff is involved in various litigations arising from the ordinary course of business. In the opinion of management, after consultation with legal counsel, these matters will be resolved without a material adverse effect on the Sheriff's financial position.

Note 10: FUND BALANCE

Non-spendable fund balances include amounts that cannot be spent because they are not in spendable form or are legally or contractually required to be maintained intact. The Sheriff had no non-spendable fund balances at September 30, 2019.

Spendable fund balances are classified based on a hierarchy of the Sheriff's ability to control the spending of these fund balances and are reported in the following categories: restricted, committed, assigned and unassigned. Restricted fund balance have externally imposed constraints placed on the use of resources by creditors, grantors, contributors, laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Assigned fund balance has constraints placed on the use of resources by the Sheriff's intent to use the resources for specific purposes. Unassigned fund balances have not been restricted, committed or assigned to specific purposes within the general fund. For the year ended September 30, 2019, the Sheriff reported \$386,063 in restricted fund balance.



SUPPLEMENTARY INFORMATION

**Calhoun County, Florida
Sheriff
Combining Balance Sheet
Nonmajor Governmental Funds**

September 30, 2019

	Drug Enforcement Fund	Contribution Fund	Total Nonmajor Governmental Funds
Assets			
Cash and cash equivalents	\$ 100	\$ 16,473	\$ 16,573
Total assets	\$ 100	\$ 16,473	\$ 16,573
Liabilities			
Accounts payable and accrued expenses	\$ -	\$ -	\$ -
Due to other funds	100	-	100
Total liabilities	100	-	100
Fund balances - restricted	-	16,473	16,473
Total liabilities and fund balances	\$ 100	\$ 16,473	\$ 16,573

**Calhoun County, Florida
Sheriff**

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

For the year ended September 30, 2019

	Drug Enforcement Fund	Contribution Fund	Total Nonmajor Governmental Funds
Revenues			
Grants	\$ 1,000	\$ -	\$ 1,000
Contributions and donations	-	17,189	17,189
Total revenues	1,000	17,189	18,189
Expenditures			
Current:			
Other public health and safety			
Operating expenses	-	5,116	5,116
Capital Outlay			
Law enforcement	1,000	-	1,000
Total expenditures	1,000	5,116	6,116
Excess of revenues (under) expenditures	-	12,073	12,073
Net change in fund balances	-	12,073	12,073
Fund balances - beginning	-	4,400	4,400
Fund balances - ending	\$ -	\$ 16,473	\$ 16,473



COMPLIANCE SECTION

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

Honorable Glenn H. Kimbrel
Sheriff
Calhoun County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of each major fund and the aggregate remaining fund information of the Calhoun County, Florida, Sheriff (the "Sheriff") as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements and have issued our report thereon dated August 25, 2020.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described below as finding 2004-002 that we consider to be a significant deficiency.

Honorable Glenn H. Kimbrel
Sheriff
Calhoun County, Florida

PRIOR YEAR FINDINGS AND RECOMMENDATIONS:

NEED FOR SEGREGATION OF DUTIES 2004-002

CRITERIA: The internal control environment should include proper segregation of duties and responsibilities over accounting functions.

CONDITION: There is a lack of segregation of duties between employees who have recordkeeping responsibility and employees in custody of the Sheriff's assets.

CAUSE: The Sheriff has limited personnel in the accounting department.

EFFECT: The possibility exists that unintentional or intentional errors or irregularities could occur and not be promptly detected.

RECOMMENDATION: We realize that due to the limited number of employees and certain incompatible duties being performed by the same employee, it is difficult to achieve ideal separation of duties. Nevertheless, internal control is strengthened when incompatible duties are separated and review procedures are established and adhered to. We also recommend the Sheriff log in to the bank's website and review the original bank statement.

STATUS: This condition continues to exist.

Honorable Glenn H. Kimbrel
Sheriff
Calhoun County, Florida

Compliance and Other Matters

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

Sheriff's Response to Findings

The Sheriff's response to the findings identified in our audit is described in the accompanying letter. The Sheriff's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Cary Riggs & Ingram, L.L.C.

Marianna, Florida
August 25, 2020

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH SECTION
218.415, FLORIDA STATUTES, *LOCAL GOVERNMENT INVESTMENT POLICIES***

Honorable Glenn H. Kimbrel
Sheriff
Calhoun County, Florida

We have examined Calhoun County, Florida Sheriff (the "Sheriff") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2019. Management is responsible for the Sheriff's compliance with those requirements. Our responsibility is to express an opinion on the Sheriff's compliance based on our examination.

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

In our opinion, the Sheriff complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2019.

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

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

Marianna, Florida
August 25, 2020

**INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH
SECTIONS 365.172(10) AND 365.173(2)(d), FLORIDA STATUTES**

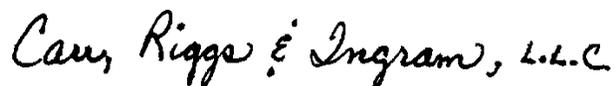
Honorable Glenn H. Kimbrel
Sheriff
Calhoun County, Florida

We have examined Calhoun County, Florida's (the County) compliance with the requirements of Section 365.172(10), Florida Statutes, *Authorized Expenditures of E911 Fee*, and Section 365.173(2)(d), Florida Statutes, *Distribution and Use of (E911) Funds*, during the year ended September 30, 2019. Management is responsible for the County's compliance with those requirements. Our responsibility is to express an opinion on the County's compliance based on our examination.

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

In our opinion, the County complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2019.

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



Marianna, Florida
August 25, 2020



Carr, Riggs & Ingram, LLC
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INDEPENDENT AUDITORS' MANAGEMENT LETTER

Honorable Glenn H. Kimbrel
Sheriff
Calhoun County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the Calhoun County, Florida, Sheriff (the "Sheriff"), as of and for the year ended September 30, 2019, and have issued our report thereon dated August 25, 2020.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; 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 August 25, 2020, should be considered in conjunction with this management letter.

Prior Audit Findings

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

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 the management letter, unless disclosed in the notes to the financial statements. The Calhoun County, Florida, Sheriff was established by the Constitution of the State of Florida, Article VIII, Section 1(d). There were no component units related to the Calhoun County, Florida Sheriff.

Honorable Glenn H. Kimbrel
Sheriff
Calhoun County, Florida

Financial Management

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

Additional Matters

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

Purpose of this Letter

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

Cary Riggs & Ingram, L.L.C.

Marianna, Florida
August 25, 2020

Calhoun County, Florida
Sheriff
Management's Response

Sheriff



Glenn H. Kimbrel
Calhoun County

State of Florida
Auditor General
P.O. Box 1735
Tallahassee, FL 32303

RE: Fiscal Year Audit Report 2018/2019, Management Letter Comments & Findings

Dear Sir or Madam:

Calhoun County Sheriff's Office would like to address the following audit findings:

FINDING 2004-002 - NEED FOR SEGREGATION OF DUTIES:

COMMENT:

There is a lack of segregation of duties between employees who have recordkeeping responsibility and employees in custody of the Sheriff's assets.

RECOMMENDATION:

We realize that due to the limited number of employees and certain incompatible duties being performed by the same employee, it is difficult to achieve ideal separation of duties. Nevertheless, internal control is strengthened when incompatible duties are separated and review procedures are established and adhered to. We also recommend the Sheriff log in to the bank's website and review the original bank statement.

CALHOUN CO. SHERIFF'S OFFICE RESPONSE:

Calhoun County Sheriff's Office is a very small agency (consisting of approximately 35 employees). There is one financial officer whose duties include administration assistant duties, human resources, grant writing and administration, and all of the accounting duties (budgeting, payroll, accounts payable, etc). Limited funding prohibits the hiring of additional staff to strengthen internal controls. However, the finance officer/administrative assistant is supervised directly by the sheriff. Sheriff Kimbrel will continue to monitor the finances and review bank statements each month in order to provide a measure of assurance of proper accountability and handling of the Calhoun County Sheriff's Office finances.

Please contact me if you have additional questions or concerns.

Sincerely,

A handwritten signature in blue ink that reads 'Glenn Kimbrel'.

