

Calhoun County, Florida

Financial Statements

September 30, 2022

**Calhoun County, Florida
FINANCIAL STATEMENTS
September 30, 2022**

BOARD OF COUNTY COMMISSIONERS

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Sharon Chason

COUNTY ATTORNEY

H. Matthew Fuqua

AUDITOR

Grimsley & Associates, P.A.

Calhoun County, Florida
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Clerk of the Circuit Court

Property Appraiser

Sheriff

Supervisor of Elections

Tax Collector

GRIMSLEY & ASSOCIATES

Professional Association

Certified Public Accountants

OWEN W. GRIMSLEY, C.P.A.

MEMBER
FLORIDA INSTITUTE AND
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, and the respective budgetary comparisons for the General Fund and the Major Special Revenue funds of Calhoun County, Florida (the "County") as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information, of Calhoun County, Florida as of September 30, 2022, and the respective changes in financial position and the respective budgetary comparison for the General Fund and the Major Special Revenue Funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on page 4 and other required supplementary information as listed in the table of contents to be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistence with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Calhoun County, Florida's basic financial statements. The accompanying combining and individual non-major fund financial statements, and the state financial assistance projects, as required Chapter 10.550, Rules of the Auditor General are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied 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 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 and the schedule of state projects are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated June 22, 2023, 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 effectiveness of Calhoun County, Florida's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Calhoun County, Florida's internal control over financial reporting and compliance.

Grimsley & Associates

June 22, 2023
Marianna, Florida

Grimsley & Associates, P.A.
Certified Public Accountants

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, 2022. 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, 2022 by \$63,651,206 (net position). Of this amount, \$3,454,707 represents unrestricted net position that may be used to meet the County's ongoing obligations to citizens and creditors.
- Total net position of \$63.65 million is comprised of the following:
 - \$56.91 million of capital assets includes property and equipment, net of accumulated depreciation.
 - \$3.29 million of net position is restricted by constraints imposed from outside the County such as grantors, laws, or regulations.
 - \$3.45 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, 2022, the County's governmental funds reported combined ending fund balances of \$14,125,754, a decrease of \$266,632 in comparison with the prior year.
- The County's total governmental net position decreased \$1,344,901 during fiscal year ended September 30, 2022.
- During the current year, the County managed \$7.80 million in federal and state grant funded programs.

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. However, the *Statement of Fiduciary Net Position – Fiduciary Funds* and the *Statement of Changes in Fiduciary Net Position – Fiduciary Funds* in the *Basic Financial Statements* are provided for information on the agency funds. In addition, the individual custodial funds are presented in the *Combining Financial Statements* section of this report.

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 \$63.65 million at the close of the fiscal year ended September 30, 2022.

This was a decrease of \$1,344,901 over prior year net position. In addition, in comparison with FY 2021, capital assets decreased by \$929,012.

	Governmental Activities FY 2022	Governmental Activities FY 2021
Total Assets are comprised of the following elements.		
Current and Other Assets	\$ 21,176,774	22,665,577
Capital Assets, Net	<u>56,993,681</u>	<u>57,922,693</u>
Total Assets	<u><u>\$ 78,170,455</u></u>	<u><u>80,588,270</u></u>
Deferred Outflows of Resources		
Pensions and other post-employment benefits	<u>2,376,720</u>	<u>1,951,101</u>
Total Deferred Outflows of Resources	<u><u>2,376,720</u></u>	<u><u>1,951,101</u></u>
Total Liabilities are comprised of the following elements.		
Current and Other Liabilities	6,844,106	8,273,191
Long-term Liabilities	<u>8,612,424</u>	<u>3,409,988</u>
Total Liabilities	<u><u>\$ 15,456,530</u></u>	<u><u>11,683,179</u></u>
Deferred Inflows of Resources		
Pensions and other post-employment benefits	<u>1,439,439</u>	<u>5,860,085</u>
Total Deferred Inflows of Resources	<u><u>1,439,439</u></u>	<u><u>5,860,085</u></u>
Total Net Position is comprised of the following elements:		
Net Position		
Invested in Capital Assets, Net of Related Debt	56,906,234	57,922,693
Restricted	3,290,265	3,630,089
Unrestricted	<u>3,454,707</u>	<u>3,443,325</u>
Total Net Position	<u><u>\$ 63,651,206</u></u>	<u><u>64,996,107</u></u>

At September 30, 2022 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.

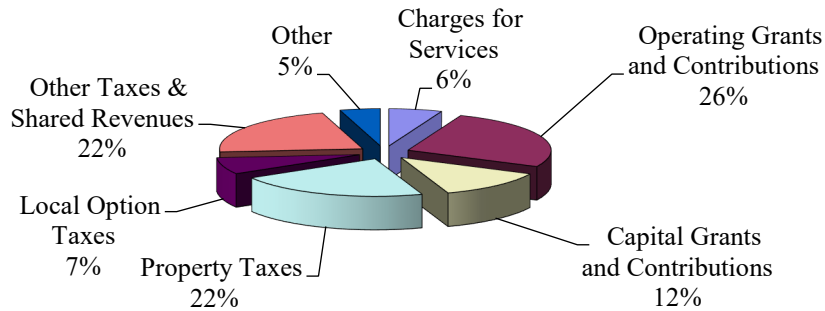
An additional portion of the County's net position represent resources that are subject to restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors.

Statement of Activities

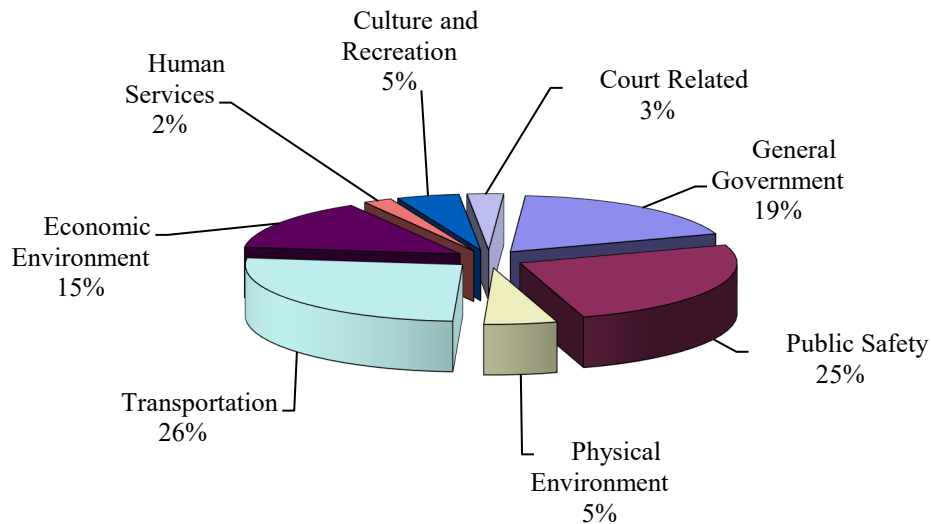
The following schedule summarizes revenues and expenses for the current and prior years:

	Governmental Activities FY 2022	Governmental Activities FY 2021
REVENUES		
Program Revenues		
Charges for Services	\$ 1,197,711	1,027,695
Operating Grants and Contributions	5,227,292	6,522,509
Capital Grants and Contributions	2,482,392	5,614,877
General Revenues:		
Property Taxes	4,339,726	4,102,890
Local Option Taxes	1,433,002	1,274,943
Other Taxes and Shared Revenues	4,342,620	3,932,301
Investment Earnings	51,225	30,725
Gain/loss on disposition of assets		
Other	855,119	1,032,940
Total Revenues	<u>19,929,087</u>	<u>23,538,880</u>
EXPENSES		
Program Activities		
General Government	3,973,284	2,986,627
Public Health and Safety	5,423,747	5,289,757
Physical Environment	1,156,501	1,118,972
Transportation	5,576,824	4,599,940
Economic Environment	3,125,728	2,103,438
Human Services	452,521	441,368
Culture and Recreation	989,979	972,321
Court Related	575,404	476,607
Total Expense	<u>21,273,988</u>	<u>17,989,030</u>
NET INCREASE	<u>(1,344,901)</u>	<u>5,549,850</u>
Net Position - Beginning	64,996,107	59,446,257
Net Position - Ending	<u>\$ 63,651,206</u>	<u>64,996,107</u>

Revenue by Source-Governmental Activities FY 2022



Governmental Funds Expenditures by Functions FY 2022



Governmental activities revenue decreased \$3,609,793, or 15.3%, 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 2022, the County's governmental funds reported combined ending fund balances of \$14,125,754, a \$266,632 decrease in comparison with the prior year. The unassigned General Fund balance of \$10,223,964 is available for spending at the County's discretion. The Special Revenue Fund balances of \$3,669,217 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 I, County Transportation Trust II, Affordable Housing (SHIP) and Hurricane Housing Recovery Program Funds 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, 2022, the County's general fund reported an ending fund balance of \$10,456,537, an increase of \$351,032 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, 2022 totaled \$934,620, a decrease of \$170,573 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, 2022 totaled \$608,334, an increase of \$119,605 during the fiscal year. Current year grant activity included Department of Transportation state funding of \$2,364,204.
- 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 \$233,264 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.
- Hurricane Housing Recovery Program accounts for activity related to a nonrecurring grant from the Local Government Housing Trust Fund to be used for Hurricane Michael recovery purposes in meeting the housing needs of the very low, low and moderate-income households. Eligible housing strategies include purchase assistance, owner-occupied housing rehabilitation, demolition/reconstruction, foreclosure prevention/mortgage assistance and land acquisition/construction.

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 \$671,716. This increase was primarily the result of additional grant proceeds.

General fund revenues for intergovernmental revenue had a positive variance of \$313,114, this was due to state shared revenues received in excess of the amounts anticipated.

General government expenditures were less than the final budgeted amount due to the Property Appraiser and Tax Collector having less expenditures than anticipated (\$127,606), as did various Board expenditure line items. Capital outlay expenditures were less than the final budget due to the timing of equipment purchases.

CAPITAL ASSETS AND LONG-TERM DEBT

The County's investment in capital assets for its governmental activities as of September 30, 2022 amounted to \$56,993,681 (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 2022 were as follows:

- Road paving
- Airport – Terminal and Hangar Construction in Progress
- Building renovations
- Various equipment

Governmental Funds Outstanding Debt:

As of September 30, 2022, the County's long-term liabilities consisted of the following:

Compensated absences	\$ 248,173
Other post-employment benefit obligation	281,609
Net pension liability	7,995,195
Capital Lease Obligations	87,447

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 3.0%, a decrease from the prior year rate of 4.2%.
- 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.

Calhoun County, Florida

Statement of Net Position

<i>September 30, 2022</i>	Primary Governmental Activities
Assets	
Current Assets	
Cash and cash equivalents	\$ 17,853,600
Accounts receivable	14,161
Internal balances - due from agency funds	51,043
Leases Receivable-Current Portion	110,330
Due from other governmental units	2,645,731
Prepaid expense	234,505
Interest Receivable	86
Inventory	170,749
Noncurrent Assets	
Leases Receivable-Noncurrent Portion	96,569
Capital assets, net	
Nondepreciable capital assets	5,116,929
Depreciable capital assets, net	51,791,321
Right-to-use lease assets, net	85,431
Total assets	78,170,455
Deferred outflows of resources	
Other post employment benefits	130,780
Pension	2,245,940
Total deferred outflows of resources	2,376,720
Liabilities	
Accounts payable and accrued expenses	1,056,823
Due to other governmental units	215,831
Unearned revenue	5,571,379
Accrued interest payable	73
Long-term liabilities	
Portion due or payable within one year	
Capital lease obligations	32,176
Compensated absences	49,634
Portion due or payable after one year	
Capital lease obligations	55,271
Compensated absences	198,539
Other post-employment benefit obligation	281,609
Net pension liability	7,995,195
Total liabilities	15,456,530
Deferred inflows of resources	
Other post-employment benefits	202,314
Leases	208,541
Pension	1,028,584
Total deferred inflows of resources	1,439,439
Net position	
Invested in capital assets, net of related debt	56,906,234
Restricted for	
Public Safety	643,325
Physical environment	43,890
Transportation	2,189,279
Culture and recreation	325,296
Court Related	88,475
Unrestricted	3,454,707
Total net position	\$ 63,651,206

See accompanying notes to financial statements

Calhoun County, Florida

Statement of Activities

For the year ended September 30, 2022

					Net (Expense) Revenue and Changes in Net Assets Primary Government	
		Program Revenues				
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
Primary government						
Governmental activities						
General government	\$ 3,973,284	\$ 256,301	\$ 761,628	\$ -	\$ (2,955,355)	
Public safety	5,423,747	220,195	487,289	328,947	(4,387,316)	
Physical environment	1,156,501	-	93,743	-	(1,062,758)	
Transportation	5,576,824	427,625	400,426	2,153,445	(2,595,328)	
Economic environment	3,125,728	-	3,045,326	-	(80,402)	
Human services	452,521	-	37,507	-	(415,014)	
Culture and recreation	989,979	46,040	396,749	-	(547,190)	
Court related	575,404	247,550	4,624	-	(323,230)	
Total primary government	\$ 21,273,988	\$ 1,197,711	\$ 5,227,292	\$ 2,482,392	(12,366,593)	
General revenues						
Taxes						
Property taxes 4,339,726						
Local option taxes 1,433,002						
Sales tax and other taxes 4,342,620						
Investment earnings 51,225						
Intergovernmental 154,758						
Miscellaneous 563,911						
Transfers from the State of Florida 136,450						
Total general revenues 11,021,692						
Change in net position (1,344,901)						
Net position, beginning 64,996,107						
Net position, ending \$ 63,651,206						

See accompanying notes to financial statements

Calhoun County, Florida
Balance Sheet
Governmental Funds

September 30, 2022

	General Fund	County Transportation Trust I	County Transportation Trust II	Affordable Housing (SHIP)	Hurricane Housing Recovery Program	Other Governmental Funds	Total Governmental Funds
Assets							
Cash and cash equivalents	\$ 11,662,575	\$ 714,048	\$ 837,246	\$ 826,729	\$ 1,897,798	\$ 1,915,204	\$ 17,853,600
Accounts receivable	650	-	-	867	-	12,644	14,161
Due from other funds	364,902	-	-	370	-	100	365,372
Due from agency funds	15,598	-	-	-	-	35,445	51,043
Due from other governmental units	1,513,495	165,773	107,716	-	-	858,747	2,645,731
Prepaid expenses	201,857	32,648	-	-	-	-	234,505
Inventory	30,716	79,951	-	-	-	60,082	170,749
Total assets	\$ 13,789,793	\$ 992,420	\$ 944,962	\$ 827,966	\$ 1,897,798	\$ 2,882,222	\$ 21,335,161
Liabilities							
Accounts payable and accrued expenses	\$ 654,678	\$ 57,800	\$ 168,175	\$ 8,950	\$ 52,170	\$ 115,052	\$ 1,056,825
Due to other funds	370	-	-	-	7	364,995	365,372
Due to other governmental units	-	-	-	-	-	215,831	215,831
Unearned revenue	2,678,208	-	168,453	819,016	1,845,621	60,081	5,571,379
Total liabilities	3,333,256	57,800	336,628	827,966	1,897,798	755,959	7,209,407
Fund balances							
Nonspendable	232,573	112,599	-	-	-	60,082	405,254
Restricted	-	822,021	608,334	-	-	2,005,441	3,435,796
Committed	-	-	-	-	-	60,740	60,740
Unassigned	10,223,964	-	-	-	-	-	10,223,964
Total fund balances	10,456,537	934,620	608,334	-	-	2,126,263	14,125,754
Total liabilities and fund balances	\$ 13,789,793	\$ 992,420	\$ 944,962	\$ 827,966	\$ 1,897,798	\$ 2,882,222	\$ 21,335,161

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, 2022

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

Total fund balances – governmental funds	\$ 14,125,754
Capital assets used in governmental activities are not financial resources, and, therefore, are not reported in the governmental funds.	56,993,681
Deferred outflows and inflows of resources related to pensions and leases are applicable to future periods and, therefore, are not reported in the funds.	
Deferred outflows of resources - pensions and other post-employment benefits	2,376,720
Deferred inflows of resources - pensions and other post-employment benefits	(1,230,896)
Deferred inflows of resources - leases	(208,541)
Lease assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Lease interest receivable	86
Lease receivable	206,899
Accrued interest payable	(73)
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	(8,612,424)
Net position of governmental activities	\$ 63,651,206

See accompanying notes to financial statements

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

For the year ended September 30, 2022

	General Fund	County Transportation Trust I	County Transportation Trust II	Affordable Housing (SHIP)	Hurricane Housing Recovery Program	Other Governmental Funds	Total Governmental Funds
Revenues							
Taxes	\$ 5,518,641	\$ 25,088	\$ 283,916	\$ -	\$ -	\$ -	\$ 5,827,645
Licenses and permits	121,712	-	-	-	-	4,166	125,878
Intergovernmental	3,389,311	968,766	-	-	-	504,091	4,862,168
Grants	1,505,799	-	2,359,382	233,264	2,813,149	887,217	7,798,811
Charges for services	362,857	-	-	-	-	606,981	969,838
Fines and forfeitures	-	-	-	-	-	138,759	138,759
Investment earnings	42,371	-	531	-	5,840	2,484	51,226
Other fees and miscellaneous revenues	57,315	38	-	-	-	345,438	402,791
Total revenues	10,998,006	993,892	2,643,829	233,264	2,818,989	2,489,136	20,177,116
Expenditures							
Current:							
General government	3,318,483	-	-	-	-	223,999	3,542,482
Public health and safety	4,273,499	-	-	-	-	629,253	4,902,752
Physical environment	106,992	-	-	-	-	94,607	201,599
Transportation	-	1,411,748	971,825	-	-	645,718	3,029,291
Economic environment	59,619	-	-	233,264	2,818,989	-	3,111,872
Human services	401,892	-	-	-	-	-	401,892
Culture and recreation	113,536	-	-	-	-	675,031	788,567
Court related	167,862	-	-	-	-	462,048	629,910
Capital outlay	1,309,893	25,272	1,552,399	-	-	783,588	3,671,152
Total expenditures	9,751,776	1,437,020	2,524,224	233,264	2,818,989	3,514,244	20,279,517
Excess (deficiency) of revenues over (under) expenditures	1,246,230	(443,128)	119,605	-	-	(1,025,108)	(102,401)
Other financing sources (uses)							
Transfers in	31,803	274,281	-	-	-	662,297	968,381
Transfers out	(936,578)	-	-	-	-	(31,803)	(968,381)
Transfer from (to) the State of Florida	-	-	-	-	-	(172,082)	(172,082)
Net other financing sources (uses)	(904,775)	274,281	-			458,412	(172,082)
Net changes in fund balances	341,455	(168,847)	119,605	-	-	(566,696)	(274,483)
Fund balances - beginning	10,105,505	1,105,193	488,729	-	-	2,692,959	14,392,386
Inventory adjustment - purchase method	9,577	(1,726)	-	-	-	-	7,851
Fund balances - ending	\$ 10,456,537	\$ 934,620	\$ 608,334	\$ -	\$ -	\$ 2,126,263	\$ 14,125,754

