

## LOCAL GOVERNMENTAL ENTITY AUDIT REPORT SUBMITTAL CHECKLIST

Entity Name: DIXIE COUNTY, FLORIDA

Contact Person Name and Title: MELISSA LONG

CLERK OF THE CIRCUIT COURT

Contact Person Mailing Address: POST OFFICE BOX 1206

Contact Person Phone Number: 352-498-1200

Contact Person E-mail Address: melissa@dixieclerk.com

Fiscal Year Audited: 9/30/2019

Date the auditor delivered the audit report to the entity: 10/19/2020

Does the audit report include the following items required by Section 10.557(3), Rules of the Auditor General:

CF

Required for municipalities, special districts, the county as a whole, and county agencies \*\*

- Y The financial statements described in Sections 10.556(3) and (4), Rules of the Auditor General, as applicable, together with related notes to financial statements?
- Y Required supplementary information (RSI) such as the management's discussion and analysis (not required for county agencies), or the budgetary comparison schedule (required as RSI if not presented as part of the financial statements)?
- Y The auditor's report on the financial statements?
- Y The auditor's report on compliance and internal control?
- Y The management letter defined in Section 10.554(1)(i), Rules of the Auditor General?
- Y The written statement of explanation or rebuttal, including corrective action to be taken, required by Section 10.558(1), Rules of the Auditor General?
- Y The auditor's report based on an examination conducted in accordance with *AICPA Professional Standards*, prepared in accordance with AT-C Section 315, promulgated by the American Institute of Certified Public Accountants, regarding the compliance requirements referenced in Section 10.556(10), Rules of the Auditor General?
- Y For entities that have adopted an impact fee by ordinance, an affidavit signed and sworn to by the Chief Financial Officer before an officer authorized to administer oaths (e.g., notary public) stating that the entity complied with the requirements of Section 163.31801, Florida Statutes, as referenced by Section 10.557(3)(m), Rules of the Auditor General.

\*\* Pursuant to Section 218.39(2), Florida Statutes, an audit of the board of county commissioners is not required. However, if the county report includes an audit of the board of county commissioners, it should include the items required by Section 10.557(3), Rules of the Auditor General.

Required for municipalities, special districts, and the county as a whole

- N/A   If applicable, the auditor's reports, related financial information, and auditee prepared documents required pursuant to Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); or other applicable Federal law?
- Y   If applicable, the auditor's reports, related financial information, and auditee prepared documents required pursuant to the Florida Single Audit Act (see Section 10.557(3)(e), Rules of the Auditor General)?
- N/A   For any fiscal year in which funds related to the Deepwater Horizon oil spill are received or expended, a schedule of receipts and expenditures of such funds required by Section 10.557(3)(n), Rules of the Auditor General?
- N/A   For any fiscal year in which funds related to the Deepwater Horizon oil spill are received or expended, a report that includes an opinion (or disclaimer of opinion) as to whether the schedule of receipts and expenditures of such funds required by Section 10.557(3)(n), Rules of the Auditor General, is presented fairly in all material respects in relation to the financial statements taken as a whole. The report shall be prepared in accordance with AICPA Professional Standards, AU-C Section 725, promulgated by the American Institute of Certified Public Accountants. (see Section 10.557(3)(f)), Rules of the Auditor General?

In addition to the above, have the following requirements been complied with:

- Y   Are all of the above elements of the audit report included in a **single document** as required by Section 10.557(3), Rules of the Auditor General?
- Y   Are **one** paper copy and **one** electronic copy of the audit report being submitted as required by Section 10.558(3), Rules of the Auditor General?
- Y   Is the electronic copy named using all lower-case letters as follows: [fiscal year] [name of entity].pdf? Counties should include the word "county" in the entity name; however, it is not necessary for municipalities to include "city of," "town of," etc. in the entity name. For example, the converted document for the 2017-18 fiscal year for Alachua County should be named 2018 alachua county.pdf while the converted document for the 2017-18 fiscal year for the City of Alachua should be named 2018 alachua.pdf.
- N   Was the audit report being submitted within 45 days after receipt of the audit report from the auditor, but no later than **9 months** after the end of the fiscal year? **NOTE:** There is no provision in law authorizing an extension for filing the audit report.
- N/A   If the audit report is for a county or municipality, and a dependent special district was audited as part of the county or municipality audit, did the notes to financial statements clearly indicate that the special district had been included as part of the county's or municipality's reporting entity? **NOTE:** Pursuant to Section 218.39(3), Florida Statutes, an independent special district may not be audited as part of a county or municipality audit. When a dependent special district is audited as part of the county or municipality audit, the county or municipality notes to financial statements should clearly disclose that the special district is a component unit included within the county's or municipality's reporting entity.

**This checklist should accompany the audit report.** It is suggested that you retain a copy of the checklist for your files. Do not hesitate to contact us if assistance or clarification is needed regarding reporting requirements. Our contact information is as follows:

Auditor General  
Local Government Audits/342  
Claude Pepper Building, Room 401  
111 West Madison Street  
Tallahassee, FL 32399-1450  
Telephone: (850) 412-2881

E-mail Address: [flaudgen\\_localgovt@aud.state.fl.us](mailto:flaudgen_localgovt@aud.state.fl.us)  
Web site Address: [FLAuditor.gov](http://FLAuditor.gov)

# **Dixie County, Florida**

## **Audit Report**

**September 30, 2019**

**Table of Contents**  
**September 30, 2019**

**REPORT**

Independent Auditors' Report	i
------------------------------	---

<b>MANAGEMENT'S DISCUSSION AND ANALYSIS</b>	iii
---	-----

**BASIC FINANCIAL STATEMENTS**

Government-wide Financial Statements:

Statement of Net Position	1
---------------------------	---

Statement of Activities	2
-------------------------	---

Governmental Fund Financial Statements:

Balance Sheet	3
---------------	---

Reconciliation of the Balance Sheet to the Statement of Net Position	4
--	---

Statement of Revenues, Expenditures and Changes in Fund Balances	5
--	---

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	6
---	---

Fiduciary Fund Financial Statements:

Statement of Fiduciary Net Position	7
-------------------------------------	---

Notes to Financial Statements	8
-------------------------------	---

**REQUIRED SUPPLEMENTARY INFORMATION**

Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	27
--	----

Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – EMS Fund	28
--	----

Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – County Transportation Trust Fund	29
--	----

Schedule of Changes in the County's Total OPEB Liability and Related Ratios	30
---	----

Pension Plans:

Schedules of Proportionate Share of Net Pension Liability	31
---	----

Schedules of Employer Contributions	32
-------------------------------------	----

**Table of Contents**  
**September 30, 2019**

**SUPPLEMENTARY INFORMATION**

Combining Balance Sheet – Nonmajor Governmental Funds	33
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	37
Combining Statement of Fiduciary Net Position	41
Schedule of Expenditures of State Financial Assistance	42
Notes to Schedule of Expenditures of State Financial Assistance	43

**ADDITIONAL ELEMENTS REQUIRED BY THE RULES OF THE AUDITOR GENERAL**

Management Letter	44
Independent Accountants’ Report on Compliance with Section 218.415, <i>Florida Statutes</i>	46
Independent Accountants’ Report on Compliance with Sections 365.172(10) and 365.173(2)(d), <i>Florida Statutes</i>	47
Independent Auditors’ Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	48
Independent Auditors’ Report on Compliance for Each Major State Project and on Internal Control Over Compliance Required by Chapter 10.550, Rules of the Auditor General	50
Schedule of Findings and Questioned Costs	52



**Powell & Jones**  
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## **INDEPENDENT AUDITORS' REPORT**

Board of County Commissioners  
Dixie County, Florida

### **Report on the Financial Statements**

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

#### ***Management's Responsibility for the Financial Statements***

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

#### ***Auditors' Responsibility***

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

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

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

#### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the County as of September 30, 2019, and the respective changes in financial position, where applicable, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### ***Required Supplementary Information***

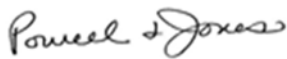
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedules listed in the table of contents as "required supplementary information" be presented to supplement the basic financial statements. Such information, although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

### ***Other Information***

Our audit was conducted for the purpose of forming opinion on the financial statements that collectively comprise the County's basic financial statements. The information listed in the table of contents as supplementary information, including the Schedule of Expenditures of State Financial Assistance, which is required by Chapter 10.550, Rules of the Auditor General, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated, October 13, 2020 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



**POWELL & JONES**  
**Certified Public Accountants**  
**October 13, 2020**



## Management's Discussion and Analysis

This Management's Discussion and Analysis provides an objective and easily readable analysis of the County's financial activities for fiscal year ended September 30, 2019. The analysis provides summary financial information for the County and should be read in conjunction with the County's financial statements.

### FINANCIAL HIGHLIGHTS

- Dixie County's assets and deferred outflows exceeded liabilities and deferred inflows by \$32,088,433 (net position). Of this amount, \$(9,695,172) is unrestricted net position, while \$39,919,544 was net investment in capital assets. The remaining \$1,864,061 is restricted net position.
- The County's total net position decreased by \$3,562,091 over the previous year.
- At September 30, 2019, the County's governmental funds reported a combined fund balance of \$4,831,873.

### OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information that may be of interest to the reader.

#### Government-Wide Financial Statements

The government-wide financial 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 two government-wide financial statements are the Statement of Net Position and a Statement of Activities.

The Statement of Net Position presents information on all assets, deferred outflows, liabilities, and deferred inflows of the County, with the difference reported as *net position*. Changes in net position over time may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The Statement of Activities presents information on all revenues and expenses of the County and the change in net position for the fiscal year. All changes in net position are reported as soon as the underlying event occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and accounts payable).

Both statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). Governmental activities of the County include general government services, public safety, physical environment, transportation, economic environment, human services, culture and recreation, and court related expenses. Dixie County had no business-type activities for the year ended September 30, 2019.

## Management's Discussion and Analysis

### Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that are segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided in two categories: governmental funds and fiduciary funds.

**Governmental Funds** – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term 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 used in evaluating a government's near-term financing 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 financing decisions. Both the governmental funds balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate comparison between governmental funds and governmental activities.

The County maintains numerous individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Emergency Medical Services (EMS) Fund, and the County Transportation Trust Fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single aggregated presentation. Individual fund data for each of the nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

**Fiduciary Funds** – Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reflected in the government-wide financial statements because resources of those funds are not available to support the County's own programs.

### Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

### Other Information

In addition to the basic financial statements, and accompanying notes, this report also presents certain required supplementary information containing budget to actual comparison for the General Fund and major special revenue funds, schedules of changes in the County's total OPEB liability, and the schedules of proportionate shares of net pension liability and pension employer contributions. Following the required supplementary information can be found combining balance sheets and combining statement of revenues, expenditures, and changes in fund balances for the nonmajor governmental funds and the schedules of expenditures of federal and state awards.

## Management's Discussion and Analysis

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

## Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position.

The following schedule summarizes the statement of net position as of September 30, 2019 and September 30, 2018.

	Net Position, End of Year	
	Governmental Activities	
	2019	2018
Current and other assets	\$ 6,685,866	\$ 10,397,569
Capital assets	40,968,353	40,335,642
Total assets	47,654,219	50,733,211
Deferred outflows	5,125,314	5,993,381
Other liabilities	727,642	1,339,216
Long-term liabilities	18,351,988	17,803,413
Total liabilities	19,079,630	19,142,629
Deferred inflows	1,611,470	1,933,439
Net position:		
Net investment in capital assets	39,919,544	39,431,470
Restricted	1,864,061	1,654,562
Unrestricted	(9,695,172)	(5,435,508)
Total net position	\$ 32,088,433	\$ 35,650,524

The largest portion of the County's net position reflects its net investment in capital assets (e.g., land, parks, roads, buildings, and equipment), net of depreciation and any related outstanding debt used to acquire those assets. The County uses these capital assets to provide services to citizens; consequently these assets are *not* available for future spending. Although the County's net investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Restricted net position represents resources that are subject to restrictions imposed externally (e.g. creditors, grantors or other governments) or those imposed by law through constitutional provisions or enabling legislation.

## Management's Discussion and Analysis

## STATEMENT OF ACTIVITIES

The following schedule summarizes revenues and expenses for the fiscal years ended September 30, 2019 and September 30, 2018:

	Governmental Activities	
	2019	2018
Program revenues:		
Charges for services	\$ 4,214,099	\$ 4,624,835
Operating grants and contributions	3,293,861	2,602,546
Capital grants and contributions	2,355,593	4,506,566
General revenues:		
Property taxes	6,560,401	6,401,367
Other taxes	1,580,593	1,565,782
Shared revenues - unrestricted	2,994,079	3,151,443
Other	553,213	547,378
<b>Total revenues</b>	<b>21,551,839</b>	<b>23,399,917</b>
Expenses:		
General government	4,411,303	3,716,392
Public safety	12,115,975	9,981,843
Physical environment	2,237,210	2,085,460
Transportation	4,024,422	2,420,946
Economic environment	321,006	508,598
Human services	510,134	653,481
Culture-recreation	731,717	708,709
Court-related	721,272	606,803
Interest on long-term debt	40,891	57,512
<b>Total expenses</b>	<b>25,113,930</b>	<b>20,739,744</b>
<b>Change in net position</b>	<b>(3,562,091)</b>	<b>2,660,173</b>
<b>Net position – beginning of year, as restated</b>	<b>35,650,524</b>	<b>32,990,351</b>
<b>Net position – end of year</b>	<b>\$ 32,088,433</b>	<b>\$ 35,650,524</b>

## Management's Discussion and Analysis

### FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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

#### Highlights of 2019

The General Fund's fund balance decreased \$2,015,542. EMS fund balance decreased by \$582,725. The fund balance of the County Transportation Trust Fund decreased approximately \$644,598.

#### Governmental Funds

At year-end, the County's governmental funds reported a combined fund balance of \$4,831,873, a decrease of approximately \$3.49 million. The overall decrease is primarily due to the decrease in the General Fund for repayment of principal and expenditures in excess of revenues in other County funds.

At the current time, the County has three major governmental funds. They are 1) the General Fund; 2) the Emergency Medical Services Fund; and 3) the County Transportation Trust Fund.

#### Various County Funds Discussion

- The General Fund is the chief operating fund of the County. At the end of fiscal year 2019, unassigned fund balance of the General Fund was \$1.8 million.
- The Emergency Medical Service Fund had a total fund balance of \$1.2 million at year end. Revenues are from fees charged for emergency medical services, grants and property taxes from a MSTU.
- The County Transportation Trust Fund accounts for the maintenance of roads, bridges, rights-of-way, and drainage systems, and is primarily funded by gas taxes and state grants. Transportation projects, including those that span multiple years, were budgeted in fiscal year 2019. The fund had a total fund balance deficit of \$(871,953) at year end. This was a decrease of \$644,598 from the prior year. In prior years, a transfer from the General Fund was made to prevent fund balance from going negative. In FY 2019, this transfer was not made.

### GENERAL FUND BUDGETARY HIGHLIGHTS

Actual total revenues were approximately \$1,000,000 higher than anticipated in the final budget primarily due to an increase in intergovernmental revenue and taxes. Expenditures were more than budget by approximately \$300,000, primarily in general government. There were no significant changes between the original and final budgets.

## Management's Discussion and Analysis

## CAPITAL ASSETS AND DEBT ADMINISTRATION

## Capital Asset Activity

A summary of changes in capital assets follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 2,782,373	\$ -	\$ -	\$ 2,782,373
Construction in progress	356,876	1,381,788	1,738,664	-
Total capital assets not being depreciated	3,139,249	1,381,788	1,738,664	2,782,373
Capital assets being depreciated:				
Buildings	13,793,972	-	-	13,793,972
Improvements	7,995,993	98,500	-	8,094,493
Infrastructure	36,857,070	1,738,664	-	38,595,734
Equipment	12,332,773	1,025,671	22,882	13,335,562
Total capital assets being depreciated	70,979,808	2,862,835	22,882	73,819,761
Less accumulated depreciation for:				
Buildings	7,808,507	383,604	-	8,192,111
Improvements	2,861,098	212,945	-	3,074,043
Infrastructure	13,451,256	760,645	-	14,211,901
Equipment	9,662,554	516,054	22,882	10,155,726
Total accumulated depreciation	33,783,415	1,873,248	22,882	35,633,781
Total capital assets being depreciated, net	37,196,393	989,587	-	38,185,980
Capital assets, net	\$ 40,335,642	\$ 2,371,375	\$ 1,738,664	\$ 40,968,353

Please refer to the Notes to Financial Statements for more detailed information about the County's capital assets.

## Long-Term Debt

On September 30, 2019, the County's governmental outstanding debt was \$18,351,988. This is comprised of \$679,628 outstanding Notes Payable, \$369,181 in Capital Lease Obligations, \$331,214 for Closure and long-term care costs of landfills, \$882,128 for compensated absences, \$461,958 for other postemployment benefit liability and \$15,627,879 for the County's proportionate shares of State of Florida's net pension liability. Please refer to the Notes to Financial Statements for more detailed information about the County's long-term liabilities.

**Management's Discussion and Analysis**

**NEXT YEAR'S BUDGET AND SIGNIFICANT FINANCIAL CONDITIONS**

- The Solid Waste fee of \$135 per household remains unchanged.
- The Mosquito Control fee of \$5 per household remains unchanged.
- The Fire fee of \$40 per household will remain unchanged.
- The millage rate of 10 mills will remain unchanged.
- The EMS MSTU rate of 2.6 mills will remain unchanged.
- The Recreation/Library MSTU rate of 0.4 mills will remain unchanged.

The County plans to continue to seek grant funding in all departments as available.

We are unaware of any conditions that are expected to have a significant impact on the County's financial position or results of operations. The County plans to continue to provide the best services possible to an ever-growing population base.

**REQUESTS FOR INFORMATION**

This report was prepared by Tim Alexander, County Manager. Questions concerning this report or request for additional information should be addressed to:

Board of County Commissioners  
Dixie County  
Tim Alexander, County Manager  
P. O. Box 2600  
Cross City, FL 32628-2600

FAX: 352-498-1471

Dixie County, Florida

Statement of Net Position  
September 30, 2019

	Governmental Activities
<b>Assets</b>	
Cash and equivalents	\$ 3,996,870
Receivables	1,032,724
Due from other governments	1,237,321
Prepays	418,951
Capital assets:	
Non-depreciable	2,782,373
Depreciable, net	38,185,980
<b>Total assets</b>	<b>47,654,219</b>
<b>Deferred outflows</b>	
Deferred outflows related to pensions	5,110,605
Deferred outflows related to OPEB	14,709
<b>Total deferred outflows</b>	<b>5,125,314</b>
<b>Liabilities</b>	
Accounts payable and accrued liabilities	727,642
Noncurrent liabilities:	
Due within one year	948,100
Due in more than one year	17,403,888
<b>Total liabilities</b>	<b>19,079,630</b>
<b>Deferred inflows</b>	
Deferred inflows related to pensions	1,601,470
Deferred inflows related to OPEB	10,000
<b>Total deferred inflows</b>	<b>1,611,470</b>
<b>Net position</b>	
Net investment in capital assets	39,919,544
Restricted for:	
Public safety	285,386
Other purposes	1,578,675
Unrestricted	(9,695,172)
<b>Total net position</b>	<b>\$ 32,088,433</b>

See accompanying notes.



**Dixie County, Florida**

**Statement of Activities**  
**Year ended September 30, 2019**

	Expenses	Program Revenues			Net (Expense)
		Charges for	Operating	Capital	Revenue
		Services	Grants and	Grants and	and Changes in
			Contributions	Contributions	Net Position
<b>Functions/programs</b>					<b>Governmental</b>
<b>Governmental activities:</b>					<b>Activities</b>
General government	\$ 4,411,303	\$ 289,593	\$ 29,992	\$ -	\$ (4,091,718)
Public safety	12,115,975	1,972,207	845,669	297	(9,297,802)
Physical environment	2,237,210	1,537,533	-	503,613	(196,064)
Transportation	4,024,422	39,105	1,640,809	1,764,087	(580,421)
Economic environment	321,006	-	-	-	(321,006)
Human services	510,134	-	429,764	-	(80,370)
Culture and recreation	731,717	50,570	147,185	-	(533,962)
Court related	721,272	325,091	200,442	87,596	(108,143)
Interest on long-term debt	40,891	-	-	-	(40,891)
<b>Total</b>	<b>\$ 25,113,930</b>	<b>\$ 4,214,099</b>	<b>\$ 3,293,861</b>	<b>\$ 2,355,593</b>	<b>(15,250,377)</b>

**General revenues:**

Property taxes	6,560,401
Sales taxes	965,561
Gas taxes	471,747
Tourist development tax	88,126
Telecommunications tax	55,159
Impact fees	74,484
Shared revenues - unrestricted	2,994,079
Investment earnings	56,197
Miscellaneous	422,532
<b>Total general revenues</b>	<b>11,688,286</b>
<b>Change in net position</b>	<b>(3,562,091)</b>
<b>Net position - beginning of year</b>	<b>35,650,524</b>
<b>Net position – end of year</b>	<b>\$ 32,088,433</b>

See accompanying notes.

Dixie County, Florida

**Balance Sheet – Governmental Funds**  
**September 30, 2019**

	General Fund	EMS	County Transportation Trust	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Cash and equivalents	\$ 670,765	\$ 1,378,767	\$ (91,300)	\$ 2,038,638	\$ 3,996,870
Due from other funds	4,126,866	616,000	-	144,893	4,887,759
Due from other governments	354,468	35,574	490,786	356,493	1,237,321
Receivables	-	878,239	287	154,198	1,032,724
Prepays	418,951	-	-	-	418,951
<b>Total assets</b>	<b>\$ 5,571,050</b>	<b>\$ 2,908,580</b>	<b>\$ 399,773</b>	<b>\$ 2,694,222</b>	<b>\$ 11,573,625</b>
<b>Liabilities, deferred inflows and fund balances</b>					
Liabilities:					
Accounts payable and accrued liabilities	\$ 422,061	\$ 47,199	\$ 188,561	\$ 69,821	\$ 727,642
Due to other funds	623,513	936,005	1,083,165	2,245,076	4,887,759
<b>Total liabilities</b>	<b>1,045,574</b>	<b>983,204</b>	<b>1,271,726</b>	<b>2,314,897</b>	<b>5,615,401</b>
Deferred inflows:					
Unavailable revenue	388,169	702,061	-	36,121	1,126,351
Fund balances:					
Nonspendable	500,000	-	-	-	500,000
Restricted	76,327	-	-	1,787,734	1,864,061
Assigned	1,711,035	1,223,315	-	133,907	3,068,257
Unassigned	1,849,945	-	(871,953)	(1,578,437)	(600,445)
<b>Total fund balances</b>	<b>4,137,307</b>	<b>1,223,315</b>	<b>(871,953)</b>	<b>343,204</b>	<b>4,831,873</b>
<b>Total liabilities, deferred inflows and fund balances</b>	<b>\$ 5,571,050</b>	<b>\$ 2,908,580</b>	<b>\$ 399,773</b>	<b>\$ 2,694,222</b>	<b>\$ 11,573,625</b>

See accompanying notes.