Sheriff Glenn Kimbrel

**Calhoun County, Florida
Property Appraiser**

FINANCIAL STATEMENTS

September 30, 2019



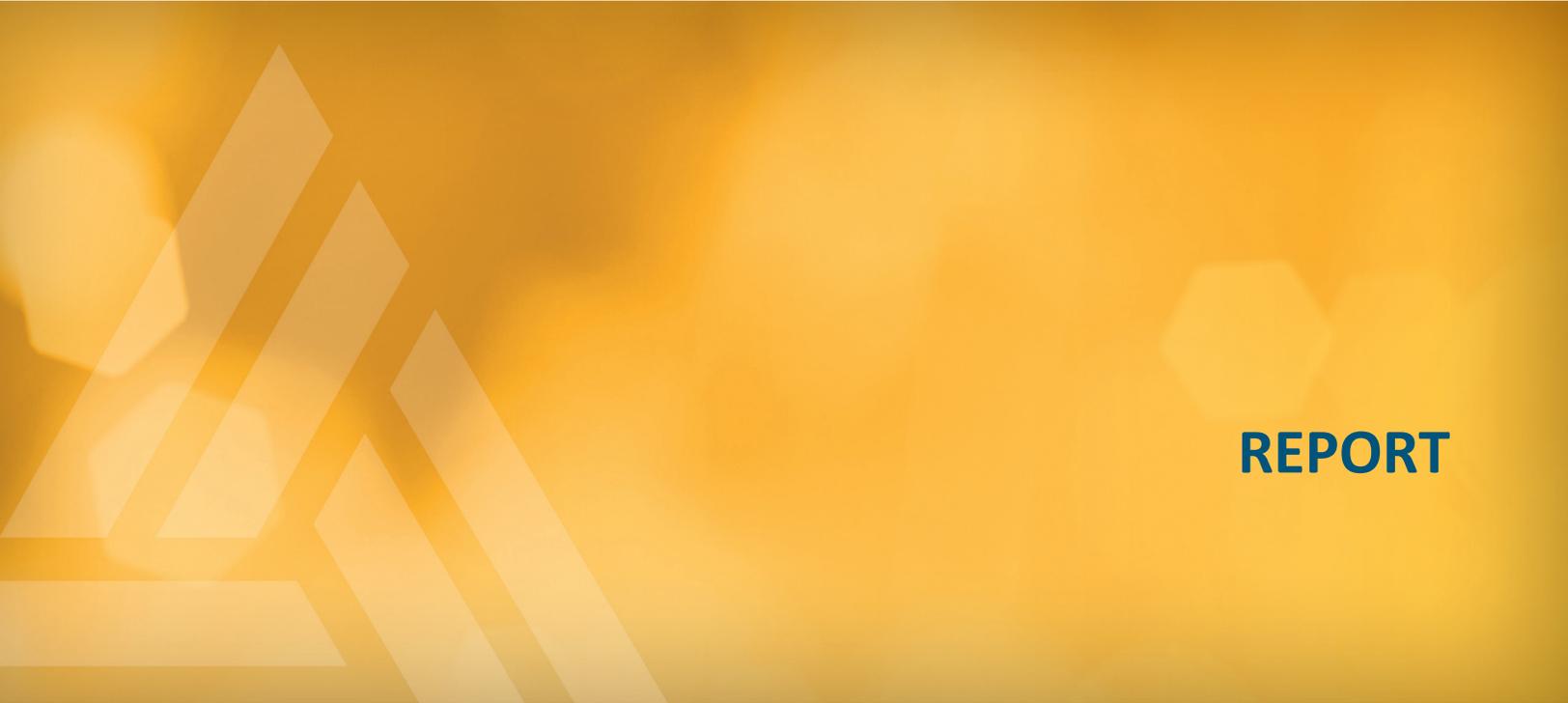
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Calhoun County, Florida
Property Appraiser
Table of Contents
September 30, 2019

	Page
REPORT	
Independent Auditors' Report	1
FINANCIAL STATEMENTS	
Balance Sheet - Governmental Funds	3
Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds	4
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual - General Fund	5
Notes to Financial Statements	6
COMPLIANCE SECTION	
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	15
Independent Accountants' Report on Compliance with Section 218.415, Florida Statutes, <i>Local Government Investment Policies</i>	18
Independent Auditors' Management Letter	19



REPORT





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INDEPENDENT AUDITORS' REPORT

Honorable Carla Peacock
Property Appraiser
Calhoun County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the major fund of the Calhoun County, Florida, Property Appraiser (the "Property Appraiser") as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Property Appraiser's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Honorable Carla Peacock
Property Appraiser
Calhoun County, Florida

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the major fund of the Property Appraiser as of September 30, 2019, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position, where applicable, of the major fund, only for that portion of the major fund of Calhoun County, Florida that is attributable to the Property Appraiser. They do not purport to, and do not, present fairly the financial position of Calhoun County, Florida, as of September 30, 2019, and the changes in its financial position, where applicable, for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 27, 2020 on our consideration of the Property Appraiser's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Property Appraiser's internal control over financial reporting and compliance.

Carly Riggs & Ingram, L.L.C.

Marianna, Florida
May 27, 2020



FINANCIAL STATEMENTS

Calhoun County, Florida
Property Appraiser
Balance Sheet
Governmental Funds

<i>September 30, 2019</i>	General Fund
<hr/>	
Assets	
Cash and cash equivalents	\$ 78,549
<hr/>	
Total assets	\$ 78,549
<hr/> <hr/>	
Liabilities	
Accounts payable and accrued expenses	\$ 370
Due to Board of County Commissioners	78,179
<hr/>	
Total liabilities	78,549
<hr/>	
Fund balance	
-	
<hr/>	
Total liabilities and fund balance	\$ 78,549
<hr/> <hr/>	

The accompanying notes are an integral part of these financial statements

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

<i>For the year ended September 30, 2019</i>	General Fund
Revenues	
Charge for services	\$ 1,000
Investment earnings	187
Total revenues	1,187
Expenditures	
Current:	
General government:	
Personal services	372,804
Operating expenses	76,527
Total expenditures	449,331
Excess (deficiency) of revenues over (under) expenditures	(448,144)
Other financing sources (uses)	
Appropriations from Board of County Commissioners	526,323
Reversion to Board of County Commissioners	(78,179)
Net other financing sources (uses)	448,144
Net change in fund balance	-
Fund balance, beginning	-
Fund balance, ending	\$ -

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

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

<i>For the year ended September 30, 2019</i>	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Favorable (Unfavorable)
Revenues				
Charge for services	\$ -	\$ -	\$ 1,000	\$ 1,000
Interest earnings	-	-	187	187
Total revenues	-	-	1,187	1,187
Expenditures				
Current:				
General government:				
Personal services	428,441	416,044	372,804	43,240
Operating expenses	88,265	101,965	76,527	25,438
Reserve for contingency	9,617	9,617	-	9,617
Total expenditures	526,323	527,626	449,331	78,295
Excess (deficiency) of revenues over (under) expenditures	(526,323)	(527,626)	(448,144)	79,482
Other financing sources (uses)				
Appropriations from Board of County Commissioners	526,323	527,626	526,323	(1,303)
Reversion to Board of County Commissioners	-	-	(78,179)	(78,179)
Net other financing sources (uses)	526,323	527,626	448,144	(79,482)
Net change in fund balance	-	-	-	-
Fund balance, beginning	-	-	-	-
Fund balance, ending	\$ -	\$ -	\$ -	\$ -

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

Calhoun County, Florida
Property Appraiser
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Calhoun County, Florida, Property Appraiser (the "Property Appraiser") conform to generally accepted accounting principles (GAAP), as applicable to governments. The following is a summary of significant principles and policies used in the preparation of these financial statements.

Reporting Entity

The Calhoun County, Florida, Property Appraiser (the "Property Appraiser") is a separately elected County official established pursuant to the Constitution of the State of Florida. The Property Appraiser's financial statements do not purport to reflect the financial position or the results of operations of Calhoun County, Florida taken as a whole.

Entity status for financial reporting purposes is governed by Statement No. 14 of the Governmental Accounting Standards Board (GASB). Although the Property Appraiser's office is operationally autonomous from the Board of County Commissioners ("the Board"), it does not hold sufficient corporate powers of its own to be considered a legally separate entity for financial reporting purposes. Therefore, the Property Appraiser is reported as part of the primary government of Calhoun County, Florida.

These financial statements are not intended to be a complete presentation of the financial position and results of operations of Calhoun County, Florida taken as a whole. As permitted by Chapter 10.556(5), Rules of the Auditor General State of Florida, the financial statements consist of only the fund level financial statements as defined in GASB No. 34, and do not include presentations of government-wide financial statements of the Property Appraiser.

The operations of the Property Appraiser are funded by the Board. The receipts from the Board are recorded as other financing sources on the Property Appraiser's financial statements and as other financing uses on the Board's financial statements. Any excess of revenues and other financing sources received over expenditures are remitted to the Board at year-end.

Calhoun County, Florida
Property Appraiser
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation

The Property Appraiser's financial statements have been prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida (the "Rules"). These financial statements are the fund financial statements required by generally accepted accounting principles. However, these fund statements do not constitute a complete presentation because, in conformity with the Rules, the Property Appraiser has not presented reconciliations to the government-wide financial statements, management's discussion and analysis, or the pension or the other post-employment benefit related required supplementary information. Also, certain notes to the financial statements may supplement rather than duplicate the notes included in the County's countywide financial statements. 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, only for that portion of the major fund, of Calhoun County, Florida, that is attributable to the Property Appraiser. They do not purport to, and do not, present fairly the financial position of Calhoun County, Florida, as of September 30, 2019, and the changes in its financial position, for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

In preparing these financial statements, the following is reported as a major governmental fund:

General Fund - The general fund is the general operating fund of the Property Appraiser. It is used to account for all financial resources, except those required to be accounted for in another fund.

Measurement Focus

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

Basis of Accounting

Basis of accounting refers to the point at which revenues and expenditures are recognized in the accounts and reported in the general fund financial statements and refers to the timing of the measurements made, regardless of the measurement focus applied.

Calhoun County, Florida
Property Appraiser
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting (Continued)

All governmental fund financial statements are reported using a current financial resources measurement focus on a modified accrual basis of accounting. The major modifications to the accrual basis are: (a) revenues are recorded in the accounting period in which they become available and measurable (available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, considered to be sixty days for all revenue) (b) expenditures are recorded in the accounting period in which the liability is incurred, except for accumulated sick and vacation pay, which are not recorded until paid. Charges for services and investment revenue are recorded as earned.

When both restricted and unrestricted resources are available for use, it is the Property Appraiser's policy to use restricted resources first, then unrestricted resources as needed.

Budgetary Requirements

Expenditures are controlled by appropriations in accordance with the budget requirements set forth in Florida Statutes Chapter 195.087. The budgeted revenues and expenditures in the accompanying financial statements reflect all amendments, approved by the Florida Department of Revenue and Board of County Commissioners. On or before June 1 of each year, the Property Appraiser shall submit to the Department of Revenue a budget for the operation of his office for the ensuing fiscal year. The Department of Revenue and Board of County Commissioners must approve the final budget.

Cash and Cash Equivalents

Cash and cash equivalents includes amounts in demand deposits as well as short term investments with an original maturity date within three months of the date acquired by the government.

Capital Assets

Tangible personal property is recorded as expenditures in the general fund at the time an asset is acquired. Assets acquired by the Property Appraiser are capitalized at cost in the capital asset accounts of the County. The Property Appraiser's assets are reported in the statement of net position in the County's financial statements. The Property Appraiser maintains custodial responsibility for the capital assets used by her office.