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, 2022

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

Net change in fund balances - total governmental funds	\$ (274,483)
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Capital outlay, reported as expenditures in governmental funds, are shown as capital assets in the statement of net position.	3,671,152
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Depreciation expense on governmental capital assets included in the governmental activities in the statement of activities.	(4,695,793)
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The net effect of transactions involving capital assets (i.e. sales, transfers and donations) included in the governmental activities in the Statement of Activities.	10,191
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Inventory adjustment - purchases method	7,851
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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.	(44,370)
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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:

Lease expense	(3,646)
Pension expenses	(6,171)
Compensated absences	(9,632)

Change in net position	\$ (1,344,901)
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See accompanying notes to financial statements

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

For the year ended September 30, 2022

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues				
Taxes	\$ 5,509,674	\$ 5,509,674	\$ 5,518,641	\$ 8,967
Licenses and permits	130,000	130,000	121,712	(8,288)
Intergovernmental	3,070,556	3,076,197	3,389,311	313,114
Grants	1,262,735	1,818,261	1,505,799	(312,462)
Charges for services	245,800	330,409	362,857	32,448
Investment earnings	15,040	15,040	42,371	27,331
Other fees and miscellaneous revenues	-	25,940	57,315	31,375
Less 5% of estimated revenues	(437,220)	(437,220)	-	437,220
Total revenues	9,796,585	10,468,301	10,998,006	529,705
Expenditures				
Current:				
General government	3,934,500	3,960,944	3,318,483	642,461
Public health and safety	4,442,849	4,471,036	4,273,499	197,537
Physical environment	108,193	147,121	106,992	40,129
Economic environment	56,672	56,672	59,619	(2,947)
Human services	483,276	483,276	401,892	81,384
Culture and recreation	88,910	202,111	113,536	88,575
Court related	287,076	287,076	167,862	119,214
Capital outlay	1,710,130	2,357,930	1,309,893	1,048,037
Reserve for contingencies	554,269	268,403	-	268,403
Total expenditures	11,665,875	12,234,569	9,751,776	2,482,793
Excess (deficiency) of revenues over (under) expenditures	(1,869,290)	(1,766,268)	1,246,230	3,012,498
Other financing sources (uses)				
Operating transfers in	-	-	31,803	31,803
Transfers out	(839,959)	(904,773)	(936,578)	(31,805)
Net other financing sources (uses)	(839,959)	(904,773)	(904,775)	(2)
Net change in fund balance	(2,709,249)	(2,671,041)	341,455	3,012,496
Fund balance - beginning	10,105,505	10,105,505	10,105,505	-
Inventory adjustment - purchase method	-	-	9,577	9,577
Fund balance - ending	\$ 7,396,256	\$ 7,434,464	\$ 10,456,537	\$ 3,022,073

See accompanying notes to financial statements

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

For the year ended September 30, 2022

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues				
Taxes	\$ 25,272	\$ 25,272	\$ 25,088	\$ (184)
Intergovernmental	971,496	971,496	968,766	(2,730)
Other fees and miscellaneous revenues		-	38	38
Less 5% of estimated revenues	(49,838)	(49,838)	-	49,838
Total revenues	946,930	946,930	993,892	46,962
Expenditures				
Current:				
Transportation	1,479,478	1,479,478	1,411,748	67,730
Capital outlay	200,000	200,000	25,272	174,728
Total expenditures	1,679,478	1,679,478	1,437,020	242,458
Excess (deficiency) of revenues over (under) expenditures	(732,548)	(732,548)	(443,128)	289,420
Other financing sources (uses)				
Transfers in	274,281	274,281	274,281	-
Net other financing sources (uses)	274,281	274,281	274,281	-
Net change in fund balance	(458,267)	(458,267)	(168,847)	289,420
Fund balance - beginning	1,105,193	1,105,193	1,105,193	-
Inventory adjustment - purchase method	-	-	(1,726)	(1,726)
Fund balance - ending	\$ 646,926	\$ 646,926	\$ 934,620	\$ 287,694

See accompanying notes to financial statements

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

For the year ended September 30, 2022

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues				
Taxes	\$ 313,176	\$ 313,176	\$ 283,916	\$ (29,260)
Grants	1,839,721	3,356,461	2,359,382	(997,079)
Investment earnings	-	-	531	531
Less 5% of estimated revenues	(15,659)	(15,659)	-	15,659
Total revenues	2,137,238	3,653,978	2,643,829	(1,010,149)
Expenditures				
Current:				
Transportation	731,000	1,033,871	971,825	62,046
Capital outlay	1,488,538	2,757,385	1,552,399	1,204,986
Reserve for contingencies	201,700	146,722	-	146,722
Total expenditures	2,421,238	3,937,978	2,524,224	1,413,754
Excess (deficiency) of revenues over (under) expenditures	(284,000)	(284,000)	119,605	403,605
Net change in fund balance	(284,000)	(284,000)	119,605	403,605
Fund balance - beginning	488,729	488,729	488,729	-
Fund balance - ending	\$ 204,729	\$ 204,729	\$ 608,334	\$ 403,605

See accompanying notes to financial statements

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

For the year ended September 30, 2022

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues				
Grants	\$ 696,088	\$ 696,088	\$ 233,264	\$ (462,824)
Total revenues	696,088	696,088	233,264	(462,824)
Expenditures				
Current:				
Economic environment	696,088	696,088	233,264	462,824
Total expenditures	696,088	696,088	233,264	462,824
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Net change in fund balance	-	-	-	-
Fund balance - beginning	-	-	-	-
Fund balance - ending	\$ -	\$ -	\$ -	\$ -

See accompanying notes to financial statements

Calhoun County, Florida
Statement of Revenues, Expenditures and Changes in Fund Balance
Hurricane Housing Recovery Program
Budget and Actual

For the year ended September 30, 2022

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues				
Grants	\$ 3,576,912	\$ 3,576,912	\$ 2,813,149	\$ (763,763)
Investment earnings	-	-	5,840	5,840
Total revenues	3,576,912	3,576,912	2,818,989	(757,923)
Expenditures				
Current:				
Economic environment	3,576,912	3,576,912	2,818,989	757,923
Total expenditures	3,576,912	3,576,912	2,818,989	757,923
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Net change in fund balance	-	-	-	-
Fund balance - beginning	-	-	-	-
Fund balance - ending	\$ -	\$ -	\$ -	\$ -

See accompanying notes to financial statements

Calhoun County, Florida
Statement of Fiduciary Net Position
Fiduciary Funds

September 30, 2022

	Fiduciary Funds
Assets	
Cash and cash equivalents	\$ 625,204
Due from other funds	3,434
Due from other governmental units	7,784
Due from individuals	2,996
Total assets	\$ 639,418
Liabilities	
Due to other funds	\$ 33,467
Due to Board of County Commissioners	21,010
Due to other governmental units	227,317
Due to individuals	5,464
Total liabilities	287,258
Fiduciary Net Position	
Restricted for:	
Individuals, organizations, and other governments	352,160
Total fiduciary net position	352,160
Total liabilities and fiduciary net position	639,418

See accompanying notes to financial statements

Calhoun County, Florida
Statement of Changes in Fiduciary Net Position
Fiduciary Funds

For the year ended September 30, 2022

	Total
Additions	
Proceeds from court related activities	\$ 2,048,106
Registry of the court	366,020
Support	215,406
Other funds collected	5,002
Property taxes and various fees collected	7,833,537
Licenses and tag fees collected	1,891,833
Amounts collected for inmate accounts	156,717
Amounts collected for cash bonds	78,522
Amounts collected for fines and forfeitures	19,410
Amounts collected for child support purges	52,432
Amounts collected for levy	3,820
Total Additions	12,670,805
Deductions	
Payments from court related activities	\$ 1,929,771
Registry of the court	225,992
Support	215,406
Other funds disbursed	1,861
Property taxes and various fees collected	7,833,537
Licenses and various tag fees collected	1,891,833
Amounts disbursed for inmate account refunds	23,010
Amounts disbursed for booking fees	11,619
Amounts disbursed for commissary costs	81,511
Amounts disbursed for inmate phone commissions	40,577
Amounts disbursed for cash bonds	78,522
Amounts disbursed for fines and forfeitures	19,410
Amounts disbursed for child support purges	52,432
Amounts disbursed for levy refund	3,820
Total deductions	12,409,301
Net increase (decrease) in fiduciary net position	261,504
Net position - beginning of year	90,656
Net position - end of year	\$ 352,160

See accompanying notes to financial statements

Calhoun County, Florida

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, 2022.

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 and County Comptroller, Sheriff, Tax Collector, Property Appraiser and Supervisor of Elections.

The elected offices of the Clerk of the Circuit Court and County Comptroller, 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.

Calhoun County, Florida

Notes to Financial Statements

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 net 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 program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given program and 2) operating or capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported instead as general revenues. Fiduciary funds are not included in these financial statements.

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.

Calhoun County, Florida Notes to Financial Statements

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 five 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.

Hurricane Housing Recovery Program – This special revenue fund accounts for the related revenue and expenses related to the hurricane housing recovery program.

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.

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.

Calhoun County, Florida

Notes to Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Lease Receivable

The County's lease receivable is measured at the present value of lease payments expected to be received during the lease term. A deferred inflow of resources is recorded at the initiation of the leases in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

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, 2022, 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.

Calhoun County, Florida
Notes to Financial Statements

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:

<u>Assets</u>	<u>Years</u>
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.

Right to Use Assets and Leases Payable

The County engages in various lease agreements in which it is the Lessee. The County recognized a lease liability and an intangible right-to-use asset (lease asset) in the government-wide financial statement to account for the leases. At the commencement of a lease, the County initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured at the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the term of the contract. Key estimates and judgements related to lessee leases include how the County determines (1) the discount rate it used to discount the expected lease payments to present value, (2) the lease term, and (3) the lease payments. The County uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and the exercise price of any purchase options that the County is reasonably certain to exercise. The County monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease assets are reported with capital assets as right-to-use intangible assets and lease liabilities are reported as capital lease payable in long-term debt in the statement of net position.

Calhoun County, Florida

Notes to Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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*.

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, 2022, 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.

Calhoun County, Florida

Notes to Financial Statements

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.

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

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

Under GASB 87, a lessee is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of GASB 87 are effective for reporting periods beginning after June 15, 2021. The implementation of GASB 87 resulted in the inclusion of lease receivables, leases payable and right of use assets in the Statement of Net Position.

In June 2018, the GASB issued Statement No. 89 (GASB 89), Accounting for Interest Cost Incurred Before the End of a Construction Period. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. The implementation of GASB 89 did not result in any change in the County's financial statements.

Calhoun County, Florida
Notes to Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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	GASB Effective Fiscal Year
91	<i>Conduit Debt Obligations</i>	2023
94	<i>Public-Private and Public-Private Partnerships and Availability Payment Arrangements</i>	2023
96	<i>Subscription-Based Informaiton 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>	2023
98	<i>The Annual Comprehensive Financial Report</i>	2023
100	<i>Accounting Changes and Error Corrections</i>	2024
101	<i>Compensated Absences</i>	2025

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 22, 2023 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 2022 millage rate assessed by the County was 9.9 mills.

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.

Calhoun County, Florida
Notes to Financial Statements

NOTE 2: PROPERTY TAXES (CONTINUED)

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, 2022, but not yet received by the County. The majority of these amounts were received in October and November 2022.

NOTE 4: DEPOSITS AND INVESTMENTS

At year end, the carrying amount of the County's deposits was \$18,478,804 and the bank balance was \$18,482,469. 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 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, 2022, the market value and the carrying value of these funds was \$5,127,542. The funds are carried as equity in pooled investments on the balance sheet at September 30, 2022.

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.

Calhoun County, Florida
Notes to Financial Statements

NOTE 4: DEPOSITS AND INVESTMENTS (CONTINUED)

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, 2022, the County's investment in the PRIME Fund is rated by Standard and Poors and the current rating is AAAM.

INTEREST RATE RISK

The dollar weighted average days to maturity (WAM) of the PRIME Fund at September 30, 2022, is 21 days. Next interest rate reset dates for floating rate securities are used in the calculation of the WAM. The weighted average life (WAL) of the PRIME Fund at September 30, 2022, is 72 days.

CUSTODIAL CREDIT RISK

At September 30, 2022, 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, 2022, the County did not hold any investments that were considered to have a concentration of credit risk.

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.

Calhoun County, Florida
Notes to Financial Statements

NOTE 5: INTERFUND TRANSACTIONS AND BALANCES

Interfund receivables/payables for the year ended September 30, 2022, consisted of the following:

Receivable Fund		Payable Fund	
General Fund	\$ 364,902	General Fund	\$ 370
Affordable Housing (SHIP)	370	Hurricane Housing Recovery Program	7
Nonmajor Governmental	100	Nonmajor Governmental Funds	364,995
Total	\$ 365,372		\$ 365,372

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.

Interfund transfers for the year ended September 30, 2022, consisted of the following:

	TRANSFERS IN	TRANSFERS OUT
General Fund	\$ 31,803	\$ 936,578
County Transportation Trust I	274,281	-
Sheriff 911	235,841	-
Library	426,456	
Waste Management Grant	-	31,803
	\$ 968,381	\$ 968,381

Calhoun County, Florida
Notes to Financial Statements

NOTE 6: CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2022, was as follows:

	BEGINNING BALANCE	INCREASES	DECREASES	ENDING BALANCE
Governmental activities:				
Capital assets not being depreciated/amortized:				
Land and improvements	\$ 2,794,219	\$ -	\$ -	\$ 2,794,219
Historical buildings	660,423	-	-	660,423
Construction in progress	3,495,395	2,785,908	4,619,016	1,662,287
Total capital assets not being depreciated/amortized	6,950,037	2,785,908	4,619,016	5,116,929
Capital assets being depreciated/amortized:				
Buildings and improvements	16,842,984	2,144,179	-	18,987,163
Machinery and equipment	8,669,229	544,629	71,445	9,142,413
Machinery and equipment - Sheriff	2,274,089	352,655	1,622	2,625,122
Intangibles	204,265	-	-	204,265
Infrastructure	66,285,549	2,474,838	-	68,760,387
Total capital assets being depreciated/amortized	94,276,116	5,516,301	73,067	99,719,350
Less: Total accumulated depreciation/amortization	43,303,460	4,695,793	71,224	47,928,029
Total capital assets being depreciated/amortized, net	50,972,656	820,508	1,843	51,791,321
Right-to-use lease assets, being amortized				
Equipment	\$ 122,785	\$ 26,350	\$ 10,789	\$ 138,346
Less accumulated amortization	30,585	33,119	10,789	52,915
Total Right-to-lease assets being amortized, net	92,200	(6,769)	-	85,431
Governmental activities capital assets, net	\$ 58,014,893	\$ 3,599,647	\$ 4,620,859	\$ 56,993,681

Calhoun County, Florida
Notes to Financial Statements

NOTE 6: CAPITAL ASSETS (CONTINUED)

Depreciation/amortization expense was charged to functions as follows:

Governmental activities

General government	\$ 335,272
Public safety	539,868
Physical environment	954,809
Transportation	2,614,393
Economic Environment	13,788
Human services	36,609
Culture and recreation	193,632
Court related	7,422
Total depreciation/amortization expense-governmental activities	\$ 4,695,793

NOTE 7: LONG-TERM DEBT

Long-term debt activity for the year ended September 30, 2022 , was as follows:

	BEGINNING			ENDING	DUE
	BALANCE	ADDITIONS	REDUCTIONS	BALANCE	WITHIN
					ONE YEAR
Governmental activities:					
Leases	\$ 93,162	\$ 25,600	\$ 31,315	\$ 87,447	\$ 32,177
Other post-employment benefits	323,960	44,370	86,721	281,609	-
Compensated absences	238,531	317,778	308,136	248,173	49,634
Total	\$ 655,653	\$ 387,748	\$ 426,172	\$ 617,229	\$ 81,811

Leases - Lessee

The County has entered into multiple lease agreements as lessee for equipment and buildings that qualify as leases for accounting purposes. The present value of the future minimum lease payments are as follows:

FISCAL YEAR ENDING				TOTAL FUTURE
SEPTEMBER 30,	PRINCIPAL	INTEREST		MINIMUM LEASE
				PAYMENTS
2023	\$ 32,177	\$ 771	\$	32,948
2024	31,997	432		32,429
2025	23,273	97		23,370
Total	\$ 87,447	\$ 1,300	\$	88,747

Calhoun County, Florida
Notes to Financial Statements

NOTE 7: LONG-TERM DEBT (CONTINUED)

Lease Payable

Ascent Aviation Group, Inc. - Initial lease liability of \$25,600 effective 6/1/2022, payable in 36 montly installments of \$750, including interest of 1.68%. The value of the right to use asset as of 9/30/22 of \$26,350 with accumulated amortization of \$2,928 is included in the County's right-to-use assets found in Note 6.	\$ 23,454
Xerox -Lease of four copiers with lease liability of \$18,162 effective 06/28/21 to 05/28/25 payable in monthly installments ranging from 31 to 48 months with monthly payments ranging from \$59-126 including interest. The value of the right-to-use assets as of 9/30/22 was \$18,162 accumulated amortization of \$8,183 is included in the County's right-to-use assets found in Note 6.	10,039
L3Harris Technologies - Initial lease liability of \$89,263 effective 10/01/20, payable in 57 monthly installments of \$1,500 to \$1,688 including interest of .84%. The value of the right-to-use asset as of 9/30/22 of \$89,263 with accumulated amortization of \$37,584 is included in the County's right-to-use assets found in Note 6.	53,602
Pitney Bowes - Initial lease liability of \$4,571 effective 10/01/21, payable in 24 monthly installments of \$176, including interest of .17%. The value of the right-to-use asset as of 9/30/22 of \$4,571 with accumulated amortization of \$4,220 is included in the County's right-to-use assets found in Note 6.	352
Total leases payable	\$ 87,447

NOTE 8: STATE RETIREMENT PROGRAM AND NET PENSION LIABILITY

Defined Benefit Plans

The County participates in 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).

Calhoun County, Florida
Notes to Financial Statements

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, 2022, were as follows:

Class or Plan	FRS	HIS
Florida Retirement System:		
Regular	10.25%	1.66%
County elected officials	55.34%	1.66%
Senior management service class	29.91%	1.66%
Special risk	26.17%	1.66%
DROP	16.94%	1.66%

The employer's contributions for the year ended September 30, 2022, were \$784,382 to the FRS and \$78,109 to the HIS.