Dixie County, Florida

Reconciliation of the Balance Sheet to the Statement of Net Position  
Governmental Funds  
September 30, 2019

<b>Fund balances – total governmental funds</b>	<b>\$ 4,831,873</b>
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not reported in the governmental funds.	
Capital assets – net	40,968,353
Long-term liabilities are not reported in the governmental funds.	
Note payable	(679,628)
Capital lease obligations	(369,181)
Landfills closure and long-term care costs	(331,214)
Total other postemployment benefit (OPEB) liability	(461,958)
Net pension liability	(15,627,879)
Compensated absences	(882,128)
Deferred outflows and inflows related to pensions and OPEB are reported in governmental activities but not in governmental funds.	
Deferred outflows - related to pensions	5,110,605
Deferred outflows - related to OPEB	14,709
Deferred inflows - related to pensions	(1,601,470)
Deferred inflows - related to OPEB	(10,000)
Deferred inflows for earned but unavailable revenue are reported in the governmental funds but not in the statement of net position.	1,126,351
<b>Net position of governmental activities</b>	<b>\$ 32,088,433</b>

See accompanying notes.

Dixie County, Florida

Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
Year ended September 30, 2019

	General Fund	EMS	County Transportation Trust	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Taxes	\$ 6,158,438	\$ 1,309,368	\$ 508,055	\$ 201,441	\$ 8,177,302
Permits, fees and special assessments	117,250	-	-	1,864,748	1,981,998
Intergovernmental	3,758,208	160,103	3,314,123	1,188,115	8,420,549
Charges for services	481,919	1,013,759	-	350,102	1,845,780
Fines and forfeitures	220	-	-	127,659	127,879
Miscellaneous	104,186	59,362	71,104	376,502	611,154
Total revenues	10,620,221	2,542,592	3,893,282	4,108,567	21,164,662
<b>Expenditures</b>					
Current:					
General government	3,860,921	-	-	2,003	3,862,924
Public safety	6,466,223	2,903,097	-	612,531	9,981,851
Physical environment	78,067	-	292,270	1,618,336	1,988,673
Transportation	2,544	-	2,919,037	199,169	3,120,750
Economic environment	102,726	-	-	216,129	318,855
Human services	401,140	-	-	68,582	469,722
Culture and recreation	-	-	-	383,603	383,603
Court related	139,368	-	-	484,010	623,378
Capital outlay	486,976	180,220	1,326,573	512,190	2,505,959
Debt service:					
Principal retirement	1,775,599	-	-	174,379	1,949,978
Interest and fiscal charges	25,344	-	-	15,547	40,891
Total expenditures	13,338,908	3,083,317	4,537,880	4,286,479	25,246,584
<b>Excess of revenues over (under) expenditures</b>	<b>(2,718,687)</b>	<b>(540,725)</b>	<b>(644,598)</b>	<b>(177,912)</b>	<b>(4,081,922)</b>
<b>Other financing sources (uses)</b>					
Debt issued	-	-	-	266,500	266,500
Issuance of capital leases	328,115	-	-	-	328,115
Transfers in	617,884	-	-	242,854	860,738
Transfers out	(242,854)	(42,000)	-	(575,884)	(860,738)
Total other financing sources (uses)	703,145	(42,000)	-	(66,530)	594,615
<b>Net change in fund balances</b>	<b>(2,015,542)</b>	<b>(582,725)</b>	<b>(644,598)</b>	<b>(244,442)</b>	<b>(3,487,307)</b>
<b>Fund balances – beginning of year</b>	<b>6,152,849</b>	<b>1,806,040</b>	<b>(227,355)</b>	<b>587,646</b>	<b>8,319,180</b>
<b>Fund balances – end of year</b>	<b>\$ 4,137,307</b>	<b>\$ 1,223,315</b>	<b>\$ (871,953)</b>	<b>\$ 343,204</b>	<b>\$ 4,831,873</b>

See accompanying notes.

**Reconciliation of the Statement of Revenues, Expenditures and Changes  
in Fund Balances to the Statement of Activities – Governmental Funds  
Year ended September 30, 2019**

**Net change in fund balances – total governmental funds** **\$ (3,487,307)**

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is depreciated over their estimated useful lives.

Acquisitions of capital assets	2,505,959
Current year depreciation expense	(1,873,248)

Repayment of debt principal is an expenditure in the governmental funds, but the repayment does not effect net position of governmental activities.

Principal payments	1,949,978
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The issuance of long-term debt provides current financial resources for governmental funds, but does not affect net position of governmental activities.

Notes payable	(266,500)
Capital leases	(328,115)

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.

Compensated absences	(45,781)
Landfill closure and long-term care costs	(3,561)

The changes in the net pension liability and related deferred outflows and inflows are reported in the statement of activities but not in the governmental funds.

Net pension liability	(1,610,973)
Deferred outflows - related to pensions	(882,776)
Deferred inflows - related to pensions	331,969

The changes in the total OPEB liability and related deferred outflows and inflows are reported in the statement of activities but not in the governmental funds.

Total OPEB liability	(243,623)
Deferred outflows - related to OPEB	14,709
Deferred inflows - related to OPEB	(10,000)

Some revenues differ because of differences in measurement focus and basis of accounting.

387,178

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**Change in net position of governmental activities** **\$ (3,562,091)**

See accompanying notes.

Dixie County, Florida

Statement of Fiduciary Net Position  
September 30, 2019

	Agency Funds
<b>Assets</b>	
Cash	\$ 1,907,315
Receivables	3,818
Total assets	1,911,133
<b>Liabilities</b>	
Assets held for others	1,911,133
<b>Net position</b>	\$ -

See accompanying notes.



Notes to Financial Statements

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of Dixie County (the “County”) conform to accounting principles generally accepted in the United States of America as applicable to governments. Following is a summary of the more significant policies.

***Reporting Entity***

The County is a non-charter, general purpose local government established under the legal authority of the Constitution of the State of Florida. It is composed of an elected Board of County Commissioners, the legislative and governing body of the County, and elected constitutional officers, Clerk of the Circuit Court, Sheriff, Tax Collector, Property Appraiser, and Supervisor of Elections that operate as separate County agencies. The accompanying financial statements present the County as the primary government.

The County uses the criteria established in GASB Statement No. 14, as amended, to define the reporting entity and identify component units. Component units are entities for which the County is considered to be financially accountable or entities that would be misleading to exclude. The County is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the County. The County may also be financially accountable for governmental organizations that are fiscally dependent on it.

There are no blended component units or discretely presented component units included in the County's financial reporting entity.

***Joint Ventures***

The governments of Taylor, Madison, Jefferson and Dixie Counties established the Aucilla Area Solid Waste Administration (the “Administration”) through an interlocal agreement. The Administration is an organization established for the purpose of providing a regional approach to solid waste management without regard to political or governmental boundaries. The Administration is governed by a governing board made up of a commissioner from each participating County.

The County does not have an ongoing financial interest in the Administration. However, the County does have an ongoing financial responsibility to the Administration in that the tipping fees paid to the Administration (\$363,433 in 2019) are applied by the Administration to the County's portion of the Administration's operating costs.

A copy of the Administration's separate financial statements may be obtained from its offices in Greenville, Florida.

The governments of Lafayette, Dixie, Taylor and Gilchrist Counties established the Three Rivers Regional Library System (the “Library”) through an interlocal agreement. The Library is an organization established for the purpose of providing a regional approach to library services without regard to political or governmental boundaries. The Library is governed by a governing board made up, in part, of a commissioner from each participating County.

## Notes to Financial Statements

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The County does not have an ongoing financial interest in the Library. However, the County does have an ongoing financial responsibility to the Library in that the Library's continued existence depends on the County's continuing participation. A copy of the Library's separate financial statements may be obtained from its offices in Mayo, Florida.

***Government-wide Financial Statements***

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the County. For the most part, the effect of interfund activity has been removed from these statements. *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 charged to external parties. The County has no business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *Program revenues* include: charges for services that are directly related to a given function and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other revenues not properly included among program revenues are reported instead as *general revenues*.

***Fund Financial Statements***

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements, but all nonmajor funds are aggregated and displayed in a single column. The governmental fund financial statements include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for the governmental funds. The County reports the following major governmental funds:

*General Fund* – The General Fund is the primary operating fund. It is used to account for and report all financial resources not accounted for and reported in another fund. The General Fund consists of the board of county commissioners' countywide general fund as well as each constitutional officer's general fund.

*EMS Fund* – This fund (Emergency Medical Services Fund) is used to account for and report the operations of the Emergency Medical Services Department. Revenues are primarily from ambulance fees charged for emergency transport and medical services, and from ad valorem taxes.

*County Transportation Trust Fund* – This fund is used to account for and report the operations of the road and bridge department. Financing is provided primarily by gasoline taxes that are imposed locally and those that are levied by the State and shared with the County.

Additionally, the County reports the following fund type:

*Agency funds* account for resources held in a purely custodial capacity.



Notes to Financial Statements

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Measurement Focus and Basis of Accounting***

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 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 funds are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they become measurable and available as net current assets. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Taxes and certain intergovernmental revenues constitute the most significant sources of revenue considered susceptible to accrual. In governmental funds, expenditures are generally recognized when the related liability is incurred. However, debt service expenditures, and expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

***Deposits***

Deposits of the county consist of cash placed in banks that qualify as “qualified public depositories”, as required under the Florida Security for Public Deposits Act. Every qualified public depository is required by this law to deposit with the Chief Financial Officer eligible collateral equal to, or in excess of, an amount to be determined by the Chief Financial Officer. The Chief Financial Officer is required by this law to ensure that all funds are entirely insured or collateralized throughout the fiscal year pursuant to Chapter 280, *Florida Statutes*.

The County invests surplus funds pursuant to the guidelines established in Section 218.415, *Florida Statutes*, which authorizes investments in the following instruments: The Local Government Surplus Funds Trust Fund; Securities and Exchange Commission registered money market funds with the highest credit quality rating; savings accounts and certificates of deposit in qualified public depositories; and direct obligations of the U.S. Treasury.

The County has adopted GASB Statement No. 72, “*Fair Value Measurement and Application*”, and GASB Statement No. 79, “*Certain External Investment Pools and Pool Participants*”. These standards require categorization of fair value measurements within the fair value hierarchy, based on the valuation inputs used to measure the fair value of the asset. Investments in external pools, though measured at fair value, are not categorized within the fair value hierarchy. The County has no investments as of September 30, 2019.

***Receivables***

Accounts receivable are reported net of an allowance for uncollectible accounts of approximately \$606,000. The allowance represents approximately 41% of gross ambulance service accounts receivable at September 30, 2019.

## Notes to Financial Statements

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)*****Capital Assets***

Capital assets are valued at historical cost or estimated historical cost. Donated capital assets are recorded at estimated acquisition value on the date donated. The threshold for capitalizing property and equipment is generally \$5,000.

Depreciation is calculated using the straight-line method over the following estimated useful lives:

Buildings	30 – 50 yrs.
Improvements and infrastructure	10 – 50 yrs.
Equipment	5 – 15 yrs.

***Compensated Absences***

Personnel policies of the various county agencies allow a limited accumulation and vesting of unused employee vacation and sick leave. A liability is accrued when incurred in the government-wide financial statements. However, a liability is reported in governmental funds only when payment is due.

***Restricted Net Position***

In the accompanying Statement of Net Position, *restricted net position* is subject to restrictions beyond the County's control. The restriction is either externally imposed (for instance, by creditors, grantors, contributors, or laws/regulations of other governments) or is imposed by law through constitutional provisions or enabling legislation. It is the practice of the County to utilize restricted assets before unrestricted assets.

Approximately \$550,000 is included in restricted net position from enabling legislation.

***Fund Balance***

The County follows the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* to classify fund balances for governmental funds into specifically defined classifications. The classifications comprise a hierarchy based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in the funds can be spent.

The fund balance classifications specified in GASB Statement No. 54 are as follows:

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

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

*Committed Fund Balance* – Committed fund balances are amounts that can only be used for specific purposes as a result of constraints imposed by formal action of the County's highest level of decision-making authority, which is an ordinance of the County. Committed amounts cannot be used for any other purpose unless the County removes those constraints by taking the same type of action.

Notes to Financial Statements

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*Assigned Fund Balance* – Assigned fund balances are amounts that are constrained by the County's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by (a) the Board of County Commissioners or constitutional officer or (b) a body or official to which the Board of County Commissioners or constitutional officer has delegated the authority to assign amounts to be used for specific purposes.

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

The County's policy is to expend resources in the following order: restricted, committed, assigned, and unassigned.

***Pensions***

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Florida Retirement System Pension Plan and Health Insurance Subsidy Program and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

***Deferred Outflows/Inflows of Resources***

A *deferred outflow of resources* is a consumption of net assets that applies to a future reporting period. A *deferred inflow of resources* is an acquisition of net assets that applies to a future reporting period.

***Use of Estimates***

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

**NOTE 2 – PROPERTY TAXES**

In governmental funds, property tax revenues are recognized when levied, to the extent that they result in current receivables. Details of the property tax calendar are presented below:

Lien date	January 1
Levy date	October 1
Discount periods	November – February
No discount period	March
Delinquent date	April 1

## Notes to Financial Statements

**NOTE 3 – INTERFUND BALANCES AND TRANSFERS**

At September 30, 2019, interfund balances consisted of:

Due From	Due To				Total
	General Fund	EMS	County Transportation Trust	Nonmajor Governmental	
General fund	\$ -	\$ 550,000	\$ -	\$ 73,513	\$ 623,513
EMS	935,230	-	-	775	936,005
County transportation trust	1,033,165	50,000	-	-	1,083,165
Nonmajor governmental	2,158,471	16,000	-	70,605	2,245,076
<b>Totals</b>	<b>\$ 4,126,866</b>	<b>\$ 616,000</b>	<b>\$ -</b>	<b>\$ 144,893</b>	<b>\$ 4,887,759</b>

The interfund balances resulted from the normal course of operations and are expected to be paid within one year.

Interfund transfers are summarized below:

Transfers In	Transfers Out			Total
	General Fund	EMS	Nonmajor Governmental	
General fund	\$ -	\$ 42,000	\$ 575,884	\$ 617,884
EMS	-	-	-	-
Nonmajor governmental	242,854	-	-	242,854
<b>Totals</b>	<b>\$ 242,854</b>	<b>\$ 42,000</b>	<b>\$ 575,884</b>	<b>\$ 860,738</b>

The interfund transfers were made in the normal course of operations and are consistent with the activities of the fund making the transfer.

**NOTE 4 – ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

At September 30, 2019, General Fund payables consisted of approximately 95% payable to vendors in the normal course of business. The remaining balance was due to wages and benefits.

The payables of the other governmental funds consist primarily of amounts due for goods and services received in the normal course of business.

Notes to Financial Statements

**NOTE 5 – FUND BALANCE CLASSIFICATIONS**

Fund balance is restricted for the following purposes:

	General Fund	Other Governmental Funds	Total
General government	\$ -	\$ 57,836	\$ 57,836
Public safety	-	285,386	285,386
Physical environment	-	288,744	288,744
Transportation	-	549,935	549,935
Economic environment	71,284	255,496	326,780
Culture and recreation	-	104,143	104,143
Court related	-	246,194	246,194
Election grants	5,043	-	5,043
Total restricted fund balance	\$ 76,327	\$ 1,787,734	\$ 1,864,061

Fund balance is assigned for the following purposes:

	General Fund	EMS	Other Governmental Funds	Total
Public safety	\$ -	\$ 1,223,315	\$ 133,907	\$ 1,357,222
Subsequent year's expenditures	1,711,035	-	-	1,711,035
Total assigned fund balance	\$ 1,711,035	\$ 1,223,315	\$ 133,907	\$ 3,068,257

## Notes to Financial Statements

**NOTE 6 – CAPITAL ASSETS**

A summary of changes in capital assets follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 2,782,373	\$ -	\$ -	\$ 2,782,373
Construction in progress	356,876	1,381,788	1,738,664	-
Total capital assets not being depreciated	3,139,249	1,381,788	1,738,664	2,782,373
Capital assets being depreciated:				
Buildings	13,793,972	-	-	13,793,972
Improvements	7,995,993	98,500	-	8,094,493
Infrastructure	36,857,070	1,738,664	-	38,595,734
Equipment	12,332,773	1,025,671	22,882	13,335,562
Total capital assets being depreciated	70,979,808	2,862,835	22,882	73,819,761
Less accumulated depreciation for:				
Buildings	7,808,507	383,604	-	8,192,111
Improvements	2,861,098	212,945	-	3,074,043
Infrastructure	13,451,256	760,645	-	14,211,901
Equipment	9,662,554	516,054	22,882	10,155,726
Total accumulated depreciation	33,783,415	1,873,248	22,882	35,633,781
Total capital assets being depreciated, net	37,196,393	989,587	-	38,185,980
Capital assets, net	\$ 40,335,642	\$ 2,371,375	\$ 1,738,664	\$ 40,968,353

Depreciation expense was charged to governmental activities as follows:

General government	\$ 84,936
Public safety	570,028
Physical environment	92,631
Transportation	843,888
Human services	20,706
Culture and recreation	252,944
Court related	8,115
Total	\$ 1,873,248

## Notes to Financial Statements

**NOTE 7 – LONG-TERM LIABILITIES**

At September 30, 2019, the County's long-term liabilities consisted of:

**Notes Payable**

Notes payable at September 30, 2019, consist of the following:

Notes payable	\$ 679,628
Capital lease obligations	369,181
Landfills closure and long-term care costs	331,214
Net pension liability	15,627,879
Other postemployment benefit liability	461,958
Compensated absences	882,128
<b>Total long-term liabilities</b>	<b>\$ 18,351,988</b>

An agreement with a financial institution entered into on July 03, 2019, for purchase of equipment; payable from non advalorem revenues. The note is payable in annual installments of \$53,300 and bears an interest rate of 3.50%.

An agreement with a financial institution entered into on August 19, 2016 for the purchase of a public safety telecommunication system with a maximum amount of \$750,000; payable from the General Fund (with a pledge of the County's discretionary sales tax revenue) monthly for 60 months at a tax-exempt rate fixed at 2.77%. The first nine months of payments are interest only and subsequent payments are set at \$13,414 per month until the full amount is repaid. As of September 30, 2019, the total amount drawn was \$679,628.

Year ending September 30, 2019	Principal	Interest	Total
2020	\$ 204,579	\$ 19,018	\$ 223,597
2021	208,914	12,820	221,734
2022	159,535	6,717	166,252
2023	53,300	3,731	57,031
2024	53,300	1,866	55,166
	<b>\$ 679,628</b>	<b>\$ 44,152</b>	<b>\$ 723,780</b>

**Capital Lease Obligations**

The County leases vehicles and heavy equipment under agreements that are classified as capital leases. The agreements bear interest rates ranging from 3.1% to 3.5%, payable from the EMS Fund and Solid Waste Fund (a non-major governmental fund). In the General Fund, the Sheriff leases vehicles under agreements that are classified as capital leases. These agreements bear interest rates from 5.4% to 5.5%.

## Notes to Financial Statements

**NOTE 7 – LONG-TERM LIABILITIES (CONTINUED)**

Capital assets under capital lease include equipment totaling \$540,465, less \$90,691 accumulated amortization/depreciation for a carrying amount of \$449,774. Amortization of leased equipment under capital assets is included with depreciation expense.

The future minimum lease payments required and the present value of the net minimum lease payments at September 30, 2019 are as follows:

Year ending September 30, 2019	Amount
2020	\$ 134,204
2021	140,981
2022	97,836
2023	24,459
Total minimum lease payments	397,480
Amount representing interest	28,299
Present value of net minimum lease payments	\$ 369,181

***Landfills Closure and Long-Term Care Costs***

The Florida Department of Environmental Protection (DEP) requires landfill operators to fund landfill closure costs before receiving a permit for landfill closure. Rules of DEP mandate that the closure costs be fully funded by the end of the design life of the landfill as specified in the approved closure plan. The County has accrued \$218,524 for the closure of its Construction and Demolition (C & D) Landfill based on the capacity used to date. This amount represents the complete closure costs for Phase I, which was effectively closed in June 2018, and Phase II closure costs pro-rated based on capacity used, which was approximately 3.5% as of September 30, 2019.

Additionally, state and federal laws require landfill owners to perform certain maintenance and monitoring functions at the landfill sites for a number of years after closure. The County was released by the DEP from these requirements on its closed Central Landfill in a prior year. The County has accrued \$112,691 for such estimated long-term care costs as of September 30, 2019 related to future long-term care of both phases of the C & D Landfill.

The County will recognize the remaining estimated cost of closure and long-term care of approximately \$336,400 associated with its C & D Landfill as the remaining estimated capacity is used (estimated to be approximately 27 years for Phase II, as Phase I is effectively closed). All amounts recognized are based on what it would cost to perform all post-closure care at year-end. Actual costs are subject to changes such as the effects of inflation, revision of laws and other variables. The County anticipates funding the closure and long-term care costs from non-ad valorem assessments and user charges.

DEP also requires the County to deposit in an escrow account, by the end of each fiscal year, funds sufficient to cover closure costs. The County has set aside \$205,896 for that requirement.