Accumulated Compensated Absences

Permanent full-time employees of the Property Appraiser are entitled to accrue sick leave based on pay periods worked with the Property Appraiser's office, with a limit on total hours accrued being 280 hours. Annual leave (PTO) is earned depending on the length of employment. Upon positive termination, employees can be paid for unused annual leave in accordance with personnel policy.

Calhoun County, Florida
Property Appraiser
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Property Appraiser's accumulated compensated absences are reported in the statement of net position in the County's financial statements.

Fund Balance

Fund balances are classified based upon a hierarchy of the Property Appraiser's ability to control spending of these fund balances and can be classified in the following categories:

Non-spendable fund balances include amounts that cannot be spent because they are not in spendable form or are legally or contractually required to be maintained intact.

Spendable fund balances are classified as either restricted, committed, assigned or unassigned based on the hierarchy of the Property Appraiser's ability to control spending.

Impact of Recently Issued Accounting Pronouncements

In Fiscal Year 2019, the Property Appraiser adopted two new statements of financial accounting standards issued by the Governmental Accounting Standards Board ("GASB"):

- GASB Statement No. 83, *Certain Asset Retirement Obligations* ("GASB 83")
- GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings And Direct Placements* ("GASB 88")

GASB 83 establishes standards of accounting and financial reporting requirements for legally enforceable liabilities associated with the retirement of certain tangible capital assets. State and local governments that have legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the regulation of the statement. The requirements of GASB 83 are effective for reporting periods beginning after June 15, 2018. GASB 83 had no impact on the Property Appraiser's financial statements.

GASB 88 defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. GASB 88 requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant subjective acceleration clauses. GASB 88 also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. The requirements of GASB 88 are effective for reporting periods beginning after June 15, 2018. GASB 88 had no impact on the Property Appraiser's Financial Statements.

Calhoun County, Florida
Property Appraiser
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pronouncements Issued But Not Yet Effective

GASB has issued the following pronouncements that may affect future financial position, results of operations, cash flows, or financial presentation of the Property Appraiser upon implementation. Management has not yet evaluated the effect of implementation of these standards.

GASB Statement No.	GASB Accounting Standard	Effective Fiscal Year
84	<i>Fiduciary Activities</i>	2020
87	<i>Leases</i>	2021
89	<i>Accounting for Interest Cost Incurred before the End of a Construction Period</i>	2021
90	<i>Majority Equity Interest an amendment of GASB Statements No. 14 and No. 61</i>	2020
91	<i>Conduit Debt Obligations</i>	2022

Risk Management

The Property Appraiser is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors or omissions; injuries to employees and/or the public; or damage to property of others. The Property Appraiser participates in the risk management program through the Board of County Commissioners, which uses commercial insurance to cover certain risks from loss.

The Board obtained commercial insurance against losses for the following types of risk:

- Real and Personal Property Damage
- Public Employees' Bond
- Workers' Compensation
- General and Automobile Liability

Management Estimates and Assumptions

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make use of estimates that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amount of revenues and expenditures during the reporting period. Actual results could differ from estimates.

Calhoun County, Florida
Property Appraiser
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent Events

Management has evaluated events occurring subsequent to September 30, 2019 and through May 27, 2020, the date these financial statements were available for issue.

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

Note 2: DEPOSITS AND INVESTMENTS

At September 30, 2019, the carrying amount of the Property Appraiser's cash and cash equivalents was \$78,549 and the bank balance was \$105,196. The bank balance was covered by federal depository insurance and, for the amount in excess of such federal depository insurance, by the State of Florida's Public Deposit Act. Provisions of the Act require that public deposits may only be made at qualified public depositories. The Act requires each qualified public depository to deposit with the State Treasurer eligible collateral equal to or in excess of the required collateral as determined by the provisions of the Act. In the event of a failure by a qualified public depository, losses in excess of federal depository insurance and proceeds from the sale of securities pledged by the defaulting depository are assessed against the other qualified public depositories of the same type as the depository in default. When other qualified public depositories are assessed additional amounts, they are assessed on a pro-rata basis.

Florida Statutes authorize the Property Appraiser to invest in certificates of deposit, repurchase agreements and the State Treasurer's Investment Pool. In addition, the statutes allow the Property Appraiser to invest in bonds, notes or other obligations of the United States Government, certain bonds of any state or local government unit, and bonds issued by certain government agencies.

CREDIT RISK

At September 30, 2019, the Property Appraiser did not hold any deposits or investments that were considered to have credit risk.

INTEREST RATE RISK

At September 30, 2019, the Property Appraiser did not hold any investments.

Calhoun County, Florida
Property Appraiser
Notes to Financial Statements

Note 2: DEPOSITS AND INVESTMENTS (Continued)

CUSTODIAL CREDIT RISK

At September 30, 2019, the Property Appraiser did not hold any deposits or investments that were considered to have custodial risk.

CONCENTRATION OF CREDIT RISK

At September 30, 2019, the Property Appraiser did not hold any investments.

Note 3: EMPLOYEE PENSION PLAN

The Property Appraiser participates in the Florida Retirement System (FRS), a cost-sharing, multiple employer defined benefit public retirement system administered by the State of Florida Department of Administration, Division of Retirement, to provide retirement and survivor benefits to participating public employees. Chapter 121, Florida Statutes, establishes the authority for participant eligibility, contribution requirements, vesting eligibility and benefit provisions. FRS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the State of Florida Division of Retirement, Tallahassee, Florida, 32399-1560, or by accessing their internet site at the website below:

www.dms.myflorida.com/workforce_operations/retirement/publications/annual_reports

For those employees hired prior to July 1, 2011, FRS provides vesting of benefits after six years of creditable service. Members are eligible for normal retirement after six years of service and attaining age 62, or 30 years of service regardless of age. Early retirement may be taken any time after completing six years of service; however, there is a 5% benefit reduction for each year prior to normal retirement. For those employees hired on or after July 1, 2011, the System provides for vesting of benefits after eight years of creditable service. Normal retirement benefits are available to these employees who retire at or after age 65 with eight years of service with a 5% reduction of benefits for each year prior to normal retirement. FRS also provides death and disability benefits and cost-of-living adjustments. Generally, membership is compulsory for all full-time and part-time employees. Prior to July 1, 2011, retirement coverage was employee noncontributory. Effective July 1, 2011 the Florida Legislature mandated all employees contribute 3% to their retirement coverage with immediate vesting of their contributions.

The funding methods and the determination of benefits payable are provided in various acts of the Florida Legislature. These acts provide that employers and employees pay contributions at rates determined each year by the legislature. The employer rates, as a percentage of gross earnings, are as follows:

	10/01/18 Through 06/30/19	07/01/19 Through 09/30/19
Regular employees	8.26%	8.47%
Senior management	24.06%	25.41%
Elected county officials	48.70%	48.82%

Note 3: EMPLOYEE PENSION PLAN (Continued)

Chapter 121, Florida Statutes, establishes the authority for participant eligibility, contribution requirements, vesting eligibility and benefit provisions. For the year October 1, 2018 through September 30, 2019, the total payroll for all covered employees was \$248,550. The retirement contributions for all employees covered by the System for the years ended September 30, 2019, 2018 and 2017 were \$61,680, \$56,186, and \$45,960, which were the required contributions. For the year ended September 30, 2019, retirement contributions represent 24.82% of covered payroll.

GASB Statement No. 68 establishes standards of accounting and financial reporting, but not funding or budgetary standards, for defined benefit pensions and defined contribution pensions provided to the employees of state and local governmental employers through pension plans that are administered through trusts or equivalent arrangements. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans within the scope of the Statement.

The requirements of Statement No. 68 apply to the financial statements of all state and local governmental employers whose employees (or volunteers that provide services to state and local governments) are provided with pensions through pension plans that are administered through trusts or equivalent arrangements, and to the financial statements of state and local governmental nonemployer contributing entities that have a legal obligation to make contributions directly to such pension plans. This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures related to pensions. Note disclosure and RSI requirements about pensions also are addressed. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

The adoption of Statement No. 68 has no impact on the Calhoun County, Florida Property Appraiser's governmental fund financial statements, which continue to report expenditures in the amount of the actuarially determined contributions, as required by State law. The calculation of pension contributions is unaffected by the change.

Note 4: POST EMPLOYMENT BENEFITS OTHER THAN PENSION

In addition to the retirement plan in Note 3, the County, in accordance with Section 112.0801, Florida Statutes, provides post-retirement health care benefits to all retired employees who participated in the group health plan while employed. Employees of the Property Appraiser are covered under the County's plan. The County is required to measure and recognize the annual cost of the future benefits and calculate the annual employer funding requirements and, to the extent funding is not made by the County recognize another post-employment benefit (OPEB) liability on the balance sheet of the County. These amounts, if any, are recorded in the County's government-wide financial statements.

Calhoun County, Florida
Property Appraiser
Notes to Financial Statements

Note 5: EXCESS REVENUE

Pursuant to Section 218.36(2), Florida Statutes, each County Officer shall pay into the County general fund all money in excess of the sum to which he or she is entitled under the provisions of Chapter 145. Excess revenues over expenditures of \$78,179 are accrued and reported as a reversion to the Board of County Commissioners.



COMPLIANCE SECTION

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

Honorable Carla Peacock
Property Appraiser
Calhoun County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the major fund of the Calhoun County, Florida, Property Appraiser (the "Property Appraiser") as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Property Appraiser's basic financial statements and have issued our report thereon dated May 27, 2020.

Internal Control over Financial Reporting

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

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

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

Honorable Carla Peacock
Property Appraiser
Calhoun County, Florida

CURRENT YEAR FINDINGS AND RECOMMENDATIONS

PREPARATION OF GAAP-BASED FINANCIAL STATEMENTS, FINDING 2018-001

CRITERIA: Internal control activities and procedures should be structured and monitored to provide accurate financial reporting.

CONDITION: Beginning fund balance was overstated by \$16,115 due to errors in posting prior year adjustments. Additionally, a monthly appropriation from the Board of County Commissioners was misclassified causing revenue and the year-end liability Due to Board of County Commissioners to be misstated by \$60,055.