Pension Liabilities and Pension Expense

In its financial statements for the year ended September 30, 2022, 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, 2022, and the total pension liabilities used to calculate the net pension liability were determined by an actuarial valuation dated July 1, 2022. 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, 2022	\$ 6,646,031	\$ 1,349,164
Proportion at:		
Current measurement date	0.0178618%	0.0127381%
Prior measurement date	0.0179319%	0.0121709%
Pension expense (benefit)	\$ 795,575	\$ 73,093

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, 2022, 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	\$ 315,649	\$ -	\$ 40,950	\$ (5,937)
Changes of assumptions	818,486	-	77,335	(208,714)
Net difference between projected and actual earnings on pension plan investments	438,836	-	1,953	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	199,328	(733,806)	111,622	(80,127)
County contributions subsequent to the measurement date	220,966	-	20,815	
Total	\$ 1,993,265	\$ (733,806)	\$ 252,675	\$ (294,778)

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 ending September 30, 2022. 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 Year Ending June 30,</i>	FRS	HIS
2023	\$ 249,328	\$ (14,471)
2024	93,464	(8,180)
2025	(83,080)	(3,775)
2026	737,330	(8,180)
2027	41,540	(18,875)
Thereafter	-	(8,809)
Total	\$ 1,038,582	\$ (62,290)

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, 2022, was determined by an actuarial valuation dated July 1, 2022, using the individual entry age normal actuarial cost method and the following significant actuarial assumptions:

	FRS	HIS
Inflation	2.40%	2.40%
Salary increases	3.25%	3.25%
Investment rate of return	6.70%	N/A
Discount rate	6.70%	3.54%

Mortality assumptions for both plans were based on the PUB-2010 base table.

For both plans, the actuarial assumptions used in the valuation dated July 1, 2022 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 2022:

FRS: The long-term expected rate of return decreased from 6.80% to 6.70%.

HIS: The demographic assumptions for the Special Risk class were updated to reflect plan changes due to HB5007, HB689, and SB838; The election assumption for vested terminated members was updated from 20% to 50% to reflect recent experience; and the municipal bond rate used to determine total pension liability was increased from 2.16% to 3.54%.

The long-term expected rate of return assumption of 6.70 percent consists of two building block components: 1) an inferred real (in excess of inflation) return of 4.20 percent, which is consistent with the 4.38 percent real return from the capital market outlook model developed by the FRS consulting actuary, Millman; and 2) a long-term average annual inflation assumption of 2.40 percent as adopted in October 2022 by the FRS Actuarial Assumption Conference. In the opinion of the FRS consulting actuary, both components and the overall 6.70 percent return assumption were determined to be reasonable and appropriate per Actuarial Standards of Practice. The 6.70 percent reported investment return assumption is the same as investment return assumption chosen by the 2022 FRS Act Assumption.

Calhoun County, Florida
Notes to Financial Statements

NOTE 8: STATE RETIREMENT PROGRAM AND NET PENSION LIABILITY (CONTINUED)

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.00%	2.60%	2.60%	1.10%
Fixed Income	19.80%	4.40%	4.40%	3.20%
Global Equity	54.00%	8.80%	7.30%	17.80%
Real Estate (Property)	10.30%	7.40%	6.30%	15.70%
Private Equity	11.10%	12.00%	8.90%	26.30%
Strategic Investments	3.80%	6.20%	5.90%	7.80%
Total	100.00%			

Discount Rate

The discount rate used to measure the total pension liability for the FRS Pension Plan was 6.7%. 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 3.54% 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 (5.70%)	Discount Rate (6.70%)	1% Increase (7.70%)
Governmental Employer's proportionate share of the net pension liability	\$ 11,493,854	\$ 6,646,031	\$ 2,592,674

Calhoun County, Florida
Notes to Financial Statements

NOTE 8: STATE RETIREMENT PROGRAM AND NET PENSION LIABILITY (CONTINUED)

	HIS Net Pension Liability		
	Current		
	1% Decrease (2.54%)	Discount Rate (3.54%)	1% Increase (4.54%)
Governmental Employer's proportionate share of the net pension liability	\$ 1,543,554	\$ 1,349,164	\$ 1,188,310

Pension Plans' Fiduciary Net Position

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

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. Required employer contributions made to the plan during the year ended September 30, 2022, totaled \$120,464.

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 \$970,000 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, 2022, 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.

Calhoun County, Florida Notes to Financial Statements

Note 11: EMERGENCY MEDICAL AND AMBULANCE SERVICES

The County contracted with Calhoun-Liberty Hospital Association, Inc. (Hospital) to provide EMS services through September 2022 at a cost of \$240,000 per year. The contract was renewed from October 1, 2022 through September 2023 for \$300,000.

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 retrospective 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's Sheriff's Self- Insurance Fund Program, which 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.

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 \$405,254 in non-spendable fund balance which represents prepaid expense and inventory at September 30, 2022.

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. 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 EQUITY (CONTINUED)

At September 30, 2022, Restricted fund balance is comprised of the following:

Funds	Purpose	
Special Revenue Fund		
	County Transportation I	\$ 822,021
	County Transportation II	608,334
	Nonmajor governmental funds:	
	Domestic violence	28,537
	Boating improvement program	756
	Hurricane Michael	349,675
	Police education	7,888
	Radio communications	9,377
	Library	263,800
	Waste management	43,890
	Crime prevention	43,199
	Courthouse facilities	72,883
	Teen court	15,592
	Industrial Development Authority	586,243
	Modernization of public records	29,277
	Emergency 911 operations	199,535
	Investigative resources	164,265
	Other public safety	180,200
	Inmate welfare	10,324
	Total nonmajor governmental funds	2,005,441
	Total restricted fund balance	\$ 3,435,796

Committed Fund Balance

Funds	Purpose	
Special Revenue Fund		
	Old Court House Restoration	\$ 60,740
	Total committed fund balance	\$ 60,740

Calhoun County, Florida
Notes to Financial Statements

Non-spendable Fund Balance:

Funds	Purpose	
	Funding for:	
General Fund	Prepaid expenses	\$ 201,857
	Inventory	30,716
County Transportation I	Prepaid expenses	32,648
	Inventory	79,951
Industrial Development	Inventory	60,082
	Total non-spendable fund balance	\$ 405,254

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 in 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 \$102,292.

NOTE 17: POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS

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.

NOTE 17: POST EMPLOYMENT BENEFITS OTHER THAN PENSION (CONTINUED)

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, 2022, there were no terminated employees entitled to benefits but not yet receiving them. The membership of the Plan consisted of:

Active employees	98
Retirees and beneficiaries currently receiving benefits	1
<u>Total membership</u>	<u>99</u>
 Participating employers	 1

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 \$37,020. The chart below shows the cost of the monthly retiree premiums at September 30, 2022.

<u>Coverage</u>	<u>Capital Health Plan</u>
Retiree	\$ 672.16
Retiree & Dependent	\$ 1,344.32

OPEB Liabilities, OPEB Expense – At September 30, 2022, the County reported a liability of \$281,609 for the net OPEB liability. The net OPEB liability was measured as of September 30, 2022, and was determined by an actuarial valuation as of October 1, 2021. Standard actuarial update procedures were used to roll forward to the measurement date from the actuarial valuation date. For the year ended September 30, 2022, the County recognized OPEB expense of \$44,370.

Calhoun County, Florida
Notes to Financial Statements

NOTE 17: POST EMPLOYMENT BENEFITS OTHER THAN PENSION (CONTINUED)

The significant components of Other Postemployment Benefits follows:

	OPEB Liability	OPEB Expense
Balance at October 1, 2021	\$ 323,960	\$ -
Service cost	47,567	47,567
Expected interest growth	17,311	17,311
Demographic experience	(38,423)	(11,754)
Assumption changes	(51,373)	8,679
Benefit payments	(17,433)	(17,433)
Balance at September 30, 2022	\$ 281,609	\$ 44,370

The Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB as of September 30, 2022 from various sources are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Balance at October 1, 2021	\$ 152,770	\$ 137,583
Demographic experience	-	38,423
Changes of assumptions or other inputs	-	51,373
Amortization payments	(21,990)	(25,065)
Balance at September 30, 2022	\$ 130,780	\$ 202,314

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,	Deferred Outflows of Resources	Deferred Inflows of Resources
2023	\$ 21,990	\$ 25,065
2024	21,990	25,065
2025	21,990	25,065
2026	21,990	25,065
2027	21,990	25,065
Thereafter	20,830	76,989
Total	\$ 130,780	\$ 202,314

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 4.77%. The high-quality municipal bond rate was based on S&P Municipal Bond 20-year High Grade Index as of the measurement date.

Calhoun County, Florida
Notes to Financial Statements

NOTE 17: POST EMPLOYMENT BENEFITS OTHER THAN PENSION (CONTINUED)

Actuarial Method and Assumptions – The total OPEB liability in the October 1, 2021, 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	8.00%
Salary Increase Rate(s)	3.00%
Discount Rate	4.77%
Age-related Morbidity	3.50%
Coverage Election	20.00%

All mortality rates were based on the PUB-2010 Mortality Table (without income adjustments) for general and public safety employees, with full generational improvements in mortality using Scale MP-2020.

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 (3.77%) or 1 percent point higher (5.77%) than the current discount rate:

	1% Decrease (3.77%)	Current Discount Rate (4.77%)	1% Increase (5.77%)
Net OPEB Liability \$	313,280	\$ 281,609	\$ 254,505

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 (7.0%) or 1 percent point higher (9.0%) than the current healthcare cost trend rates:

	1% Decrease (7.0%)	Current Discount Rate (8.0%)	1% Increase (9.0%)
Net OPEB Liability \$	245,590	\$ 281,609	\$ 326,008

NOTE 18: LEASE REVENUE

Lease agreements for various buildings and hangars are in place in the County's Industrial Development Authority (IDA) Fund. The lease terms vary from two to five years.

	General Fund
Lease Revenue	
Hangar	\$ 113,274
Total Lease Revenue	113,274
Interest Revenue	1,316
Total	\$ 114,590

Calhoun County, Florida
Notes to Financial Statements

NOTE 18: LEASE REVENUE (CONTINUED)

Maturity Schedule for Lease Receivables for September 30, 2022:

FISCAL YEAR ENDING SEPTEMBER 30,	General Fund		
	Principal	Interest	Total Receipts
2023	\$ 110,329	\$ 921	\$ 111,250
2024	51,867	520	52,387
2025	29,739	261	30,000
2026	14,963	37	15,000
Total	<u>\$ 206,898</u>	<u>\$ 1,739</u>	<u>\$ 208,637</u>

NOTE 19: COMMITMENTS AND CONTINGENCIES

The County's construction and engineering commitments on September 30, 2022, were approximately \$1,337,000. These commitments include the Mossy Pond VFD building, a building at the Health Department, design, and construction of an Automated Weather Observing System (AWOS) at the airport, design of the east hangar development at the airport, road improvements and other infrastructure projects funded by federal and state grants for approximately \$1,154,000 and the County will fund approximately \$183,000.

Calhoun County, Florida
Combining Balance Sheet
Nonmajor Governmental Funds (Page 1 of 4)

September 30, 2022

	Domestic Violence	Boating Improvement Program	Hurricane Michael	Police Education	Radio Communications Fund
Assets					
Cash and cash equivalents	\$ 28,469	\$ -	\$ -	\$ 7,675	\$ 8,336
Accounts receivable	-	-	-	-	-
Due from other funds	-	-	-	-	-
Due from agency funds	68	293	-	213	1,041
Due from other governmental units	-	220,913	506,185	-	-
Inventory	-	-	-	-	-
Total assets	\$ 28,537	\$ 221,206	\$ 506,185	\$ 7,888	\$ 9,377
Liabilities					
Accounts payable and accrued expenses	\$ -	\$ 16,935	\$ 906	\$ -	\$ -
Due to other funds	-	203,515	144,899	-	-
Due to other governmental units	-	-	-	-	-
Unearned revenue	-	-	10,705	-	-
Total liabilities	-	220,450	156,510	-	-
Fund balances					
Nonspendable	-	-	-	-	-
Restricted	28,537	756	349,675	7,888	9,377
Committed	-	-	-	-	-
Total fund balances	28,537	756	349,675	7,888	9,377
Total liabilities and fund balances	\$ 28,537	\$ 221,206	\$ 506,185	\$ 7,888	\$ 9,377

Calhoun County, Florida
Combining Balance Sheet
Nonmajor Governmental Funds (Page 2 of 4)

September 30, 2022

	Library	Waste Management Grants	Crime Prevention Fund	Health Grant Fund
Assets				
Cash and cash equivalents	\$ 306,878	\$ 19,970	\$ 42,238	\$ 425
Accounts receivable	-	4,300	-	-
Due from other funds	-	-	-	-
Due from agency funds	-	-	961	-
Due from other governmental units	19,390	21,646	-	-
Inventory	-	-	-	-
Total assets	\$ 326,268	\$ 45,916	\$ 43,199	\$ 425
Liabilities				
Accounts payable and accrued expenses	\$ 20,636	\$ 2,026	\$ -	\$ 425
Due to other funds	-	-	-	-
Due to other governmental units	-	-	-	-
Unearned revenue	41,832	-	-	-
Total liabilities	62,468	2,026	-	425
Fund balances				
Nonspendable	-	-	-	-
Restricted	263,800	43,890	43,199	-
Committed	-	-	-	-
Total fund balances	263,800	43,890	43,199	-
Total liabilities and fund balances	\$ 326,268	\$ 45,916	\$ 43,199	\$ 425

Calhoun County, Florida
Combining Balance Sheet
Nonmajor Governmental Funds (Page 3 of 4)

September 30, 2022

	Courthouse Facilities	Teen Court	Old Courthouse Restoration	Industrial Development Authority
Assets				
Cash and cash equivalents	\$ 70,033	\$ 15,087	\$ 60,740	\$ 593,161
Accounts receivable	-	-	-	3,501
Due from other funds	-	-	-	-
Due from agency funds	2,850	561	-	-
Due from other governmental units	-	-	-	42,400
Inventory	-	-	-	60,082
Total assets	\$ 72,883	\$ 15,648	\$ 60,740	\$ 699,144
Liabilities				
Accounts payable and accrued expenses	\$ -	\$ 56	\$ -	\$ 45,275
Due to other funds	-	-	-	-
Due to other governmental units	-	-	-	-
Unearned revenue	-	-	-	7,544
Total liabilities	-	56	-	52,819
Fund balances				
Nonspendable	-	-	-	60,082
Restricted	72,883	15,592	-	586,243
Committed	-	-	60,740	-
Total fund balances	72,883	15,592	60,740	646,325
Total liabilities and fund balances	\$ 72,883	\$ 15,648	\$ 60,740	\$ 699,144

Calhoun County, Florida
Combining Balance Sheet
Nonmajor Governmental Funds (Page 4 of 4)

September 30, 2022

	Clerk's Article V Fund	Clerk's Modernization Trust Fund	Sheriff's Special Revenue Funds	Supervisor of Elections' Grant Fund	Total Other Governmental Funds
Assets					
Cash and cash equivalents	\$ 198,709	\$ 30,478	\$ 533,005	\$ -	\$ 1,915,204
Accounts receivable	-	-	4,843	-	12,644
Due from other funds	-	-	100	-	100
Due from agency funds	28,078	1,380	-	-	35,445
Due from other governmental units	2,555	-	45,658	-	858,747
Inventory	-	-	-	-	60,082
Total assets	\$ 229,342	\$ 31,858	\$ 583,606	\$ -	\$ 2,882,222
Liabilities					
Accounts payable and accrued expenses	\$ 13,511	\$ 306	\$ 14,976	\$ -	\$ 115,052
Due to other funds	-	2,275	14,306	-	364,995
Due to other governmental units	215,831	-	-	-	215,831
Unearned revenue	-	-	-	-	60,081
Total liabilities	229,342	2,581	29,282	-	755,959
Fund balances					
Nonspendable	-	-	-	-	60,082
Restricted	-	29,277	554,324	-	2,005,441
Committed	-	-	-	-	60,740
Total fund balances	-	29,277	554,324	-	2,126,263
Total liabilities and fund balances	\$ 229,342	\$ 31,858	\$ 583,606	\$ -	\$ 2,882,222

Calhoun County, Florida

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds (Page 1 of 4)

For the year ended September 30, 2022

	Domestic Violence	Boating Improvement Program	Hurricane Michael	Police Education	Radio Communications Fund
Revenues					
Licenses and permits	\$ -	\$ 4,166	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-
Grants	-	191,490	-	-	-
Charges for services	2,624	-	-	2,144	-
Fines and forfeitures	-	-	-	-	10,171
Investment earnings	-	353	61	-	-
Other fees and miscellaneous revenues	-	-	100,300	-	-
Total revenues	2,624	196,009	100,361	2,144	10,171
Expenditures					
Current:					
General government	-	-	197,647	-	-
Public health and safety	-	-	112,374	-	9,870
Physical environment	-	-	-	-	-
Transportation	-	-	-	-	-
Economic environment	-	-	-	-	-
Culture and recreation	-	-	125	-	-
Court related	-	-	-	-	-
Capital outlay	-	229,492	73,632	-	-
Total expenditures	-	229,492	383,778	-	9,870
Excess (deficiency) of revenues over (under) expenditures	2,624	(33,483)	(283,417)	2,144	301
Other financing sources (uses)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Transfer from (to) the State of Florida	-	-	-	-	-
Net other financing sources (uses)	-	-	-	-	-
Net changes in fund balances	2,624	(33,483)	(283,417)	2,144	301
Fund balances - beginning	25,913	34,239	633,092	5,744	9,076
Fund balances - ending	\$ 28,537	\$ 756	\$ 349,675	\$ 7,888	9,377

Calhoun County, Florida

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds (Page 2 of 4)

For the year ended September 30, 2022

	Library	Waste Management Grants	Crime Prevention Fund	Health Grant
Revenues				
Licenses and permits	\$ -	\$ -	\$ -	\$ -
Intergovernmental	41,873	-	-	-
Grants	234,884	93,743	-	-
Charges for services	3,495	-	11,300	-
Fines and forfeitures	562	-	-	-
Investment earnings	265	-	-	-
Other fees and miscellaneous revenues	11,227	80,307	-	-
Total revenues	292,306	174,050	11,300	-
Expenditures				
Current:				
General government	-	-	-	-
Public health and safety	-	-	-	-
Physical environment	-	94,607	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Culture and recreation	668,141	-	-	-
Court related	-	-	-	-
Capital outlay	15,704	44,770	-	-
Total expenditures	683,845	139,377	-	-
Excess (deficiency) of revenues over (under) expenditures	(391,539)	34,673	11,300	-
Other financing sources (uses)				
Transfers in	426,456	-	-	-
Transfers out	-	(31,803)	-	-
Transfer from (to) the State of Florida	-	-	-	-
Net other financing sources (uses)	426,456	(31,803)	-	-
Net changes in fund balances	34,917	2,870	11,300	-
Fund balances - beginning	228,883	41,020	31,899	-
Fund balances - ending	\$ 263,800	\$ 43,890	\$ 43,199	\$ -

Calhoun County, Florida

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds (Page 3 of 4)