## Notes to Financial Statements

**NOTE 7 – LONG-TERM LIABILITIES (CONTINUED)*****Compensated Absences***

The General Fund has historically been used to liquidate approximately 60% of compensated absences, while other funds have liquidated the remaining 40%.

**NOTE 8 – CHANGES IN LONG-TERM LIABILITIES**

A summary of changes in long-term liabilities follows:

	Balance October 1, 2018	Additions	Deductions	Balance September 30, 2019	Due Within One Year
Notes payable	\$ 2,060,250	\$ 266,500	\$ 1,647,122	\$ 679,628	\$ 204,579
Capital lease obligations	343,922	328,115	302,856	369,181	122,421
Landfills closure and long-term care costs	327,653	3,561	-	331,214	-
Other postemployment benefit liability	218,335	243,623	-	461,958	-
Net pension liability	14,016,906	1,610,973	-	15,627,879	41,300
Compensated absences	836,347	462,045	416,264	882,128	579,800
<b>Total</b>	<b>\$ 17,803,413</b>	<b>\$ 2,914,817</b>	<b>\$ 2,366,242</b>	<b>\$ 18,351,988</b>	<b>\$ 948,100</b>

**NOTE 9 – STATE OF FLORIDA PENSION PLANS*****Defined Benefit Plans***

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

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

## Notes to Financial Statements

**NOTE 9 – STATE OF FLORIDA PENSION PLANS (CONTINUED)**

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*.

***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 Pension Plan. The employer's contribution rates as of September 30, 2019, were as follows:

	FRS	HIS
Regular class	6.81%	1.66%
Special risk class	23.82%	1.66%
Senior management service class	23.75%	1.66%
Elected officials	47.16%	1.66%
DROP from FRS	12.94%	1.66%

The employer's contributions for the year ended September 30, 2019, were \$1,292,861 to the FRS and \$121,490 to the HIS.

## Notes to Financial Statements

## NOTE 9 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

*Pension Liabilities and Pension Expense*

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

	FRS	HIS
Net pension liability	\$ 13,193,668	\$ 2,434,211
Proportion at:		
Current measurement date	0.0383%	0.0218%
Prior measurement date	0.0388%	0.0221%
Pension expense (benefit)	\$ 3,309,647	\$ 161,207

*Deferred Outflows/Inflows of Resources Related to Pensions*

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

	FRS		HIS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 782,554	\$ 8,188	\$ 29,566	\$ 2,981
Changes of assumptions	3,388,702	-	281,859	198,953
Net difference between projected and actual earnings on pension plan investments	-	729,943	1,571	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	224,594	467,755	44,381	193,650
Employer contributions subsequent to the measurement date	324,849	-	32,529	-
Total	\$ 4,720,699	\$ 1,205,886	\$ 389,906	\$ 395,584

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, 2020. Other pension-related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

## Notes to Financial Statements

## NOTE 9 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

Year ending September 30,	FRS	HIS
2020	\$ 1,226,520	\$ 22,268
2021	291,982	257
2022	815,875	(18,881)
2023	642,854	(37,294)
2024	149,821	(14,038)
Thereafter	62,912	9,481
Total	\$ 3,189,964	\$ (38,207)

**Actuarial Assumptions**

The total pension liability for each of the defined benefit plans was measured as of June 30, 2019. The total pension liability for the FRS Pension Plan was determined by an actuarial valuation dated July 1, 2019. For the HIS Program, the total pension liability was determined by an actuarial valuation dated July 1, 2018, rolled-forward using standard actuarial procedures. The individual entry age normal actuarial cost method was used for each plan, along with the following significant actuarial assumptions:

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

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

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

The following changes in key actuarial assumptions occurred in 2019:

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

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

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

Notes to Financial Statements

NOTE 9 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return
Cash	1%	3.3%	3.3%
Fixed income	18%	4.1%	4.1%
Global equity	54%	8.0%	6.8%
Real estate	10%	6.7%	6.1%
Private equity	11%	11.2%	8.4%
Strategic investments	6%	5.9%	5.7%
	<u>100%</u>		

**Discount Rate**

The discount rate used to measure the total pension liability for the FRS Pension Plan was 6.90%. FRS' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

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

**Sensitivity Analysis**

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

**Pension Plans' Fiduciary Net Position**

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

	FRS			HIS		
	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)	1% Decrease (2.50%)	Current Discount Rate (3.50%)	1% Increase (4.50%)
Employer's proportionate share of the net pension liability	\$ 22,807,458	\$ 13,193,668	\$ 5,164,527	\$ 2,778,777	\$ 2,434,211	\$ 2,147,227

## Notes to Financial Statements

**NOTE 9 – STATE OF FLORIDA PENSION PLANS (CONTINUED)*****Defined Contribution Plan***

Pursuant to Chapter 121, *Florida Statutes*, the Florida Legislature created the Florida Retirement Investment Plan (“FRS Investment Plan”), a defined contribution pension plan qualified under Section 401(a) of the Internal Revenue Code. The FRS Investment Plan is an alternative available to members of the Florida Retirement System in lieu of the defined benefit plan. There is a uniform contribution rate covering both the defined benefit and defined contribution plans, depending on membership class. Required employer contributions made to the plan during the year ended September 30, 2019, totaled \$162,194.

**NOTE 10 – RISK MANAGEMENT*****Public Entity Risk Pool***

The County is exposed to various risks of loss related to general liability, professional law enforcement liability, and worker’s compensation. The County participates in various public entity risk pools operating as common risk management and insurance programs for member governmental entities. The County pays annual premiums to the pools for its coverage. The premiums are designed to fund the liability risks assumed by the pools and are based on certain actual exposures of each member.

**NOTE 11 – DEFICIT FUND BALANCES**

At September 30, 2019, the following funds had negative fund balances. The County intends to resolve these deficits through a combination of grant funding and interfund transfers.

Recreation and Libraries	\$ (658,666)
County Transportation Trust	(871,953)
Solid Waste Disposal	(176,146)
E-911	(159,536)
Fine and Forfeiture	(83,997)
Court Operating	(49,847)
CDBG	(57,358)
Total	<u>\$ (2,057,503)</u>

**NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS PLAN**

*Plan Description* – The County administers a single employer defined benefit plan for postemployment benefits other than pension benefits (OPEB Plan). The OPEB Plan provides for medical and life insurance for retirees and eligible dependents of the Board of County Commissioners and all Constitutional Officers. The benefits are provided explicitly and in the form of an implicit rate subsidy where retirees receive health insurance coverage by paying a combined retiree/active rate or reduced subsidy rate. Benefit provisions are established and may be amended by the Dixie County Board of County Commissioners.

## Notes to Financial Statements

**NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS PLAN (CONTINUED)**

The County provides health care coverage through a PPO plan offered through Av-Med and life insurance through The Standard.

*Eligibility* – Employees of the Board of County Commissioners, Sheriff, Clerk of Courts, Tax Collector, Property Appraiser and Supervisor of Elections are eligible at age 62 and 6 years of service, or 30 years of service, regardless of age, which is normal retirement.

Employees may retire early at age 43 and 6 years of service. Service-incurred disabled employees may retire immediately, while non-duty related disabled employees may retire upon completion of 8 years of service. Once a retiree waives coverage, he is not eligible to participate in the future. Surviving spouses of deceased retirees are eligible for COBRA insurance coverage for 36 months if they were covered prior to the retiree's death.

As of October 1, 2017, the date of the latest actuarial valuation, plan participation consisted of 188 active employees and 2 retirees receiving benefits.

A separate stand-alone financial statement is not prepared for the OPEB Plan.

*Funding Policy* – The contribution requirements of the plan members and the County are established and may be amended by the Dixie County Board of County Commissioners. A trust has not been established for the plan. Contributions are being made based on pay-as-you-go financing requirements.

Currently, retirees contribute 100% of the active participant's premium rates.

*OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB* – The County has elected to implement GASB Statement No. 75 prospectively with implementation beginning in 2018.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions	14,709	10,000
Total	\$ 14,709	\$ 10,000

Deferred outflows of resources related to changes in assumptions will be recognized as a reduction of the total OPEB liability in the reporting period ending September 30, 2020.

## Notes to Financial Statements

**NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS PLAN (CONTINUED)**

*Actuarial Assumptions and Other Inputs* – Calculations of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continue revision as actual results are compared to past expectations and new estimates are made about the future.

The actuarial assumptions are:

Discount rate	3.58%
Salary increase rate	Varies by Service
Inflation rate	2.50%
Mortality	RP-2000 Generational mortality table
Healthcare cost trend rate	8.50% in fiscal year 2019; decreasing each year until reaching ultimate trend rate of 4.00% in 2076.

*Changes in the Total OPEB Liability:*

Service cost	\$ 49,986
Interest	18,135
Changes of benefit terms	-
Differences between expected and actual experience	-
Other change	171,978
Change of assumptions	16,548
Benefit payments	(13,024)
Net change in total OPEB liability	243,623
Total OPEB Liability, beginning	218,335
Total OPEB Liability, ending	\$ 461,958

*Sensitivity of the Total OPEB Liability to Changes in the Discount Rate*

The following presents the County's total OPEB Liability, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1 percent lower or 1 percent higher than the current discount rate:

	1% Decrease (2.58%)	Current Discount Rate (3.58%)	1% Increase (4.58%)
Total OPEB Liability	\$ 488,953	\$ 461,958	\$ 434,341



## Notes to Financial Statements

**NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS PLAN (CONTINUED)***Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate*

The following presents the County's total OPEB liability, as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percent lower or 1 percent higher than the current healthcare cost trend rate:

	1% Decrease (3.00% - 7.50%)	Current Healthcare Cost Trend Rate (4.00% - 8.50%)	1% Increase (5.00% - 9.50%)
Total OPEB Liability	\$ 391,317	\$ 461,958	\$ 547,941

**NOTE 13 – COMMITMENTS/CONTINGENCIES**

The County is involved in litigation matters arising from the normal operation of a local government. The outcome of these legal claims against the County cannot at this time be determined.

The County participates in State and Federal assisted grant programs which may be subject to future program compliance audits by the grantors.

**NOTE 14 – SUBSEQUENT EVENTS**

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

**NOTE 15 – FUTURE ACCOUNTING PRONOUNCEMENTS**

The Governmental Accounting Standards Board has issued statements that will become effective in 2021. The statements address:

- Fiduciary Activities
- Leases

The County is currently evaluating the effects that these statements will have on its financial statements for 2021.

## **Required Supplementary Information**

Dixie County, Florida

**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual – General Fund**  
**Year ended September 30, 2019**

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	with Final Budget
<b>Revenues</b>				
Taxes	\$ 5,719,204	\$ 5,719,204	\$ 6,158,438	\$ 439,234
Permits, fees and special assessments	71,000	71,000	117,250	46,250
Intergovernmental	3,096,412	3,202,422	3,758,208	555,786
Charges for services	482,471	482,471	481,919	(552)
Fines and forfeitures	-	-	220	220
Miscellaneous	98,265	98,265	104,186	5,921
Total revenues	9,467,352	9,573,362	10,620,221	1,046,859
<b>Expenditures</b>				
Current:				
General government	3,950,780	3,950,780	3,860,921	89,859
Public safety	5,919,038	6,348,965	6,466,223	(117,258)
Physical environment	118,284	118,284	78,067	40,217
Transportation	8,000	8,000	2,544	5,456
Economic environment	199,085	199,085	102,726	96,359
Human services	645,485	550,003	401,140	148,863
Court related	100,918	100,918	139,368	(38,450)
Reserve for contingencies	70,365	70,365	-	70,365
Capital outlay	486,976	486,976	486,976	-
Debt service:				
Principal retirement	275,667	1,775,599	1,775,599	-
Interest and fiscal charges	25,688	25,344	25,344	-
Total expenditures	11,800,286	13,634,319	13,338,908	295,411
<b>Excess of revenues over (under) expenditures</b>	(2,332,934)	(4,060,957)	(2,718,687)	1,342,270
<b>Other financing sources (uses)</b>				
Issuance of capital leases	-	328,115	328,115	-
Transfers in	294,937	564,702	617,884	53,182
Transfers out	(1,741,150)	(1,741,150)	(242,854)	1,498,296
Total other financing sources (uses)	(1,446,213)	(848,333)	703,145	1,551,478
<b>Net change in fund balances</b>	(3,779,147)	(4,909,290)	(2,015,542)	2,893,748
<b>Fund balances – beginning of year</b>	3,779,147	4,909,290	6,152,849	1,243,559
<b>Fund balances – end of year</b>	\$ -	\$ -	\$ 4,137,307	\$ 4,137,307

Note to Budgetary Comparison Schedule:

The preparation, adoption and amendment of the budgets are governed by Florida Statutes. The fund is the legal level of control. Budgets are prepared and adopted on a basis that does not differ materially from generally accepted accounting principles (GAAP). Appropriations lapse at year-end.

Dixie County, Florida

**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual – EMS Fund**  
**Year ended September 30, 2019**

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	with Final Budget
<b>Revenues</b>				
Taxes	\$ 1,211,508	\$ 1,211,508	\$ 1,309,368	\$ 97,860
Intergovernmental	548,038	548,038	160,103	(387,935)
Charges for services	895,000	895,000	1,013,759	118,759
Miscellaneous	25,200	25,200	59,362	34,162
<b>Total revenues</b>	<b>2,679,746</b>	<b>2,679,746</b>	<b>2,542,592</b>	<b>(137,154)</b>
<b>Expenditures</b>				
Current:				
Public safety	2,955,858	2,955,858	2,903,097	52,761
Capital outlay	180,220	180,220	180,220	-
<b>Total expenditures</b>	<b>3,136,078</b>	<b>3,136,078</b>	<b>3,083,317</b>	<b>52,761</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(276,112)</b>	<b>(276,112)</b>	<b>(540,725)</b>	<b>(84,393)</b>
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers out	(42,000)	(42,000)	(42,000)	-
<b>Total other financing sources (uses)</b>	<b>(42,000)</b>	<b>(42,000)</b>	<b>(42,000)</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(318,112)</b>	<b>(318,112)</b>	<b>(582,725)</b>	<b>(264,613)</b>
<b>Fund balances – beginning of year</b>	<b>-</b>	<b>-</b>	<b>1,806,040</b>	<b>1,806,040</b>
<b>Fund balances – end of year</b>	<b>\$ (318,112)</b>	<b>\$ (318,112)</b>	<b>\$ 1,223,315</b>	<b>\$ 1,541,427</b>

Note to Budgetary Comparison Schedule:

The preparation, adoption and amendment of the budgets are governed by Florida Statutes. The fund is the legal level of control. Budgets are prepared and adopted on a basis that does not differ materially from generally accepted accounting principles (GAAP). Appropriations lapse at year-end.

**Dixie County, Florida**

**Schedule of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual – County Transportation Trust Fund  
Year ended September 30, 2019**

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	with Final Budget
<b>Revenues</b>				
Taxes	\$ 507,000	\$ 507,000	\$ 508,055	\$ 1,055
Intergovernmental	6,088,021	6,088,021	3,314,123	(2,773,898)
Miscellaneous	12,346	12,346	71,104	58,758
<b>Total revenues</b>	<b>6,607,367</b>	<b>6,607,367</b>	<b>3,893,282</b>	<b>(2,714,085)</b>
<b>Expenditures</b>				
Current:				
Transportation	5,829,183	5,829,183	4,537,880	1,291,303
Reserve for contingencies	50,000	50,000	-	50,000
Debt service:				
Principal retirement	37,000	37,000	-	37,000
Interest and fiscal charges	980	980	-	980
<b>Total expenditures</b>	<b>5,917,163</b>	<b>5,917,163</b>	<b>4,537,880</b>	<b>1,379,283</b>
<b>Excess of revenues over (under) expenditures</b>	<b>690,204</b>	<b>690,204</b>	<b>(644,598)</b>	<b>(1,334,802)</b>
<b>Other financing sources</b>				
Transfers in	-	-	-	-
<b>Net change in fund balances</b>	<b>690,204</b>	<b>690,204</b>	<b>(644,598)</b>	<b>(1,334,802)</b>
<b>Fund balances – beginning of year</b>	<b>-</b>	<b>-</b>	<b>(227,355)</b>	<b>(227,355)</b>
<b>Fund balances – end of year</b>	<b>\$ 690,204</b>	<b>\$ 690,204</b>	<b>\$ (871,953)</b>	<b>\$ (1,562,157)</b>

Note to Budgetary Comparison Schedule:

The preparation, adoption and amendment of the budgets are governed by Florida Statutes. The fund is the legal level of control. Budgets are prepared and adopted on a basis that does not differ materially from generally accepted accounting principles (GAAP). Appropriations lapse at year-end.

**Dixie County, Florida**

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

	2019	2018
Total OPEB liability		
Service cost	\$ 49,986	\$ 16,500
Interest	18,135	6,500
Changes of benefit terms	-	-
Differences between expected and actual experience	-	-
Other changes	171,978	-
Changes of assumptions and other inputs	16,548	-
Benefit payments	(13,024)	(11,000)
Net change in total OPEB liability	243,623	12,000
Total OPEB liability - beginning	218,335	206,335
Total OPEB liability - ending	\$ 461,958	\$ 218,335
Covered-employee payroll	\$ 7,326,747	\$ 7,190,278
Total OPEB liability as a percentage of covered-employee payroll	6.31%	3.04%

**Notes to schedules:**

GASB Statement No. 75 was implemented in 2018. Until a full 10-year trend is compiled, information for those years for which it is available will be presented.

**Dixie County, Florida**

**Schedules of Proportionate Share of Net Pension Liability  
Last 10 Fiscal Years (1)**

<b>Florida Retirement System</b>	2019	2018	2017	2016	2015
Employer's proportion of the net pension liability (asset)	0.0383%	0.0388%	0.0394%	0.0405%	0.0425%
Employer's proportionate share of the net pension liability (asset)	\$ 13,193,668	\$ 11,676,939	\$ 11,665,096	\$ 10,237,985	\$ 5,484,238
Employer's covered-employee payroll (2)	\$ 7,370,747	\$ 7,277,331	\$ 7,191,039	\$ 7,093,803	\$ 7,496,858
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	179.00%	160.46%	162.22%	144.32%	73.15%
Plan fiduciary net position as a percentage of the total pension liability	82.61%	84.26%	83.89%	84.88%	92.00%
<b>Health Insurance Subsidy Program</b>	2019	2018	2017	2016	2015
Employer's proportion of the net pension liability (asset)	0.0218%	0.0221%	0.0229%	0.0230%	0.0247%
Employer's proportionate share of the net pension liability (asset)	\$ 2,434,211	\$ 2,339,967	\$ 2,447,012	\$ 2,677,411	\$ 2,519,874
Employer's covered-employee payroll (2)	\$ 7,370,747	\$ 7,277,331	\$ 7,191,039	\$ 7,093,803	\$ 7,496,858
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	33.03%	32.15%	34.03%	37.74%	33.61%
Plan fiduciary net position as a percentage of the total pension liability	2.63%	2.15%	1.64%	0.97%	0.50%

**Notes to schedules:**

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

(2) Covered-employee payroll includes defined benefit plan actives, investment plan members, and members in DROP.

GASB Statement No. 68 was implemented in 2015. Until a full 10-year trend is compiled, information for those years for which it is available will be presented.

**Dixie County, Florida**

**Schedules of Employer Contributions  
Last 10 Fiscal Years**

<b>Florida Retirement System</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Contractually required contribution	\$ 1,292,861	\$ 1,121,767	\$ 1,054,937	\$ 1,045,863	\$ 1,030,289
Contributions in relation to the contractually required contribution	1,292,861	1,121,767	1,054,937	1,045,863	1,030,289
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered-employee payroll (1)	\$ 7,326,747	\$ 7,190,277	\$ 7,190,277	\$ 7,380,745	\$ 7,421,285
Contributions as a percentage of covered-employee payroll	17.65%	15.60%	14.67%	14.17%	13.88%

<b>Health Insurance Subsidy Program</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Contractually required contribution	\$ 121,490	\$ 119,117	\$ 119,359	\$ 122,635	\$ 100,139
Contributions in relation to the contractually required contribution	121,490	119,117	119,359	122,635	100,139
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered-employee payroll (1)	\$ 7,326,747	\$ 7,190,277	\$ 7,190,277	\$ 7,380,745	\$ 7,421,285
Contributions as a percentage of covered-employee payroll	1.66%	1.66%	1.66%	1.66%	1.35%

**Notes to schedules:**

(1) Covered-employee payroll includes defined benefit plan actives, investment plan members, and members in DROP.

GASB Statement No. 68 was implemented in 2015. Until a full 10-year trend is compiled, information for those years for which it is available will be presented.