CAUSE: Staff did not detect errors in financial reports or individual account balances.

EFFECT: Fund balance, board appropriations and Due to Board of County Commissioners were misstated.

RECOMMENDATION: All financial reports should be carefully reviewed for accuracy. Additionally, it is recommended that a third party assist and review all adjusting entries and year end reports for accuracy, when needed.

STATUS: This finding has been resolved.

Compliance and Other Matters

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

Property Appraiser's Response to Findings

The Property Appraiser's response to the findings identified in our audit is described in the accompanying letter. The Property Appraiser's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Honorable Carla Peacock
Property Appraiser
Calhoun County, Florida

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Property Appraiser'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.

Carly Riggs & Ingram, L.L.C.

Marianna, Florida
May 27, 2020



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**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH SECTION
218.415, FLORIDA STATUTES, *LOCAL GOVERNMENT INVESTMENT POLICIES***

Honorable Carla Peacock
Property Appraiser
Calhoun County, Florida

We have examined Calhoun County, Florida Property Appraiser (the "Property Appraiser") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2019. Management is responsible for the Property Appraiser's compliance with those requirements. Our responsibility is to express an opinion on the Property Appraiser's compliance based on our examination.

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

In our opinion, the Property Appraiser complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2019.

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

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

Marianna, Florida
May 27, 2020



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INDEPENDENT AUDITORS' MANAGEMENT LETTER

Honorable Carla Peacock
Property Appraiser
Calhoun County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the Calhoun County, Florida, Property Appraiser (the "Property Appraiser"), as of and for the year ended September 30, 2019, and have issued our report thereon dated May 27, 2020.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control Over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated May 27, 2020, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Honorable Carla Peacock
Property Appraiser
Calhoun County, Florida

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. The Calhoun County, Florida, Property Appraiser was established by the Constitution of the State of Florida, Article VIII, Section 1(d). There were no component units related to the Calhoun County, Florida, Property Appraiser.

Financial Management

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

Additional Matters

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

Purpose of this Letter

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

Carly Riggs & Ingram, L.L.C.

Marianna, Florida
May 27, 2020

**Calhoun County, Florida
Supervisor of Elections**

Financial Statements

September 30, 2019



Calhoun County, Florida
Supervisor of Elections
Table of Contents
September 30, 2019

	Page
REPORT	
Independent Auditors' Report	1
FINANCIAL STATEMENTS	
Balance Sheet – Governmental Funds	3
Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds	4
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual – General Fund	5
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual – Grant Fund	6
Notes to Financial Statements	7
COMPLIANCE SECTION	
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	16
Independent Accountants' Report on Compliance with Section 218.415, Florida Statutes, <i>Local Government Investment Policies</i>	19
Independent Auditors' Management Letter	20
Management's Response	22



REPORT





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INDEPENDENT AUDITORS' REPORT

Honorable Sharon Chason
Supervisor of Elections
Calhoun County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of each major fund of the Calhoun County, Florida, Supervisor of Elections (the "Supervisor of Elections") as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Supervisor of Elections' financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Honorable Sharon Chason
Supervisor of Elections
Calhoun County, Florida

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund of the Supervisor of Elections as of September 30, 2019, and the respective changes in financial position and the respective budgetary comparison for the General Fund and Grant Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position, where applicable, of each major fund, only for that portion of each major fund, of Calhoun County, Florida that is attributable to the Supervisor of Elections. They do not purport to, and do not, present fairly the financial position of Calhoun County, Florida, as of September 30, 2019, and the changes in its financial position, where applicable, for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to these matters.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated March 23, 2020 on our consideration of the Supervisor of Elections' internal control over financial reporting and our 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 our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Supervisor of Elections' internal control over financial reporting and compliance.

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

Marianna, Florida

March 23, 2020



FINANCIAL STATEMENTS

**Calhoun County, Florida
Supervisor of Elections
Balance Sheet
Governmental Funds**

<i>September 30, 2019</i>	General	Grant Fund	Total Governmental Funds
Assets			
Cash and cash equivalents	\$ 4,328	\$ -	\$ 4,328
Other receivables	25,660	-	25,660
Total assets	\$ 29,988	\$ -	\$ 29,988
Liabilities			
Accounts payable and accrued expenses	\$ 14,883	\$ -	\$ 14,883
Due to Board of County Commissioners	15,105	-	15,105
Total liabilities	29,988	-	29,988
Fund balances			
Restricted	-	-	-
Total fund balances	-	-	-
Total liabilities and fund balances	\$ 29,988	\$ -	\$ 29,988

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

Calhoun County, Florida
Supervisor of Elections
Statement of Revenues, Expenditures, and
Changes in Fund Balances
Governmental Funds

	General	Grant	Total
<i>For the year ended September 30, 2019</i>	Fund	Fund	Governmental
	Fund	Fund	Funds
Revenues			
Grants	\$ -	\$ 42,986	\$ 42,986
Interest income	53	-	53
Other fees	155	-	155
Total revenues	208	42,986	43,194
Expenditures			
Current:			
General government:			
Personal services	228,370	-	228,370
Operating expenses	72,305	30,084	102,389
Capital outlay	-	13,106	13,106
Total expenditures	300,675	43,190	343,865
Excess (deficiency) of revenues over (under) expenditures	(300,467)	(204)	(300,671)
Other financing sources (uses)			
Appropriations from Board of County Commissioners	315,572	-	315,572
Reversion to Board of County Commissioners	(15,105)	-	(15,105)
Net other financing sources (uses)	300,467	-	300,467
Net change in fund balance	-	(204)	(204)
Fund balance, beginning	-	204	204
Fund balance, ending	\$ -	\$ -	\$ -

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

Calhoun County, Florida
Supervisor of Elections
Statement of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual
General Fund

<i>For the year ended September 30, 2019</i>	Original Budget	Final Budget	Actual Amounts	Variance with Fund Budget Favorable (Unfavorable)
Revenues				
Investment earnings	\$ -	\$ -	\$ 53	\$ 53
Other fees	-	-	155	155
Total revenues	-	-	208	208
Expenditures				
Current:				
General government:				
Personal services	245,778	245,778	228,370	17,408
Operating expenses	83,724	83,724	72,305	11,419
Capital outlay	2,310	2,310	-	2,310
Total expenditures	331,812	331,812	300,675	31,137
Excess (deficiency) of revenues over (under) expenditures	(331,812)	(331,812)	(300,467)	31,345
Other financing sources (uses)				
Appropriations from Board of County Commissioners	331,812	331,812	315,572	(16,240)
Reversion to Board of County Commissioners	-	-	(15,105)	(15,105)
Net other financing sources (uses)	331,812	331,812	300,467	(31,345)
Net change in fund balance	-	-	-	-
Fund balance - beginning	-	-	-	-
Fund balance - ending	\$ -	\$ -	\$ -	\$ -

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

Calhoun County, Florida
Supervisor of Elections
Statement of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual
Grant Fund

<i>For the year ended September 30, 2019</i>	Original Budget	Final Budget	Actual Amounts	Variance with Fund Budget Favorable (Unfavorable)
Revenues				
Grants	\$ 42,986	\$ 52,276	\$ 42,986	\$ (9,290)
Total revenues	42,986	52,276	42,986	(9,290)
Expenditures				
Current:				
General government:				
Operating expenses	43,190	52,480	30,084	22,396
Capital Outlay	-	-	13,106	(13,106)
Total expenditures	43,190	52,480	43,190	9,290
Excess (deficiency) of revenues over (under) expenditures	(204)	(204)	(204)	-
Net change in fund balance	(204)	(204)	(204)	-
Fund balance - beginning	204	204	204	-
Fund balance - ending	\$ -	\$ -	\$ -	\$ -

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Calhoun County, Florida, Supervisor of Elections (the “Supervisor of Elections”) conform to generally accepted accounting principles (GAAP), as applicable to governments. The following is a summary of significant accounting principles and policies used in the preparation of these financial statements.

Reporting Entity

The Calhoun County, Florida, Supervisor of Elections (the “Supervisor of Elections”) is a separately elected County official established pursuant to the Constitution of the State of Florida. The Supervisor of Elections’ financial statements do not purport to reflect the financial position or the results of operations of Calhoun County, Florida taken as a whole.

Entity status for financial reporting purposes is governed by Statement No. 14 of the Governmental Accounting Standards Board (GASB). Although the Supervisor of Elections’ office is operationally autonomous from the Board of County Commissioners (“the Board”), it does not hold sufficient corporate powers of its own to be considered a legally separate entity for financial reporting purposes. Therefore, the Supervisor of Elections is reported as part of the primary government of Calhoun County, Florida.

These financial statements are not intended to be a complete presentation of the financial position and results of operations of Calhoun County, Florida taken as a whole. As permitted by Chapter 10.556(5), Rules of the Auditor General State of Florida, the financial statements consist of only the *fund level* financial statements as defined in GASB No. 34, and do not include presentations of *government-wide* financial statements of the Supervisor of Elections.

The operations of the Supervisor of Elections are funded by the Board. The receipts from the Board are recorded as other financing sources on the Supervisor of Elections’ financial statements and as other financing uses on the Board’s financial statements. Any excess of revenues and other financing sources received over expenditures are remitted to the Board at year-end.

Basis of Presentation

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

for that portion of each major fund, of Calhoun County, Florida, that is attributable to the Supervisor of Elections. They do not purport to, and do not, present fairly the financial position of Calhoun County, Florida, as of September 30, 2019, and the changes in its financial position, for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

In preparing these financial statements, the following are reported as major governmental funds:

General Fund - The general fund is the general operating fund of the Supervisor of Elections. It is used to account for all financial resources, except those required to be accounted for in another fund.

Grant Fund – Special revenue fund that accounts for the grant funds received to educate the voters of Calhoun County.