For the year ended September 30, 2022

	Courthouse Facilities	Teen Court	Old Courthouse Restoration	Industrial Development Authority
Revenues				
Licenses and permits	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Grants	-	-	-	233,166
Charges for services	24,030	5,081	-	277,605
Fines and forfeitures	-	-	-	-
Investment earnings	-	-	-	1,474
Other fees and miscellaneous revenues	-	-	-	153,304
Total revenues	24,030	5,081	-	665,549
Expenditures				
Current:				
General government	-	-	-	-
Public health and safety	-	-	-	-
Physical environment	-	-	-	-
Transportation	-	-	-	645,718
Economic environment	-	-	-	-
Culture and recreation	-	-	6,765	-
Court related	544	3,446	-	-
Capital outlay	-	-	-	389,714
Total expenditures	544	3,446	6,765	1,035,432
Excess (deficiency) of revenues over (under) expenditures	23,486	1,635	(6,765)	(369,883)
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Transfer from (to) the State of Florida	-	-	-	-
Net other financing sources (uses)	-	-	-	-
Net changes in fund balances	23,486	1,635	(6,765)	(369,883)
Fund balances - beginning	49,397	13,957	67,505	1,016,208
Fund balances - ending	\$ 72,883	\$ 15,592	\$ 60,740	\$ 646,325

Calhoun County, Florida

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds (Page 4 of 4)

For the year ended September 30, 2022

	Clerk's Article V Fund	Clerk's Modernization Trust Fund	Sheriff's Special Revenue Funds	Supervisor of Elections' Grant Fund	Total Other Governmental Funds
Revenues					
Licenses and permits	\$ -	\$ -	\$ -	\$ -	\$ 4,166
Intergovernmental	313,156	-	149,062	-	504,091
Grants	-	-	107,594	26,340	887,217
Charges for services	175,392	21,555	83,755	-	606,981
Fines and forfeitures	128,026	-	-	-	138,759
Investment earnings	219	42	68	2	2,484
Other fees and miscellaneous revenues	-	-	290	10	345,438
Total revenues	616,793	21,597	340,769	26,352	2,489,136
Expenditures					
Current:					
General government	-	-	-	26,352	223,999
Public health and safety	-	-	507,009	-	629,253
Physical environment	-	-	-	-	94,607
Transportation	-	-	-	-	645,718
Culture and recreation	-	-	-	-	675,031
Court related	442,038	16,020	-	-	462,048
Capital outlay	2,673	-	27,603	-	783,588
Total expenditures	444,711	16,020	534,612	26,352	3,514,244
Excess (deficiency) of revenues over (under) expenditures	172,082	5,577	(193,843)	-	(1,025,108)
Other financing sources (uses)					
Transfers in	-	-	235,841	-	662,297
Transfers out	-	-	-	-	(31,803)
Transfer from (to) the State of Florida	(172,082)	-	-	-	(172,082)
Net other financing sources (uses)	(172,082)	-	235,841	-	458,412
Net changes in fund balances	-	5,577	41,998	-	(566,696)
Fund balances - beginning	-	23,700	512,326	-	2,692,959
Fund balances - ending	\$ -	\$ 29,277	\$ 554,324	\$ -	\$ 2,126,263

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

September 30, 2022

	Clerk			Sheriff		Tax Collector		Total
	General Trust	Child Support	Jury and Witness	Inmate Trust	Suspense	Tax	Tag	
Assets								
Cash and cash equivalents	\$ 414,273	\$ 1,152	\$ 6,131	\$ 3,452	\$ -	\$ 197,047	\$ 3,149	\$ 625,204
Due from other funds	47	-	-	-	-	2,997	390	3,434
Due from other governmental units	-	-	-	-	2,230	-	5,554	7,784
Due from individuals	19	-	-	-	-	2,274	703	2,996
Total assets	\$ 414,339	\$ 1,152	\$ 6,131	\$ 3,452	\$ 2,230	\$ 202,318	\$ 9,796	\$ 639,418
Liabilities								
Due to other funds	\$ 32,904	\$ 47	\$ -	\$ -	\$ -	\$ 390	\$ 126	\$ 33,467
Due to Board of County Commissioners	8,572	1,042	-	-	2,230	278	8,888	21,010
Due to other governmental units	24,822	63	-	-	-	201,650	782	227,317
Due to individuals	2,012	-	-	3,452	-	-	-	5,464
Total liabilities	68,310	1,152	-	3,452	2,230	202,318	9,796	287,258
Fiduciary Net Position								
Restricted for:								
Individuals, organizations, and other governments	346,029	-	6,131	-	-	-	-	352,160
Total fiduciary net position	346,029	-	6,131	-	-	-	-	352,160
Total liabilities and fiduciary net position	\$ 414,339	\$ 1,152	\$ 6,131	\$ 3,452	\$ 2,230	\$ 202,318	\$ 9,796	\$ 639,418

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

For the year ended September 30, 2022

	Clerk			Sheriff			Tax Collector		
	General Trust	Child Support	Jury and Witness	Inmate Trust	Suspense	Cash Bonds	Tax	Tag	Total
Additions									
Proceeds from court related activities	\$ 2,048,106	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,048,106
Registry of the court	366,020	-	-	-	-	-	-	-	366,020
Support	-	215,406	-	-	-	-	-	-	215,406
Other funds collected	-	-	5,002	-	-	-	-	-	5,002
Property taxes and various fees collected	-	-	-	-	-	-	7,833,537	-	7,833,537
Licenses and tag fees collected	-	-	-	-	-	-	-	1,891,833	1,891,833
Amounts collected for inmate accounts	-	-	-	156,717	-	-	-	-	156,717
Amounts collected for cash bonds	-	-	-	-	-	78,522	-	-	78,522
Amounts collected for fines and forfeitures	-	-	-	-	19,410	-	-	-	19,410
Amounts collected for child support purges	-	-	-	-	52,432	-	-	-	52,432
Amounts collected for levy	-	-	-	-	3,820	-	-	-	3,820
Total Additions	\$ 2,414,126	\$ 215,406	\$ 5,002	\$ 156,717	\$ 75,662	\$ 78,522	\$ 7,833,537	\$ 1,891,833	\$ 12,670,805
Deductions									
Payments from court related activities	1,929,771	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ 1,929,771
Registry of the court	225,992	-	-	-	-	-	-	-	225,992
Support	-	215,406	-	-	-	-	-	-	215,406
Other funds disbursed	-	-	1,861	-	-	-	-	-	1,861
Property taxes and various fees collected	-	-	-	-	-	-	7,833,537	-	7,833,537
Licenses and various tag fees collected	-	-	-	-	-	-	-	1,891,833	1,891,833
Amounts disbursed for inmate account refunds	-	-	-	23,010	-	-	-	-	23,010
Amounts disbursed for booking fees	-	-	-	11,619	-	-	-	-	11,619
Amounts disbursed for commissary costs	-	-	-	81,511	-	-	-	-	81,511
Amounts disbursed for inmate phone commissions	-	-	-	40,577	-	-	-	-	40,577
Amounts disbursed for cash bonds	-	-	-	-	-	78,522	-	-	78,522
Amounts disbursed for fines and forfeitures	-	-	-	-	19,410	-	-	-	19,410
Amounts disbursed for child support purges	-	-	-	-	52,432	-	-	-	52,432
Amounts disbursed for levy refund	-	-	-	-	3,820	-	-	-	3,820
Total deductions	2,155,763	215,406	1,861	156,717	75,662	78,522	7,833,537	1,891,833	\$ 12,409,301
Net increase (decrease) in fiduciary net position	258,363	-	3,141	-	-	-	-	-	261,504
Net position - beginning of year	87,666	-	2,990	-	-	-	-	-	90,656
Net position - end of year	\$ 346,029	\$ -	\$ 6,131	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 352,160

Calhoun County, Florida
Schedule of Proportional Share of Net Pension Liability - FRS
(Last 10 Fiscal Years)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
County's proportion of the net pension liability (asset)	0.017862%	0.017932%	0.019869%	0.020873%	0.021300%	0.020600%	0.020300%	0.020100%	0.018600%	0.016400%
County's proportionate share of the net pension liability (asset)	\$ 6,646,031	\$ 1,354,552	\$ 8,611,339	\$ 7,188,291	\$ 6,403,845	\$ 6,086,676	\$ 5,128,175	\$ 2,593,231	\$ 1,135,718	\$ 1,459,788
County's covered - employee payroll	\$ 4,709,180	\$ 4,257,407	\$ 4,719,360	\$ 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 - employee payroll	141.13%	31.82%	182.47%	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	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%	96.09%	N/A

Notes to schedules:

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.

See Independent Auditors' Report

Calhoun County, Florida
Schedule of Contributions - FRS
(Last 10 Fiscal Years)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contributions	\$ 762,196	\$ 683,128	\$ 660,146	\$ 647,206	\$ 605,914	\$ 535,682	\$ 495,280	\$ 489,498	\$ 407,722	\$ 220,273
Contributions in relation to the contractually required contribution	(762,196)	(683,128)	(660,146)	(647,206)	(605,914)	(535,682)	(495,280)	(489,498)	(407,722)	(220,273)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County's covered-employee payroll	\$ 4,709,180	\$ 4,257,407	\$ 4,719,360	\$ 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	16.19%	16.05%	13.99%	15.35%	14.68%	13.14%	12.58%	12.24%	11.30%	5.60%

Notes to schedules:

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.

See Independent Auditors' Report

Calhoun County, Florida
Schedule of Contributions - HIS
(Last 10 Fiscal Years)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
County's proportion of the net pension liability (asset)	0.012738%	0.012171%	0.012024%	0.012704%	0.012400%	0.012300%	0.012900%	0.012600%	0.012800%	0.013700%
County's proportionate share of the net pension liability (asset)	\$ 1,349,164	\$ 1,492,945	\$ 1,468,074	\$ 1,421,484	\$ 1,311,000	\$ 1,319,817	\$ 1,498,531	\$ 1,287,829	\$ 1,196,118	\$ 1,189,980
County's covered - employee payroll	\$ 4,709,180	\$ 4,257,407	\$ 4,719,360	\$ 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 - employee payroll	28.65%	35.07%	31.11%	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	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%	0.99%	N/A

Notes to schedules:

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.

See Independent Auditors' Report

Calhoun County, Florida
Schedule of Contributions - HIS
(Last 10 Fiscal Years)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contributions	\$ 77,076	\$ 71,541	\$ 69,287	\$ 70,546	\$ 67,172	\$ 65,325	\$ 65,905	\$ 48,271	\$ 43,822	\$ 44,774
Contributions in relation to the contractually required contribution	(77,076)	(71,541)	(69,287)	(70,546)	(67,172)	(65,325)	(65,905)	(48,271)	(43,822)	(44,774)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County's covered-employee payroll	\$ 4,709,180	\$ 4,257,407	\$ 4,719,360	\$ 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	1.64%	1.68%	1.47%	1.67%	1.63%	1.60%	1.67%	1.21%	1.21%	1.14%

Notes to schedules:

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.

See Independent Auditors' Report

Calhoun County, Florida

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

For the year ended September 30,	2022	2021	2020	2019	2018
Total OPEB Liability					
Service Cost	\$ 47,567	\$ 39,626	\$ 41,710	\$ 28,968	\$ 23,910
Expected Interest Growth	17,311	8,024	7,668	7,263	6,542
Changes in Benefit Terms	-	-	-	-	-
Difference between Expected and Actual Experience with Regard to Economic or Demographic Assumptions	(38,423)	-	(161,350)	-	-
Current Year Amortization of Experience Difference	-	-	-	-	-
Changes in Benefit Terms	-	-	-	-	-
Difference between expected and actual experience	-	-	-	70,343	-
Change in Assumptions	(51,373)	(9,379)	94,723	44,249	-
Benefit Payment	(17,433)	(9,744)	(7,765)	(8,499)	(16,125)
Other Changes	-	-	-	-	-
Net change in total OPEB liability	(42,351)	28,527	(25,014)	142,324	14,327
Total OPEB Liability - Beginning	323,960	295,433	320,447	178,123	163,796
Total OPEB Liability - Ending (a)	281,609	323,960	295,433	320,447	178,123
Plan Fiduciary Net Position					
Contributions - Employer	17,433	9,744	7,765	8,499	16,125
Benefit Payments	(17,433)	(9,744)	(7,765)	(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)	\$ 281,609	\$ 323,960	\$ 295,433	\$ 320,447	\$ 178,123
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.00%	0.00%	0.00%	0.00%	0.00%
Covered Employee Payroll	3,297,915	3,081,035	3,081,035	3,229,368	3,011,811
Net OPEB Liability as a Percentage of Covered Payroll	8.54%	10.51%	9.59%	9.92%	5.91%
Contributions as a Percentage of Covered Payroll	0.53%	0.32%	0.25%	0.26%	0.54%

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

See Independent Auditors' Report

GRIMSLEY & ASSOCIATES

Professional Association

Certified Public Accountants

OWEN W. GRIMSLEY, C.P.A.

MEMBER
FLORIDA INSTITUTE AND
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

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

To the Honorable Board of County Commissioners
and Constitutional Officers of Calhoun County, Florida
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 *Government Auditing Standards* issued by the Comptroller of the United States, the financial statements of the governmental activities, and each major fund and the aggregate remaining fund information of Calhoun County, Florida (the "County") as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise Calhoun County, Florida's basic financial statements and have issued our report thereon dated June 22, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit, 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 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 that 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 and correct misstatements on a timely basis. A *material weakness* is a 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.

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

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 schedule of findings and questioned costs as items SOE2004-001 and SH2004-002, to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County'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*.

Calhoun County's Response to Findings

Calhoun County, Florida's written 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.

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 County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Grimsley & Associates

June 22, 2023
Marianna, Florida

Grimsley & Associates, P.A.
Certified Public Accountants

GRIMSLEY & ASSOCIATES

Professional Association

Certified Public Accountants

MEMBER
FLORIDA INSTITUTE AND
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

OWEN W. GRIMSLEY, C.P.A.

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

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

Report on Compliance for Each Major State Project

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

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

Basis for Opinion on Each Major State Project

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and Chapter 10.550, State of Florida Rules of the Auditor General. Our responsibilities under those standards and Chapter 10.550, State of Florida Rules of the Auditor General are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

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

Management's Responsibility for Compliance

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

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

Auditors' Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550, State of Florida Rules of the Auditor General but not for the purpose of expressing an opinion on the effectiveness of County's internal control over compliance. Accordingly, no such opinion is expressed.

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

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

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state project on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state project will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state project 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as described above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

Grimsley & Associates

June 22, 2023
Marianna, Florida

Grimsley & Associates, P.A.
Certified Public Accountants

Calhoun County, Florida
Schedule of Expenditures of
State Financial Assistance

For the year ended September 30, 2022

	<u>Grant/ Contract Number</u>	<u>State CSFA Number</u>	<u>Expenditures</u>
<u>State Financial Assistance</u>			
Florida Executive Office of the Governor			
Division of Emergency Management			
Emergency Management Programs			
Emergency Management Assistance	A0256	31.063	21,071
Emergency Management Assistance	A0163	31.063	65,849
Total Emergency Management Assistance Programs			86,920
 Hurricane Loss Mitigation Program - Mitigation Retrofit	 B0086	 31.066	 87,001
Total Florida Executive Office of the Governor			173,921
Florida Department of Transportation			
Aviation Development Grants			
Aviation Development Grants - Hangar Design and Construction	G1797	55.004	5,480
Aviation Development Grants - Terminal Design and Construction	G1919	55.004	16,908
Aviation Grant Program -Airport Master Plan Update	G1796	55.004	59,144
Aviation Grant Program - AWOS	G2209	55.004/55.014	42,400
Total Aviation Grant Programs			123,932
Transportation Systems Operations			
Small County Outreach Program (SCOP)-Scotts Ferry Road - Design	446577-1-34-01	55.009	180,090
Small County Outreach Program (SCOP)-Graves Creek Bridge Repair	449310-1-54-01	55.009	3,130
Total Small County Outreach Program (SCOP)			183,220
 Small County Road Assistance Program (SCRAP) - Silas Whitfield Road	 446707-1-54-01	 55.016	 203,541
Small County Road Assistance Program (SCRAP) - Wrennie Moody Road	442405-1-54-01	55.016	720,874
Small County Road Assistance Program (SCRAP) - 73A-Construction	446591-1-54-01	55.016	1,256,569
Total Small County Road Assistance Program (SCRAP)			2,180,984
Total Florida Department of Transportation			2,488,136

Calhoun County, Florida
Schedule of Expenditures of
State Financial Assistance

Florida Housing Finance Corporation**State Housing Initiatives Partnership Program**

State Housing Initiatives Partnership Program	21/22	40.901	8,750
State Housing Initiatives Partnership Program	19/20	40.901	216,359
State Housing Initiatives Partnership - Disaster Recovery Funds	18/19	40.901	7,068
Total State Housing Initiative Partnership Programs			232,177

Hurricane Housing Recovery Program	046-2019	40.902	2,667,630
Hurricane Housing Recovery Program	847-2020	40.902	145,519
Total Hurricane Housing Recovery Programs			2,813,149

Total Florida Housing Finance Corporation			3,045,326
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Florida Fish and Wildlife Conservation Commission**Florida Boating Improvement Program**

Ocheessee Landing Boat Ramp Improvements	20125	77.006	29,625
Neal Landing Boat Ramp	17200	77.006	161,865

Total Florida Fish and Wildlife Conservation Commission			191,490
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Florida Department of Financial Services**Division of State Fire Marshal****Grant & Aids-Local Government Fire Service Grants**

Mossy Pond Volunteer Fire Department - Fire Station	FM540	43.009	473,237
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Local Government Fire Service Grants Equipment

Nettle Ridge Volunteer Fire Department Fire Truck	FM701	43.010	20,000
Scotts Ferry Volunteer Fire Department Pumper Fire Truck	FM604	43.010	300,000

Total Florida Department of Financial Services			793,237
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Florida Department of State**Division of Library and Information Services:**

State Aid to Libraries	Project 22-ST-66	45.030	182,747
State Aid to Libraries	Project 21-ST-65	45.030	31,292
State Aid to Libraries	Project 19-ST-65	45.030	2,121

Total Florida Department of State			216,160
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Calhoun County, Florida
Schedule of Expenditures of
State Financial Assistance

Florida Department of Environmental Protection**Florida Recreation Development Assistance Program (FRDAP)**

Hugh Creek Park - FRDAP

A1052

37.017

8,947

Small County Grants

Small County Consolidated Grant

SC203

37.012

93,743

Total Florida Department of Environmental Protection**102,690****Florida Department of Highway Safety and Motor Vehicles**

Florida Arts License Plates Project

76.041

20

Total Florida Department of Economic Opportunity**20****Florida Department of Agriculture and Consumer Services**

Mosquito Control

28436

42.003

38,025

Total Florida Department of Agriculture and Consumer Services**38,025****Florida Department of Health**

Emergency Medical Services County Grant

C0007

64.005

4,692

Total Florida Department of Health**4,692****Florida Department of Law Enforcement**

Law Enforcement Salary Assistance for Fiscally Contstrained Counties

7G017

71.067

84,928

Total Florida Department of Law Enforcement**84,928****Florida Department of Management Services****Technology Program**

Wireless 911

22-04-19

72.001

39,922

E911 Rural County Grant Program - GIS Data Support

S15-20-06-02

72.003

21,800

E911 Rural County Grant Program - State Grant Program

S17-21-02-53

72.003

27,362

E911 Rural County Grant Program - Region I GIS Data Support

S17-21-02-09

72.003

18,510

Total Florida Department of Management Services**107,594****Total State Financial Assistance****7,246,219**

Calhoun County, Florida
Notes to Schedule of Expenditures of
State Financial Assistance Projects
For the year ended September 30, 2022

NOTE 1: BASIS OF ACCOUNTING

The supplementary Schedule of Expenditures of State Financial Assistance includes the grant activity of Calhoun County, Florida (the County). State expenditures are presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Chapter 10.550, Rules of the 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 State Financial Assistance Projects includes all the funds of the primary government as defined by GASB 14, *The Financial Reporting Entity*.