## **Supplementary Information**

**Combining Balance Sheet – Nonmajor Governmental Funds  
September 30, 2019**

	Special Revenue Funds			
	Law Library	Fire District	Solid Waste Disposal	Court Facilities
<b>Assets</b>				
Cash and equivalents	\$ 28,431	\$ 217,184	\$ 449,139	\$ 159,915
Due from other funds	-	300	70,555	-
Due from other governments	8,572	22,500	8,620	14,507
Receivables	-	1,208	43,158	-
<b>Total assets</b>	<b>\$ 37,003</b>	<b>\$ 241,192</b>	<b>\$ 571,472</b>	<b>\$ 174,422</b>
<b>Liabilities, deferred inflows and fund balances</b>				
Liabilities:				
Accounts payable and accrued liabilities	\$ 746	\$ 1,877	\$ 14,816	\$ -
Due to other funds	77	118,419	732,802	-
<b>Total liabilities</b>	<b>823</b>	<b>120,296</b>	<b>747,618</b>	<b>-</b>
Fund balances:				
Restricted	36,180	108,197	288,744	174,422
Assigned	-	12,699	-	-
Unassigned	-	-	(464,890)	-
<b>Total fund balances</b>	<b>36,180</b>	<b>120,896</b>	<b>(176,146)</b>	<b>174,422</b>
<b>Total liabilities and fund balances</b>	<b>\$ 37,003</b>	<b>\$ 241,192</b>	<b>\$ 571,472</b>	<b>\$ 174,422</b>

Dixie County, Florida

Combining Balance Sheet – Nonmajor Governmental Funds  
September 30, 2019

	Special Revenue Funds			
	Law Enforce- ment Trust	State Housing Initiative Program	E-911	Fine and Forfeiture
<b>Assets</b>				
Cash and equivalents	\$ 173,521	\$ 272,991	\$ 13,188	\$ (584)
Due from other funds	-	-	775	-
Due from other governments	12,199	-	21,956	8,101
Receivables	-	36,126	-	-
<b>Total assets</b>	<b>\$ 185,720</b>	<b>\$ 309,117</b>	<b>\$ 35,919</b>	<b>\$ 7,517</b>
<b>Liabilities, deferred inflows and fund balances</b>				
Liabilities:				
Accounts payable and accrued liabilities	\$ 2,468	\$ 17,500	\$ 1,795	\$ -
Due to other funds	6,063	-	193,660	91,514
<b>Total liabilities</b>	<b>8,531</b>	<b>17,500</b>	<b>195,455</b>	<b>91,514</b>
Deferred inflows:				
Unavailable revenue	-	36,121	-	-
Fund balances:				
Restricted	177,189	255,496	-	-
Assigned	-	-	-	-
Unassigned	-	-	(159,536)	(83,997)
<b>Total fund balances</b>	<b>177,189</b>	<b>255,496</b>	<b>(159,536)</b>	<b>(83,997)</b>
<b>Total liabilities and fund balances</b>	<b>\$ 185,720</b>	<b>\$ 309,117</b>	<b>\$ 35,919</b>	<b>\$ 7,517</b>

**Combining Balance Sheet – Nonmajor Governmental Funds**  
**September 30, 2019**

	Special Revenue Funds			
	Impact Fee	CDBG	Recreation and Libraries	Airport Fund
<b>Assets</b>				
Cash and equivalents	\$ 477,451	\$ -	\$ 88,698	\$ 15,464
Due from other funds	-	-	66	50
Due from other governments	-	-	853	-
Receivables	72,484	-	-	1,222
<b>Total assets</b>	<b>\$ 549,935</b>	<b>\$ -</b>	<b>\$ 89,617</b>	<b>\$ 16,736</b>
<b>Liabilities, deferred inflows and fund balances</b>				
Liabilities:				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 4,056	\$ 81
Due to other funds	-	57,358	744,227	-
<b>Total liabilities</b>	<b>-</b>	<b>57,358</b>	<b>748,283</b>	<b>81</b>
Fund balances:				
Restricted	549,935	-	104,143	-
Assigned	-	-	-	16,655
Unassigned	-	(57,358)	(762,809)	-
<b>Total fund balances</b>	<b>549,935</b>	<b>(57,358)</b>	<b>(658,666)</b>	<b>16,655</b>
<b>To fund balances</b>	<b>\$ 549,935</b>	<b>\$ -</b>	<b>\$ 89,617</b>	<b>\$ 16,736</b>

**Combining Balance Sheet – Nonmajor Governmental Funds  
September 30, 2019**

	Special Revenue Funds			Totals
	Court Operating Fund	Records Moderni- zation Trust	Inmate Welfare Fund	
<b>Assets</b>				
Cash and equivalents	\$ 10,271	\$ 28,416	\$ 104,553	\$ 2,038,638
Due from other funds	22,506	50,641	-	144,893
Due from other governments	236,210	22,975	-	356,493
Receivables	-	-	-	154,198
<b>Total assets</b>	<b>\$ 268,987</b>	<b>\$ 102,032</b>	<b>\$ 104,553</b>	<b>\$ 2,694,222</b>
<b>Liabilities, deferred inflows and fund balances</b>				
Liabilities:				
Accounts payable and accrued liabilities	\$ 26,482	\$ -	\$ -	\$ 69,821
Due to other funds	292,352	8,604	-	2,245,076
<b>Total liabilities</b>	<b>318,834</b>	<b>8,604</b>	<b>-</b>	<b>2,314,897</b>
Fund balances:				
Restricted	-	93,428	-	1,787,734
Assigned	-	-	104,553	133,907
Unassigned	(49,847)	-	-	(1,578,437)
<b>Total fund balances</b>	<b>(49,847)</b>	<b>93,428</b>	<b>104,553</b>	<b>343,204</b>
<b>Total liabilities and fund balances</b>	<b>\$ 268,987</b>	<b>\$ 102,032</b>	<b>\$ 104,553</b>	<b>\$ 2,694,222</b>

**Dixie County, Florida**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
Year ended September 30, 2019**

	Special Revenue Funds			
	Law Library	Fire District	Solid Waste Disposal	Court Facilities
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Permits, fees and special assessments	-	448,261	1,342,003	-
Intergovernmental	-	20,661	170,673	-
Charges for services	8,142	300	103,656	-
Fines and forfeitures	-	-	-	13,516
Miscellaneous	876	2,106	241,620	1,145
Total revenues	9,018	471,328	1,857,952	14,661
<b>Expenditures</b>				
Current:				
General government	-	-	-	-
Public safety	-	348,462	-	-
Physical environment	-	-	1,618,336	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Human services	-	-	68,582	-
Culture and recreation	-	-	-	-
Court related	15,681	-	-	-
Capital outlay	-	91,776	266,476	-
Debt service:				
Principal retirement	-	-	27,189	-
Interest and fiscal charges	-	-	1,768	-
Total expenditures	15,681	440,238	1,982,351	-
<b>Excess of revenues over (under) expenditures</b>	(6,663)	31,090	(124,399)	14,661
<b>Other financing sources (uses)</b>				
Debt issued	-	-	266,500	-
Transfers in	-	-	-	-
Transfers out	-	(38,001)	(180,001)	-
Total other financing sources (uses)	-	(38,001)	86,499	-
<b>Net change in fund balances</b>	(6,663)	(6,911)	(37,900)	14,661
<b>Fund balances – beginning of year</b>	42,843	127,807	(138,246)	159,761
<b>Fund balances – end of year</b>	\$ 36,180	\$ 120,896	\$ (176,146)	\$ 174,422

Dixie County, Florida

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
Year ended September 30, 2019**

	Special Revenue Funds			
	Law Enforce- ment Trust	State Housing Initiative Program	E-911	Fine and Forfeiture
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Permits, fees and special assessments	-	-	-	-
Intergovernmental	297	350,000	104,000	-
Charges for services	6,245	-	26,996	-
Fines and forfeitures	4,966	-	-	7,608
Miscellaneous	203	995	97	782
Total revenues	11,711	350,995	131,093	8,390
<b>Expenditures</b>				
Current:				
General government	-	-	-	-
Public safety	55,539	-	173,641	29,496
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	216,129	-	-
Human services	-	-	-	-
Culture and recreation	-	-	-	-
Court related	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	147,190
Interest and fiscal charges	-	-	-	13,779
Total expenditures	55,539	216,129	173,641	190,465
<b>Excess of revenues over (under) expenditures</b>	(43,828)	134,866	(42,548)	(182,075)
<b>Other financing sources (uses)</b>				
Debt issued	-	-	-	-
Transfers in	-	-	162,353	80,501
Transfers out	(5,176)	-	(324,707)	-
Total other financing sources (uses)	(5,176)	-	(162,354)	80,501
<b>Net change in fund balances</b>	(49,004)	134,866	(204,902)	(101,574)
<b>Fund balances – beginning of year</b>	226,193	120,630	45,366	17,577
<b>Fund balances – end of year</b>	\$ 177,189	\$ 255,496	\$ (159,536)	\$ (83,997)

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**Year ended September 30, 2019**

	Special Revenue Funds			
	Impact Fee	CDBG	Recreation and Libraries	Airport Fund
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ 201,441	\$ -
Permits, fees and special assessments	74,484	-	-	-
Intergovernmental	-	-	145,940	196,102
Charges for services	-	-	57,484	450
Fines and forfeitures	-	-	-	-
Miscellaneous	716	-	4,117	49,612
Total revenues	75,200	-	408,982	246,164
<b>Expenditures</b>				
Current:				
General government	3	-	-	-
Public safety	-	-	-	-
Physical environment	-	-	-	-
Transportation	-	-	-	199,169
Economic environment	-	-	-	-
Human services	-	-	-	-
Culture and recreation	-	-	383,603	-
Court related	-	-	-	-
Capital outlay	-	-	86,252	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	3	-	469,855	199,169
<b>Excess of revenues over (under) expenditures</b>	75,197	-	(60,873)	46,995
<b>Other financing sources (uses)</b>				
Debt issued	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	(27,999)	-
Total other financing sources (uses)	-	-	(27,999)	-
<b>Net change in fund balances</b>	75,197	-	(88,872)	46,995
<b>Fund balances – beginning of year</b>	474,738	(57,358)	(569,794)	(30,340)
<b>Fund balances – end of year</b>	\$ 549,935	\$ (57,358)	\$ (658,666)	\$ 16,655



Dixie County, Florida

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
Year ended September 30, 2019**

	Special Revenue Funds			
	Court Operating Fund	Records Moderni- zation Trust	Inmate Welfare Fund	Totals
<b>Revenues</b>				
Permits, fees and special assessments	\$ -	\$ -	\$ -	\$ 1,864,748
Intergovernmental	200,442	-	-	1,188,115
Charges for services	122,869	23,960	-	350,102
Fines and forfeitures	92,471	9,098	-	127,659
Miscellaneous	639	94	73,500	376,502
Total revenues	416,421	33,152	73,500	4,108,567
<b>Expenditures</b>				
Current:				
General government	-	2,000	-	2,003
Public safety	-	-	5,393	612,531
Physical environment	-	-	-	1,618,336
Economic environment	-	-	-	216,129
Human services	-	-	-	68,582
Court related	466,268	2,061	-	484,010
Capital outlay	-	-	67,686	512,190
Debt service:				
Principal retirement	-	-	-	174,379
Interest and fiscal charges	-	-	-	15,547
Total expenditures	466,268	4,061	73,079	4,286,479
<b>Excess of revenues over (under) expenditures</b>	(49,847)	29,091	421	(177,912)
<b>Other financing sources (uses)</b>				
Debt issued	-	-	-	266,500
Transfers in	-	-	-	242,854
Transfers out	-	-	-	(575,884)
Total other financing sources (uses)	-	-	-	(66,530)
<b>Net change in fund balances</b>	(49,847)	29,091	421	(244,442)
<b>Fund balances – beginning of year</b>	-	64,337	104,132	587,646
<b>Fund balances – end of year</b>	\$ (49,847)	\$ 93,428	\$ 104,553	\$ 343,204

Dixie County, Florida

Combining Statement of Fiduciary Net Position  
September 30, 2019

	Agency Funds			
	Clerk of the Circuit Court	Sheriff	Tax Collector	Totals
<b>Assets</b>				
Cash	\$ 1,851,428	\$ 44,593	\$ 11,294	\$ 1,907,315
Receivables	3,818	-	-	3,818
Total assets	1,855,246	44,593	11,294	1,911,133
<b>Liabilities</b>				
Assets held for others	1,855,246	44,593	11,294	1,911,133
<b>Net position</b>	\$ -	\$ -	\$ -	\$ -

**Dixie County, Florida**  
**Schedule of Expenditures of**  
**State Financial Assistance**  
**Year ended September 30, 2019**

<b>State Financial Assistance</b>	<b>CSFA Number</b>	<b>Contract Number</b>	<b>Expenditures</b>	<b>Passed Through to Subrecipients</b>
<b>Executive Office of the Governor</b>				
EMPA Base Grant	31.063	19-BG-21-03-47-01-110	\$ 33,163	\$ -
<b>Florida Department of Environmental Protection</b>				
Small County Consolidated Grants	37.012	SC906	90,909	-
<b>Florida Department of Agriculture and Consumer Services</b>				
Mosquito Control/Waste Tire Abatement	42.003	25503	34,480	-
<b>Florida Department of Financial Services</b>				
Firefighter Assistance Grant	43.006	FM-414	20,661	-
<b>Florida Department of State</b>				
State Aid to Libraries	45.030	19-ST-84	145,940	-
<b>Florida Housing Finance Program</b>				
State Housing Initiatives Partnership Program	40.901	n/a	216,134	216,134
<b>Florida Department of Transportation</b>				
Small County Outreach Program:				
Old Town Upholstery Road	55.009	436453-1-54-01/GOR95	1,202,643	-
CR351A RESURFACING	55.009	438226-1-54-01/	90,852	-
Small County Road Assistance Program:				
Turn Lane US 19/SR 55	55.016	437275-1-54-01/ARZ56	247,060	-
SE 697th Street (Kate Green Road)	55.016	436440-1-54-01/GOR96	453,496	-
<b>Florida Department of Management Services</b>				
E911 Maintenance	72.001	19-04-06	11,092	-
E911 System Maintenance	72.001	18-11-03	45,442	-
E911 Maintenance- Non wireless Allocation	72.001		14,201	-
e911 Maintenance- Wireless Allocation			33,836	-
E911 Maintenance- Supplemental Funds	72.002		70,164	-
<b>Florida Department of Health</b>				
E911 EMS Overdose Prevention in States	93.354	OPCR9	16,614	-
<b>Total expenditures of state financial assistance</b>			<b>\$ 2,726,687</b>	<b>\$ 216,134</b>

*The accompanying notes are an integral part of this schedule*

(Concluded)

**Notes to Schedule of Expenditures of State  
Financial Assistance**

**NOTE 1 – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance includes the federal and state award activity of the County under programs of the federal and state government for the year ended September 30, 2018. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulation Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and Chapter 10.550, Rules of the Auditor General. Because this schedule presents only a selected portion of the operation of the County, it is not intended to and does not present the financial position or changes in net position of the County.

**NOTE 2 – USE OF ESTIMATES**

The preparation of this schedule requires management to make various estimates. Actual results could differ from those estimates.

**NOTE 3 – SUBRECIPIENTS**

The County did not provide federal awards to subrecipients.

The County passed \$216,134 of State Housing Initiatives Partnership Program funds through to a subrecipient, Suwanee River Economic Council (SREC).

**NOTE 4 – INDIRECT COST RATE**

The County did not elect to charge the 10% de minimis indirect cost rate allowed under the Uniform Guidance or any other indirect cost rate to any federal or state programs.

**NOTE 5 – LOAN AND LOAN GUARANTEE PROGRAMS**

The County does not participate in any loan or loan guarantee programs.

## **Additional Elements Required by the Rules of the Auditor General**

## MANAGEMENT LETTER

The Honorable County Commissioners  
Dixie County, Florida

We have audited the financial statements of Dixie County, Florida (the "County"), as of and for the fiscal year ended September 30, 2019, and have issued our report thereon dated October 13, 2020.

### ***Auditors' Responsibility***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance). Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida and require that certain items be addressed in this letter.

### ***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 Report on Internal Control Over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountants' Reports on examinations conducted in accordance with *AICPA Professional Standards*, AT-C Section 315 regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedules, which are dated October 13, 2020, should be considered in conjunction with this management letter.

### ***Prior Audit Findings***

The Rules of the Auditor General require that we comment as to whether or not corrective actions have been taken to address findings and recommendations made in the preceding audit. If the audit findings in the preceding audit report are uncorrected, we are required to identify those findings that were also included in the second preceding audit report. See summary below for update on prior year findings.

#### ***Status of Prior Year Findings***

<b>Finding</b>	<b>Status FY 2019</b>
2017-001	Partially corrected
2017-002	Partially corrected
2017-003	Partially corrected
2017-004	Repeated as 2017-004
2017-005	Repeated as 2017-005
2017-006	Substantially corrected
2017-007	Substantially corrected
2017-008	Substantially corrected
2017-009	Substantially corrected

### ***Financial Condition and Management***

Financial Emergency Status - As required by the Rules of the Auditor General, the scope of our audit included a review of the provisions of Section 218.503, *Florida Statutes*, "Determination of Financial Emergency." In connection

with our audit, we determined that the County has not met one or more of the conditions described in Section 218.503(1), *Florida Statutes*.

Financial Condition Assessment - Also, as required by the Rules of the Auditor General, we applied financial condition assessment procedures, as of the end of the fiscal year, pursuant to Rule 10.556(8). It is management's responsibility to monitor financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by management. The application of such procedures did not reveal evidence of "deteriorating financial condition" as that term is defined in Rule 10.554.

Deteriorating Financial Conditions – From our audit procedures, we found the following conditions which together comprise "deteriorating financial conditions" as defined by Chapter 10.550 *Rules of the Auditor General*:

At year end the County's spendable fund balances of approximately \$3.78 million were only sufficient to cover approximately 15 percent or two months of the County's overall expenditures. This is less than the 25 percent generally accepted as a basic level of reserves for a governmental entity the size of Dixie County. Further, at year end there were eight operating funds with negative fund balances that totaled (\$2,153,222). These are indications of conditions that constitute deteriorating financial conditions.

To correct these deteriorating financial conditions we recommend that the County implement measures during the current and future budget cycles to assure that annual revenues are sufficient to fund expenditures and replenish needed fiscal reserves. Finances should be closely monitored to ensure that these objectives are met.

Section 10.554(1)(i)(2), Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. We had no such recommendations required to be included herein.

#### ***Additional Matters***

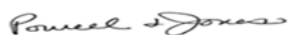
Section 10.554(2)(i)(3), Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we identified item 2017-010 as described in the Schedule of Findings and Questioned Costs.

As required by the Rules of the Auditor General, we performed separate audits of each of the County's constitutional officers. The comments included in those separately-issued reports should be considered in conjunction with this management letter.

#### ***Purpose of this Letter***

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

We wish to take this opportunity to thank you and your staff for the cooperation and courtesies extended to us during the course of the audit. Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.



**POWELL & JONES**  
**Certified Public Accountants**  
**October 13, 2020**

## **INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH SECTION 218.415, *FLORIDA STATUTES***

The Honorable Board of County Commissioners  
Dixie County, Florida

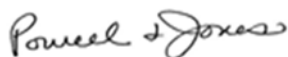
We have examined Dixie County, Florida's (the "County") compliance with the specified requirements of Section 218.415, *Florida Statutes, Local Government Investment Policies*, during year ended September 30, 2019. Management of the County is responsible for the County's compliance with the specified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

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

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

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

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



**POWELL & JONES**  
**Certified Public Accountants**  
**October 13, 2020**



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

The Honorable Board of County Commissioners  
Dixie County, Florida

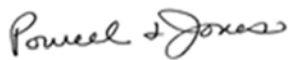
We have examined Dixie County, Florida's (the County) compliance with the specified requirements of Section 365.172(10), *Florida Statutes, Authorized Expenditures of E911 Fee*, and Section 365.173(2)(d), *Florida Statutes, Distribution and Use of (E911) Funds*, during year ended September 30, 2018. Management of County is responsible for the County's compliance with the specified requirements. Our responsibility is to express an opinion on the County's compliance with the specified requirements based on our examination.

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

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

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

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



**POWELL & JONES**  
**Certified Public Accountants**  
**October 13, 2020**

**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**

The Honorable Board of County Commissioners  
Dixie County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Dixie County, Florida (the "County"), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated October 13, 2020.

**Internal Control Over Financial Reporting**

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

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. We did identify deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2017-003 and 2017-004 that we consider to be material weaknesses.

### **Compliance and Other Matters**

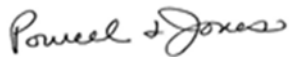
As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 auditing procedures disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. We did identify certain other matters which are described in the accompanying schedule of findings and questioned costs as items 2018-005 and 2018-010.

### **County's Response to Findings**

The County's response to the findings identified in our audit is described in its accompanying letter of response. The County's response was not subjected to 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 County'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.



**POWELL & JONES**  
**Certified Public Accountants**  
**October 13, 2020**

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A  
DIRECT AND MATERIAL EFFECT ON EACH MAJOR STATE PROJECT AND ON INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH CHAPTER 10.550, RULES OF THE AUDITOR GENERAL, OFFICE OF  
THE AUDITOR GENERAL**

To the Board of County Commissioners  
Dixie County, Florida

**Report on Compliance for Each Major State Project**

We have audited the compliance of Dixie County, Florida with the types of compliance requirements described in the State of Florida, Department of Financial Services State Projects Compliance and Supplement, that could have a direct and material effect on its major State project for the year ended September 30, 2019. Dixie County, Florida's major State projects are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

**Management's Responsibility**

Dixie County, Florida's management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its major State projects.

**Auditor's Responsibility**

Our responsibility is to express an opinion on Dixie County, Florida's compliance for each major State Project based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and Chapter 10.550, Rules of the State of Florida, Office of the Auditor General. Those standards and Chapter 10.550, Rules of the State of Florida, Office of the Auditor General, require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major State project occurred. An audit includes examining, on a test basis, evidence about Dixie County, Florida's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major State Project. However, our audit does not provide a legal determination of Dixie County, Florida's compliance.

**Opinion on Each Major State Project**

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

## Internal Control Over Compliance

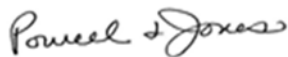
Management of Dixie County, Florida is responsible for establishing and maintaining effective internal control over the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Dixie County, Florida's internal control over compliance with the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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified a deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2017- 010 that we consider to be a significant deficiency.

The County's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Pursuant to Chapter 119, *Florida Statutes*, this report is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this report is intended solely for the information and use of Dixie County, Florida's management, State awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



**POWELL & JONES**  
**Certified Public Accountants**  
**October 13, 2020**

Schedule of Findings and Questioned Costs

PART I – SUMMARY OF AUDITORS’ RESULTS

- (i) The independent auditors’ report on the financial statements expressed unmodified opinions.
- (ii) The audit disclosed deficiencies in internal control over financial reporting that were considered to be material weaknesses.
- (iii) The audit did not disclose any instances of noncompliance considered material to the financial statements.
- (iv) The audit disclosed no significant deficiencies or material weaknesses in internal control over major state programs. The audit disclosed one significant deficiency and did not disclose any material weaknesses in internal control over major state projects.
- (v) The report on compliance with requirements applicable to the major major state project expressed an unmodified opinion.

The audit did not disclose a finding required to be disclosed in accordance with Chapter 10.557, Rules of the Auditor General. The audit did not disclose any material noncompliance findings.