Measurement Focus

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

Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the general fund financial statements and refers to the timing of the measurement made, regardless of the measurement focus applied.

All governmental fund financial statements are reported using a current financial resources measurement focus on a modified accrual basis of accounting. The major modifications to the accrual basis are: (a) revenues are recorded in the accounting period in which they become available and measurable (available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, considered to be sixty days for all revenue) (b) expenditures are recorded in the accounting period in which the liability is incurred, except for accumulated sick and vacation pay, which are not recorded until paid. Charges for services and investment revenue are recorded as earned.

When both restricted and unrestricted resources are available for use, it is the Supervisor of Elections’ policy to use restricted resources first, then unrestricted resources as needed.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Requirements

General governmental revenue and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with the Florida Statutes. An annual budget is prepared by the Supervisor of Elections and adopted by the Board for the general fund.

The Supervisor of Elections' annual budget is monitored at varying levels of classification detail. However, for purposes of budgetary control, expenditures cannot legally exceed the total annual budget appropriations at the individual fund level. All appropriations lapse at year-end.

Budget to actual comparisons are provided in the financial statements for the general fund and grant fund. All budget amounts presented in the accompanying financial statements have been adjusted for legally authorized amendments of the annual budget for the year. Budgets are prepared on the modified accrual basis of accounting.

Cash and Cash Equivalents

Cash includes amounts in demand deposits as well as short term investments with a maturity date within three months of the date acquired by the government.

Capital Assets

Tangible personal property is recorded as expenditures in the general fund at the time an asset is acquired. Assets acquired by the Supervisor of Elections are capitalized at cost in the capital asset accounts of the County. The Supervisor of Elections' capital assets are reported in the statement of net position in the County's financial statements. The Supervisor of Elections maintains custodial responsibility for the capital assets used by her office.

Accumulated Compensated Absences

Permanent full-time employees of the Supervisor of Elections are entitled to accrue unlimited hours of sick leave based upon pay periods worked. Upon termination, employees with five years or more of service can be paid up to 30 days of unused sick time. Permanent full-time employees of the Supervisor of Elections are entitled to accrue up to a maximum of 30 days of vacation leave. Upon termination, employees can be paid up to 30 days of unused vacation time.

The Supervisor of Elections' accumulated compensated absences are reported in the statement of net position in the County's financial statements.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balance Reporting and Governmental Fund-Type Definitions

The Supervisor of Elections follows GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund-Type Definitions* which clarifies governmental fund balance classifications and fund-type definitions. Fund balances are classified either as non-spendable or spendable. See Note 6.

Risk Management

The Supervisor of Elections is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors or omissions; injuries to employees and/or the public; or damage to property of others. The Supervisor of Elections participates in the risk management program through the Calhoun County Board of County Commissioners which uses commercial insurance to cover certain risks from loss.

The Board obtained commercial insurance against losses for the following types of risk:

- Real and Personal Property Damage
- Public Employees' Bond
- Workers' Compensation
- General and Automobile Liability

Management Estimates and Assumptions

The preparation of financial statements in conformity with GAAP requires management to make use of estimates that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amount of revenues and expenditures during the reporting period. Actual results could differ from estimates.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, March 23, 2020 and determined there were no events that occurred that required disclosure.

Impact of Recently Issued Accounting Pronouncements

In fiscal year 2019, the Supervisor of Elections adopted two new statements of financial accounting standards issued by the Governmental Accounting Standards Board (GASB):

- GASB Statement No. 83, *Certain Asset Retirement Obligations* ("GASB 83")
- GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings And Direct Placements* ("GASB 88")

Calhoun County, Florida
Supervisor of Elections
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impact of Recently Issued Accounting Pronouncements (Continued)

GASB 83 establishes standards of accounting and financial reporting requirements for legally enforceable liabilities associated with the retirement of certain tangible capital assets. State and local governments that have legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the regulation of the statement. The requirements of GASB 83 are effective for reporting periods beginning after June 15, 2018. GASB 83 had no impact on the Supervisor of Election's financial statements.

GASB 88 defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. GASB 88 requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant subjective acceleration clauses. GASB 88 also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. The requirements of GASB 88 are effective for reporting periods beginning after June 15, 2018. GASB 88 had no impact on the Supervisor of Election's financial statements.

Pronouncements Issued But Not Yet Effective

GASB has issued the following pronouncements that may affect future financial position, results of operations, cash flows, or financial presentation of the Supervisor of Elections upon implementation. Management has not yet evaluated the effect of implementation of these standards.

GASB Statement No.	GASB Accounting Standard	Effective Fiscal Year
84	<i>Fiduciary Activities</i>	2020
87	<i>Leases</i>	2021
89	<i>Accounting for Interest Cost Incurred before the End of a Construction Period</i>	2021
90	<i>Majority Equity Interest an amendment of GASB Statements No. 14 and No. 61</i>	2020
91	<i>Conduit Debt Obligations</i>	2022

Note 2: DEPOSITS AND INVESTMENTS

At September 30, 2019, the carrying amount of the Supervisor of Elections' cash and cash equivalents was \$4,328 and the bank balance was \$11,097. The bank balance was covered by federal depository insurance and, for the amount in excess of such federal depository insurance, by the State of Florida's Public Deposit Act. Provisions of the Act require that public deposits may only be made at qualified public depositories. The Act requires each qualified public depository to deposit with the State Treasurer eligible collateral equal to or in excess of the required collateral as determined by the provisions of the Act. In the event of a failure by a qualified public depository, losses in excess of federal depository insurance and proceeds from the sale of securities pledged by the defaulting depository are assessed against the other qualified public depositories of the same type as the depository in default. When other qualified public depositories are assessed additional amounts, they are assessed on a pro-rata basis.

Florida Statutes authorize the Supervisor of Elections to invest in certificates of deposit, repurchase agreements and the State Treasurer's Investment Pool. In addition, the statutes allow the Supervisor of Elections to invest in bonds, notes or other obligations of the United States Government, certain bonds of any state or local government unit, and bonds issued by certain government agencies.

CREDIT RISK

At September 30, 2019, the Supervisor of Elections did not hold any deposits or investments that were considered to have credit risk.

INTEREST RATE RISK

At September 30, 2019, the Supervisor of Elections did not hold any investments.

CUSTODIAL CREDIT RISK

At September 30, 2019, the Supervisor of Elections did not hold any deposits or investments that were considered to have custodial risk.

CONCENTRATION OF CREDIT RISK

At September 30, 2019, the Supervisor of Elections did not hold any investments.

Note 3: EMPLOYEE PENSION PLAN

The Supervisor of Election participates in the Florida Retirement System (FRS), a cost-sharing, multiple employer defined benefit public retirement system administered by the State of Florida Department of Administration, Division of Retirement, to provide retirement and survivor benefits to participating public employees. FRS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the State of Florida Division of Retirement, Tallahassee, Florida, 32399-1560, or by accessing their internet site at www.dms.myflorida.com/workforce_operations/retirement/publications/annual_reports.

Calhoun County, Florida
Supervisor of Elections
Notes to Financial Statements

Note 3: EMPLOYEE PENSION PLAN (Continued)

For those employees hired prior to July 1, 2011, FRS provides vesting of benefits after six years of creditable service. Members are eligible for normal retirement after six years of service and attaining age 62, or 30 years of service regardless of age. Early retirement may be taken any time after completing six years of service; however, there is a 5% benefit reduction for each year prior to normal retirement. For those employees hired on or after July 1, 2011, the System provides for vesting of benefits after eight years of creditable service. Normal retirement benefits are available to these employees who retire at or after age 65 with eight years of service with a 5% reduction of benefits for each year prior to normal retirement. FRS also provides death and disability benefits and cost-of-living adjustments. Generally, membership is compulsory for all full-time and part-time employees. Prior to July 1, 2011, retirement coverage was employee noncontributory. Effective July 1, 2011 the Florida Legislature mandated all employees contribute 3% to their retirement coverage with immediate vesting of their contributions.

The funding methods and the determination of benefits payable are provided in various acts of the Florida Legislature. These acts provide that both the employer and employee pay contributions at rates determined each year by the legislature. The employer rates, as a percentage of gross earnings, are as follows:

	10/01/18 Through 06/30/19	07/01/19 Through 09/30/19
Regular employees	8.26%	8.47%
Senior management	24.06%	25.41%
Elected county officials	48.70%	48.82%

Chapter 121, Florida Statutes establishes the authority for participant eligibility, contribution requirements, vesting eligibility and benefit provisions. For the period October 01, 2018 through September 30, 2019, the total payroll for all employees covered by the System was \$145,004. The retirement contributions for all employees' covered by the FRS for the years ended September 30, 2019, 2018 and 2017 were \$52,863, \$49,601 and \$38,845, respectively, which were the required contributions. For the year ended September 30, 2019 retirement contributions represent 36.46% of covered payroll.

GASB Statement No. 68 establishes standards of accounting and financial reporting, but not funding or budgetary standards, for defined benefit pensions and defined contribution pensions provided to the employees of state and local governmental employers through pension plans that are administered through trusts or equivalent arrangements. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans within the scope of the Statement.

Note 3: EMPLOYEE PENSION PLAN (Continued)

The requirements of Statement No. 68 apply to the financial statements of all state and local governmental employers whose employees (or volunteers that provide services to state and local governments) are provided with pensions through pension plans that are administered through trusts or equivalent arrangements, and to the financial statements of state and local governmental nonemployer contributing entities that have a legal obligation to make contributions directly to such pension plans. This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures related to pensions. Note disclosure and RSI requirements about pensions also are addressed. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

The adoption of Statement No. 68 has no impact on the Calhoun County, Florida Supervisor of Elections' governmental fund financial statements, which continue to report expenditures in the amount of the actuarially determined contributions, as required by State law. The calculation of pension contributions is unaffected by the change.