NOTE 3: 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 state financial assistance.

Calhoun County, Florida
Schedule of Findings and Questioned Costs
For the year ended September 30, 2022

Section I - Summary of Auditor's Results

Financial Statements

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

State Projects

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

CSFA Number	State Project
55.016	Small County Road Assistance Program (SCRAP)
40.902	Hurricane Housing Recovery Program

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

Calhoun County, Florida
Schedule of Findings and Questioned Costs
For the year ended September 30, 2022

Section II - FINDINGS - FINANCIAL STATEMENT AUDIT

SUPERVISOR OF ELECTIONS

Significant Deficiency SOE2004-001: Segregation of Duties

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' office has a limited number of 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' administration 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 weaknesses and to provide check and balances.

VIEW OF RESPONSIBLE OFFICIALS: Management has initiated various control procedures to compensate for the limited staff. See Management's Response letter.

Calhoun County, Florida
Schedule of Findings and Questioned Costs
For the year ended September 30, 2022

SHERIFF

Significant Deficiency SH2004-002: Segregation of Duties

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

CONDITION: Separation of certain accounting and administrative duties among employees, which is recommended as an effective internal control procedures, was not considered feasible by the Sheriff's office because of its size and limited number of employees. They recognize that the cost of its internal control structure should not exceed the benefits expected to be derived. They also recognize the inherent limitations of an internal control structure. Mistakes and irregularities may occur in any event with or without an adequate internal control structure. Furthermore, adequate segregation of duties can be circumvented by collusion among persons. Nevertheless, internal control is strengthened when incompatible duties are separated and review procedures are established and adhered to.

CAUSE: The Sheriff's office have a limited number of 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 recommended that the Sheriff's office continue to seek ways to strengthen internal control through segregation of duties. The Sheriff should document his review of transactions, bank reconciliations and financial reports to provide evidence of compensating controls.

STATUS: This condition continues to exist for the Sheriff.

VIEW OF RESPONSIBLE OFFICIALS: See Management's Response and Corrective Action Plan.

Section III. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

Calhoun County was not subject to federal single audit for current fiscal year.

Section IV. STATE PROJECTS FINDINGS AND QUESTIONED COST

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

Calhoun County, Florida
Schedule of Findings and Questioned Costs
For the year ended September 30, 2022

Section V. PRIOR YEAR FINDINGS AND QUESTIONED COSTS - MAJOR STATE FINANCIAL ASSISTANCE PROJECTS

HURRICANE HOUSING RECOVERY PROGRAM, FLORIDA HOUSING FINANCE CORPORATION CSFA 40.902

ADVANCE PAYMENTS AND PROCUREMENT OF ADDITIONAL SERVICES, FINDING 2021-01

Condition: The County pre-paid 50% of the invoiced cost for mobile homes purchased through the grant. On September 30, 2021, the prepayments totaled \$244,166 for advance payments of mobile homes. Also, the County advanced contractors a percentage (33 1/3%) of the project awards for rehabilitative work on eligible homes from the grant funds. The County also give the responsibility for procurement of additional services such as well and septic tank placement to the two mobile home companies without County Specific approval if the total project cost did not exceed the maximum allowed per the grant stipulated amount of \$120,000. No consideration was given to the County's procurement policy in providing these services. The County reimbursed each mobile home company for the additional costs.

Status: This finding has been resolved in the current year.

HOUSING GRANT MANAGEMENT AND RECORDKEEPING DEFICIENCIES, FINDING 2021-02

Condition: Control activities and procedures did not detect errors in grant compliance timely to prevent expenditures of grant funds to noneligible applicants. Documentation was not available to determine if applicant had spent insurance proceeds before grant funds were used. Also, due to the limited income available to some applicants we could not determine if adequate homeowners' insurance could be afforded, to protect against future loss.

STATUS: This finding has been resolved in the current year.

GRIMSLEY & ASSOCIATES

Professional Association

Certified Public Accountants

OWEN W. GRIMSLEY, C.P.A.

MEMBER
FLORIDA INSTITUTE AND
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

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, 2022, and have issued our report thereon dated June 22, 2023.

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 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 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 Florida Auditor General. Disclosures in those reports and schedules, which are dated June 22, 2023, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Florida 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 as noted under the heading "Schedule of Findings and Questioned Costs."

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Florida 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.

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

Financial Condition and Management

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the County has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific conditions 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.c. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the County. It is management's responsibility to monitor the County's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we address in the management letter any findings and recommendations that improve financial management. In connection with our audit, we do not have any such recommendations.

Specific Information

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

Special District Component Units

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the Calhoun County Industrial Development Authority ("IDA") reported:

- a. The total number of district employees compensated in the last pay period of the district's fiscal year was 1.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year was 9.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency was \$66,233.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency was \$349,703.
- e. Only one construction project with a total cost of at least \$65,000 was approved by the district that is scheduled to begin on or after October 1 of the fiscal year and the district incurred \$42,400 in cost during the fiscal year.
- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes. The district's original budget was \$1,310,765 and the amended budget was \$2,210,765.

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

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 charges with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

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

Grimsley & Associates

June 22, 2023
Marianna, Florida

Grimsley & Associates, P.A.
Certified Public Accountants

GRIMSLEY & ASSOCIATES

Professional Association

Certified Public Accountants

OWEN W. GRIMSLEY, C.P.A.

MEMBER
FLORIDA INSTITUTE AND
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

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 (the "County") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2022. 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 County 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 County's compliance with specified requirements.

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

In our opinion, the Calhoun County, Florida complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2022.

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.

Grimsley & Associates

June 22, 2023
Marianna, Florida

Grimsley & Associates, P.A.
Certified Public Accountants

Sheriff



Glenn H. Kimbrel
Calhoun County

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

RE: Fiscal Year Audit Report 2021/2022, 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 40 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 black ink that reads "Glenn Kimbrel".
Sheriff Glenn Kimbrel



Sharon Chason
Calhoun County Supervisor of Elections



Auditor General's Office
111 West Madison Street
Tallahassee, Florida 32399

We are in agreement with the finding listed in the 2021/2022 audit report. We have responded to the findings as identified below.

Finding SOE 2004-01: Need for Segregation of Duties

The Supervisor of Elections' office is limited to two full time employees. Due to the limited staff, it is impossible to have adequate segregation of duties. The Supervisor of Elections' will remain active and involved in day-to-day operations. Monthly bank reconciliations and financial statements will be reviewed for discrepancies. Internal controls will be monitored and implemented to compensate of potential weaknesses.

Sincerely,

Sharon Chason
Supervisor of Elections
Calhoun County

Calhoun County, Florida
Clerk of the Circuit Court and County Comptroller

Financial Statements

September 30, 2022

Calhoun County, Florida
Clerk of the Circuit Court and County Comptroller
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INDEPENDENT AUDITORS' REPORT

GRIMSLEY & ASSOCIATES

Professional Association
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MEMBER
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CERTIFIED PUBLIC ACCOUNTANTS

OWEN W. GRIMSLEY, C.P.A.

INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

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 and County Comptroller (the "Clerk") as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Clerk's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the Clerk as of September 30, 2022, and the respective changes in financial position and the budgetary comparison for the General Fund and Court Article V Fund for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

Emphasis of Matter

Basis of Presentation

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 (the "Rules"). In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of the major funds, and the aggregate remaining fund information, only for that portion of each major funds and the aggregate remaining fund information, of Calhoun County that is attributable to the Clerk. They do not purport to, and do not, present fairly the financial position of Calhoun County as of September 30, 2022, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. 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 June 22, 2023, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Clerk's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Clerk's internal control over financial reporting and compliance.

Grimsley & Associates

June 22, 2023
Marianna, Florida

Grimsley & Associates, P.A.
Certified Public Accountants

FINANCIAL STATEMENTS

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

	Major Funds		Non Major Fund	
	General Fund	Court Article V Fund	Modernization Trust Fund	Total Governmental Funds
<i>September 30, 2022</i>				
Assets				
Cash and cash equivalents	\$ 293,625	\$ 198,709	\$ 30,478	\$ 522,812
Due from other funds	5,721	28,078	1,380	35,179
Due from other governmental units	20,971	2,555	-	23,526
Due from individuals	75	-	-	75
Total assets	\$ 320,392	\$ 229,342	\$ 31,858	\$ 581,592
Liabilities				
Accounts payable and accrued expenses	\$ 8,868	\$ 13,511	\$ 306	\$ 22,685
Due to other funds	-	-	2,275	2,275
Due to Board of County Commissioners	75,087	-	-	75,087
Due to other governmental units	-	215,831	-	215,831
Unearned Revenue	2,925	-	-	2,925
Total liabilities	86,880	229,342	2,581	318,803
Fund Balance				
Unassigned	233,512	-	-	233,512
Restricted	-	-	29,277	29,277
Total liabilities and fund balances	\$ 320,392	\$ 229,342	\$ 31,858	\$ 581,592

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

Calhoun County, Florida
Clerk of the Circuit Court and County Comptroller
Statement of Revenues, Expenditures,
And Changes in Fund Balance
Governmental Funds

	Major Funds		Non Major Fund	
	General Fund	Court Article V Fund	Modernization Trust Fund	Total Governmental Funds
<i>For the year ended September 30, 2022</i>				
Revenues				
Charges for services	\$ 54,679	\$ 175,392	\$ 21,555	\$ 251,626
Intergovernmental	-	313,156	-	313,156
Grants	102,292	-	-	102,292
Fines and forfeitures	-	128,026	-	128,026
Investment earnings	42,169	219	42	42,430
Other fees and miscellaneous	1,325	-	-	1,325
Total revenues	200,465	616,793	21,597	838,855
Expenditures				
General government				
Personal services	404,281	-	-	404,281
Operating expenses	86,873	-	-	86,873
Capital outlay	865	-	-	865
Court-related				
Personal services	49,743	407,466	-	457,209
Operating expenses	7,580	34,572	16,020	58,172
Capital outlay	-	2,673	-	2,673
Total expenditures	549,342	444,711	16,020	1,010,073
Excess (deficiency) of revenues over (under) expenditures	(348,877)	172,082	5,577	(171,218)
Other financing sources (uses)				
Appropriations from Board of County Commissioners	398,434	-	-	398,434
Reversion to Board of County Commissioners	(89,382)	-	-	(89,382)
Transfers out/return of excess fees	-	(172,082)	-	(172,082)
Net other financing sources (uses)	309,052	(172,082)	-	136,970
Net change in fund balance	(39,825)	-	5,577	(34,248)
Fund balances - beginning	273,337	-	23,700	297,037
Fund balances - ending	\$ 233,512	\$ -	\$ 29,277	\$ 262,789

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

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

For the year ended September 30, 2022

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Charges for services	\$ 34,800	\$ 34,800	\$ 54,679	\$ 19,879
Grants	75,000	75,000	102,292	27,292
Investment earnings	15,040	15,040	42,169	27,129
Other fees and miscellaneous	-	-	1,325	1,325
Total revenues	124,840	124,840	200,465	75,625
Expenditures				
General government				
Personal services	424,544	424,544	404,281	20,263
Operating expenses	89,290	89,290	86,873	2,417
Capital outlay	64,222	64,222	865	63,357
Court-related				
Personal services	121,577	121,577	49,743	71,834
Operating expenses	22,300	22,300	7,580	14,720
Capital outlay	44,000	44,000	-	44,000
Contingency	30,678	30,678	-	30,678
Total expenditures	796,611	796,611	549,342	247,269
Excess (deficiency) of revenues over (under) expenditures	(671,771)	(671,771)	(348,877)	322,894
Other financing sources (uses)				
Appropriations from Board of County Commissioners	398,434	398,434	398,434	-
Reversion to Board of County Commissioners	-	-	(89,382)	(89,382)
Net other financing sources (uses)	398,434	398,434	309,052	(89,382)
Net change in fund balance	(273,337)	(273,337)	(39,825)	233,512
Fund balances - beginning	273,337	273,337	273,337	-
Fund balances - ending	\$ -	\$ -	\$ 233,512	\$ 233,512

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

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

For the year ended September 30, 2022

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Charges for services	\$ 104,435	\$ 104,435	\$ 175,392	\$ 70,957
Intergovernmental	299,039	299,039	313,156	14,117
Fines and forfeitures	58,725	58,725	128,026	69,301
Investment earnings	40	40	219	179
Total revenues	462,239	462,239	616,793	154,554
Expenditures				
Court-related				
Personal services	413,264	413,264	407,466	5,798
Operating expenses	48,975	48,975	34,572	14,403
Capital outlay	-	-	2,673	(2,673)
Total expenditures	462,239	462,239	444,711	17,528
Excess (deficiency) of revenues over (under) expenditures	-	-	172,082	172,082
Other financing sources (uses)				
Transfer out/return of excess fees	-	-	(172,082)	(172,082)
Net other financing sources (uses)	-	-	(172,082)	(172,082)
Net change in fund balance	-	-	-	-
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ -	\$ -	\$ -

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

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

September 30, 2022	General Trust		Child Support		Jury and Witness		Total Fiduciary Funds	
Assets								
Cash and cash equivalents	\$	414,272	\$	1,153	6,131	\$	421,556	
Due from individuals		19		-	-		19	
Due from other funds		47		-	-		47	
Total assets	\$	414,338	\$	1,153	\$	6,131	\$	421,622
Liabilities								
Due to other governments	\$	24,820	\$	64	\$	-	\$	24,884
Due to other funds		32,904		47		-		32,951
Due to individuals		2,012		-		-		2,012
Due to Board of County Commissioners		8,573		1,042		-		9,615
Total liabilities		68,309		1,153		-		69,462
Fiduciary Net Position								
Restricted for:								
Individuals, organizations, and other governments		346,029		-		6,131		352,160
Total net position		346,029		-		6,131		352,160
Total liabilities and fiduciary net position	\$	414,338	\$	1,153	\$	6,131	\$	421,622

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

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

For the year ended September 30, 2022	General Trust	Child Support	Jury and Witness	Total Fiduciary Funds
Additions				
Proceeds from court related activities	\$ 2,048,106	\$ -	\$ -	\$ 2,048,106
Registry of the court	366,020	-	-	366,020
Support	-	215,406	-	215,406
Other funds collected	-	-	5,002	5,002
Total additions	\$ 2,414,126	\$ 215,406	\$ 5,002	\$ 2,634,534
Deductions				
Payments from court related activities	\$ 1,929,771	\$ -	\$ -	\$ 1,929,771
Registry of the court	225,992	-	-	225,992
Support	-	215,406	-	215,406
Other funds disbursed	-	-	1,861	1,861
Total deductions	2,155,763	215,406	1,861	2,373,030
Net increase (decrease) in fiduciary net position	258,363	-	3,141	261,504
Net position - beginning of year	87,666	-	2,990	90,656
Net position, end of year	\$ 346,029	\$ -	\$ 6,131	\$ 352,160

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

NOTES TO FINANCIAL STATEMENTS

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Calhoun County, Florida, Clerk of the Circuit Court and County Comptroller (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 preparation of these financial statements.

Reporting Entity

The Calhoun County Clerk of Circuit Court and County Comptroller (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 intergovernmental revenue 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 as a whole.

Entity status for financial reporting 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. Pursuant to GASB Codification of Governmental Accounting and Financial Reporting Standards, Section 2100 and 2600, the Clerk's financial statements are combined with those of the Board and other elected constitutional officers into the reporting entity of Calhoun County, Florida (the "County").

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(4), *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.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation

The Clerk's financial statement 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 county wide 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, 2022, 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 used to account for all revenue and expenditures applicable to the general operations of the Clerk that are not required either legally or by generally accepted accounting principles to be accounted for in another fund.

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

In preparing these financial statements the following is reported as a nonmajor 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:

Fiduciary Funds - These funds are used to account for assets held by the Clerk as an agent for individuals, other governmental units and/or other funds.

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 relates to the timing of the measurements made, regardless of the measurement focus applied.

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

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) (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 amendment of the annual budget for the year. Budgets are prepared on the modified accrual basis of accounting.

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

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

The Departments with 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.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 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. Short-term investments also include 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.

Capital Assets and Depreciation

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 maintains custodial responsibility for the capital assets used by his office.

Estimated useful lives, in years, for depreciable assets are as follows:

Furniture, machinery, and equipment	3-15 years
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Due to Others

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

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

The Clerk maintains a policy that permits permanent full-time employees to accumulate earned but unused personal leave hours that will be paid to employees upon separation if certain criteria are met. These benefits, plus their related tax and retirement cost are classified as compensated absences. Employees may be paid for unused personal leave hours accrued up to a maximum amount in accordance with the personnel policy.

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

Fund Balance Reporting and Governmental Fund-Type Definitions

The Clerk adopted 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 7.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Risk Management and Insurance

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 damages 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

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.

Subsequent Events

Subsequent events have been evaluated through the date that the financial statements were available to be issued, June 22, 2023 and determined there were no events 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".

Recently Issued and Implemented Accounting Pronouncements

In June 2017, GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The Statement increases the usefulness of governments' financial statement by requiring recognition of certain lease assets and liabilities for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The Clerk adopted GASB 87 for year ended September 30, 2022. There were no significant impacts of implementing this Statement.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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
91	<i>Conduit Debt Obligations</i>	2023
94	<i>Public-Private and Public-Public Partnerships and Availability Payment Arrangements</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>	2023
98	The Annual Comprehensive Financial Report	2023
100	Accounting Changes and Error Corrections	2024
101	Compensated Absences	2025

NOTE 2 - DEPOSITS AND INVESTMENTS

At September 30, 2022, the carrying amount of the Clerk's cash and cash equivalents and restricted cash was \$944,368 and the bank balance was \$1,107,358. 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.

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

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

The Clerk's invested funds in the Florida State Board of Administration Local Governments Surplus Funds Investment Pool. At September 30, 2022, the market value and the carrying value of these funds was \$49,076. The funds are carried as a cash equivalent on the balance sheet at September 30, 2022 (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 <https://prime.sbafla.com>.