- (vi) The County’s major program/projects were:

Small County Outreach Program (SCOP) 55.009

- (vii) A threshold of \$300,000 was used to distinguish between Type A and Type B programs for state projects.

PART II – FINANCIAL STATEMENT FINDINGS

2017-001 (Similar to previously reported items 2016-001 and 2015-001)

**Criteria:** Section 218.33, *Florida Statutes*, requires that local government entities follow uniform accounting practices and procedures including the use of proper accounting and fiscal management, which includes establishing and maintaining effective internal control to help ensure that appropriate goals and objectives are met and ensuring that management and financial information is reliable and properly reported.

**Condition:** As part of the audit, we proposed material adjustments to the County’s financial statements and it was necessary for us to assist in the preparation of the financial statements.

**Cause:** The staff do not possess sufficient skills to record all required journal entries and prepare the financial statements in conformity with generally accepted accounting principles.

Schedule of Findings and Questioned Costs

**Effect:** Management are not able to prepare the financial statements in conformity with generally accepted accounting principles; however we determined that management does have the skills, knowledge, and experience to review and approve the journal entries and financial statements.

**Current Year Status:** During the current year, the County retained an independent certified public accounting firm to adjust the financial records and prepare the countywide financial report. The firm's contract ended as of September 30, 2019.

2017-002 (Similar to previously reported items 2016-002 and 2015-002)

**Criteria:** Section 218.33, *Florida Statutes*, requires that local government entities follow uniform accounting practices and procedures including the use of proper accounting and fiscal management, which includes establishing and maintaining effective internal control to help ensure that appropriate goals and objectives are met and ensuring that management and financial information is reliable and properly reported.

**Condition:** Currently, there is not adequate segregation of duties so that no one employee has access to the accounting records and all phases of recording a transaction.

**Cause:** The staffing levels at the County are not sufficient for adequate segregation of duties in all areas.

**Effect:** The risk of payroll misstatement or fraud is enhanced.

**Current Year Status:** During the current year the County retained an independent certified public accounting firm to implement systems and processes to increase internal controls relating to fiscal management. It was not clear whether the changes fully corrected this finding.

2017-003 (Similar to previously reported items 2016-003 and 2015-003)

**Criteria:** Per rule 69I-73.006, Florida Administrative Code, management is required to perform a physical inventory count of all tangible property.

**Condition:** The County did not perform a physical inventory count of tangible assets in the current year.

**Cause:** The staffing levels are not sufficient to perform the physical inventory count.

**Effect:** The risk of inaccuracies in the tangible property records is enhanced.

**Current Year Status:** The County performed a comprehensive physical inventory during the year, but the property records had not been adjusted based upon this inventory.

Schedule of Findings and Questioned Costs

- 2017-004 (Similar to previously reported item 2016-004)
- Criteria:** Section 218.33, *Florida Statutes*, requires that local government entities follow uniform accounting practices and procedures including the use of proper accounting and fiscal management, which includes establishing and maintaining effective internal control to help ensure that appropriate goals and objectives are met and ensuring that management and financial information is reliable and properly reported. The internal control environment should include adequate segregation of duties within the financial reporting IT systems.
- Condition:** Members of the Accounting department have excessive access to the financial reporting IT systems.
- Cause:** The staffing levels are not sufficient for adequate segregation of duties in the IT systems.
- Effect:** The risk of misstatements is enhanced.
- Recommendation:** Where possible, the Office should restrict access to IT systems or functions or should provide compensating controls.
- 2017-005 (Similar to previously reported items 2016-005 and 2015-005)
- Criteria:** Section 218.33, *Florida Statutes*, requires that local government entities follow uniform accounting practices and procedures including the use of proper accounting and fiscal management, which includes ensuring that management and financial information is reliable and properly reported.
- Condition:** The County's Recreation and Library Fund has a deficit fund balance and an interfund balance with the General Fund. No repayments were made to reduce the balance during FY 2019.
- Cause:** The County anticipates grant funding to be received to enable the repayment of the interfund balance but it was not sufficient during FY 2018 or 2019.
- Effect:** The nonpayment of the loan could have a negative impact on the fund balance of the County's General Fund in the future.
- Recommendation:** The County's management should evaluate the likelihood of repaying the funds owed to the General Fund and take appropriate action to either forgive the loan or restructure it where payments are made over time to reduce the balance.
- Current Year Status:** Seven additional funds had negative fund balances at September 30, 2020. This remains a finding for the County.
- 2017-006 (Similar to previously reported items 2017-006 and 2016-008)
- Criteria:** The County is responsible for the preparation of a complete and accurate Schedule of Expenditures of State Financial Assistance (Rule 69I-5.003, F.A.C.).



Schedule of Findings and Questioned Costs

**Condition:** The County's procedures are not adequate to ensure the proper identification of financial assistance programs and preparation of an accurate Schedule of Expenditures of State Financial Assistance as required by the Florida Single Audit Act. Several grants were omitted from the original schedule.

**Cause:** Limited number of finance staff to review the Schedule of Expenditures of State Financial Assistance to ensure completeness and accuracy.

**Effect:** Failure to properly prepare the schedule could affect the selection of major projects, which could cause noncompliance with the Florida Administrative Code.

**Current Year Status:** This findings was substantially corrected during the current year.

2017-007 (Similar to previously reported items 2017-007 and 2016-006)

**Criteria:** The County is responsible for the preparation of a complete and accurate Schedule of Expenditures of Federal Awards (2 CFR 200.510).

**Condition:** The County's procedures are not adequate to ensure the proper identification of financial assistance programs and preparations of an accurate Schedule of Expenditures of Federal Awards. Certain grants were omitted from the schedule and the amount of expenditures for small projects related to the FEMA Public Assistance grant was not able to be determined.

**Cause –** Limited number of finance staff to review the Schedule of Expenditures of Federal Awards to ensure completeness and accuracy.

**Effect –** Failure to properly prepare the schedule could affect the selection of major programs, which could cause noncompliance with 2 CFR 200 single audit requirements.

**Current Year Status:** This finding was substantially corrected during the current year.

2017-008 **Criteria:** Section 218.33, *Florida Statutes*, requires that local government entities follow uniform accounting practices and procedures including the use of proper accounting and fiscal management, which includes establishing and maintaining effective internal control to help ensure that appropriate goals and objectives are met and ensuring that management and financial information is reliable and properly reported.

**Condition:** Certain controls over payroll could not be documented due to missing or misplaced documentation, including approved timesheets and personnel action forms documenting pay or status changes for employees.

**Cause:** Due to limited resources, the County relies on paper records which are more likely to be misplaced.

**Effect:** Internal controls could not be tested for payroll processes. Risk of misstatement is elevated.

**Current Year Status:** This finding was substantially corrected during the current year.

Schedule of Findings and Questioned Costs

- 2017-009      **Criteria:** Section 218.33, *Florida Statutes*, requires that local government entities follow uniform accounting practices and procedures including the use of proper accounting and fiscal management, which includes establishing and maintaining effective internal control to help ensure that appropriate goals and objectives are met and ensuring that management and financial information is reliable and properly reported.
- Condition:** The County relied on a single key finance individual for controls and knowledge for a significant number of processes. Turnover and lack of resources for cross-training and process documentation amplified this over-reliance. When the key finance individual was unexpectedly absent for an extended period, controls over a number of functions were reduced and delays in necessary processes were experienced. Reconciliations were not made to general ledger balances in a timely fashion (including cash) and we noted internal control weaknesses over bank reconciliations, fund balance classifications, accruals and closing entries, and the overall control environment.
- Cause –** Limited resources for cross-training and documentation of processes and internal controls.
- Effect –** The risk of misstatement is elevated, including delays in detecting misstatements due to lack of timely reconciliations.
- Current Year Status:** This finding was substantially corrected during the current year.

PART II – FINDINGS AND QUESTIONED COSTS – STATE PROJECTS

- 2017-010      **CSFA 40.901, State Housing Initiatives Partnership Program (SHIP), Florida Housing Finance Program**
- Questioned Costs:** None
- Criteria:** Per Section 420.907-9079, *Florida Statutes*, and Rule Chapter 67-37, *Florida Administrative Code*, the County must perform sufficient monitoring to ensure the compliance of subrecipients with grant requirements. In addition, an annual report is required to be completed and submitted to Florida Housing by September 15 of each year pursuant to Section 420.9071(4), *Florida Statutes*.
- Condition:** There were insufficient internal controls over the compliance with the Subrecipient Monitoring, including a reconciliation of the annual report which is prepared and submitted by the subrecipient on behalf of the County.
- Cause:** The County has a limited number of personnel monitoring grant compliance and did not consider SREC to be a subrecipient.
- Effect:** The County was not in compliance with the subrecipient monitoring requirement that requires local governments receiving SHIP funding to monitor the subrecipient's compliance.

The subrecipient did not include the SHIP funding received in its fiscal year 2018 Schedule of Expenditures of State Financial Assistance.

**Recommendation:** We recommend that appropriate policies, procedures, training, and tools be implemented to ensure compliance, including monitoring of the subrecipient and reconciliations of the annual reports submitted by the subrecipient on the County's behalf.

**Views of Responsible Officials:** See County's Response to Findings.

Prior Audit Findings

**None related to Federal or State Awards**

# *Board of County Commissioners*

Dixie County  
Post Office Box 1206  
Cross City, Florida 32628-1206  
Phone: (352) 498-1205 Fax: (352) 498-1476

December 14, 2020

Honorable Sherrill F. Norman  
Auditor General, State of Florida  
G74 Claude Pepper Building  
111 West Madison Street  
Tallahassee, FL 32399-1450

## **IN RE: RESPONSE TO AUDIT OF THE DIXIE COUNTY BOARD OF COUNTY COMMISSIONERS FOR THE FISCAL PERIOD ENDING SEPTEMBER 30, 2019.**

Dear Ms. Norman:

As Ad Interim Clerk of the Circuit Court of Dixie County, Florida, I hereby submit to you my response to the above referenced audit as prepared by the firm of Powell & Jones, 1359 S.W. Main Boulevard, Lake City, Florida 32025. Please note that I was appointed to this office as Ad Interim Clerk on June 5, 2020 to fill the gap until a newly elected Clerk of Court assumes office on January 5, 2021.

### **PART II – FINANCIAL STATEMENT FINDINGS**

**2017-001** (Similar to previously reported items 2016-001 and 2015-001.)

**Criteria:** Section 218.33, *Florida Statutes*, requires that local government entities follow uniform accounting practices and procedures including the use of proper accounting and fiscal management, which includes establishing and maintaining effective internal control to help ensure that appropriate goals and objectives are met and ensuring that management and financial information is reliable and properly reported.

**Condition:** As part of the audit we proposed material adjustments to the County's financial statements and it was necessary for us to assist in the preparation of the financial statements.

**Cause:** The staff do not possess sufficient skills to record all required journal entries and prepare the financial statements in conformity with generally accepted accounting principles.

# *Board of County Commissioners*

Dixie County  
Post Office Box 1206  
Cross City, Florida 32628-1206  
Phone: (352) 498-1205 Fax: (352) 498-1476

**Effect:** Management are not able to prepare the financial statements in conformity with generally accepted accounting principles; however, we determined that management does have the skills, knowledge, and experience to review and approve the journal entries and financial statements.

**Current Year Status:** During the current year, the County retained an independent certified public accounting firm to adjust the financial records and prepare the countywide financial report. The firm's contract ended as of September 30, 2019.

**RESPONSE TO 2017-001:** The certified public accounting firm was obligated to complete the necessary items needed for the FY 2019. Unfortunately, the firm failed to fully correct the issue. A new Clerk will be elected to the office November 3, 2020, taking office on January 5, 2021. It is our hope that appropriate staff will be retained and new staff hired in the finance office to correct the finding.

**2017-002** (Similar to previously reported items 2016-002 and 2015-002.)

**Criteria:** Section 218.33, *Florida Statutes*, requires that local government entities follow uniform accounting practices and procedures including the use of proper accounting and fiscal management, which includes establishing and maintaining effective internal control to help ensure that appropriate goals and objectives are met and ensuring that management and financial information is reliable and properly reported.

**Current Year Status:** During the current year the County retained an independent certified public accounting firm to implement systems and processes to increase internal controls relating to fiscal management. It was not clear whether the changes fully corrected this finding.

**RESPONSE TO 2017-002:** Currently, someone independent from the payroll process reviews and signs off on payroll prior to completion.

**2017-003** (Similar to previously reported items 2016-003 and 2015-003.)

**Criteria** – Per rule 69I-73.006, Florida Administrative Code, management are required to perform a physical inventory count of all tangible property.

**Condition** - The County did not perform a physical inventory count of tangible assets in the current year.

**Cause** – The staffing levels are not sufficient to perform the physical inventory count.



# *Board of County Commissioners*

Dixie County  
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**Effect** – The risk of inaccuracies in the tangible property records is enhanced.

**Current Year Status:** The County performed a comprehensive physical inventory during the year, but the property records had not been adjusted based upon this inventory.

**RESPONSE TO 2017-003:** The County was able to institute measures to perform the physical inventory. The County will evaluate and institute appropriate measures to assure that property records are adjusted to reflect changes.

**2017-004** (Similar to previously reported item 2016-004)

**Criteria:** Section 218.33, *Florida Statutes*, requires that local government entities follow uniform accounting practices and procedures including the use of proper accounting and fiscal management, which includes establishing and maintaining effective internal control to help ensure that appropriate goals and objectives are met and ensuring that management and financial information is reliable and properly reported. The internal control environment should include adequate segregation of duties within the financial reporting IT systems.

**Condition:** Members of the Accounting department have excessive access to the financial reporting IT systems.

**Cause:** The staffing levels are not sufficient for adequate segregation of duties in the IT systems.

**Effect:** The risk of misstatements is enhanced.

**Recommendation:** Where possible, the Office should restrict access to IT systems or functions or should provide compensating controls.

**RESPONSE TO 2017-004:** Permissions to IT systems and functions have been applied as much as possible, being short staffed, to limit access. In other areas, someone other than the employee processing is reviewing and signing off on the functions.

**2017-005** (Similar to previously reported items 2016-005 and 2015-006)

**Criteria:** Section 218.33, *Florida Statutes*, requires that local government entities follow uniform accounting practices and procedures including the use of proper accounting and fiscal management, which includes ensuring that management and financial information is reliable and properly reported.

# *Board of County Commissioners*

Dixie County

Post Office Box 1206

Cross City, Florida 32628-1206

Phone: (352) 498-1205 Fax: (352) 498-1476

**Condition:** The County's Recreation and Library Fund has a deficit fund balance and an interfund balance with the General Fund. No repayments were made to reduce the balance during FY 2019.

**Cause:** The County anticipates grant funding to be received to enable the repayment of the interfund balance but it was not sufficient during FY 2018 or 2019.

**Effect:** The nonpayment of the loan could have a negative impact on the fund balance of the County's General Fund in the future.

**Recommendation:** The County's management should evaluate the likelihood of repaying the funds owed to the General Fund and take appropriate action to either forgive the loan or restructure it where the payments are made over time to reduce the balance.

**Current Year Status:** Seven additional funds had negative fund balances at September 30, 2020.

**RESPONSE TO 2017-005:** The County is currently evaluating the feasibility of partial loan repayment and partial forgiveness of the amounts owed to General Fund from the Recreation and Library Fund. In reference to the additional negative fund balances at September 30, 2020, there are journal entries that were not yet entered for FY 2020.

**2017-006** (Similar to previously reported items 2017-008 and 2016-008)

**Criteria:** The County is responsible for the preparation of a complete and accurate Schedule of Expenditures of State Financial Assistance (Rule 69I-5.003, F.A.C.).

**Condition:** The County's procedures are not adequate to ensure the proper identification of financial assistance programs and preparation of an accurate Schedule of Expenditures of State Financial Assistance as required by the Florida Single Audit Act. Several grants were omitted from the original schedule.

**Cause:** Limited number of finance staff to review the Schedule of Expenditures of State Financial Assistance to ensure completeness and accuracy.

**Effect:** Failure to properly prepare the schedule could affect the selection of major projects, which could cause noncompliance with the Florida Administrative Code.



# *Board of County Commissioners*

Dixie County  
Post Office Box 1206  
Cross City, Florida 32628-1206  
Phone: (352) 498-1205 Fax: (352) 498-1476

**Current Year Status:** This finding was substantially corrected during the current year.

**2017-007** (Similar to previously reported items 2017-007 and 2016-006)

**Criteria:** The County is responsible for the preparation of a complete and accurate Schedule of Expenditures of Federal Awards (2 CFR 200.510).

**Condition:** The County's procedures are not adequate to ensure the proper identification of financial assistance programs and preparations of an accurate Schedule of Expenditures of Federal Awards. Certain grants were omitted from the schedule and the amount of expenditures for small projects related to the FEMA Public Assistance grant was not able to be determined.

**Cause:** Limited number of finance staff to review the Schedule of Expenditures of Federal Awards to ensure completeness and accuracy.

**Effect:** Failure to properly prepare the schedule could affect the selection of major programs, which could cause noncompliance with 2 CFR 200 single audit requirements.

**Current Year Status:** This finding was substantially corrected during the current year.

**2017-008**

**Criteria:** Section 218.33, *Florida Statutes*, requires that local government entities follow uniform accounting practices and procedures including the use of proper accounting and fiscal management, which includes establishing and maintaining effective internal control to help ensure that appropriate goals and objectives are met and ensuring that management and financial information is reliable and properly reported.

**Condition:** Certain controls over payroll could not be documented due to missing or misplaced documentation, including approved timesheets and personnel action forms documenting pay or status changes for employees.

**Cause:** Due to limited resources, the County relies on paper records which are more likely to be misplaced.

**Effect:** Internal controls could not be tested for payroll processes. Risk of misstatement is elevated.

# *Board of County Commissioners*

Dixie County

Post Office Box 1206

Cross City, Florida 32628-1206

Phone: (352) 498-1205 Fax: (352) 498-1476

**Current Year Status:** This finding was substantially corrected during the current year.

2017-009

**Criteria:** Section 218.33, *Florida Statutes*, requires that local government entities follow uniform accounting practices and procedures including the use of proper accounting and fiscal management, which includes establishing and maintaining effective internal control to help ensure that appropriate goals and objectives are met and ensuring that management and financial information is reliable and properly reported.

**Condition:** The County relied on a single key finance individual for controls and knowledge for a significant number of processes. Turnover and lack of resources for cross-training and process documentation amplified this over-reliance. When the key finance individual was unexpectedly absent for an extended period, controls over a number of functions were reduced and delays in necessary process were experienced. Reconciliations were not made to general ledger balances in a timely fashion (including cash) and we noted internal control weaknesses over bank reconciliations, fund balance classifications, accruals and closing entries, and the overall control environment.

**Cause:** Limited resources for cross-training and documentation of processes and internal controls.

**Effect:** The risk of misstatement is elevated, including delays in detecting misstatements due to lack of timely reconciliations.

**Current Year Status:** This finding was substantially corrected during the current year.

## PART II – FINDINGS AND QUESTIONED COSTS – STATE PROJECTS

### 2017-010 CSFA 40.901, State Housing Initiatives Partnership Program (SHIP), Florida Housing Finance Program

**Questioned Costs:** None

**Criteria:** Per Section 420.907-.9079, *Florida Statutes*, and Rule Chapter 67-37, *Florida Administrative Code*, the County must perform sufficient monitoring to ensure the compliance of subrecipients with grant requirements. In addition, an annual report is



# *Board of County Commissioners*

Dixie County

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required to be completed and submitted to Florida Housing by September 15 of each year pursuant to Section 420.9071(4), *Florida Statutes*.

**Condition:** There were insufficient internal controls over the compliance with the Subrecipient Monitoring, including a reconciliation of the annual report which is prepared and submitted by the subrecipient on behalf of the County.

**Cause:** The County has a limited number of personnel monitoring grant compliance and did not consider SREC to be a subrecipient.

**Effect:** The County was not in compliance with the subrecipient monitoring requirement that requires local governments receiving SHIP funding to monitor the subrecipient's compliance. The subrecipient did not include the SHIP funding received in its fiscal year 2018 Schedule of Expenditures of State Financial Assistance.

**Recommendation:** We recommend that appropriate policies, procedures, training, and tools be implemented to ensure compliance, including monitoring of the sub recipient and reconciliations of the annual reports submitted by the sub recipient on the County's behalf.

**RESPONSE TO 2017-010:** The County Manager and Grant Coordinator will coordinate with the newly elected Clerk, who will assume office on January 5, 2020, to implement the appropriate policies, procedures, training and tools.

Respectfully submitted,



Melissa Long  
Ad Interim Clerk

## AFFIDAVIT

BEFORE ME, the undersigned authority, personally appeared Melissa Long Chief Financial Officer of the Entity, who being duly sworn, deposes and says on oath that:

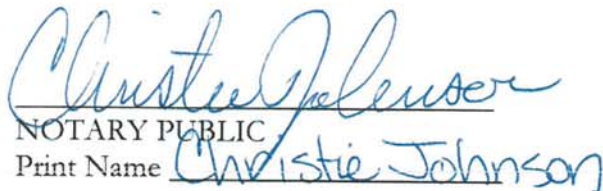
1. I am the Chief Financial Officer of Board of County Commissioners which is a local governmental entity of the State of Florida;
2. Board of County Commissioners adopted Ordinance No. **2009-01A** implementing an impact fee; and
3. Board of County Commissioners has complied and, as of the date of this Affidavit, remains in compliance with Section 163.31801, Florida Statutes.

FURTHER AFFIANT SAYETH NAUGHT.

  
(Chief Financial Officer of the Entity)

STATE OF FLORIDA  
COUNTY OF DIXIE

SWORN TO AND SUBSCRIBED before me this 15<sup>th</sup> day of December, 2020.