Note 4: POST EMPLOYMENT BENEFITS OTHER THAN PENSION

In addition to the retirement plan in Note 3, the County, in accordance with Section 112.0801, Florida Statutes, provides post-retirement health care benefits to all retired employees who participated in the group health plan while employed. Employees of the Supervisor of Election are covered under the County's plan. The County is required to measure and recognize the annual cost of the future benefits and calculate the annual employer funding requirements and, to the extent funding is not made by the County recognize another post-employment benefit (OPEB) liability on the balance sheet of the County. These amounts, if any, are recorded in the County's government-wide financial statements.

Note 5: EXCESS REVENUE

Pursuant to Section 218.36(2), Florida Statutes, each County Officer shall pay into the County general fund all money in excess of the sum to which he or she is entitled under the provisions of Chapter 145. Excess revenues over expenditures of \$15,105 are accrued and reported as a reversion to Board of County Commissioners.

Note 6: FUND BALANCES

Non-spendable fund balances include amounts that cannot be spent because they are not in spendable form or are legally or contractually required to be maintained intact. The Supervisor of Elections had no non-spendable fund balances at September 30, 2019.

Spendable fund balances are classified based on a hierarchy of the Supervisor of Election's ability to control the spending of these fund balances and are reported in the following categories: restricted, committed, assigned and unassigned. Restricted fund balances have externally imposed constraints placed on the use of resources by creditors, grantors, contributors, laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Assigned fund balances have constraints placed on the use of resources by the Supervisor of Election's intent to use the resources for a specific purpose. Unassigned fund balances have not been restricted, committed or assigned to specific purposes within the general fund. At September 30, 2019, the Supervisor of Election had no restricted or unrestricted fund balance.



COMPLIANCE SECTION

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

Honorable Sharon Chason
Supervisor of Elections
Calhoun County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of each major fund of the office of the Calhoun County, Florida, Supervisor of Elections (the "Supervisor of Elections") as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Supervisor of Elections' financial statements and have issued our report thereon March 23, 2020.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described below as 2018-001 to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described below as 2004-001 to be a significant deficiency.

Honorable Sharon Chason
Supervisor of Elections
Calhoun County, Florida

PRIOR YEAR FINDING AND RECOMMENDATION:

Preparation of GAAP-based Financial Statements, 2018-001

CRITERIA: Internal control activities and procedures should be structured and monitored to provide accurate financial reporting.

CONDITION: Audit adjustments were made to correct misclassification of grant-related revenues and expenditures between funds, to correct fund balance and related unearned revenue.

CAUSE: Staff were not aware of financial reporting requirements and did not detect errors in financial reports or individual account balances.

EFFECT: Grant revenue and expenditures were not accurately reported. Fund balance and unearned revenue were misstated.

RECOMMENDATION: All financial reports should be carefully reviewed for accuracy. Additionally, it is recommended that a third-party assist and review all adjusting entries and year end reports for accuracy, when needed.

STATUS: This finding has been resolved.

Need for Segregation of Duties, 2004-001

CRITERIA: The internal control environment should include proper segregation of duties and responsibilities over accounting functions.

CONDITION: There is a lack of segregation of duties between employees who have recordkeeping responsibility and employees who have custody of Supervisor of Elections' assets.

CAUSE: The Supervisor of Elections' has limited personnel in the accounting department.

EFFECT: The possibility exists that unintentional or intentional errors or irregularities could occur and not be promptly detected.

RECOMMENDATION: We realize that due to the size of the Supervisor of Elections' staff it is difficult to achieve ideal separation of duties. However, the Supervisor of Elections should remain very active and involved in the day-to-day operations. Controls should be implemented to help compensate for these weakness and to provide checks and balances.

STATUS: This condition continues to exist.

Honorable Sharon Chason
Supervisor of Elections
Calhoun County, Florida

Compliance and Other Matters

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

Supervisor of Elections' Response to Findings

The Supervisor of Elections' response to the findings identified in our audit is described in the accompanying letter. The Supervisor of Elections' response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Supervisor of Elections' 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.

Caru, Riggs & Ingram, L.L.C.

Marianna, Florida

March 23, 2020

**INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION
218.415, FLORIDA STATUTES, LOCAL GOVERNMENT INVESTMENT POLICIES**

Honorable Sharon Chason
Supervisor of Elections
Calhoun County, Florida

We have examined Calhoun County, Florida, Supervisor of Elections' (the "Supervisor of Elections") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2019. Management is responsible for the Supervisor of Elections' compliance with those requirements. Our responsibility is to express an opinion on the Supervisor of Elections' compliance based on our examination.

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

In our opinion, the Supervisor of Elections complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2019.

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

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

Marianna, Florida

March 23, 2020

INDEPENDENT AUDITORS' MANAGEMENT LETTER

Honorable Sharon Chason
Supervisor of Elections
Calhoun County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the Calhoun County, Florida, Supervisor of Elections (the "Supervisor of Elections") as of and for the fiscal year ended September 30, 2019, and have issued our report thereon dated March 23, 2020.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control Over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 23, 2020, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report except as noted under the heading Prior Year Comments in the Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards.

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. The Calhoun

Honorable Sharon Chason
Supervisor of Elections
Calhoun County, Florida

County, Florida Supervisor of Elections was established by the Constitution of the State of Florida, Article VIII, Section 1(d). There were no component units related to the Calhoun County, Florida Supervisor of Elections.

Financial Management

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

Additional Matters

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

Purpose of this Letter

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

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

Marianna, Florida

March 23, 2020



Sharon Chason
Calhoun County Supervisor of Elections

March 23, 2020

Carr, Riggs & Ingram, LLC
4267 Lafayette Street
Marianna, FL 32446

The following is a response to the current year findings and recommendations.

Finding 2004 -001: The possibility exists that unintentional or intentional errors or irregularities could occur and not be promptly detected.

Recommendation: The Supervisor of Elections should remain very active and involved in the day-to-day operations. Controls should be implemented to help compensate for these weakness and to provide checks and balances.

Response: The staff of the Calhoun County Supervisor of Elections Office is limited to only the Supervisor and one employee, complete segregation of bookkeeping tasks is not possible. An outside Accountant is hired to file taxes and assist with bookkeeping.

Sincerely,

Sharon Chason
Supervisor of Elections
Calhoun County

**Calhoun County, Florida
Tax Collector**

FINANCIAL STATEMENTS

September 30, 2019



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INGRAM

CPAs and Advisors

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Calhoun County, Florida
Tax Collector
Table of Contents
September 30, 2019

REPORT
Independent Auditors' Report 1

FINANCIAL STATEMENTS
Balance Sheet - Governmental Funds 4

Statement of Revenues, Expenditures, and Changes in Fund Balance –
Governmental Funds 5

Statement of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual - General Fund 6

Statement of Fiduciary Net Position – Agency Funds 7

Notes to Financial Statements 8

SUPPLEMENTARY INFORMATION

Combining Statement of Fiduciary Net Position – Agency Funds 18

COMPLIANCE SECTION
Independent Auditors' Report on Internal Control Over Financial
Reporting and on Compliance and Other Matters Based on an
Audit of Financial Statements Performed in Accordance with
Government Auditing Standards 19

Independent Accountants' Report on Compliance with Section 218.415,
Florida Statutes, *Local Government Investment Policies* 21

Independent Auditors' Management Letter 22



REPORT





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INDEPENDENT AUDITORS' REPORT

Honorable Becky Trickey-Smith
Tax Collector
Calhoun County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the major fund and the aggregate remaining fund information of the Calhoun County, Florida, Tax Collector (the "Tax Collector") as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Tax Collector's financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Honorable Becky Trickey-Smith
Tax Collector
Calhoun County, Florida

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the major fund and the aggregate remaining fund information of the Tax Collector as of September 30, 2019, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position, where applicable, of the major fund, and the aggregate remaining fund information, only for that portion of the major fund, and the aggregate remaining fund information, of Calhoun County, Florida that is attributable to the Tax Collector. They do not purport to, and do not, present fairly the financial position of Calhoun County, Florida, as of September 30, 2019, and the changes in its financial position, where applicable, for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to these matters.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Tax Collector's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Honorable Becky Trickey-Smith
Tax Collector
Calhoun County, Florida

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 27, 2020 on our consideration of the Tax Collector's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Tax Collector's internal control over financial reporting and compliance.

Marianna, Florida
May 27, 2020



FINANCIAL STATEMENTS

Calhoun County, Florida
Tax Collector
Balance Sheet
Governmental Funds

<i>September 30, 2019</i>	General Fund
<hr/>	
Assets	
Cash and cash equivalents	\$ 28,336
<hr/>	
Total assets	\$ 28,336
<hr/> <hr/>	
Liabilities	
Accounts payable	\$ 407
Due to other funds	190
Due to Board of County Commissioners	27,739
<hr/>	
Total liabilities	28,336
<hr/>	
Fund balance	
-	
<hr/>	
Total liabilities and fund balance	\$ 28,336
<hr/> <hr/>	

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

**Calhoun County, Florida
Tax Collector
Statement of Revenues, Expenditures and
Changes in Fund Balance
Governmental Funds**

<i>For the year ended September 30, 2019</i>	General Fund
<hr/>	
Revenues	
Intergovernmental	\$ 290
<hr/>	
Total revenues	290
<hr/>	
Expenditures	
Current:	
General government:	
Personal services	389,749
Operating expenses	74,436
<hr/>	
Total expenditures	464,185
<hr/>	
Excess (deficiency) of revenues over (under) expenditures	(463,895)
<hr/>	
Other financing sources (uses)	
Appropriations from Board of County Commissioners	491,634
Reversion to Board of County Commissioners	(27,739)
<hr/>	
Net other financing sources (uses)	463,895
<hr/>	
Net change in fund balance	-
Fund balance - beginning	-
<hr/>	
Fund balance - ending	\$ -
<hr/>	

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

Calhoun County, Florida
Tax Collector
Statement of Revenues, Expenditures and
Changes in Fund Balance – Budget and Actual
General Fund