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 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 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 PRIME 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.

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, 2022, 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, 2022 is 21 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, 2022 is 72 days.

Custodial Credit Risk

At September 30, 2022, the Clerk did not hold any deposits or investments that were considered to have custodial credit risk.

Concentration of Credit Risk

At September 30, 2022, the Clerk did not hold any investments that were considered to have concentration of credit risk.

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

NOTE 3 – BALANCES DUE TO/FROM OTHER FUNDS

Balances due to/from other funds at September 30, 2022 consist of the following

Receivable Fund	Payable Fund	Amount
Governmental Funds		
General Fund	Agency Fund	\$ 3,446
Court Article V	Agency Fund	28,078
Modernization Trust Fund	Agency Fund	1,380
General Fund	Modernization Trust Fund	2,275
Total governmental funds		\$ 35,179

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 4 - EMPLOYEE PENSION PLAN

The Clerk's office 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 Management Services, 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 contacting 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 credible service. Normal retirement benefits are available to these employees who retire at or after age 65 with eight years of service with a 5% reduction of benefits for each year 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 and County Comptroller
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:

	10/01/21 Through 06/30/22	07/01/22 Through 09/30/22
Regular employees	10.82%	11.91%
Senior Management	29.01%	31.57%
Elected county officials' class	51.42%	57.00%
Drop participants	18.34%	18.60%

Chapter 121, Florida Statutes establishes the authority for participant eligibility, contribution requirements, vesting eligibility and benefit provisions. For the period October 1, 2021 through September 30, 2022, the total payroll for the Clerk employees covered by the System was \$604,323. The retirement contributions for all employees covered by the FRS for the years ended September 30, 2022, 2021 and 2020 were \$116,634, \$101,540, and \$102,032 respectively, which equal the required contributions. For the year ended September 30, 2022, retirement contributions represent 19.30% 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 obligations and disclosures required under GASB Statement No. 68, *Accounting and Financial Reporting of Pensions*, are accounted for and disclosed in the County's financial statements.

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

NOTE 5 - POST EMPLOYMENT BENEFITS OTHER THAN PENSION

In addition to the retirement plan in Note 4, 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 6 - 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 asset or liability, Due to/from Other Governmental Units. As of September 30, 2022, excess court-related funds were \$172,082.

NOTE 7 - 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 Clerk had no non-spendable fund balances at September 30, 2022.

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 ended September 30, 2022, the Clerk reports fund balances 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. For the year ended September 30, 2022, the Clerk reported \$29,277 in restricted fund balance for the modernization of public records and court-related technology.

NOTE 8 - 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 \$102,292.

COMPLIANCE SECTION

GRIMSLEY & ASSOCIATES

Professional Association
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CERTIFIED PUBLIC ACCOUNTANTS

OWEN W. GRIMSLEY, C.P.A.

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

Honorable Carla A. Hand
Clerk of Circuit Court and County Comptroller
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 aggregate remaining fund information of the Calhoun County, Florida, Clerk of the Circuit Court and County Comptroller (the "Clerk") as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Clerk's basic financial statements and have issued our report thereon dated June 22, 2023.

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 and County Comptroller
Calhoun County, Florida

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Clerk's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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.

Grimsley & Associates

June 22, 2023
Marianna, Florida

Grimsley & Associates, P.A.
Certified Public Accountants

GRIMSLEY & ASSOCIATES

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OWEN W. GRIMSLEY, C.P.A.

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

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

We have examined Calhoun County, Florida, Clerk of the Circuit Court and County Comptroller's (the "Clerk") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2022. 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, 2022.

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.

Grimsley & Associates

June 22, 2023
Marianna, Florida

Grimsley & Associates, P.A.
Certified Public Accountants

GRIMSLEY & ASSOCIATES

Professional Association
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MEMBER
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OWEN W. GRIMSLEY, C.P.A.

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 and County Comptroller
Calhoun County, Florida

We have examined the office of the Calhoun County, Florida, Clerk of Circuit Court and County Comptroller'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, 2022. 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, 2022.

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.

Grimsley & Associates

June 22, 2023
Marianna, Florida

Grimsley & Associates, P.A.
Certified Public Accountants

GRIMSLEY & ASSOCIATES

Professional Association
Certified Public Accountants

MEMBER
FLORIDA INSTITUTE AND
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OWEN W. GRIMSLEY, C.P.A.

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 and County Comptroller
Calhoun County, Florida

We have examined the office of the Calhoun County, Florida, Clerk of Circuit Court and County Comptroller'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, 2022. 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, 2022.

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.

Grimsley & Associates

June 22, 2023
Marianna, Florida

Grimsley & Associates, P.A.
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OWEN W. GRIMSLEY, C.P.A.

INDEPENDENT AUDITORS' MANAGEMENT LETTER

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

Report on the Financial Statements

We have audited the accompanying financial statements of the Calhoun County, Florida, Clerk of the Circuit Court and County Comptroller (the "Clerk"), as of and for the year ended September 30, 2022, and have issued our report thereon dated June 22, 2023.

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 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 June 22, 2023, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address significant 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 and County Comptroller
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 and County Comptroller 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 and County Comptroller.

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 note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, and 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.

Grimsley & Associates

June 22, 2023
Marianna, Florida

Grimsley & Associates, P.A.
Certified Public Accountants

**Calhoun County, Florida
Property Appraiser**

Financial Statements

September 30, 2022

**Calhoun County, Florida
Property Appraiser
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September 30, 2022**

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OWEN W. GRIMSLEY, C.P.A.

INDEPENDENT AUDITORS' REPORT

Honorable Carla Peacock
Property Appraiser
Calhoun County, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the Calhoun County, Florida, Property Appraiser (the "Property Appraiser") as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Property Appraiser's basic financial statements as listed in the table of contents.

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Honorable Carla Peacock
Property Appraiser
Calhoun County, Florida

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Emphasis of Matter

Basis of Presentation

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 (the "Rules"). In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of the major funds, and the aggregate remaining fund information, only for that portion of each major funds and the aggregate remaining fund information, of Calhoun County that is attributable to the Property Appraiser. They do not purport to, and do not, present fairly the financial position of Calhoun County as of September 30, 2022, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

Honorable Carla Peacock
Property Appraiser
Calhoun County, Florida

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2023, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Property Appraiser's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Property Appraiser's internal control over financial reporting and compliance.

Grimsley & Associates

Marianna, Florida
June 22, 2023

Grimsley & Associates, P.A.
Certified Public Accountants

Calhoun County, Florida
Property Appraiser
Balance Sheet
Governmental Fund

September 30, 2022

	General Fund
Assets	
Cash and cash equivalents	\$ 114,427
Total assets	\$ 114,427
Liabilities	
Accounts payable and accrued expenses	\$ 7,789
Due to Board of County Commissioners	97,522
Total liabilities	105,311
Fund balance	
Committed	9,116
Fund balance	9,116
Total liabilities and fund balance	\$ 114,427

The accompanying notes are an integral part of these special-purpose financial statements

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

For the year ended September 30, 2022

	General Fund
Revenues	
Charges for services	\$ 674
Investment earnings	129
Total revenues	803
Expenditures	
General government	
Personal services	375,805
Operating expenses	127,203
Total expenditures	503,008
Deficiency of revenues under expenditures	(502,205)
Other financing sources (uses)	
Transfers in	608,843
Reversion to Board of County Commissioners	(97,522)
Net other financing sources	511,321
Net change in fund balance	9,116
Fund balance - beginning	-
Fund balance - ending	\$ 9,116

The accompanying notes are an integral part of these special-purpose financial statements

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

For the year ended September 30, 2022

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Charges for services	\$ -	\$ -	\$ 674	\$ 674
Investment earnings	-	-	129	129
Other fees and miscellaneous	-	-	-	-
Total revenues	-	-	803	803
Expenditures				
General government				
Personal services	\$ 481,210	\$ 481,210	\$ 375,805	\$ 105,405
Operating expenses	127,633	127,633	127,203	430
Total expenditures	608,843	608,843	503,008	105,835
Deficiency of revenues under expenditures	(608,843)	(608,843)	(502,205)	106,638
Other financing sources (uses)				
Transfer in	608,843	608,843	608,843	-
Reversion to Board of County Commissioners	-	-	(97,522)	(97,522)
Net other financing sources	608,843	608,843	511,321	(97,522)
Net change in fund balance	\$ -	\$ -	\$ 9,116	\$ 9,116

The accompanying notes are an integral part of these special-purpose financial statements

Calhoun County, Florida
Property Appraiser
Notes to Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of 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 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, 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 Property Appraiser. They do not purport to, and do not, present fairly the financial position of Calhoun County, Florida, as of September 30, 2022, 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. 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.

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 relates 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 due. The operations of the Property Appraiser are funded by the Board of County Commissioners. The appropriations from the Board are recorded as other financing sources. Charges for services and investment revenue are recorded as earned.

Calhoun County, Florida
Property Appraiser
Notes to Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting (Continued)

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.

Budgetary Requirements

Florida Statutes, Chapter 218.35 and 195.087, details the preparation, adoption and administration of the Property Appraiser's annual budget. The Property Appraiser 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 Department of Revenue and the Board of County Commissioners must approve the financial budget. The budget is prepared on a basis consistent with generally accepted accounting principles.

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 and Depreciation

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.

Risk Management and Insurance

The Property Appraiser is covered under the Board of County Commissioners insurance policies. The Board insures itself against losses from casualty, accident and dishonesty by purchasing insurance through a local insurance agency. The Board believes the level of insurance purchased is adequate to protect against material loss. No significant changes in coverage or claims have been made during the current year.

Calhoun County, Florida
Property Appraiser
Notes to Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance

Fund balances are classified based on 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 based on a hierarchy of the Property Appraiser'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. Unassigned fund balances have not been restricted, committed or assigned to specific purposes within the general fund. The Property Appraiser had no non-spendable or spendable fund balances at September 30, 2022.

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.

Subsequent Events

Subsequent events have been evaluated through the date that the financial statements were available to be issued, June 22, 2023 and determined there were no events that required disclosure.

Recently Issued and Implemented Accounting Pronouncements

In June 2017, the GASB issued Statement No. 87, Leases. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. There were no significant impacts of implementing this Statement.

Calhoun County, Florida
Property Appraiser
Notes to Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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 Property Appraiser upon implementation. Management has not yet evaluated the effect of implementation of these standards.

Statement No.	GASB Accounting Standard	GASB Effective Fiscal Year
91	<i>Conduit Debt Obligations</i>	2023
94	<i>Public-Private and Public-Private Partnerships and Availability Payment Arrangements</i>	2023
96	<i>Subscription-Based Informaiton 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>	2023
98	<i>The Annual Comprehensive Financial Report</i>	2023
100	<i>Accounting Changes and Error Corrections</i>	2024
101	<i>Compensated Absences</i>	2025

Calhoun County, Florida
Property Appraiser
Notes to Financial Statements

NOTE 2 - DEPOSITS AND INVESTMENTS

At September 30, 2022, the carrying amount of the Property Appraiser's cash and cash equivalents was \$114,427 and the bank balance was \$137,025. 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, 2022, the Property Appraiser did not hold any deposits or investments that were considered to have credit risk.

Interest Rate Risk

At September 30, 2022, the Property Appraiser did not hold any investments that were considered to have interest rate risk.

Custodial Credit Risk

At September 30, 2022, the Property Appraiser did not hold any deposits or investments that were considered to have custodial credit risk.

Concentration of Credit Risk

At September 30, 2022, the Property Appraiser did not hold any investments that were considered to have concentration of credit risk.

Calhoun County, Florida
Property Appraiser
Notes to Financial Statements

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 Management Services, 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 contacting 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 six 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:

	10/01/21 Through 06/30/22	07/01/22 Through 09/30/22
Regular Employees	10.82%	11.91%
Elected county officials' class	51.42%	57.00%
DROP participants	18.34%	18.60%

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 period October 01, 2021 through September 30, 2022, the total payroll for the Property Appraiser's employees covered by the System was \$252,663. The retirement contributions for all employees covered by the FRS for the years ended September 2022, 2021 and 2020 were \$73,594, \$69,075 and \$64,034 which were the required contributions. For the year ended September 30, 2022 retirement contributions represent 29.13% 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 obligations and disclosures required und GASB Statement No. 68, *Accounting and Financial Reporting of Pensions*, are accounted for and disclosed in the County's financial statements.

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.

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. The Property Appraiser had excess revenues over expenditures in the amount of \$9,116 at year end. The Property Appraiser petitioned the Board of County Commissioners and they agreed to allow those funds to be carried over to 2022/2023 Property Appraiser's budget.

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

Honorable 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 Calhoun County, Florida, Property Appraiser (the "Property Appraiser") as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Property Appraiser's financial statements and have issued our report thereon dated June 22, 2023.

Internal Control Over Financial Reporting

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

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

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

Honorable Carla Peacock
Property Appraiser
Calhoun County, Florida

Compliance and Other Matters

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

Purpose of this Report

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

Grimsley & Associates

June 22, 2023
Marianna, Florida

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Certified Public Accountants

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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, 2022. Management is responsible for the Property Appraiser's compliance with the specified requirements. Our responsibility is to express an opinion on the Property Appraiser's compliance based on our examination.

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

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

In our opinion, the Property Appraiser complied, in all material respects, with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2022.

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.

Grimsley & Associates

June 22, 2023
Marianna, Florida

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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, 2022, and have issued our report thereon dated June 22, 2023.

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 Reports

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 June 22, 2023, should be considered in conjunction with this management letter.

Prior Audit Findings

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

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.

Grimsley & Associates

June 22, 2023
Marianna, Florida

Grimsley & Associates, P.A.
Certified Public Accountants

**Calhoun County, Florida
Sheriff**

Financial Statements

September 30, 2022

Calhoun County, Florida
Sheriff
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September 30, 2022

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Glenn H. Kimbrel
Sheriff of Calhoun County, Florida
Blountstown, Florida

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

To the Honorable Glenn H. Kimbrel
Sheriff of Calhoun County, Florida
Blountstown, Florida

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Calhoun County Sheriff financial statements. The accompanying combining balance sheet–nonmajor governmental funds; combining special-purpose statement of revenues, expenditures and changes in fund balance– nonmajor governmental funds as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements.

To the Honorable Glenn H. Kimbrel
Sheriff of Calhoun County, Florida
Blountstown, Florida

The information has been subjected to the auditing procedures applied in the audit of the special-purpose 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 procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining balance sheet–nonmajor governmental funds; combining statement of revenues, expenditures and changes in fund balance–nonmajor governmental funds are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Emphasis of Matter

Basis of Presentation

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 (the "Rules"). In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of the major funds, and the aggregate remaining fund information, only for that portion of each major funds 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 as of September 30, 2022, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. 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 June 22, 2023, on our consideration of the Calhoun County, Florida 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Calhoun County, Florida Sheriff's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Calhoun County, Florida Sheriff internal control over financial reporting and compliance.

Grimsley & Associates

June 22, 2023
Marianna, Florida

Grimsley & Associates, P.A.
Certified Public Accountants

Calhoun County, Florida
Sheriff
Balance Sheet
Governmental Funds

September 30, 2022

	General Fund	Emergency 911	Investigative Resource	Inmate Welfare Fund	Other Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	\$ 60,079	170,630	\$ 162,540	\$ 189,410	\$ 10,424	\$ 593,083
Accounts Receivable	-	0	-	4,845	-	4,845
Due from other funds	14,206	-	100	-	-	14,306
Due from other governmental units	102,675	43,813	1,625	220	-	148,333
Total assets	\$ 176,960	\$ 214,443	\$ 164,265	\$ 194,475	\$ 10,424	\$ 760,567
Liabilities						
Accounts payable and accrued expenses	\$ 108,761	\$ 14,908	\$ -	\$ 69	\$ -	\$ 123,738
Due to other funds	-	-	-	14,206	100	14,306
Deferred Revenue	29,991	-	-	-	-	29,991
Total liabilities	138,752	14,908	-	14,275	100	168,035
Fund balance						
Restricted	-	199,535	164,265	180,200	10,324	554,324
Assigned	38,208				-	38,208
Total liabilities and fund balances	\$ 176,960	\$ 214,443	\$ 164,265	\$ 194,475	\$ 10,424	\$ 760,567

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

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

For the year ended September 30, 2022

	General Fund	Emergency 911	Investigative Resource	Inmate Welfare Fund	Other Governmental Funds	Total Governmental Funds
Revenues						
Intergovernmental	\$ 168,462	\$ 149,062	\$ -	\$ -	\$ -	\$ 317,524
Charges for services	98,609	-	5,714	78,041	-	182,364
Grants	263,553	107,594	-	-	-	371,147
Investment earnings	-	68	-	-	-	68
Contributions and donations	-	-	-	-	290	290
Other fees and miscellaneous	25,939	-	-	-	-	25,939
Total revenues	556,563	256,724	5,714	78,041	290	897,332
Expenditures						
Current:						
Public health and safety:						
Law Enforcement						
Personal services	1,559,689	-	-	-	-	1,559,689
Operating expenses	540,050	-	4,455	-	-	544,505
Correction and detention						
Personal services	439,153	-	-	14,206	-	453,359
Operating expenses	183,425	-	-	14,990	-	198,415
Other public health and safety						
Personal services	147,670	298,739	-	-	-	446,409
Operating expenses	6,977	171,110	-	-	3,509	181,596
Capital Outlay						
Law Enforcement	325,052	-	-	-	-	325,052
Corrections and detention	-	-	-	-	-	-
Other public health and safety	-	27,603	-	-	-	27,603
Total expenditures	3,202,016	497,452	4,455	29,196	3,509	3,736,628
Excess (deficiency) of revenues over (under) expenditures	(2,645,453)	(240,728)	1,259	48,845	(3,219)	(2,839,296)
Other financing sources (uses)						
Appropriations from Board of County Commissioners	2,688,788	235,841	-	-	-	2,924,629
Transfer out	(5,127)	-	-	-	-	(5,127)
Net other financing sources (uses)	2,683,661	235,841	-	-	-	2,919,502
Net change in fund balance	38,208	(4,887)	1,259	48,845	(3,219)	80,206
Fund balance - beginning	-	204,422	163,006	131,355	13,543	512,326
Fund balance - ending	\$ 38,208	\$ 199,535	\$ 164,265	\$ 180,200	\$ 10,324	\$ 592,532