  
NOTARY PUBLIC  
Print Name Christie Johnson

Personally known X or produced identification \_\_\_\_\_

Type of identification produced: \_\_\_\_\_

My Commission Expires:



**Dixie County  
Clerk of the Circuit Court**

**Audit Report**

**September 30, 2019**

**Table of Contents**  
**September 30, 2019**

**REPORT**

Independent Auditors' Report	1
------------------------------	---

**FINANCIAL STATEMENTS**

Governmental Funds:

Balance Sheet	4
---------------	---

Statement of Revenues, Expenditures and Changes in Fund Balances	5
--	---

Fiduciary Funds:

Statement of Fiduciary Net Position	6
-------------------------------------	---

Notes to Financial Statements	7
-------------------------------	---

**REQUIRED SUPPLEMENTARY INFORMATION**

Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	11
---	----

Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Court Operating Fund	12
---	----

Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Records Modernization Trust Fund	13
---	----

**SUPPLEMENTARY INFORMATION**

Combining Statement of Fiduciary Net Position – Agency Funds	14
--	----

**ADDITIONAL ELEMENTS REQUIRED BY THE RULES OF THE AUDITOR**

**GENERAL**

Management Letter	16
-------------------	----

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	18
---	----

Independent Accountants' Report on Compliance with Section 218.415, Florida Statutes	20
---	----

Independent Accountants' Report on Compliance with Sections 28.35 and 28.36, Florida Statutes	21
--	----

Independent Accountants' Report on Compliance with Section 61.181, Florida Statutes	22
--	----

Schedule of Findings	23
----------------------	----

Elected Official's Response to Auditors' Comments	--
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**Powell & Jones**  
Certified Public Accountants

Richard C. Powell, Jr., CPA  
Marian Jones Powell, CPA

1359 S.W. Main Blvd.  
Lake City, Florida 32025  
386 / 755-4200  
Fax: 386 / 719-5504  
admin@powellandjonescpa.com

## **INDEPENDENT AUDITORS' REPORT**

The Honorable Melissa Long  
Clerk of the Circuit Court  
Dixie County, Florida

### **Report on the Financial Statements**

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

#### ***Management's Responsibility for the Financial Statements***

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

#### ***Auditors' Responsibility***

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the Office as of September 30, 2019, and the respective changes in financial position, where applicable, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

We draw attention to Note 1 to the financial statements, which describes that the accompanying financial statements were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are financial statements that do not constitute a complete presentation, but otherwise constitute financial statements prepared in accordance with generally accepted accounting principles. Our opinions are not modified with respect to this matter.

### ***Other Matters***

#### ***Required Supplementary Information***

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

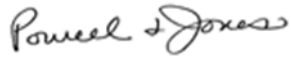
#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Office's financial statements. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 information is fairly stated in all material respects in relation to the financial statements as a whole.



**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 13, 2020 on our consideration of the Office's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Office'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 Office's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Powell & Jones".

**POWELL & JONES**  
**Certified Public Accountants**  
**October 13, 2020**

# Dixie County Clerk of the Circuit Court

## Balance Sheet – Governmental Funds September 30, 2019

	General Fund	Court Operating Fund	Records Modernization Trust Fund	Total Govern- mental Funds
<b>Assets</b>				
Cash and equivalents	\$ 15,881	\$ 10,271	\$ 28,416	\$ 54,568
Due from other funds	348,321	247,890	73,616	669,827
Due from other governments	17,187	10,826	-	28,013
Total assets	\$ 381,389	\$ 268,987	\$ 102,032	\$ 752,408
<b>Liabilities</b>				
Accounts payable and accrued liabilities	\$ 17,990	\$ 2,333	\$ -	\$ 20,323
Due to other funds	73,147	294,251	8,604	376,002
Due to other governments	-	22,250	-	22,250
Due to other county agencies	290,252	-	-	290,252
Total liabilities	381,389	318,834	8,604	708,827
<b>Fund balances</b>				
Unassigned	\$ -	(49,847)	\$ -	\$ (49,847)
Restricted	-	-	93,428	93,428
Total liabilities and fund balances	\$ 381,389	\$ 268,987	\$ 102,032	\$ 752,408

See accompanying notes.

# Dixie County Clerk of the Circuit Court

## Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds Year ended September 30, 2019

	General Fund	Court Operating Fund	Records Modernization Trust Fund	Total Govern- mental Funds
<b>Revenues</b>				
Intergovernmental revenues	\$ 87,596	\$ 200,442	\$ -	\$ 288,038
Charges for services	55,035	122,869	23,960	201,864
Fines and forfeitures	-	92,471	9,098	101,569
Miscellaneous revenue	503	639	94	1,236
<b>Total revenues</b>	<b>143,134</b>	<b>416,421</b>	<b>33,152</b>	<b>592,707</b>
<b>Expenditures</b>				
Current:				
General government	430,313	-	2,000	432,313
Court related	-	466,268	2,061	468,329
<b>Total expenditures</b>	<b>430,313</b>	<b>466,268</b>	<b>4,061</b>	<b>900,642</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(287,179)</b>	<b>(49,847)</b>	<b>29,091</b>	<b>(307,935)</b>
<b>Other financing sources (uses)</b>				
Appropriations from Board of County Commissioners	325,754	-	-	325,754
Reversion to Board of County Commissioners	(38,575)	-	-	(38,575)
<b>Total other financing sources (uses)</b>	<b>287,179</b>	<b>-</b>	<b>-</b>	<b>287,179</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>(49,847)</b>	<b>29,091</b>	<b>(20,756)</b>
<b>Fund balances - October 1, 2017</b>	<b>-</b>	<b>-</b>	<b>64,337</b>	<b>64,337</b>
<b>Fund balances - September 30, 2018</b>	<b>\$ -</b>	<b>\$ (49,847)</b>	<b>\$ 93,428</b>	<b>\$ 43,581</b>

See accompanying notes.

Dixie County Clerk of the Circuit Court

Statement of Fiduciary Net Position  
September 30, 2019

	Agency Funds
<b>Assets</b>	
Cash and equivalents	\$ 1,851,428
Due from other funds	3,818
<b>Total assets</b>	<b>1,855,246</b>
<b>Liabilities</b>	
Assets held for others	1,482,379
Due to other funds	297,643
Due to other county agencies	75,224
<b>Total liabilities</b>	<b>1,855,246</b>
<b>Net position</b>	<b>\$ -</b>

See accompanying notes.

Notes to Financial Statements

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the office of the Dixie County Clerk of the Circuit Court (the “Office”) conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies.

***Reporting Entity***

The Clerk of the Circuit Court is an elected constitutional officer, whose office is established by Article VIII of the Constitution of the State of Florida and is governed by various provisions of state law.

The Office is an integral part of Dixie County, which is the primary government for financial reporting purposes.

***Basis of Presentation***

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

***Fund Accounting***

Accounts are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Government resources are allocated to, and accounted for in, individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The focus of fund financial statements is on major funds, each displayed in a separate column. All nonmajor funds are aggregated and displayed in a single column.

The Office reports the following major governmental funds:

*General Fund* – The General Fund is the primary operating fund. It is used to account for and report all financial resources not accounted for and reported in another fund.

*Court Operating Fund* – The Court Operating Fund is used to account for court related activities funded by state appropriations and court-related fees and service charges.

*Records Modernization Trust Fund* – The Records Modernization Trust Fund is used to account for fees and fines collected and expenditures related to the upgrade and modernization of the official records of the County, and to fund court technology and other court-related expenditures.

Additionally, the Office reports the following fiduciary funds:

*Agency Funds* – Agency Funds are used to account for assets held in a custodial capacity.

Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

***Measurement Focus/Basis of Accounting***

All governmental funds are accounted for on a current financial resources measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of “available spendable resources.” Their operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets and, accordingly, are said to present a summary of sources and uses of “available spendable resources” during a period.

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 funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. However, principal and interest on long-term liabilities are recognized when due.

Agency fund assets and liabilities are accounted for on the accrual basis of accounting.

***Capital Assets and Long-Term Liabilities***

Because of the current financial resources measurement focus, the accompanying fund financial statements do not report capital assets or long-term liabilities. Such amounts are instead reported in the government-wide financial statements of the County.

***Cash and Equivalents***

All cash and equivalents are placed in a bank that qualifies as a public depository pursuant to the provisions of the Florida Security For Public Deposits Act. Every qualified public depository is required by this law to deposit with the Chief Financial Officer eligible collateral equal to, or in excess of, an amount to be determined by the Chief Financial Officer. The Chief Financial Officer is required to ensure that all funds are entirely insured or collateralized throughout the fiscal year. All the deposits of the Office are entirely collateralized pursuant to Chapter 280, Florida Statutes.

***Fund Balance***

The Office follows the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* to classify fund balances for governmental funds into specifically defined classifications. The classifications comprise a hierarchy based primarily on the extent to which the Office is bound to honor constraints on the specific purposes for which amounts in the funds can be spent.

## Dixie County Clerk of the Circuit Court

### Notes to Financial Statements

#### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The fund balance classifications specified in GASB Statement No. 54 are as follows:

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

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

*Committed Fund Balance* – Committed fund balances are amounts that can only be used for specific purposes as a result of constraints imposed by formal action of the Office's highest level of decision-making authority, which is a policy of the Office. Committed amounts cannot be used for any other purpose unless the Office removes those constraints by taking the same type of action.

*Assigned Fund Balance* – Assigned fund balances are amounts that are constrained by the Office's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by (a) the constitutional officer or (b) a body or official to which the constitutional officer has delegated the authority to assign amounts to be used for specific purposes.

*Unassigned Fund Balance* – Unassigned fund balance is the residual classification for the General Fund or negative balance in a special revenue fund.

The Office's policy is to expend resources in the following order: restricted, committed, assigned and unassigned.

#### *Use of Estimates*

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

#### NOTE 2 – FUND BALANCE CLASSIFICATIONS

Balances of reported fund balance at September 30, 2019 are as follows:

	Records Modernization Fund
Restricted for:	
Court technology	\$ 35,592
Records modernization	57,836
Totals	<u>\$ 93,428</u>

## Dixie County Clerk of the Circuit Court

### Notes to Financial Statements

#### NOTE 3 – INTERFUND BALANCES

At September 30, 2019, interfund balances consisted of:

Due From	Due To				Total
	General Fund	Court Operating Fund	Records Modernization	Agency Funds	
General fund	\$ -	\$ 22,506	\$ 50,641	\$ -	\$ 73,147
Court operating fund	292,352	-	-	1,899	294,251
Records modernization trust fund	8,604	-	-	-	8,604
Agency funds	47,365	225,384	22,975	1,919	297,643
Totals	\$ 348,321	\$ 247,890	\$ 73,616	\$ 3,818	\$ 673,645

The interfund balances above arose during the normal course of operations of the Office. All interfund balances are expected to be liquidated fully within the subsequent fiscal year.

#### NOTE 4 – INTERFUND BALANCES

At September 30, 2019 there was a deficit fund balance of (\$49,847) in the Court Operating Fund. It is anticipated that this deficit will be funded from transfers in the ensuing year.

#### NOTE 5 – CONTINGENT LIABILITIES STATE INVESTIGATION

In June, 2020, subsequent to year end, the Florida Department of Law Enforcement advised the Office that it was conducting an investigation into the activities and official duties of the former Clerk, Dana Cannon. The investigation is currently ongoing.

At the present time, it is not possible to estimate the eventual outcome of this contingency or the possible effect on the financial statements of the Office.



## **Required Supplementary Information**

# Dixie County Clerk of the Circuit Court

## Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual – General Fund Year ended September 30, 2019

	Budgeted Amounts			Variance
	Original	Final	Actual	With Final Budget
<b>Revenues</b>				
Intergovernmental revenues	\$ -	\$ -	\$ 87,596	\$ 87,596
Charges for services	46,000	46,000	55,035	9,035
Miscellaneous revenues	-	-	503	503
Total revenues	46,000	46,000	143,134	97,134
<b>Expenditures</b>				
Current:				
General government	371,754	371,754	430,313	(58,559)
<b>Excess of revenues over (under) expenditures</b>	(325,754)	(325,754)	(287,179)	38,575
<b>Other financing sources (uses)</b>				
Appropriation from board of county commissioners	325,754	325,754	325,754	-
Reversion to board of county commissioners	-	-	(38,575)	(38,575)
Total other financing sources (uses)	325,754	325,754	287,179	(38,575)
<b>Net change in fund balances</b>	-	-	-	-
<b>Fund balances - October 1, 2018</b>	-	-	-	-
<b>Fund balances - September 30, 2019</b>	\$ -	\$ -	\$ -	\$ -

### Notes to Schedule:

The budget is prepared on a basis that does not differ materially from generally accepted accounting principles. Its preparation, adoption, and amendment is governed by Florida Statutes. The fund is the legal level of control.

## Dixie County Clerk of the Circuit Court

### Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual – Court Operating Fund Year ended September 30, 2019

	Budgeted Amounts			Variance
	Original	Final	Actual	With Final Budget
<b>Revenues</b>				
Intergovernmental revenue	\$ 269,368	\$ 269,368	\$ 200,442	\$ (68,926)
Charges for services	111,100	111,100	122,869	11,769
Fines and forfeitures	89,000	89,000	92,471	3,471
Miscellaneous revenue	150	150	639	489
<b>Total revenues</b>	<b>469,618</b>	<b>469,618</b>	<b>416,421</b>	<b>(53,197)</b>
<b>Expenditures</b>				
Current:				
Court related	469,618	469,618	466,268	3,350
<b>Excess of revenues over (under) expenditures</b>	<b>-</b>	<b>-</b>	<b>(49,847)</b>	<b>(49,847)</b>
<b>Fund balances - October 1, 2018</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balances - October 1, 2019</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (49,847)</b>	<b>\$ (49,847)</b>

#### Notes to Schedule:

The budget is prepared on a basis that does not differ materially from generally accepted accounting principles. Its preparation, adoption, and amendment is governed by Florida Statutes. Pursuant to Section 28.36, Florida Statutes, the budget is subject to the General Appropriations Act of the Florida Legislature. The State of Florida releases this appropriation on a monthly basis. The fund is the legal level of control.

# Dixie County Clerk of the Circuit Court

## Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual – Records Modernization Fund Year ended September 30, 2019

	Budgeted Amounts			Variance
	Original	Final	Actual	With Final Budget
<b>Revenues</b>				
Charges for services	\$ 20,500	\$ 20,500	\$ 23,960	\$ 3,460
Fines and forfeitures	9,000	9,000	9,098	98
Miscellaneous revenue	24	24	94	70
<b>Total revenues</b>	<b>29,524</b>	<b>29,524</b>	<b>33,152</b>	<b>3,628</b>
<b>Expenditures</b>				
Current:				
General government	63,920	63,920	2,000	61,920
Court related	31,704	31,704	2,061	29,643
<b>Total expenditures</b>	<b>95,624</b>	<b>95,624</b>	<b>4,061</b>	<b>91,563</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(66,100)</b>	<b>(66,100)</b>	<b>29,091</b>	<b>95,191</b>
<b>Fund balances - October 1, 2018</b>	<b>66,100</b>	<b>66,100</b>	<b>64,337</b>	<b>(1,763)</b>
<b>Fund balances - September 30, 2019</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 93,428</b>	<b>\$ 93,428</b>

### Notes to Schedule:

The budget is prepared on a basis that does not differ materially from generally accepted accounting principles. Its preparation, adoption, and amendment is governed by Florida Statutes. The fund is the legal level of control.

## **Supplementary Information**

**Dixie County Clerk of the Circuit Court**

**Combining Statement of Fiduciary Net Position**

**Agency Funds**

**September 30, 2019**

	General Agency Trust Fund	Domestic Relations Fund	Traffic Fund	Court Fund	Registry of Court Fund
<b>Assets</b>					
Cash and equivalents	\$ 1,002,420	\$ 6,667	\$ 326,516	\$ 2,249	\$ 64,983
Due from other funds	2,279	-	1,539	-	-
<b>Total assets</b>	<b>1,004,699</b>	<b>6,667</b>	<b>328,055</b>	<b>2,249</b>	<b>64,983</b>
<b>Liabilities</b>					
Assets held for others	818,452	6,667	141,435	2,249	64,983
Due to other funds	168,519	-	129,124	-	-
Due to other county agencies	17,728	-	57,496	-	-
<b>Total liabilities</b>	<b>1,004,699</b>	<b>6,667</b>	<b>328,055</b>	<b>2,249</b>	<b>64,983</b>
<b>Net position</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

# Dixie County Clerk of the Circuit Court

## Combining Statement of Fiduciary Net Position

### Agency Funds

September 30, 2019

	Witness Payroll Fund	Bond Fund	Tax Deed Fund	Total Agency Funds
<b>Assets</b>				
Cash and equivalents	\$ 386	\$ 48,694	\$ 399,513	\$ 1,851,428
Due from other funds	-	-	-	3,818
Total assets	386	48,694	399,513	1,855,246
<b>Liabilities</b>				
Assets held for others	386	48,694	399,513	1,482,379
Due to other funds	-	-	-	297,643
Due to other county agencies	-	-	-	75,224
Total liabilities	386	48,694	399,513	1,855,246
<b>Net position</b>	\$ -	\$ -	\$ -	\$ -

## **Additional Elements Required by the Rules of the Auditor General**



## **MANAGEMENT LETTER**

The Honorable Melissa Long  
Clerk of the Circuit Court  
Dixie County, Florida

We have audited the financial statements of the office of the Dixie County Clerk of the Circuit Court (the "Office"), as of and for the year ended September 30, 2019, and have issued our report thereon dated October 13, 2020. That report should be considered in conjunction with this management letter.

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

### **Other Reporting Requirements**

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards; and Independent Accountant's Report on examinations conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated October 13, 2020, should be considered in conjunction with this management letter.

### **Prior Audit Findings**

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Prior audit findings 2017-001, 2017-002, and 2017-003, 2017-004; 2017-006; 2017-008; 2017-009; and 2017-010 are repeated in the accompanying schedule of findings.

### **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 do not have any 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 attentions of those charged with governance. In connection with our audit, we did not note any such findings.

### **Purpose of this Letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Dixie County Clerk of the Circuit Court, and applicable

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

We wish to take this opportunity to thank you and your staff for the cooperation and courtesies extended to us during the course of the audit. Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.

A handwritten signature in cursive script that reads "Powell & Jones".

**POWELL & JONES**  
**Certified Public Accountants**  
**October 13, 2020**

**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***

The Honorable Melissa Long  
Clerk of the Circuit Court  
Dixie County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of each major fund and the aggregate remaining fund information of the office of the Dixie County Clerk of the Circuit Court (the "Office"), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Office's financial statements, and have issued our report thereon dated October 13, 2020.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Office'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 Office's internal control. Accordingly, we do not express an opinion on the effectiveness of the Office's internal control.

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings as items 2017-001 through 2017-004 and 2017-006 through 2017-009 to be material weaknesses.

A *significant deficiency* is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings as item 2017-005 to be a significant deficiency.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Office'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 instances of noncompliance or other matters that are required to be

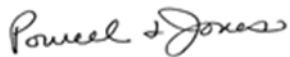
reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings as items 2018-004, 2018-008 and 2018-009.

**The Office's Response to Findings**

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

**Purpose of this Report**

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

A handwritten signature in cursive script that reads "Powell & Jones".

**POWELL & JONES**  
**Certified Public Accountants**  
**October 13, 2020**

## **INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES**

The Honorable Melissa Long  
Clerk of the Circuit Court  
Dixie County, Florida

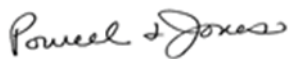
We have examined the office of the Dixie County Clerk of the Circuit Court's (the "Office") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2019. Management is responsible for the Office's compliance with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

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

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

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

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



**POWELL & JONES**  
**Certified Public Accountants**  
**October 13, 2020**

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH SECTIONS 28.35 AND 28.36, FLORIDA  
STATUTES**

The Honorable Melissa Long  
Clerk of the Circuit Court  
Dixie County, Florida

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

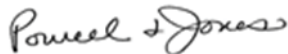
Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Office complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Office 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 Office's compliance with specified requirements.

Our examination disclosed material noncompliance with the aforementioned requirements, described in the accompanying schedule of findings as items 2017-009 and 2017-010, applicable to the Office during the year ended September 30, 2019. These conditions were considered in determining the nature, timing, and extent of audit tests applied in our audit of the 2019 financial statements, and this report does not affect our report dated October 13, 2020 on those financial statements.

In our opinion, because of the effect of the noncompliance described in the preceding paragraph, the Office has not complied with the aforementioned requirements during the year ended September 30, 2019.

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



**POWELL & JONES**  
**Certified Public Accountants**  
**October 13, 2020**

## INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH SECTION 61.181, FLORIDA STATUTES

The Honorable Melissa Long  
Clerk of the Circuit Court  
Dixie County, Florida

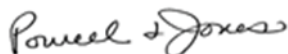
We have examined the office of the Dixie County Clerk of the Circuit Court's compliance with the requirements of Section 61.181, Florida Statutes, *Depository for Alimony Transactions, Support, Maintenance, and Support, Payments; Fees*, for the year ended September 30, 2019. Management is responsible for the Office's compliance with those requirements. Our responsibility is to express an opinion on the Office'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 Office complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Office complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

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

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



**POWELL & JONES**  
**Certified Public Accountants**  
**October 13, 2020**

## Dixie County Clerk of the Circuit Court

### Schedule of Findings

- 2017-001 (Reported in the preceding audit reports as items 2017-001 and 2016-001.)
- Criteria** – The internal control environment should include adequate segregation of duties within significant processes.
- Condition** — The Office does not have adequate segregation of duties so that no one employee has access to both physical assets and the related accounting records, or to all phases of a transaction.
- Cause** – The staffing levels are not sufficient for adequate segregation of duties in all areas.
- Effect** – The risk of misstatement or fraud is enhanced.
- Recommendation** — Where possible, the Office should provide compensating controls. For example, someone independent of the receipts and disbursement functions should perform bank reconciliations.
- 2017-002 (Reported in the preceding audit report as item 2017-002.)
- Criteria** – The internal control environment should include adequate segregation of duties within the financial reporting IT systems.
- Condition** — Within the accounting IT system, employees in the finance department have access to: 1) both initiate and approve journal entries; and 2) both change employee pay rates and process payroll.
- Cause** – In a small office, the staffing levels are not sufficient for adequate segregation of duties in the IT systems.
- Effect** – The risk of fraud and management override of controls are enhanced.
- Recommendation** — Where possible, the Office should restrict access to IT systems or functions or should provide compensating controls.
- 2017-003 (Reported in the preceding audit reports as items 2017-003 and 2016-003.)
- Criteria** – Cash on deposit should be reconciled to the bank balance.
- Condition** — The Office's subsidiary ledgers for its Registry Fund, Cash Bonds Fund and the Tax Deed Fund were improved during the year but still do not reconcile to the amount of cash on deposit in the bank.
- Cause** – The responsible personnel did not perform accurate or timely reconciliations, resulting in large unreconciled differences.
- Effect** – This condition can lead to improper distribution of funds held in agency.
- Recommendation** — The Office should continue its efforts to identify funds held in custodial capacity and consult with legal counsel as to the disposition of any unidentified funds.