<i>For the year ended September 30, 2019</i>	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Intergovernmental	\$ -	\$ -	\$ 290	\$ 290
Total revenues	-	-	290	290
Expenditures				
Current:				
General government:				
Personal services	390,692	395,529	389,749	5,780
Operating expenses	100,942	100,930	74,436	26,494
Total expenditures	491,634	496,459	464,185	32,274
Excess (deficiency) of revenues over (under) expenditures	(491,634)	(496,459)	(463,895)	32,564
Other financing sources (uses)				
Appropriations from Board of County Commissioners	491,634	496,459	491,634	(4,825)
Reversion to Board of County Commissioners	-	-	(27,739)	(27,739)
Net other financing sources (uses)	491,634	496,459	463,895	(32,564)
Net change in fund balance	-	-	-	-
Fund balance - beginning	-	-	-	-
Fund balance - ending	\$ -	\$ -	\$ -	\$ -

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

Calhoun County, Florida
Tax Collector
Statement of Fiduciary Net Position
Agency Funds

<i>September 30, 2019</i>	Agency Funds
<hr/>	
Assets	
Cash and cash equivalents	\$ 261,044
Due from other funds	190
Accounts receivable	2,784
<hr/>	
Total assets	\$ 264,018
<hr/> <hr/>	
Liabilities	
Due to other governmental units	\$ 256,051
Due to Board of County Commissioners	7,967
<hr/>	
Total liabilities	\$ 264,018
<hr/> <hr/>	

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

Calhoun County, Florida
Tax Collector
Statement of Fiduciary Net Position
Agency Funds

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Calhoun County, Florida, Tax Collector (the “Tax Collector”) conform to generally accepted accounting principles (GAAP), as applicable to governments. The following is a summary of significant accounting principles and policies used in the preparation of these financial statements.

Reporting Entity

The Calhoun County, Florida Tax Collector (the “Tax Collector”) is a separately elected County official established pursuant to the Constitution of the State of Florida. The Tax Collector’s financial statements do not purport to reflect the financial position or the results of operations of Calhoun County, Florida taken as a whole.

Entity status for financial reporting purposes is governed by Statement No. 14 of the Governmental Accounting Standards Board (GASB). Although the Tax Collector’s office is operationally autonomous from the Board of County Commissioners (the “Board”), it does not hold sufficient corporate powers of its own to be considered a legally separate entity for financial reporting purposes. Therefore, the Tax Collector is reported as part of the primary government of Calhoun County, Florida.

These financial statements are not intended to be a complete presentation of the financial position and results of operations of Calhoun County, Florida taken as a whole. As permitted by Chapter 10.556(5), Rules of the Auditor General State of Florida, the financial statements consist of only the *fund level* financial statements as defined in GASB No. 34, and do not include presentations of *government-wide* financial statements of the Tax Collector.

The operations of the Tax Collector are funded by the Board. The receipts from the Board are recorded as other financing sources on the Tax Collector’s financial statements and as other financing uses on the Board’s financial statements. Any excess of revenue and other financial sources received over expenditures are remitted to the Board at year-end.

Calhoun County, Florida
Tax Collector
Statement of Fiduciary Net Position
Agency Funds

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation

The Tax Collector's financial statements have been prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida (the "Rules"). These financial statements are the fund financial statements required by generally accepted accounting principles. However, these fund statements do not constitute a complete presentation because, in conformity with the Rules, the Tax Collector has not presented reconciliations to the government-wide financial statements, management's discussion and analysis, or the pension or the other post-employment benefit related required supplementary information. Also, certain notes to the financial statements may supplement rather than duplicate the notes included in the County's countywide financial statements. 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 fund, and the aggregate remaining fund information, of Calhoun County, Florida, that is attributable to the Tax Collector. They do not purport to, and do not, present fairly the financial position of Calhoun County, Florida, as of September 30, 2019, and the changes in its financial position, for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

In preparing these financial statements the following is reported as a major governmental fund:

General Fund - The general fund is the general operating fund of the Tax Collector. It is used to account for all financial resources, except those required to be accounted for in another fund.

The Tax Collector also reported the following fund type:

Agency Funds - The agency funds are used to account for assets held by the Tax Collector as an agent for individuals, private organizations, and other governments. Agency funds are custodial in nature and do not involve measurement of changes in financial position. The Tax Collector reports the Tag and Tax as Agency funds.

Measurement Focus

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

Calhoun County, Florida
Tax Collector
Statement of Fiduciary Net Position
Agency Funds

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting refers to the timing of the measurements made, regardless of the measurement focus applied.

All governmental fund financial statements are reported using a current financial resources measurement focus on a modified accrual basis of accounting. The major modifications to the accrual basis are: (a) revenues are recorded in the accounting period in which they become available and measurable (available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, considered to be sixty days for all revenue) (b) expenditures are recorded in the accounting period in which the liability is incurred, except for accumulated sick and vacation pay, which are not recorded until paid. Charges for services and investment revenue are recorded as earned.

The fiduciary fund statements are prepared using the economic resources measurement focus and the accrual basis of accounting.

When both restricted and unrestricted resources are available for use, it is the Tax Collector's policy to use restricted resources first, then unrestricted resources as needed.

Budgetary Requirements

Florida Statutes, Chapter 218.35 and 195.087, detail the preparation, adoption and administration of the Tax Collectors' annual budget. The Tax Collector establishes an annual balanced budget for her office which displays the revenues available to the office and the functions for which the money is to be expended. The budgeted revenues and expenditures in the accompanying financial statements reflect all amendments approved by the Department of Revenue and the Board of County Commissioners. The budget is prepared on a basis consistent with generally accepted accounting principles.

Due to Others

This account is used to account for assets held by the Tax Collector in a trustee capacity for other governmental agencies or individuals.

Cash and Cash Equivalents

Cash includes amounts in demand deposits as well as short term investments with an original maturity date within three months of the date acquired by the government.

Calhoun County, Florida
Tax Collector
Statement of Fiduciary Net Position
Agency Funds

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets

Tangible personal property is recorded as expenditures in the general fund at the time an asset is acquired. Assets acquired by the Tax Collector are capitalized at cost in capital asset accounts of the County. The Tax Collector's assets are reported in the statement of net position in the County's financial statements. The Tax Collector maintains custodial responsibility for the capital assets used by her office.

Accumulated Compensated Absences

Permanent full-time employees of the Tax Collector accrue sick leave hours based on pay periods worked with no limit on total hours accrued. Vacation time is earned depending on the length of employment and up to 120 hours may be carried forward to future years. Upon separation from employment, employees can be paid for unused sick leave and annual leave in accordance with personnel policy.

The Tax Collector's accumulated compensated absences are reported in the statement of net position in the County's financial statements.

Risk Management

The Tax Collector is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors or omissions; injuries to employees and/or the public; or damage to property of others. The Tax Collector participates in the risk management program through the Calhoun County Board of County Commissioners, which uses commercial insurance to cover certain risks from loss.

The Board obtained commercial insurance against losses for the following types of risk:

- Real and Personal Property Damage
- Public Employees' Bond
- Workers' Compensation
- General and Automobile Liability

Management Estimates and Assumptions

The preparation of financial statements in conformity with GAAP requires management to make use of estimates that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amount of revenues and expenditures during the reporting period. Actual results could differ from estimates.

Calhoun County, Florida
Tax Collector
Statement of Fiduciary Net Position
Agency Funds

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent Events

Management has evaluated events occurring subsequent to September 30, 2019 and through May 27, 2020, the date these financial statements were available for issue.

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

Impact of Recently Issued Accounting Pronouncements

In Fiscal Year 2018, the Tax Collector adopted two new statements of financial accounting standards issued by the Governmental Accounting Standards Board ("GASB"):

- GASB Statement No. 83, *Certain Asset Retirement Obligations* ("GASB 83")
- GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings And Direct Placements* ("GASB 88")

GASB 83 establishes standards of accounting and financial reporting requirements for legally enforceable liabilities associated with the retirement of certain tangible capital assets. State and local governments that have legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the regulation of the statement. The requirements of GASB 83 are effective for reporting periods beginning after June 15, 2018. GASB 83 had no impact on the Tax Collector's financial statements.

GASB 88 defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. GASB 88 requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant subjective acceleration clauses. GASB 88 also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. The requirements of GASB 88 are effective for reporting periods beginning after June 15, 2018. GASB 88 had no impact on the Tax Collector's financial statements.

Calhoun County, Florida
Tax Collector
Statement of Fiduciary Net Position
Agency Funds

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pronouncements Issued But Not Yet Effective (Continued)

GASB has issued the following pronouncements that may affect future financial position, results of operations, cash flows, or financial presentation of the Tax Collector upon implementation. Management has not yet evaluated the effect of implementation of these standards.

GASB Statement No.	GASB Accounting Standard	Effective Fiscal Year
84	<i>Fiduciary Activities</i>	2020
87	<i>Leases</i>	2021
89	<i>Accounting for Interest Cost Incurred before the End of a Construction Period</i>	2021
90	<i>Majority Equity Interest an amendment of GASB Statements No. 14 and No. 61</i>	2020
91	<i>Conduit Debt Obligations</i>	2022

GASB 75 establishes standards of accounting and financial reporting, but not funding or budgetary standards, for OPEB that is provided to employees of state and local governmental employers through OPEB Plans that are administered through trusts or equivalent arrangements meeting certain criteria. GASB 75 also establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditure. GASB 75 replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended*, and No. 57, *OPEB Measurement by Agent Employers and Agent Employers and Agent Multiple-Employer Plans*. For defined benefit OPEB plans, GASB 75 identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to period of employee service. Note disclosure and required supplementary information are addressed. The adoption of GASB 75 had no impact on the Tax Collector's governmental fund financial statements.

Property Tax Collections

Chapter 197, Florida Statutes, governs property tax collections.

Calhoun County, Florida
Tax Collector
Statement of Fiduciary Net Position
Agency Funds

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property Tax Collections (Continued)

Current Taxes

All property taxes become due and payable on November 1, and are delinquent on April 1 of the following year. Discounts of 4%, 3%, 2% and 1% are allowed for early payment in November through February, respectively.