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

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

For the year ended September 30, 2022

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Intergovernmental	\$ 162,821	\$ 168,462	\$ 168,462	\$ -
Charges for services	14,000	98,609	98,609	-
Grants	172,694	266,302	263,553	(2,749)
Contributions and donations	-	-	-	-
Other fees and miscellaneous revenues	-	25,940	25,939	(1)
Total revenues	349,515	559,313	556,563	(2,750)
Expenditures				
Current:				
Public health and safety:				
Law enforcement				
Personal services	1,679,914	1,559,798	1,559,689	109
Operating expenses	442,237	540,169	540,050	119
Correction and detention				
Personal services	514,285	442,272	439,153	3,119
Operating expenses	154,750	181,258	183,425	(2,167)
Other public health and safety				
Personal services	188,442	147,670	147,670	-
Operating expenses	13,550	8,549	6,977	1,572
Capital outlay				
Law enforcement	40,000	325,052	325,052	-
Total expenditures	3,033,178	3,204,768	3,202,016	2,752
Excess (deficiency) of revenues over (under) expenditures	(2,683,663)	(2,645,455)	(2,645,453)	2
Other financing sources (uses)				
Appropriations from Board of County Commissioners	2,683,663	2,683,663	2,688,788	5,125
Transfers out	-	-	(5,127)	(5,127)
Total other financing sources	2,683,663	2,683,663	2,683,661	(2)
Net change in fund balance	\$ -	\$ 38,208	\$ 38,208	\$ -

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

Calhoun County, Florida
Sheriff
Statement of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual
Emergency 911

For the year ended September 30, 2022

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Intergovernmental	\$ 148,300	\$ 148,300	\$ 149,062	\$ 762
Grants	107,595	107,595	107,594	(1)
Investment Earnings	69	69	68	(1)
Cash carryforward	243,205	243,205		
Total revenues	499,169	499,169	256,724	760
Expenditures				
Current:				
Public health and safety:				
Other public health and safety				
Personal services	325,554	325,554	298,739	26,815
Operating expenses	291,672	291,672	171,110	120,562
Capital outlay				
Other public health and safety	117,784	117,784	27,603	90,181
Total expenditures	735,010	735,010	497,452	237,558
Excess (deficiency) of revenues over (under) expenditures	(235,841)	-	(240,728)	238,318
Other financing sources (uses)				
Appropriations from Board of County Commissioners	235,841	235,841	235,841	-
Total other financing sources	235,841	-	235,841	-
Net change in fund balance	\$ -	\$ -	\$ (4,887)	\$ 238,318

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

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

For the year ended September 30, 2022

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Charges for Services	\$ 5,715	\$ 5,715	\$ 5,714	\$ (1)
Cash carryforward	163,006	163,006	-	(163,006)
Total revenues	168,721	168,721	5,714	(163,007)
Expenditures				
Current:				
Public health and safety:				
Law enforcement				
Operating expenses	4,455	4,455	4,455	-
Capital Outlay	164,266	164,266	-	164,266
Total expenditures	168,721	168,721	4,455	164,266
Excess (deficiency) of revenues over (under) expenditures	-	-	1,259	1,259
Net change in fund balance	\$ -	\$ -	\$ 1,259	\$ (1,259)

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

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

For the year ended September 30, 2022

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Charges for Services	\$ 78,500	\$ 78,500	\$ 78,041	\$ (459)
Cash carryforward	131,355	131,355	-	(131,355)
Total revenues	209,855	209,855	78,041	(131,814)
Expenditures				
Current:				
Public health and safety:				
Correction and detention				
Personal services	9,000	9,000	14,206	(5,206)
Operating expenses	27,450	27,450	14,990	12,460
Capital outlay				
Corrections and detention	173,405	173,405	-	173,405
Total expenditures	209,855	209,855	29,196	180,659
Excess (deficiency) of revenues over (under) expenditures	-	-	48,845	48,845
Net change in fund balance	\$ -	\$ -	\$ 48,845	\$ 48,845

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

Calhoun County, Florida
Sheriff
Statement of Fiduciary Net Position
Fiduciary Funds

September 30, 2022

	Inmate Trust	Suspense	Cash Bonds	Total Fiduciary Funds
Assets				
Cash	\$ 3,451	\$ -	\$ -	\$ 3,451
Due from other governments	-	2,230	-	2,230
Total assets	\$ 3,451	\$ 2,230	\$ -	\$ 5,681
Liabilities				
Due to individuals	\$ 3,451	\$ -	\$ -	\$ 3,451
Due to Board of County Commissioners	-	2,230	-	2,230
Total liabilities	\$ 3,451	\$ 2,230	\$ -	\$ 5,681
Feduciary Net Position				
Restricted for:				
Individuals, organizations and other governments	\$ -	\$ -	\$ -	\$ -
Total net position	\$ -	\$ -	\$ -	\$ -

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

Calhoun County, Florida
Sheriff
Statement of Changes in Fiduciary Net Position
Fiduciary Funds

For the year ended September 30, 2022

	Inmate Trust	Suspense	Cash Bonds	Total Fiduciary Funds
Additions				
Amounts Collected for Inmate Accounts	\$ 156,717	\$ -	\$ -	\$ 156,717
Amounts Collected for Cash Bonds	-	-	78,522	78,522
Amounts Collected for Fines & Forfeitures	-	19,410	-	19,410
Amounts Collected for Child Support Purges	-	52,432	-	52,432
Amounts Collected for Levy	-	3,820	-	3,820
Total Additions	156,717	75,662	78,522	310,901
Deductions				
Amounts Disbursed for Inmate Account Refunds	23,010	-	-	23,010
Amounts Disbursed for Booking Fees	11,619	-	-	11,619
Amounts Disbursed for Commissary Costs	81,511	-	-	81,511
Amounts Disbursed for Inmate Phone Commission	40,577	-	-	40,577
Amounts Disbursed for Cash Bonds	-	-	78,522	78,522
Amounts Disbursed for Fines & Forfeitures	-	19,410	-	19,410
Amounts Disbursed for Child Support Purges	-	52,432	-	52,432
Amounts Disbursed for Levy Refund	-	3,820	-	3,820
Total Deductions	156,717	75,662	78,522	310,901
Net increase (decrease) in fiduciary net position	-	-	-	-
Net position - beginning of year as originally stated	-	-	-	-
Net position, restatement	-	-	-	-
Net Position, beginning of year as restated	-	-	-	-
Net Position, end of year	\$ -	\$ -	\$ -	\$ -

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

Calhoun County, Florida
Sheriff
Notes to Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the Calhoun County, Florida, Sheriff (the “Sheriff”) conform to generally accepted accounting principles (GAAP), as applicable to all 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(4), *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 poste-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, 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, 2022, 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.

Calhoun County, Florida
Sheriff
Notes to Financial Statements

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 operations 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 revenues 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 related to public donations to assist the less fortunate.

The Sheriff also reported the following fund type:

Fiduciary Funds - The agency funds are used to account for assets held by the Sheriff as an agent for individuals, private organizations, and other governments.

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.

Calhoun County, Florida
Sheriff
Notes to Financial Statements

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 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.

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 maintains custodial responsibility for the capital assets used by his office.

Calhoun County, Florida
Sheriff
Notes to Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance

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
- Automobiles
- Money and securities coverage

The Sheriff provides 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.

Calhoun County, Florida
Sheriff
Notes to Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent Events

Management has evaluated subsequent events through the date that the financial statement were available to be issued, June 22, 2023 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”.

Recently Issued and Implemented Accounting Pronouncements

In June 2017, GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The Statement increases the usefulness of governments’ financial statement by requiring recognition of certain lease assets and liabilities for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. There were not significant impacts of implementing this Statement.

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 Sheriff upon implementation. Management has not yet evaluated the effect of implementation of these standards.

Statement No.	GASB Accounting Standard	GASB Effective Fiscal Year
91	<i>Conduit Debt Obligations</i>	2023
94	<i>Public-Private and Public-Private Partnerships and Availability Payment Arrangements</i>	2023
96	<i>Subscription-Based Informaiton 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>	2023
98	<i>The Annual Comprehensive Financial Report</i>	2023
100	<i>Accounting Changes and Error Corrections</i>	2024
101	<i>Compensated Absences</i>	2025

Calhoun County, Florida
Sheriff
Notes to Financial Statements

NOTE 2: DEPOSITS AND INVESTMENTS

At September 30, 2022, the carrying amount of the Sheriff's cash and cash equivalents and restricted cash was \$596,635 and the bank balance was \$743,275. 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, 2022, the Sheriff did not hold any deposits or investments that were considered to have credit risk.

Interest Rate Risk

At September 30, 2022, the Sheriff did not hold any investments that were considered to have interest rate risk.

Custodial Credit Risk

At September 30, 2022, the Sheriff did not hold any deposits or investments that were considered to have custodial credit risk.

Concentration of Credit Risk

At September 30, 2022, the Sheriff did not hold any investments that were considered to have concentration of credit risk.

Calhoun County, Florida
Sheriff
Notes to Financial Statements

NOTE 3: INTERFUND RECEIVABLES AND PAYABLES

Interfund receivables and payables at September 30, 2022, are as follows:

Fund	Due From Other Funds	Due to Other Funds
Investigative Resource	\$ 100	\$ -
General	14,206	-
Inmate Welfare Fund	-	14,206
Drug Task Force	-	100
Total	<u><u>\$ 14,306</u></u>	<u><u>\$ 14,306</u></u>

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 cost sharing 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 contacting 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 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, FRS 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 employee 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 both the employer and employee make contributions at rates determined each year by the legislature. The employer rates, as a percentage of gross earnings, are as follows:

	10/1/2021 Through 6/30/2022	07/01/22 Through 9/30/2022
Regular employees	10.82%	11.91%
Senior management	29.01%	31.57%
Special risk employees	25.89%	27.83%
DROP participants	18.34%	18.60%
Re-employed retirees - Special risk	10.56%	11.33%
Re-employed retirees - Senior management	29.01%	29.01%

Chapter 121, Florida Statutes establishes the authority for participant eligibility, contribution requirements, vesting eligibility and benefit provisions. For the period October 1, 2021 through September 30, 2022, the total payroll for the Sheriff employees covered by the System was \$1,675,895. The retirement contributions for all employees covered by the FRS for the years ended September 30, 2022, 2021 and 2020 were \$362,970, \$296,568, and \$276,511 respectively, which equal the required contributions. For the year ended September 30, 2022 retirement contributions represent 21.7% 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 obligations and disclosures required under GASB Statement No. 68, *Accounting and Financial Reporting of Pensions*, are accounted for and disclosed in the County's financial statements.

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

NOTE 5: POST EMPLOYMENT BENEFITS OTHER THAN PENSION

In addition to the retirement plan in Note 4, 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: 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, 2022, as well as prior years, 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 granting agencies cannot be determined, although the Sheriff expects such amounts, if any, to be immaterial.

NOTE 7: 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 Sheriff had no non-spendable fund balance at September 30, 2022. 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. For the year ending September 30, 2022, the Sheriff reports fund balances as restricted. 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. 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 balance has not been restricted, committed or assigned to specific purposes within the general fund.

NOTE 9: LITIGATION AND CONTINGENT LIABILITIES

The Sheriff 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 Sheriff's financial position.

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

September 30, 2022

	Drug Task Force Fund	Contribution Fund	Total Nonmajor Governmental Funds
Assets			
Cash and cash equivalents	\$ 100	\$ 10,324	\$ 10,424
Total assets	\$ 100	\$ 10,324	\$ 10,424
Liabilities			
Due to other funds	\$ 100	-	\$ 100
Total liabilities	100	-	100
Fund balance - restricted	-	10,324	10,324
Total liabilities and fund balances	\$ 100	\$ 10,324	\$ 10,424

See Independent Auditors' Report

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

For the year ended September 30, 2022

	Drug Task Force Fund	Contribution Fund	Total Nonmajor Governmental Funds
Revenues			
Contributions and donations	\$ -	\$ 290	\$ 290
Total revenues	-	290	290
Expenditures			
Capital outlay			
Other public health and safety			
Operating expenses	-	3,509	3,509
Total expenditures	-	3,509	3,509
Excess (deficiency) of revenues over (under) expenditures	-	(3,219)	(3,219)
Net change in fund balance	-	(3,219)	(3,219)
Fund balance - beginning	-	12,593	12,593
Fund balance - ending	\$ -	\$ 9,374	\$ 9,374

See Independent Auditors' Report

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OWEN W. GRIMSLEY, C.P.A.

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

To the Honorable Glenn H. Kimbrel
Sheriff of Calhoun County, Florida
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 *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Calhoun County, Florida, Sheriff (the "Sheriff") as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements and have issued our report thereon dated June 22, 2023.

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 No. Sheriff 2004-002 that we consider to be a significant deficiency.

To the Honorable Glenn H. Kimbrel
Sheriff of Calhoun County, Florida
Blountstown, Florida

PRIOR YEAR FINDINGS AND RECOMMENDATIONS:

Need for Segregation of Duties – Sheriff 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Sheriff's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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.

To the Honorable Glenn H. Kimbrel
Sheriff of Calhoun County, Florida
Blountstown, 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 Sheriff'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.

Grimsley & Associates

June 22, 2023
Marianna, Florida

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

To the Honorable Glenn H. Kimbrel
Sheriff of Calhoun County, Florida
Blountstown, 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, 2022. 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 of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2022.

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.

Grimsley & Associates

June 22, 2023
Marianna, Florida

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Certified Public Accountants

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OWEN W. GRIMSLEY, C.P.A.

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

To the Honorable Glenn H. Kimbrel
Sheriff of Calhoun County, Florida
Blountstown, Florida

We have examined Calhoun County, Florida Sheriff (the "Sheriff") 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, 2022. 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, 2022.

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.

Grimsley & Associates

June 22, 2023
Marianna, Florida

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INDEPENDENT AUDITORS' MANAGEMENT LETTER

To the Honorable Glenn H. Kimbrel
Sheriff of Calhoun County, Florida
Blountstown, 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, 2022, and have issued our report thereon dated June 22, 2023.

Auditors' Responsibility

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; and Chapter 10.550, Rules of the Auditor General.

Other Reports

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 June 22, 2023, should be considered in conjunction with this management letter.

Prior Audit Findings

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

To the Honorable Glenn H. Kimbrel
Sheriff 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 this management letter, unless disclosed in the notes to the financial statements. This item was disclosed in the notes to the financial statements.

Financial Management

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we address in our management letter any recommendations to improve financial management. In connection with our audit, we do 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, 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.

Grimsley & Associates

June 22, 2023
Marianna, Florida

Grimsley & Associates, P.A.
Certified Public Accountants

Sheriff



Glenn H. Kimbrel
Calhoun County

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

RE: Fiscal Year Audit Report 2021/2022, 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 40 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 black ink that reads "Glenn Kimbrel".
Sheriff Glenn Kimbrel

**Calhoun County, Florida
Supervisor of Elections**

Financial Statements

September 30, 2022

Calhoun County, Florida
Supervisor of Elections
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September 30, 2022

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INDEPENDENT AUDITORS' REPORT

GRIMSLEY & ASSOCIATES

Professional Association

Certified Public Accountants

MEMBER
FLORIDA INSTITUTE AND
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

OWEN W. GRIMSLEY, C.P.A.

INDEPENDENT AUDITORS' REPORT

Honorable Sharon Chason
Supervisor of Elections
Calhoun County, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the Calhoun County, Florida, Supervisor of Elections as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Calhoun County, Florida, Supervisor of Elections basic financial statements as listed in the table of contents.

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Honorable Sharon Chason
Supervisor of Elections
Calhoun County, Florida

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Honorable Sharon Chason
Supervisor of Elections
Calhoun County, Florida

Emphasis of Matter

Basis of Presentation

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 (the "Rules"). In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of the major funds, and the aggregate remaining fund information, only for that portion of each major funds and the aggregate remaining fund information, of Calhoun County that is attributable to the Supervisor of Elections. They do not purport to, and do not, present fairly the financial position of Calhoun County as of September 30, 2022, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. 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 June 22, 2023, on our consideration of the Calhoun County, Florida, Supervisor of Elections', internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Calhoun County, Florida, Supervisor of Elections', internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Calhoun County, Florida, Supervisor of Elections, internal control over financial reporting and compliance.

Grimsley & Associates

Marianna, Florida
June 22, 2023

Grimsley & Associates, P.A.
Certified Public Accountants

FINANCIAL STATEMENTS

Calhoun County, Florida
Supervisor of Elections
Balance Sheet
Governmental Funds

September 30, 2022

	General Fund	Grant Fund	Total Goverernmental Funds
Assets			
Cash and cash equivalents	\$ 14,669	\$ -	\$ 14,669
Total assets	\$ 14,669	\$ -	\$ 14,669
Liabilities			
Accounts Payable	\$ 101	\$ -	\$ 101
Due to Board of County Commissioners	5,451	-	5,451
Total liabilities	5,552	-	5,552
Fund balance	9,117	-	9,117
Total liabilities and fund balance	\$ 14,669	\$ -	\$ 14,669

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
Governmental Funds

For the year ended September 30, 2022

	General Fund	Grant Fund	Total Governmental Funds
Revenues			
Grants	\$ -	\$ 26,340	\$ 26,340
Investment earnings	57	2	59
Other fees and miscellaneous revenue	8,920	10	8,930
Total revenues	8,977	26,352	35,329
Expenditures			
General government			
Personal services	255,403	-	255,403
Operating expenses	91,672	26,352	118,024
Capital Outlay	-	-	-
Total expenditures	347,075	26,352	373,427
Excess (deficiency) of revenues over (under) expenditures	(338,098)	-	(338,098)
Other financing sources (uses)			
Appropriations from Board of County Commissioners	345,258	-	345,258
Reversion to Board of County Commissioners	(5,451)	-	(5,451)
Net other financing sources (uses)	339,807	-	339,807
Net change in fund balance	1,709	-	1,709
Fund balance - beginning	7,408	-	7,408
Fund balance - ending	\$ 9,117	\$ -	\$ 9,117

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

For the year ended September 30, 2022

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Investment earnings	\$ -	\$ -	\$ 57	\$ 57
Other fees and miscellaneous revenue	-	-	8,920	8,920
Total revenues	-	-	8,977	8,977
Expenditures				
General government				
Personal services	261,502	261,502	255,403	6,099
Operating expenses	83,756	83,756	91,672	(7,916)
Capital outlay	-	-	-	-
Total expenditures	345,258	345,258	347,075	(1,817)
Excess (deficiency) of revenues over (under) expenditures	- (345,258)	- (345,258)	- (338,098)	- 7,160
Other financing sources (uses)				
Appropriations from Board of County Commissioners	345,258	345,258	345,258	-
Reversion to the Board of County Commissioners	-	-	(5,451)	(5,451)
Net other financing sources (uses)	345,258	345,258	339,807	(5,451)
Net change in fund balance	\$ -	\$ -	\$ 1,709	\$ 1,709

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

For the year ended September 30, 2022

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Grants	\$ 94,925	\$ 94,925	\$ 26,340	\$ 26,340
Investment earnings	-	-	2	2
Total revenues	94,925	94,925	26,342	26,342
Expenditures				
General government				
Operating expenses	\$ 52,925.00	\$ 52,925.00	\$ 26,352.00	\$ 26,573.00
Capital outlay	42,000	42,000	-	42,000
Total expenditures	94,925	94,925	26,352	68,573
Excess (deficiency) of revenues over (under) expenditures	-	-	(10)	(10)
Net change in fund balance	\$ -	\$ -	\$ (10)	\$ (10)

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

Calhoun County, Florida
Supervisor of Elections
Notes to Financial Statements

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 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 of County Commissioners. 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 revenue and other financial sources received over expenditures are remitted to the Board of County Commissioners after the end of the fiscal year.