Schedule of Findings

- 2017-004      **Criteria** – Court collections should be remitted timely to the FDOR and court revenues should be recognized in the proper accounting period.
- Condition** — The Office did not remit court collections to the FDOR timely nor were the related court revenues recognized in the proper accounting period.
- Cause** – The finance officer was on medical leave for several weeks and the remaining finance staff had not been sufficiently cross-trained to perform the court collection remittance and revenue posting.
- Effect** – This condition can lead to material noncompliance with the Florida Statutes and improper revenue recognition.
- Recommendation** — The Office should cross-train finance employees to ensure that collections are remitted timely to the FDOR and to ensure that appropriate revenue recognition policies are followed, even when the disbursements from the Traffic Trust and General Trust are delayed. Cross-training should also be implemented in the event of the absence/departure of a key employee.
- 2017-005      **Criteria** – Employee pay rates and payroll runs should be documented as approved by a member of management.
- Condition** — We noted instances where the pay rates in effect had no documented approval and we also noted that there was not consistent evidence of a signoff or review of the payroll runs.
- Cause** – Inadequate management oversight.
- Effect** – The risk of fraud and material misstatement of payroll expenditures is increased.
- Current Year Status:** This finding was substantially corrected during the current year.
- Criteria** – Bank reconciliations should be performed timely and be reviewed, and should be documented as such with dates and signatures.
- Condition** — Bank reconciliations are not performed in such a way that 1) timeliness of the reconciliation is evident and 2) there is evidence of who performed and who reviewed the bank reconciliation and when.
- Cause** – Finance staff are not cross-trained to perform bank reconciliations, and bank reconciliations are currently not dated as to when they were performed or reviewed.
- Effect** – As a result of this condition, bank reconciliations are being performed late and error or fraud will not be corrected or detected in a timely manner by a reviewer.
- Recommendation** — The Office should cross-train finance staff to perform bank reconciliations and should date when the reconciliation was performed. The finance director or Clerk should review the bank reconciliations and document with a signature and date that they were reviewed.

## Dixie County Clerk of the Circuit Court

### Schedule of Findings

- 2017-007      **Criteria** – Under the modified accrual basis of accounting, expenditures are to be recorded when incurred.
- Condition** — The Office failed to accrue for payroll and health insurance paid after year-end but incurred in FY17. The Office also failed to recognize jury payroll expenditures in the proper accounting period (expenditures were recorded when cash was transferred to the Court Account rather than when the expenditures were actually incurred).
- Cause** – The Office is small and finance personnel and management do not have knowledge of the applicable Generally Accepted Accounting Principles.
- Effect** – This condition can lead to material misstatement of expenditures and ending fund balance as well as unrecorded liabilities.
- Current Year Status** - This finding was not present during the current year.
- 2017-008      **Criteria** – The reversion to the Dixie County BOCC at fiscal year-end should be in accordance with Section 218.36 Florida Statutes.
- Condition** — The Office did not keep an accurate accounting of all fees and expenditures in the General Fund and as such did not calculate the correct reversion to the Board of County Commissioners.
- Cause** – As per the cause in findings 2017-004 and 2017-007, revenues and expenditures were not complete for the period and resulted in an incorrect calculation.
- Effect** – This condition can lead to material noncompliance as well as material misstatement in ending fund balance, accounts payable, and other financing uses.
- Recommendation** — In addition to the recommendations indicated at findings 2017-004 and 2018-007, the Office should implement monitoring activities to ensure that revenues and expenditures are complete.
- 2017-009      **Criteria** – The Expenditure and Collection Report (the “EC Report”) reported monthly to the CCOC should be prepared so that it agrees to the underlying accounting records.
- Condition** — The Office did not complete the FY17 EC Report correctly. Jury expenditures were “double counted” in certain months and other expenditures that should have been accrued and recorded on the EC Report (refer to finding 2017-007) were not. Expenditures of 10% monies also did not agree to the underlying accounting records.
- Cause** – The finance director (who prepares the monthly EC Report) was on medical leave for several weeks and other finance personnel are not cross-trained to complete this report. Additionally, a documented review is not taking place in which the report is reconciled to the accounting records prior to submission.
- Effect** – This condition can lead to noncompliance in reporting accurate and complete information to the CCOC, incorrect settle-up calculations, and can also result in future budget request shortages if all expenditures are not reported.

Schedule of Findings

**Recommendation** — The Office should cross-train employees to complete the EC Report in the event of a key employee's absence or departure, and should also implement a review (with signature and date) to document that the reviewer was able to reconcile the report to the accounting records each month.

2017-010

**Criteria** – The budget for the Office's court fund, along with monthly court collections, weekly documentary and intangible stamp collections, and quarterly reports are required to be submitted to the State by deadlines specified by Statute.

**Condition** — The Office did not remit the required items by the specified deadlines a significant majority of the time.

**Cause** – The personnel responsible for preparing the required submissions did not have effective oversight of the weekly, monthly, quarterly, and annual processes.

**Effect** – This condition results in noncompliance with the specified Statutes. A potential effect is that repeated delays in the required submissions could result in delinquent status with the State of Florida. Another potential effect is improper or inaccurate reporting to the State of Florida due to a significant lapse of time since the reportable activity.

**Recommendation** — Management of the Office should implement policies and practices to ensure that all reports, budgets, and collections are submitted by the deadlines specified by the Florida Statutes.

# *Clerk of the Circuit and County Court*

Melissa Long

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December 14, 2020

Honorable Sherrill F. Norman  
Auditor General, State of Florida  
G74 Claude Pepper Building  
111 West Madison Street  
Tallahassee, FL 32399-1450

## **IN RE: RESPONSE TO AUDIT OF THE DIXIE COUNTY CLERK OF THE CIRCUIT COURT FOR THE FISCAL PERIOD ENDING SEPTEMBER 30, 2019.**

Dear Ms. Norman:

As Ad Interim Clerk of the Circuit Court of Dixie County, Florida, I hereby submit to you my response to the above referenced audit as prepared by the firm of Powell & Jones, 1359 S.W. Main Boulevard, Lake City, Florida 32025. Please note that I was appointed to this office as Ad Interim Clerk on June 5, 2020 to fill the gap until a newly elected Clerk of Court assumes office on January 5, 2021. These responses are answered to the best of my knowledge.

**2017-001** (Reported in the preceding audit reports as items 2017-001 and 2016-001.)

**Criteria:** The internal control environment should include adequate segregation of duties within significant processes.

**Condition:** The Office does not have adequate segregation of duties so that on one employee has access to both physical assets and the related accounting records, or to all phases of a transaction.

**Cause:** The staffing levels are not sufficient for adequate segregation of duties in all areas.

**Effect:** The risk of misstatement or fraud is enhanced.

# *Clerk of the Circuit and County Court*

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**Recommendation:** Where possible, the Office should provide compensating controls. For example, someone independent of the receipts and disbursement functions should perform bank reconciliations.

**RESPONSE TO 2017-001:** The same person performed the duties as finance officer to the Board and finance officer to the Clerk, as obligated to complete the necessary items needed for the FY 2019. Unfortunately, the firm failed to fully correct the issue. A new Clerk will be elected to the office November 3, 2020, taking office on January 5, 2021. It is our hope that appropriate staff will be retained and new staff hired in the finance office to correct the finding.

**2017-002** (Reported in the preceding audit report as item 2017-002.)

**Criteria:** The internal control environment should include adequate segregation of duties within the financial reporting IT systems.

**Condition:** Within the accounting IT system, employees in the finance department have access to: 1) both initiate and approve journal entries; and 2) both change employee pay rates and process payroll.

**Cause:** In a small office, the staffing levels are not sufficient for adequate segregation of duties in the IT systems.

**Effect:** The risk of fraud and management override of controls are enhanced.

**Recommendation:** Where possible, the Office should restrict access to IT systems or functions or should provide compensating controls.

**RESPONSE TO 2017-002:** The employee initiating the journal entries does not have access to approve those entries, and the employee processing payroll does not have access to change pay rates.

**2017-003** (Reported in the preceding audit reports as items 2017-003 and 2016-003.)

**Criteria** – Cash on deposit should be reconciled to the bank balance.

# *Clerk of the Circuit and County Court*

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**Condition** - The Office's subsidiary ledgers for its Registry Fund, Cash Bonds Fund and the Tax Deed Fund were improved during the year but still do not reconcile to the amount of cash on deposit in the bank.

**Cause:** The responsible personnel did not perform accurate or timely reconciliations, resulting in large unreconciled differences.

**Effect:** This condition can lead to improper distribution of funds held in agency.

**Recommendation:** The Office should continue its efforts to identify funds held in custodial capacity and consult with legal counsel as to the disposition of any unidentified funds.

**RESPONSE TO 2017-003:** These accounts are not currently in the accounting system general ledger, which would correct this finding. With my limited time in office and having so many issues to correct, my hope is the newly elected Clerk will be able to implement proper procedures.

## 2017-004

**Criteria:** Court collections should be remitted timely to the FDOR and court revenues should be recognized in the proper accounting period.

**Condition:** The Office did not remit court collections to the FDOR timely nor were the related court revenues recognized in the proper accounting period.

**Cause:** The finance office was on medical leave for several weeks and the remaining finance staff had not been sufficiently cross-trained to perform the court collection remittance and revenue posting.

**Effect:** This condition can lead to material noncompliance with the Florida Statutes and improper revenue recognition.

**Recommendation:** The Office should cross-train finance employees to ensure that collections are remitted timely to the FDOR and to ensure that appropriate revenue recognition policies are followed, even when the disbursements from the Traffic Trust and General Trust are delayed. Cross-training should also be implemented in the event of the absence/departure of a key employee.



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**RESPONSE TO 2017-004:** I have retained assistance with the court disbursements and they have been remitted to FDOR to date. Also, see the response to 2017-006.

## **2017-005**

**Criteria:** Employee pay rates and payroll runs should be documented as approved by a member of management.

**Condition:** We noted instances where the pay rates in effect had no documented approval and we also noted that there was not consistent evidence of a signoff or review of the payroll runs.

**Cause:** Inadequate management oversight.

**Effect:** The risk of fraud and material misstatement of payroll expenditures in increased.

**Current Year Status:** This finding was substantially corrected during the current year.

## **2017-006**

**Criteria:** Bank reconciliations should be performed timely and be reviewed, and should be documented as such with dates and signatures.

**Condition:** Bank reconciliations are not performed in such a way that 1) timeliness of the reconciliation is evident and 2) there is evidence of who performed and who reviewed the bank reconciliation and when.

**Cause:** Finance staff are not cross-trained to perform bank reconciliations, and bank reconciliations are currently not dated as to when they were performed or reviewed.

**Effect:** As a result of this condition, bank reconciliations are being performed late and error or fraud will not be corrected or detected in a timely manner by a reviewer.

# *Clerk of the Circuit and County Court*

Melissa Long

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**Recommendation:** The Office should cross-train finance staff to perform bank reconciliations and should date when the reconciliation was performed. The finance director or Clerk should review the bank reconciliations and document with a signature and date that they were reviewed.

**RESPONSE TO 2017-006:** The former Clerk retained the services of a certified accounting firm to assist and prepare for the 2018 and the 2019 audits and to propose policies and procedures, to include training of all employees. They were later given the

duties of the finance officer, with access to the finance officer on medical leave for and questions or information to assist them. However, all of those duties were not performed.

## **2017-007**

**Criteria:** Under the modified accrual basis of accounting, expenditures are to be recorded when incurred.

**Condition:** The Office failed to accrue for payroll and health insurance paid after year-end but incurred in FY 17. The Office failed to recognize jury payroll expenditures in the proper accounting period (expenditures were recorded when cash was transferred to the Court Account rather than when the expenditures were actually incurred).

**Cause:** The Office is small and finance personnel and management do not have knowledge of the applicable Generally Accepted Accounting Principles.

**Effect:** This condition can lead to material misstatement of expenditures and ending fund balance as well as unrecorded liabilities.

**Current Year Status:** This finding was not present during the current year.

## **2017-008**

**Criteria:** The reversion to the Dixie County BOCC at fiscal year-end should be in accordance with Section 218.36 Florida Statutes.



# *Clerk of the Circuit and County Court*

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**Condition:** The Office did not keep an accurate accounting of all fees and expenditures in the General Fund and as such did not calculate the correct reversion to the Board of County Commissioners.

**Cause:** As per the cause in findings 2017-004 and 2017-007, revenues and expenditures were not complete for the period and resulted in an incorrect calculation.

**Effect:** This condition can lead to material noncompliance as well as material misstatement in ending fund balance, accounts payable, and other financing uses.

**Recommendation:** In addition to the recommendations indicated at findings 2017-004 and 2018-007, the Office should implement monitoring activities to ensure that revenues and expenditures are complete.

**RESPONSE TO 2017-008:** See response to 2017-006. The firm was performing the duties of the finance officer, however failed to post the proper entries. Their contract ended with the FY 2019 audit release.

## **2017-009**

**Criteria:** The Expenditure and Collection Report (the "EC Report") reported monthly to the CCOC should be prepared so that it agrees to the underlying accounting records.

**Condition:** The Office did not complete the FY 17 EC Report correctly. Jury expenditures were "double counted" in certain months and other expenditures that should have been accrued and recorded on the EC Report (refer to finding 2017-007) were not. Expenditures of 10% monies also did not agree to the underlying accounting records.

**Cause:** The finance director (who prepares the monthly EC Report) was on medical leave for several weeks and other finance personnel are not cross-trained to complete this report. Additionally, a documented review is not taking place in which the report is reconciled to the accounting records prior to submission.

# *Clerk of the Circuit and County Court*

Melissa Long

Dixie County Courthouse

214 Northeast Highway 351, Suite M

Post Office Box 1206, Cross City, Florida 32628-1206

Phone (352) 498-1200

[www.dixieclerk.com](http://www.dixieclerk.com)

Fax (352) 498-1201

**Effect:** This condition can lead to noncompliance in reporting accurate and complete information to the CCOC, incorrect settle-up calculations, and can also result in future budget request shortages if all expenditures are not reported.

**Recommendation:** The Office should cross-train employees to complete the EC Report in the event of a key employee's absence or departure, and should also implement a review (with signature and date) to document that the reviewer was able to reconcile the report to the accounting records each month.

**RESPONSE TO 2017-009:** The previous Clerk was performing this task until I was appointed Ad Interim Clerk. I have retained assistance with the EC Report and it is currently being submitted.

## 2017-010

**Criteria:** The budget for the Office's court fund, along with monthly court collections, weekly documentary and intangible stamp collections, and quarterly reports are required to be submitted to the State by deadlines specified by Statute.

**Condition:** The Office did not remit the required items by the specified deadlines a significant majority of the time.

**Cause:** The personnel responsible for preparing the required submissions did not have effective oversight of the weekly, monthly, quarterly, and annual processes.

**Effect:** This condition results in noncompliance with the specified Statutes. A potential effect is that repeated delays in the required submissions could result in delinquent status with the State of Florida due to a significant lapse of time since the reportable activity.

**Recommendation:** Management of the Office should implement policies and practices to ensure that all reports, budget, and collections are submitted by the deadlines specified by the Florida Statutes.

# *Clerk of the Circuit and County Court*

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**RESPONSE TO 2017-010:** The County Manager will coordinate with the newly elected Clerk, who will assume office on January 5, 2020, to implement the appropriate policies, procedures, training and tools.

Respectfully submitted,



Melissa Long  
Ad Interim Clerk

**Dixie County  
Property Appraiser**

**Audit Report**

**September 30, 2019**

**DIXIE COUNTY PROPERTY APPRAISER  
TABLE OF CONTENTS**

**REPORT**

Independent Auditor's Report	1
------------------------------	---

**SPECIAL PURPOSE FINANCIAL STATEMENTS**

Governmental Funds:

Balance Sheet	3
---------------	---

Statement of Revenues, Expenditures and Changes in Fund Balance	4
---	---

Notes to Financial Statements	5
-------------------------------	---

**REQUIRED SUPPLEMENTARY INFORMATION**

Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	8
--	---

**ADDITIONAL ELEMENTS REQUIRED BY THE RULES OF THE AUDITOR  
GENERAL**

Management Letter	9
-------------------	---

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	10
---	----

Independent Accountant's Report on Compliance with Section 218.415, Florida Statutes	12
--	----

Elected Official's Response to Auditor's Comments	---
---	-----



**Powell & Jones**  
Certified Public Accountants

Richard C. Powell, Jr., CPA  
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**INDEPENDENT AUDITOR'S REPORT**

The Honorable Robert Lee  
Property Appraiser  
Dixie County, Florida

**Report on the Financial Statements**

We have audited the accompanying financial statements of the office of the Dixie County Property Appraiser (the "Office") as of and for the year ended September 30, 2019 and the related notes to the financial statements, which collectively comprise the Office's special purpose financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

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

***Auditor's Responsibility***

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

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

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

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Office as of September 30, 2019, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Emphasis of Matter***

We draw attention to Note 1 to the financial statements, which describes that the accompanying financial statements were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are special purpose financial statements that do not constitute a complete presentation, but otherwise constitute financial statements prepared in accordance with generally accepted accounting principles. Our opinion is not modified with respect to this matter.

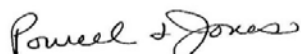
***Other Matters***

***Required Supplementary Information***

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

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 20, 2020, on our consideration of the Office'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 Officer'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 Office's internal control over financial reporting and compliance.



**POWELL & JONES**  
**Certified Public Accountants**  
**September 20, 2020**

**Dixie County Property Appraiser**

**Balance Sheet – Governmental Funds  
September 30, 2019**

	General Fund
<hr/>	
<b>Assets</b>	
Cash and equivalents	\$ 123,700
<hr/>	
Total assets	\$ 123,700
<hr/>	
<b>Liabilities and fund balance</b>	
Liabilities:	
Accounts payable and accrued liabilities	\$ 58,267
Due to other county agencies	65,433
<hr/>	
Total liabilities	123,700
Fund balance	-
<hr/>	
Total liabilities and fund balance	\$ 123,700
<hr/>	

*See accompanying notes.*



**Dixie County Property Appraiser**

**Statement of Revenues, Expenditures and Changes in Fund Balance  
Governmental Funds  
Year ended September 30, 2019**

	General Fund
<hr/>	
<b>Revenues</b>	
Charges for services	\$ 15,773
Miscellaneous revenue	220
<hr/>	
Total revenues	15,993
<b>Expenditures</b>	
Current:	
General government services	750,377
Capital outlay	26,031
<hr/>	
Total expenditures	776,408
<hr/>	
<b>Excess of revenues under expenditures</b>	(760,415)
<b>Other financing sources (uses)</b>	
Appropriation from Board of County Commissioners	831,650
Reversion to Board of County Commissioners	(71,235)
<hr/>	
Total other financing sources (uses)	760,415
<hr/>	
<b>Net change in fund balance</b>	-
<b>Fund balance- October 1, 2018</b>	-
<hr/>	
<b>Fund balance- September 30, 2019</b>	\$ -
<hr/>	

*See accompanying notes.*

**Dixie County Property Appraiser**  
**Notes to Financial Statements**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the office of the Dixie County Property Appraiser (the “Office”) conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies.

***Reporting Entity***

The Property Appraiser is an elected constitutional officer, whose office is established by Article VIII of the Constitution of the State of Florida and is governed by various provisions of state law.

The Office is an integral part of Dixie County, which is the primary government for financial reporting purposes.

***Basis of Presentation***

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

***Fund Accounting***

Accounts are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Government resources are allocated to, and accounted for in, individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The focus of fund financial statements is on major funds, each displayed in a separate column. All nonmajor funds are aggregated and displayed in a single column. The Office has no nonmajor funds.

The Office reports the following major governmental fund:

*General Fund* – The General Fund is the primary operating fund. It is used to account for and report all financial resources not accounted for and reported in another fund.

***Fund Balance***

The Office follows the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* to classify fund balances for governmental funds into specifically defined classifications. The classifications comprise a hierarchy based primarily on the extent to which the Office is bound to honor constraints on the specific purposes for which amounts in the funds can be spent.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The fund balance classifications specified in GASB Statement No. 54 are as follows:

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

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

*Committed Fund Balance* – Committed fund balances are amounts that can only be used for specific purposes as a result of constraints imposed by formal action of the Office's highest level of decision-making authority, which is a policy of the Office. Committed amounts cannot be used for any other purpose unless the Office removes those constraints by taking the same type of action.

*Assigned Fund Balance* – Assigned fund balances are amounts that are constrained by the Office's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by (a) the constitutional officer or (b) a body or official to which the constitutional officer has delegated the authority to assign amounts to be used for specific purposes.

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

The Office's policy is to expend resources in the following order: restricted, committed, assigned, and unassigned.

***Measurement Focus/Basis of Accounting***

All governmental funds are accounted for on a current financial resources measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources." Their operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets and, accordingly, are said to present a summary of sources and uses of "available spendable resources" during a period.

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 funds are accounted for using the modified accrual basis of accounting. Revenues are recognized when they become measurable and available as net current assets. Expenditures are generally recognized when the related fund liability is incurred.

## **Dixie County Property Appraiser**

### **Notes to Financial Statements**

#### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

##### ***Capital Assets and Long-Term Liabilities***

Because of the current financial resources measurement focus, the accompanying fund financial statements do not report capital assets or long-term liabilities. Such amounts are instead reported in the government-wide financial statements of the County.