Unpaid Taxes - Sale of Tax Certificates

The Tax Collector advertises, as required by Florida Statutes, and then sells tax certificates on all real property for unpaid taxes. Certificates not purchased are issued to the County. Any person owning real property upon which a tax certificate has been sold may reacquire the real property by paying the Tax Collector the face amount of the tax certificate plus interest and other costs.

Tax Deeds

The owner of a tax certificate may, after two years when the taxes have been delinquent (after April 1), file an application for tax deed sale. The County, as a certificate owner, may exercise similar procedures two years after taxes have been delinquent (after April 1). Tax deeds are issued to the highest bidder for the property, which is sold at public auction. The Clerk of the Court administers these sales.

Note 2: DEPOSITS AND INVESTMENTS

At September 30, 2019, the carrying amount of the Tax Collector's cash and cash equivalents was \$289,380 and the bank balance was \$340,108. The bank balance was covered by federal depository insurance and, for the amount in excess of such federal depository insurance, by the State of Florida's Public Deposit Act. Provisions of the Act require that public deposits may only be made at qualified public depositories. The Act requires each qualified public depository to deposit with the State Treasurer eligible collateral equal to or in excess of the required collateral as determined by the provisions of the Act. In the event of a failure by a qualified public depository, losses in excess of federal depository insurance and proceeds from the sale of securities pledged by the defaulting depository are assessed against the other qualified public depositories of the same type as the depository in default. When other qualified public depositories are assessed additional amounts, they are assessed on a pro-rata basis.

Calhoun County, Florida
Tax Collector
Statement of Fiduciary Net Position
Agency Funds

Note 2: DEPOSITS AND INVESTMENTS (Continued)

Florida Statutes authorize the Tax Collector to invest in certificates of deposit, repurchase agreements and the State Treasurer's Investment Pool. In addition, the statutes allow the Tax Collector to invest in bonds, notes or other obligations of the United States Government, certain bonds of any state or local government unit, and bonds issued by certain government agencies.

CREDIT RISK

At September 30, 2019, the Tax Collector did not hold any deposits or investments that were considered to have credit risk.

INTEREST RATE RISK

At September 30, 2019, the Tax Collector did not hold any investments.

CUSTODIAL CREDIT RISK

At September 30, 2019, the Tax Collector did not hold any deposits or investments that were considered to have custodial risk.

CONCENTRATION OF CREDIT RISK

At September 30, 2019, the Tax Collector did not hold any investments.

Note 3: EMPLOYEE PENSION PLAN

The Tax Collector participates in the Florida Retirement System (FRS), a cost-sharing, multiple employer defined benefit public retirement system administered by the State of Florida Department of Administration, Division of Retirement, to provide retirement and survivor benefits to participating public employees. FRS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the State of Florida Division of Retirement, Tallahassee, Florida, 32399-1560, or by accessing their internet site at www.dms.myflorida.com/workforce_operations/retirement/publications/annual_reports.

For those employees hired prior to July 1, 2011, FRS provides vesting of benefits after six years of creditable service. Members are eligible for normal retirement after six years of service and attaining age 62, or 30 years of service regardless of age. Early retirement may be taken any time after completing six years of service; however, there is a 5% benefit reduction for each year prior to normal retirement. For those employees hired on or after July 1, 2011, the System provides for vesting of benefits after eight years of creditable service. Normal retirement benefits are available to these employees who retire at or after age 65 with eight years of service with a 5% reduction of benefits for each year prior to normal retirement. FRS also provides death and disability benefits and cost-of-living adjustments. Generally, membership is compulsory for all full-time and part-time employees. Prior to July 1, 2011, retirement coverage was employee noncontributory. Effective July 1, 2011 the Florida Legislature mandated all employees contribute 3% to their retirement coverage with immediate vesting of their contributions.

Calhoun County, Florida
Tax Collector
Statement of Fiduciary Net Position
Agency Funds

Note 3: EMPLOYEE PENSION PLAN (Continued)

The funding methods and the determination of benefits payable are provided in various acts of the Florida Legislature. These acts provide that employers and employees pay contributions at rates determined each year by the legislature. The employer rates, as a percentage of gross earnings, are as follows:

	10/01/18 Through 06/30/19	07/01/19 Through 09/30/19
Regular employees	8.26%	8.47%
Senior management	24.06%	25.41%
Elected county officials	48.70%	48.82%

Chapter 121, Florida Statutes establishes the authority for participant eligibility, contribution requirements, vesting eligibility and benefit provisions. Total payroll for the Tax Collector employees covered by the Florida Retirement System was \$260,417 for the year ended September 30, 2019. The Tax Collector’s contribution to the plan for the year ended September 30, 2019, 2018, and 2017 totaled \$64,851, \$61,111 and \$51,890. These contributions represented 24.90% of covered payroll for the year ended September 30, 2019.

GASB Statement No. 68 establishes standards of accounting and financial reporting, but not funding or budgetary standards, for defined benefit pensions and defined contribution pensions provided to the employees of state and local governmental employers through pension plans that are administered through trusts or equivalent arrangements. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans within the scope of the Statement.

The requirements of Statement No. 68 apply to the financial statements of all state and local governmental employers whose employees (or volunteers that provide services to state and local governments) are provided with pensions through pension plans that are administered through trusts or equivalent arrangements, and to the financial statements of state and local governmental nonemployer contributing entities that have a legal obligation to make contributions directly to such pension plans. This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures related to pensions. Note disclosure and RSI requirements about pensions also are addressed. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

Calhoun County, Florida
Tax Collector
Statement of Fiduciary Net Position
Agency Funds

Note 3: EMPLOYEE PENSION PLAN (Continued)

The adoption of Statement No. 68 has no impact on the Calhoun County, Florida Tax Collector's governmental fund financial statements, which continue to report expenditures in the amount of the actuarially determined contributions, as required by State law. The calculation of pension contributions is unaffected by the change.

Note 4: POST EMPLOYMENT BENEFITS OTHER THAN PENSION

In addition to the retirement plan in Note 3, the County, in accordance with Section 112.0801, Florida Statutes, provides post-retirement health care benefits to all retired employees who participated in the group health plan while employed. Employees of the Tax Collector are covered under the County's plan. The County is required to measure and recognize the annual cost of the future benefits and calculate the annual employer funding requirements and, to the extent funding is not made by the County recognize another post-employment benefit (OPEB) liability on the balance sheet of the County. These amounts, if any, are recorded in the County's government-wide financial statements.

Note 5: EXCESS REVENUE

Pursuant to Section 218.36(2), Florida Statutes, any excess revenues over expenditures determined as of the fiscal year end, "...is returned to each governmental unit in the same proportion as the fees paid by the governmental unit bear to the total fee income of the Tax Collector." For the year ended September 30, 2019, excess revenues over expenditures of \$27,739 are accrued and reported as a reversion to Board of County Commissioners.

NOTE 6 – LITIGATION AND CONTINGENT LIABILITIES

The Tax Collector is involved in various litigation arising from the ordinary course of business. In the opinion of management, after consultation with legal counsel, these matters will be resolved without a material adverse effect on the Tax Collector's financial position.



SUPPLEMENTARY INFORMATION

Calhoun County, Florida
Tax Collector
Combining Statement of Fiduciary Net Position
Agency Funds

<i>September 30, 2019</i>	Tag	Tax	Total
Assets			
Cash and cash equivalents	\$ 34,693	\$ 226,351	\$ 261,044
Due from other funds	-	190	190
Accounts receivable	795	1,989	2,784
Total assets	\$ 35,488	\$ 228,530	\$ 264,018
Liabilities			
Due to other governmental units	\$ 27,521	\$ 228,530	\$ 256,051
Due to Board of County Commissioners	7,967	-	7,967
Total liabilities	\$ 35,488	\$ 228,530	\$ 264,018

See Independent Auditors' Report



COMPLIANCE SECTION

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

Honorable Becky Trickey-Smith
Tax Collector
Calhoun County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the major fund and aggregate remaining fund information of the Calhoun County, Florida, Tax Collector (the "Tax Collector") as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Tax Collector's basic financial statements and have issued our report thereon dated May 27, 2020.

Internal Control Over Financial Reporting

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

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

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

Honorable Becky Trickey-Smith
Tax Collector
Calhoun County, Florida

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Tax Collector'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.

Marianna, Florida
May 27, 2020

**INDEPENDENT ACCOUNTANT’S REPORT ON COMPLIANCE WITH SECTION
218.415, FLORIDA STATUTES, *LOCAL GOVERNMENT INVESTMENT POLICIES***

Honorable Becky Trickey-Smith
Tax Collector
Calhoun County, Florida

We have examined Calhoun County, Florida, Tax Collector’s (the “Tax Collector”) compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2019. Management is responsible for the Tax Collector’s compliance with those requirements. Our responsibility is to express an opinion on the Tax Collector’s compliance based on our examination.

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

In our opinion, the Tax Collector complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2019.

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

Marianna, Florida
May 27, 2020

INDEPENDENT AUDITORS' MANAGEMENT LETTER

Honorable Becky Trickey-Smith
Tax Collector
Calhoun County, Florida

Report on the Financial Statements

We have audited the financial statements of the Calhoun County, Florida, Tax Collector (the "Tax Collector"), as of and for the year ended September 30, 2019, and have issued our report thereon dated May 27, 2020.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated May 27, 2020, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Honorable Becky Trickey-Smith
Tax Collector
Calhoun County, Florida

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 the management letter, unless disclosed in the notes to the financial statements. The Calhoun County, Florida, Tax Collector was established by the Constitution of the State of Florida, Article VIII, Section 1(d). There were no component units related to the Calhoun County, Florida, Tax Collector.

Financial Management

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

Additional Matters

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

Purpose of this Letter

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

Marianna, Florida
May 27, 2020