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 of 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.

Calhoun County, Florida
Supervisor of Elections
Notes to Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 the portion of each major fund, and the aggregate remaining fund information, 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, 2022, 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 and assist with elections safety.

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.

Basis of Accounting and Financial Statement Presentation

Governmental fund financial statements are reported using a current financial resources measurement focus on a 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 with the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Supervisor of Elections considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures are recorded in the accounting period in which the liability is incurred, except for debt service expenditures and accumulated sick and vacation pay, which are not recorded until paid. General capital asset acquisitions are reported as expenditures and issuance of long-term debt and acquisition under capital leases are reported as other financing sources. The operations of the Supervisor of Elections are funded by the Board of County Commissioners. The appropriations from the Board are recorded as other financing sources.

Calhoun County, Florida
Supervisor of Elections
Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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. 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 and Depreciation

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' 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 on pay periods worked. Upon termination, employees with five years of 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.

Calhoun County, Florida
Supervisor of Elections
Notes to Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Risk Management and Insurance

The Supervisor of Elections is covered under the Board of County Commissioners insurance policies. The Board insures itself against losses from casualty, accident and dishonesty by purchasing insurance through a local insurance agency. The Board believes the level of insurance purchased is adequate to protect against material loss. No significant changes in coverage or claims have been made during the current year.

Fund Balance

Fund balances are classified based on a hierarchy of the Supervisor of Elections' 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 based on a hierarchy of the Supervisor of Elections' 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. Unassigned fund balances have not been restricted, committed or assigned to specific purposes within the general fund. The Supervisor of Elections' had no non-spendable or spendable fund balances at September 30, 2022.

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.

Subsequent Events

Subsequent events have been evaluated through the date that the financial statements were available to be issued, June 22, 2023 and determined there were no events that required disclosure.

Recently Issued and Implemented Accounting Pronouncements

In June 2017, the GASB issued Statement No. 87, Leases. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. There were no significant impacts of implementing this Statement.

Calhoun County, Florida
Supervisor of Elections
Notes to Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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 Supervisor of Elections upon implementation. Management has not yet evaluated the effect of implementation of these standards.

Statement No.	GASB Accounting Standard	GASB Effective Fiscal Year
91	<i>Conduit Debt Obligations</i>	2023
94	<i>Public-Private and Public-Public Partnerships and Availability Payment Arrangements</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>	2023
98	<i>The Annual Comprehensive Financial Report</i>	2023
100	<i>Accounting Changes and Error Corrections</i>	2024
101	<i>Compensated Absences</i>	2025

Calhoun County, Florida
Supervisor of Elections
Notes to Financial Statements

NOTE 2 - DEPOSITS AND INVESTMENTS

At September 30, 2022, the carrying amount of the Supervisor's cash and cash equivalents and restricted cash was \$14,668 and the bank balance was \$41,044. 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 to invest in certificates of deposit, repurchase agreements and the State Treasurer's Investment Pool. In addition, the statutes allow the Supervisor 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, 2022, the Supervisor did not hold any deposits or investments that were considered to have credit risk.

Interest Rate Risk

At September 30, 2022, the Supervisor did not hold any investments that were considered to have interest rate risk.

Custodial Credit Risk

At September 30, 2022, the Supervisor did not hold any deposits or investments that were considered to have custodial credit risk.

Concentration of Credit Risk

At September 30, 2022, the Supervisor did not hold any investments that were considered to have concentration of credit risk.

Calhoun County, Florida
Supervisor of Elections
Notes to Financial Statements

NOTE 3 - EMPLOYEE PENSION PLAN

The Supervisor of Elections' participates in 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 Management Services, 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 contacting 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 six 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:

	10/01/21 Through <u>06/30/22</u>	07/01/22 Through <u>09/30/22</u>
Regular employees	10.82%	11.91%
Elected county officials' class	51.42%	57.00%
Senior Management	29.01%	31.57%

Calhoun County, Florida
Supervisor of Elections
Notes to Financial Statements

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 period October 01, 2021 through September 30, 2022, the total payroll for the Supervisor's employees covered by the System was \$163,242. The retirement contributions for all employees covered by the FRS for the years ended September 30, 2022, 2021 and 2020 were \$65,514, \$60,257, and \$54,191 respectively, which were the required contributions. For the year ended September 30, 2022 retirement contributions represent 39.65% 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 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.

The obligations and disclosures required under GASB Statement No. 68, *Accounting and Financial Reporting of Pensions*, are accounted for and disclosed in the County's financial statements.

Calhoun County, Florida
Supervisor of Elections
Notes to Financial Statements

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 Elections are covered under the County's plan. The County is required to measure and recognize the annual cost of the future benefits and calculate the annual employer funding requirements and, to the extent funding is not made by the County recognize 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. The Supervisor of Elections had excess revenues over expenditures in the amount of \$9,117 at year end. The Supervisor of Elections petitioned the Board of County Commissioners and they agreed to allow those funds to be carried over to 2022/2023 Supervisor of Elections budget.

NOTE 6 - GRANTS

The Supervisor participates in three state 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, 2022, have not yet been accepted/approved by the grantors. Accordingly, the final determination of the Supervisor'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 granting agencies cannot be determined, although the Supervisor expects such amounts, if any, to be immaterial.

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

Honorable 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 the Calhoun County, Florida, Supervisor of Elections (the "Supervisor of Elections") as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Supervisor of Elections' financial statements and have issued our report thereon dated June 22, 2023.

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.

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 the internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in the internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been 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 certain deficiencies in internal control described below that we consider to be significant deficiencies.

Honorable Sharon Chason
Supervisor of Elections
Calhoun County, Florida

PRIOR YEAR FINDINGS AND RECOMMENDATIONS:

Need for Segregation of Duties, SOE 2004-01

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' administrative 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 weaknesses and to provide check and balances.

MANAGEMENT RESPONSE: Management has initiated various control procedures to compensate for the limited staff. See managements response letter.

Honorable Sharon Chason
Supervisor of Elections
Calhoun County, Florida

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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. We did not audit the Supervisor of Elections' response 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.

Grimsley & Associates

June 22, 2023
Marianna, Florida

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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's 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, 2022. Management is responsible for the Supervisor of Election's 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 Election's complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Supervisor of Election's 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, 2022.

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.

Grimsley & Associates

June 22 2023
Marianna, Florida

Grimsley & Associates, P.A.
Certified Public Accountants

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INDEPENDENT AUDITOR'S MANAGEMENT LETTER

Honorable Sharon Chason
Supervisor of Elections
Calhoun County, Florida

Report on the Financial Statements

We have audited the financial statements of the Calhoun County, Florida, Supervisor of Elections (the "Supervisor of Elections") as of and for the fiscal year ended September 30, 2022, and have issued our report thereon dated June 22, 2023.

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 Reports and Schedule

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 Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated June 22, 2023, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Honorable Sharon Chason
Supervisor of Elections
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, 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 note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, and 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.

Grimsley & Associates

June 22, 2023
Marianna, Florida

Grimsley & Associates, P.A.
Certified Public Accountants



Sharon Chason
Calhoun County Supervisor of Elections



Auditor General's Office
111 West Madison Street
Tallahassee, Florida 32399

We are in agreement with the finding listed in the 2021/2022 audit report. We have responded to the findings as identified below.

Finding SOE 2004-01: Need for Segregation of Duties

The Supervisor of Elections' office is limited to two full time employees. Due to the limited staff, it is impossible to have adequate segregation of duties. The Supervisor of Elections' will remain active and involved in day-to-day operations. Monthly bank reconciliations and financial statements will be reviewed for discrepancies. Internal controls will be monitored and implemented to compensate of potential weaknesses.

Sincerely,

Sharon Chason
Supervisor of Elections
Calhoun County

**Calhoun County, Florida
Tax Collector**

Financial Statements

September 30, 2022

Calhoun County, Florida
Tax Collector
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September 30, 2022

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INDEPENDENT AUDITOR'S REPORT

Honorable Becky Trickey-Smith
Tax Collector
Calhoun County, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the major fund and the fiduciary fund type of the Calhoun County, Florida, Tax Collector (the "Tax Collector") as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Tax Collector's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the major fund and the fiduciary fund type of the Tax Collector, as of September 30, 2022, and the respective changes in financial position thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

Honorable Becky Trickey-Smith
Tax Collector
Calhoun County, Florida

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Honorable Becky Trickey-Smith
Tax Collector
Calhoun County, Florida

Emphasis of Matter

Basis of Presentation

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 (the "Rules"). In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of the major funds, and the aggregate remaining fund information, only for that portion of each major funds and the aggregate remaining fund information, of Calhoun County that is attributable to the Tax Collector. They do not purport to, and do not, present fairly the financial position of Calhoun County as of September 30, 2022, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. 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 June 22, 2023, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Tax Collector's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Tax Collector's internal control over financial reporting and compliance.

Grimsley & Associates

June 22, 2023
Marianna, Florida

Grimsley & Associates, P.A.
Certified Public Accountants

Calhoun County, Florida
Tax Collector
Balance Sheet
Governmental Fund

September 30, 2022

	General Fund
Assets	
Cash and cash equivalents	\$ 99,878
Total assets	\$ 99,878
Liabilities	
Accounts payable	17,186
Due to other funds	2,871
Due to Board of County Commissioners	72,831
Total liabilities	92,888
Fund balance	6,990
Total liabilities and fund balance	\$ 99,878

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 Fund

For the year ended September 30, 2022

	General Fund
Revenues	
Interest Income	\$ 16
Total revenues	16
Expenditures	
General government	
Personal services	375,297
Operating expenses	101,016
Capital outlay	65,975
Total expenditures	542,288
Excess (deficiency) of revenues over (under) expenditures	(542,272)
Other financing sources (uses)	
Appropriations from Board of County Commissioners	526,500
Reversion to Board of County Commissioners	(72,831)
Net other financing sources (uses)	453,669
Net change in fund balance	(88,603)
Fund balance - beginning	95,593
Fund balance - ending	\$ 6,990

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

For the year ended September 30, 2022

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Interest income	\$ -	\$ -	\$ 16	\$ 16
Total revenues	-	-	16	16
Expenditures				
General government				
Personal services	\$ 392,520	\$ 392,520	\$ 375,297	\$ 17,223
Operating expenses	163,598	163,598	101,016	62,582
Capital outlay	65,975	65,975	65,975	-
Total expenditures	622,093	622,093	542,288	79,805
Excess (deficiency) of revenues over (under) expenditures	(622,093)	(622,093)	(542,272)	79,821
Other financing sources (uses)				
Appropriations from Board of County Commissioners	526,500	526,500	526,500	-
Reversion to Board of County Commissioners	-	-	(72,831)	(72,831)
Net other financing sources (uses)	526,500	526,500	453,669	(72,831)
Net change in fund balance	(95,593)	(95,593)	(88,603)	6,990
Fund balance - beginning	95,593	95,593	95,593	-
Fund balance - ending	\$ -	\$ -	\$ 6,990	\$ 6,990

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

Calhoun County, Florida
Tax Collector
Statement of Fiduciary Net Position
Fiduciary Funds

September 30, 2022

	Tag	Tax	Total Fiduciary Funds
Assets			
Cash	\$ 3,149	\$ 197,047	\$ 200,196
Due from other funds	390	2,997	3,387
Due from other governments	5,554	0	5,554
Accounts receivable	703	2,274	2,977
Total assets	\$ 9,796	\$ 202,318	\$ 212,114
Liabilities			
Due to other funds	126	390	516
Due to Board of County Commissioners	8,888	278	9,166
Due to other governments	782	201,650	202,432
Total liabilities	\$ 9,796	\$ 202,318	\$ 212,114
Feduciary Net Position			
Restricted for:			
Individuals, organizations and other governments	\$ -	\$ -	\$ -
Total net position	\$ -	\$ -	\$ -

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

Calhoun County, Florida
Tax Collector
Statement of Changes in Fiduciary Net Position
Fiduciary Funds

For the year ended September 30, 2022

	Tag	Tax	Total Fiduciary Funds
Additions			
Property taxes and various fees collected	\$ -	\$ 7,833,537	\$ 7,833,537
License and tag fees collected	1,891,833	-	1,891,833
Total Additions	\$ 1,891,833	\$ 7,833,537	\$ 9,725,370
Deductions			
Property Taxes and various fees collected	\$ -	\$ 7,833,537	\$ 7,833,537
Licenses and various tag fees collected	1,891,833	-	1,891,833
Total Deductions	1,891,833	7,833,537	9,725,370
Net increase (decrease) in fiduciary net position	-	-	-
Net position - beginning of year as originally stated	-	-	-
Net position, restatement (note 2)	-	-	-
Net Position, beginning of year as restated	-	-	-
Net Position, end of year	\$ -	\$ -	\$ -

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

Calhoun County, Florida
Tax Collector
Notes to Financial Statements

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 preparation of these financial statements.

Reporting Entity

The Calhoun County Tax Collector (the “Tax Collector”) 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 Tax Collector are included in Calhoun County, Florida’s basic financial statements. The Tax Collector 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 Tax Collector 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 Tax Collector’s financial statements do not purport to reflect the financial position or the results of operations of Calhoun County, Florida 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. Pursuant to GASB Codification of Governmental Accounting and Financial Reporting Standards, Section 2100 and 2600, the Clerk’s financial statements are combined with those of the Board and other elected constitutional officers into the reporting entity of Calhoun County, Florida (the “County”).

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 of County Commissioners. 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 of County Commissioners after the end of the fiscal year.

Calhoun County, Florida
Tax Collector
Notes to Financial Statements

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 of 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 the 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, 2020, 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:

Fiduciary Funds - The fiduciary funds are used to account for assets held by the Tax Collector as an agent for individuals, private organizations, and other governments.

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
Notes to Financial Statements

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 relates 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 due. The operations of the Tax Collector are funded by the Board of County Commissioners. The appropriations from the Board are recorded as other financing sources. Charges for services and investment revenue are recorded as earned. 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.

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

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.

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.

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.

Capital Assets and Depreciation

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 the 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.

Calhoun County, Florida
Tax Collector
Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accumulated Compensated Absences

Permanent full-time employees of the Tax Collector accrue sick leave 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 the personnel policy.

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

Budgetary Requirements

Florida Statutes, Chapter 218.35 and 195.087, details 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.

Property Tax Collections

Chapter 197, Florida Statutes, governs property tax collections.

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 redeem the certificate 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 of holding a certificate (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.

Calhoun County, Florida
Tax Collector
Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Risk Management and Insurance

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 the public; or damages 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

Fund Balance

Fund balances are classified based on a hierarchy of the Tax Collector'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 based on a hierarchy of the Tax Collector'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. Unassigned fund balances have not been restricted, committed or assigned to specific purposes within the general fund. The Tax Collector had no non-spendable or spendable fund balances at September 30, 2022.

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

Subsequent events have been evaluated through the date that the financial statements were available to be issued, June 21, 2022 and determined there were no events that required disclosure.

Calhoun County, Florida
Tax Collector
Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recently Issued and Implemented Accounting Pronouncements

In June 2017, the GASB issued Statement No. 87, Leases. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. There were no significant impacts of implementing this Statement.

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 Tax Collector upon implementation. Management has not yet evaluated the effect of implementation of these standards.

Statement No.	GASB Accounting Standard	GASB Effective Fiscal Year
91	<i>Conduit Debt Obligations</i>	2023
94	<i>Public-Private and Public-Public Partnerships and Availability Payment Arrangements</i>	2023
96	<i>Subscription-Based Information Technology Arrangements</i>	2023
98	The Annual Comprehensive Financial Report	2023
100	Accounting Changes and Error Corrections	2024
101	Compensated Absences	2025

Calhoun County, Florida
Tax Collector
Notes to Financial Statements

NOTE 2 – DEPOSITS AND INVESTMENTS

At September 30, 2022, the carrying amount of the Tax Collector's cash and cash equivalents was \$300,074 and the bank balance was \$398,885. The 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 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, 2022, the Tax Collector did not hold any deposits or investments that were considered to have credit risk.

Interest Rate Risk

At September 30, 2022, the Tax Collector did not hold any investments that were considered to have interest rate risk.

Custodial Credit Risk

At September 30, 2022, the Tax Collector did not hold any deposits or investments that were considered to have custodial risk.

Concentration of Credit Risk

At September 30, 2022, the Tax Collector did not hold any investments that were considered to have concentration of credit risk.

Calhoun County, Florida
Tax Collector
Notes to Financial Statements

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 Management Services, 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 contacting 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.

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:

	10/01/21 Through 06/30/22	07/01/22 Through 09/30/22
Regular employees	10.82%	11.91%
Elected county officials' class	51.42%	57.00%
DROP participants	18.34%	18.60%

Calhoun County, Florida
Tax Collector
Notes to Financial Statements

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 period October 01, 2021 through September 30, 2022, the total payroll for the Tax Collector's employees covered by the System was \$238,795. The retirement contributions for all employees covered by the FRS for the years ended September 2022, 2021 and 2020 were \$42,435, \$27,587, and \$65,809 which were the required contributions. For the year ended September 30, 2022 retirement contributions represent 15.87% 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 obligations and disclosures required by GASB Statement No. 68, *Accounting and Financial Reporting of Pensions*, are accounted for and disclosed in the County's financial statements.

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.

Calhoun County, Florida
Tax Collector
Notes to 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." Subsequent to year end, the Board of County Commissioners approved for the Tax Collector to carry over \$6,990 of excess revenues in the operating account to the 2022/23 fiscal year.

GRIMSLEY & ASSOCIATES

Professional Association

Certified Public Accountants

OWEN W. GRIMSLEY, C.P.A.

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

Honorable 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 Calhoun County, Florida, Tax Collector (the "Tax Collector") as of and for the year ended September 30, 2022, 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 June 22, 2023.

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 Tax Collector'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 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.

Grimsley & Associates

June 22, 2023
Marianna, Florida

Grimsley & Associates, P.A.
Certified Public Accountants

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INDEPENDENT ACCOUNTANTS' 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 (the "Tax Collector") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2022. 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.

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

In our opinion, the Tax Collector complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2022.

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.

Grimsley & Associates

June 22, 2023
Marianna, Florida

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Certified Public Accountants

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OWEN W. GRIMSLEY, C.P.A.

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INDEPENDENT AUDITORS' MANAGEMENT LETTER

Honorable Becky Trickey-Smith
Tax Collector
Calhoun County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the Calhoun County, Florida, Tax Collector (the "Tax Collector"), as of and for the year ended September 30, 2022, and have issued our report thereon dated June 22, 2023.

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 Reports

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 Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated June 22, 2023, should be considered in conjunction with this management letter.

Prior Audit Findings

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

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 address in the management letter any findings and 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 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 Tax Collector and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Grimsley & Associates

June 22, 2023
Marianna, Florida

Grimsley & Associates, P.A.
Certified Public Accountants