##### ***Cash and Equivalents***

All cash and equivalents are placed in a bank that qualifies as a public depository pursuant to the provisions of the Florida Security for Public Deposits Act. Every qualified public depository is required by this law to deposit with the Chief Financial Officer eligible collateral equal to, or in excess of, an amount to be determined by the Chief Financial Officer. The Chief Financial Officer is required to ensure that all funds are entirely insured or collateralized throughout the fiscal year.

##### ***Use of Estimates***

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

#### **NOTE 2 – CONTINGENCIES**

The Office is, during the course of normal operations, involved in various claims regarding the assessments of real and tangible property. It is the opinion of management that any uninsured claims would not be material in relation to the Office's financial condition.

## **Required Supplementary Information**

**Dixie County Property Appraiser**

**Schedule of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual – General Fund  
Year ended September 30, 2019**

	Budgeted Amounts			Variance
	Original	Final	Actual	With Final Budget
<b>Revenues</b>				
Charges for services	\$ 16,371	\$ 16,371	\$ 15,773	\$ (598)
Miscellaneous revenue	-	-	220	220
<b>Total revenues</b>	<b>16,371</b>	<b>16,371</b>	<b>15,993</b>	<b>(378)</b>
<b>Expenditures</b>				
Current:				
General government services	821,021	821,021	750,377	70,644
Capital outlay	27,000	27,000	26,031	969
<b>Total expenditures</b>	<b>848,021</b>	<b>848,021</b>	<b>776,408</b>	<b>71,613</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(831,650)</b>	<b>(831,650)</b>	<b>(760,415)</b>	<b>71,235</b>
<b>Other financing sources (uses)</b>				
Appropriation from Board of County Commissioners	831,650	831,650	831,650	-
Reversion to Board of County Commissioners	-	-	(71,235)	(71,235)
<b>Total other financing sources (uses)</b>	<b>831,650</b>	<b>831,650</b>	<b>760,415</b>	<b>(71,235)</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balances- October 1, 2018</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balances- September 30, 2019</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Notes to Schedule:

The budget is prepared on a basis that does not differ materially from generally accepted accounting principles. Its preparation, adoption, and amendment is governed by Florida Statutes. The fund is the legal level of control.

## **Additional Elements Required by the Rules of the Auditor General**

## **MANAGEMENT LETTER**

The Honorable Robert Lee  
Property Appraiser  
Dixie County, Florida

We have audited the financial statements of the office of the Dixie County Property Appraiser (the "Office"), as of and for the year ended September 30, 2018, and have issued our report thereon dated September 20, 2020. That report should be considered in conjunction with this management letter.

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. Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida and require that certain items be addressed in this letter.

### **Prior Audit Findings**

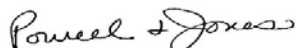
The Rules of the Auditor General require that we comment as to whether or not corrective actions have been taken to address findings and recommendations made in the preceding audit. If the audit findings in the preceding audit are uncorrected, we are required to identify those findings that were also included in the second preceding audit report. The Office has no uncorrected prior audit findings that are required to be identified pursuant to the Rules of the Auditor General.

### **Other Matters**

Our audit did not reveal any other matters that we are required to include in this management letter.

The purpose of this management letter is solely to comply with the requirements of Chapter 10.550, Rules of the Auditor General. Accordingly, this communication is not suitable for any other purpose.

We wish to take this opportunity to thank you and your staff for the cooperation and courtesies extended to us during the course of the audit. Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.



**POWELL & JONES**  
**Certified Public Accountants**  
**September 20, 2020**



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

The Honorable Robert Lee  
Property Appraiser  
Dixie 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 office of the Dixie County Property Appraiser (the “Office”), as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Office’s special purpose financial statements, and have issued our report thereon dated September 20, 2020.

**Internal Control Over Financial Reporting**

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

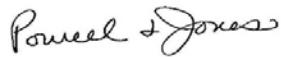
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Office’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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**POWELL & JONES**  
**Certified Public Accountants**  
**September 20, 2020**

## INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES

The Honorable Robert Lee  
Property Appraiser  
Dixie County, Florida

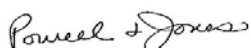
We have examined the office of the Dixie County Property Appraiser's (the "Office") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the period October 1, 2018, to September 30, 2019. Management is responsible for the Office's compliance with the specified requirements. Our responsibility is to express an opinion on the Office's compliance with the specified requirements based on our examination.

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

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

In our opinion, the Office complied, in all material respects, with the aforementioned requirements during the period October 1, 2018 to September 30, 2019.

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



**POWELL & JONES**  
Certified Public Accountants  
September 20, 2020

Robert A Lee  
Dixie County Property Appraiser  
P O Box 260  
Cross City, FL 32628

December 18, 2020

Office of the Auditor General  
State of Florida  
Tallahassee, FL

Reference: Dixie County Property Appraiser  
Elected Official's Response to Auditors' Report

Dear Sir:

The Dixie County Property Appraiser is in receipt of the independent auditors' report of the financial statements for the year ended September 30, 2020.

There were no findings in the Independent Auditor's Report.

There were no unfavorable comments in the Independent Auditors' Management Letter.

There were no unfavorable comments in the Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters.

This letter is offered to the Auditor General in compliance with the requirement that the elected official respond to the finding of the Independent Auditors.

Sincerely,



Robert A. Lee

Dixie County Property Appraiser

# **Dixie County Sheriff**

## **Audit Report**

**September 30, 2019**

## DIXIE COUNTY SHERIFF

### Table of Contents

#### REPORT

Independent Auditors' Report	3
------------------------------	---

#### SPECIAL PURPOSE FINANCIAL STATEMENTS

##### Governmental Funds:

Balance Sheet	6
---------------	---

Statement of Revenues, Expenditures and Changes in Fund Balances	7
--	---

##### Fiduciary Funds:

Statement of Fiduciary Net Position	8
-------------------------------------	---

Notes to Financial Statements	9
-------------------------------	---

#### REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	13
--	----

#### SUPPLEMENTARY INFORMATION

Combining Statement of Fiduciary Net Position – Agency Funds	15
--	----

#### ADDITIONAL ELEMENTS REQUIRED BY THE RULES OF THE AUDITOR

##### GENERAL

Management Letter	17
-------------------	----

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	13
---	----

Independent Accountants' Report on Compliance with Section 218.415, Florida Statutes	20
--	----

Schedule of Findings	21
----------------------	----

Elected Official's Response to Auditors' Comments	--
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**Powell & Jones**  
Certified Public Accountants

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admin@powellandjonescpa.com

## **INDEPENDENT AUDITORS' REPORT**

The Honorable Dewey Hatcher  
Sheriff  
Dixie County, Florida

### **Report on the Financial Statements**

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

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

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

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

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

## ***Opinions***

In our opinion , the financial statements referred to above present fairly, in all material respects, the respective financial position of the major fund and the aggregate remaining fund information of the Office as of September 30, 2019, and the respective changes in financial position, where applicable, thereof for the year then ended in accordance with accounting principles generally accepted in the United State of America.

## ***Emphasis of Matters***

### ***Special Purpose Financial Statements***

We draw attention to Note 1 to the financial statements, which describes that the accompanying financial statements were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are special purpose financial statements that do not constitute a complete presentation, but otherwise constitute financial statements prepared in accordance with generally accepted accounting principles. Our opinions are not modified with respect to that matter.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the budgetary comparison information be presented to supplement the special purpose financial statements. Such information, although not a part of the special purpose financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the special purpose financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the special purpose financial statements, and other knowledge we obtained during our audit of the special purpose 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.

Management has omitted the budgetary comparison information for the Inmate Welfare Fund, a major special revenue fund, that accounting principles generally accepted in the United States of America require to be presented to supplement the special purpose financial statements. Such missing information, although not a part of the special purpose financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the special purpose financial statements in an appropriate operational, economic, or historical context. Our opinions on the special purpose financial statements are not affected by this missing information.

### ***Other Information***

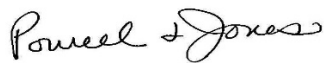
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Office's special purpose financial statements. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the special purpose 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 special purpose financial statements. 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 special purpose



financial statements or to the special purpose financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the special purpose financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 25, 2020, 2020 on our consideration of the Office'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 Office'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 Office's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Powell & Jones".

**POWELL & JONES**  
**Certified Public Accountants**  
**September 25, 2020**

**Dixie County Sheriff****Balance Sheet – Governmental Funds  
September 30, 2019**

	General Fund	Inmate Welfare Fund	Total Governmental Funds
<b>Assets</b>			
Cash and equivalents	\$ 14,815	\$ 104,553	\$ 119,368
Accounts receivable	-		-
Due from other governments	7,338	-	7,338
Total assets	\$ 22,153	\$ 104,553	\$ 126,706
<b>Liabilities and fund balances</b>			
Liabilities:			
Accrued liabilities	\$ 117,872	\$ -	\$ 117,872
Due to other county agencies	-	-	-
Total liabilities	117,872	-	117,872
Fund balances:			
Assigned for inmate benefits	-	104,553	104,553
Unassigned	(95,719)	-	(95,719)
Total fund balances	(95,719)	104,553	8,834
Total liabilities and fund balances	\$ 22,153	\$ 104,553	\$ 126,706

*See accompanying notes.*

**Dixie County Sheriff**

**Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
Year ended September 30, 2019**

	General Fund	Inmate Welfare Fund	Total Governmental Funds
<b>Revenues</b>			
Intergovernmental revenue	\$ 656,620	\$ -	\$ 656,620
Miscellaneous revenue	84	73,500	73,584
<b>Total revenues</b>	<b>656,704</b>	<b>73,500</b>	<b>730,204</b>
<b>Expenditures</b>			
Current:			
Public safety	4,980,052	5,393	4,985,445
Human services	45,550	-	45,550
Capital outlay			
Public safety	456,892	67,686	
Debt service:			
Principal	275,667	-	275,667
Interest	12,844	-	12,844
<b>Total expenditures</b>	<b>5,771,005</b>	<b>73,079</b>	<b>5,844,084</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(5,114,301)</b>	<b>421</b>	<b>(5,113,880)</b>
<b>Other financing sources (uses)</b>			
Capital lease	328,115	-	328,115
Appropriation from board of county commissioners	4,859,996	-	4,859,996
Reversion to board of county commissioners	-	-	-
<b>Total other financing sources (uses)</b>	<b>5,188,111</b>	<b>-</b>	<b>5,188,111</b>
<b>Net change in fund balances</b>	<b>73,810</b>	<b>421</b>	<b>74,231</b>
<b>Fund balances- October 1, 2018</b>	<b>(169,529)</b>	<b>104,132</b>	<b>(65,397)</b>
<b>Fund balances- September 30, 2019</b>	<b>\$ (95,719)</b>	<b>\$ 104,553</b>	<b>\$ 8,834</b>

*See accompanying notes.*

**Dixie County Sheriff**

**Statement of Fiduciary Net Position  
September 30, 2019**

	Agency Funds
<hr/>	
<b>Assets</b>	
Cash and equivalents	\$ 44,593
<hr/>	
<b>Liabilities</b>	
Assets held for others	35,603
Due to other county agencies	8,990
<hr/>	
Total liabilities	44,593
<hr/>	
<b>Net position</b>	\$ -
<hr/>	

*See accompanying notes.*

**DIXIE COUNTY SHERIFF**  
**Notes to Financial Statements**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the office of the Dixie County Sheriff (the “Office”) conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies.

***Reporting Entity***

The Sheriff is an elected constitutional officer, whose office is established by Article VIII of the Constitution of the State of Florida and is governed by various provisions of state law.

The Office is an integral part of Dixie County, which is the primary government for financial reporting purposes.

***Basis of Presentation***

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

***Fund Accounting***

Accounts are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Government resources are allocated to, and accounted for in, individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The focus of fund financial statements is on major funds, each displayed in a separate column. All nonmajor funds are aggregated and displayed in a single column.

The Office reports the following major governmental funds:

General Fund – The General Fund is the primary operating fund. It is used to account for and report all financial resources not accounted for and reported in another fund.

Inmate Welfare Fund – The Inmate Welfare Fund accounts for and reports the Commissary operations of the County’s detention facility. Revenues are provided by sales of products to inmates. The profits can only be spent for the benefit of the inmates.

The Office also reports the following fiduciary funds:

Agency Funds – Agency Funds are used to account for assets held in a custodial capacity.

**DIXIE COUNTY SHERIFF**

**Notes to Financial Statements**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Fund Balance***

The Office follows the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* to classify fund balances for governmental funds into specifically defined classifications. The classifications comprise a hierarchy based primarily on the extent to which the Office is bound to honor constraints on the specific purposes for which amounts in the funds can be spent.

The fund balance classifications specified in GASB Statement No. 54 are as follows:

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

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

**Committed Fund Balance** – Committed fund balances are amounts that can only be used for specific purposes as a result of constraints imposed by formal action of the Office's highest level of decision-making authority, which is a policy of the Office. Committed amounts cannot be used for any other purpose unless the Office removes those constraints by taking the same type of action.

**Assigned Fund Balance** – Assigned fund balances are amounts that are constrained by the Office's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by (a) the constitutional officer or (b) a body or official to which the constitutional officer has delegated the authority to assign amounts to be used for specific purposes.

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

The Office's policy is to expend resources in the following order: restricted, committed, assigned, and unassigned.

***Measurement Focus/Basis of Accounting***

All governmental funds are accounted for on a current financial resources measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources." Their operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets and, accordingly, are said to present a summary of sources and uses of "available spendable resources" during a period.

## **DIXIE COUNTY SHERIFF**

### **Notes to Financial Statements**

#### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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 funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. However, principal and interest on long-term debt are recognized when due.

Agency fund assets and liabilities are accounted for on the accrual basis of accounting.

#### ***Cash and Equivalents***

Cash and equivalents consist of deposits placed in a bank that qualifies as a public depository pursuant to the provisions of the Florida Security For Public Deposits Act. Every qualified public depository is required by this law to deposit with the Chief Financial Officer eligible collateral equal to, or in excess of, an amount to be determined by the Chief Financial Officer. The Chief Financial Officer is required to ensure that all funds are entirely insured or collateralized throughout the fiscal year.

#### ***Capital Assets and Long-Term Liabilities***

Because of the current financial resources measurement focus, the accompanying fund financial statements do not report capital assets or long-term liabilities. Such amounts are instead reported in the government-wide financial statements of the County.

#### ***Use of Estimates***

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

#### **NOTE 2 – RISK MANAGEMENT**

The Office participates in the Florida Sheriff's Risk Management Fund for risk related to professional law enforcement liability. Aggregate coverage is two million dollars. The Office had no settlements that exceeded coverage in the last two years. The Office also participates in the Florida Sheriff's Association Vehicle Risk Management Program for risk related to its automobile fleet, and participates in the Board of County Commissioners' group health insurance.

## **Required Supplementary Information**



**Dixie County Sheriff**

**Schedule of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual – General Fund  
Year ended September 30, 2019**

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	
<b>Revenues</b>				
Intergovernmental revenue	\$ -	\$ 106,010	\$ 656,620	\$ 550,610
Miscellaneous revenue	-	-	84	84
<b>Total revenues</b>	-	106,010	656,704	550,694
<b>Expenditures</b>				
Current:				
Public safety	5,219,265	5,192,300	4,980,052	212,248
Human services	141,032	45,550	45,550	-
Court related	-	-	-	-
Capital outlay				
Law enforcement	-	456,892	456,892	
Debt service:				
Principal	275,667	275,667	275,667	-
Interest	12,844	12,844	12,844	-
<b>Total expenditures</b>	5,648,808	5,983,253	5,771,005	212,248
<b>Excess of revenues over (under) expenditures</b>	(5,648,808)	(5,877,243)	(5,114,301)	762,942
<b>Other financing sources (uses)</b>				
Capital lease	-	328,115	328,115	-
Appropriation from board of county commis:	4,590,231	4,859,996	4,859,996	-
Reversion to board of county commissioners	-	-	-	-
<b>Total other financing sources (uses)</b>	4,590,231	5,188,111	5,188,111	-
<b>Net change in fund balances</b>	(1,058,577)	(689,132)	73,810	762,942
<b>Fund balances- October 1, 2018</b>	-	-	(169,529)	(169,529)
<b>Fund balances- September 30, 2019</b>		\$ (689,132)	\$ (95,719)	\$ 593,413

Notes to Schedule:

The preparation, adoption and amendment of the budgets are governed by Florida Statutes. The fund is the legal level of control. Budgets are prepared and adopted on a basis that does not differ materially from generally accepted accounting principles (GAAP). Appropriations lapse at year-end.

## **Supplementary Information**

<p style="text-align: right;"><b>Dixie County Sheriff</b>  <b>Combining Statement of Fiduciary Net Position</b>  <b>Agency Funds</b>  <b>September 30, 2019</b></p>				
	Individual Deposits Fund	Cash Bonds Fund	Inmate Trust Fund	Total Agency Funds
<b>Assets</b>				
Cash and equivalents	\$ 9,271	\$ 1,351	\$ 33,971	\$ 44,593
<b>Liabilities</b>				
Assets held for others	281	1,351	33,971	35,603
Due to other county agencies	8,990	-	-	8,990
Total liabilities	9,271	1,351	33,971	44,593
<b>Net position</b>	\$ -	\$ -	\$ -	\$ -

## **Additional Elements Required by the Rules of the Auditor General**

## MANAGEMENT LETTER

The Honorable Dewey Hatcher  
Sheriff  
Dixie County, Florida

We have audited the financial statements of the office of the Dixie County Sheriff (the "Office"), as of and for the year ended September 30, 2019, and have issued our report thereon dated September 25, 2020. That report should be considered in conjunction with this management letter.

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. Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida and require that certain items be addressed in this letter.

### Prior Audit Findings

The Rules of the Auditor General require that we comment as to whether or not corrective actions have been taken to address findings and recommendations made in the preceding audit. If the audit findings in the preceding audit are uncorrected, we are required to identify those findings that were also included in the second preceding audit report. These requirements of the Rules of the Auditor General are addressed in the schedule of findings that accompanies this letter. Findings 2017-001 and 2017-002 are included in the second preceding audit report.

### Other Matters

Our audit did not reveal any other matters that we are required to include in this management letter.

The purpose of this management letter is solely to comply with the requirements of Chapter 10.550, Rules of the Auditor General. Accordingly, this communication is not suitable for any other purpose.

We wish to take this opportunity to thank you and your staff for the cooperation and courtesies extended to us during the course of the audit. Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.



**POWELL & JONES**  
**Certified Public Accountants**  
**October 13, 2020**

**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***

The Honorable Dewey Hatcher  
Sheriff  
Dixie County, Florida

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

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Office'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 Office's internal control. Accordingly, we do not express an opinion on the effectiveness of the Office's internal control.

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings as items 2017-001 and 2017-002, to be material weaknesses.

### **Compliance and Other Matters**

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

### **The Office's Response to Findings**

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

### **Purpose of this Report**

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

A handwritten signature in cursive script that reads "Powell & Jones".

**POWELL & JONES**  
**Certified Public Accountants**  
**September 25, 2020**

## INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES

The Honorable Dewey Hatcher  
Sheriff  
Dixie County, Florida

We have examined the office of the Dixie County Sheriff's (the "Office") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the period October 1, 2018 to September 30, 2019. Management is responsible for the Office's compliance with those specified requirements. Our responsibility is to express an opinion on the Office's compliance with the specified requirements based on our examination.

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

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

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

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



**POWELL & JONES**  
Certified Public Accountants  
September 25, 2020



Schedule of Findings

2017-001 (Reported in preceding audit reports as items 2016-001 and 2015-001.)

**Criteria** – The internal control environment should include adequate segregation of duties within significant processes.

**Condition** – Certain employees who record cash transactions in the accounting records also have access to cash collections and perform bank reconciliations. As a result of this lack of separation of duties, the possibility exists that intentional or unintentional errors could occur without being promptly detected.

**Cause** – The staffing levels at the office are not sufficient for adequate segregation of duties.

**Effect** – The risk of errors and fraudulent activities is prevalent.

**Recommendation** – To the extent possible, given the availability of personnel, steps should be taken to separate employee duties so that no one individual has access to both physical assets and the related accounting records, or to all phases of a transaction.

2017-002 (Reported in preceding audit reports as items 2016-003 and 2015-003.)

**Criteria** – The internal control environment should include procedures to detect errors to the accounting records and a means to correct them in a timely manner.

**Condition** – As part of the audit process, we proposed material adjustments to the Office's financial statements. It was also necessary for us to assist in the preparation of the Office's financial statements.

**Cause** – The staff at the Office lack the skills, knowledge or experience to perform those functions.

**Effect** – Management agreed with our proposed adjustments to present the financial statements in accordance with generally accepted accounting principles and the auditors assisted with the preparation of the Office's financial statements.

**Recommendation** – We recommend that you consider and evaluate the cost and benefits of improving internal controls relative to the financial reporting process.

2017-003 (Reported in preceding audit reports as items 2016-005 and 2015-005.)

**Criteria** – The office should post transactions in a timely manner and monitor its budgetary position on an ongoing basis.

**Condition** – The Office did post cash receipts and disbursements of the General Fund in a timely manner and provided a trial balance for audit when it was requested.

**Effect** – The Office was not able to monitor its budgeted and actual expenditures in a timely fashion.

**Current Year Status** – The Office monitored its budget on a manual basis and actually underspent the overall budget for the year.

## Dixie County Sheriff

### Schedule of Findings

- 2017-005      **Criteria** – There should be sufficient controls over salaries and pay rates, with verifiable documentation.
- Condition** – The Office does not have a review or verification process for initial pay rates or changes in pay rates. They are maintained manually with no oversight.
- Cause** – The Office staff were not sufficiently aware of the chance for inadvertent or intentional errors, by not implementing such a process.
- Effect** – There is a potential for error in the pay rates, which could lead to material misstatement in the financial statements.
- Current year status- This finding was corrected in the current year.**
- 
- 2017-006      **Criteria** – The Office should monitor its fiscal activities and ensure that it does not incur obligations in excess of its available resources.
- Condition** – The General Fund had a deficit fund balance of \$626,264 at September 30, 2017.
- Cause** – The fiscal activities of the Office were not adequately monitored on an ongoing basis.
- Current year status- In the fiscal year ending September 30, 2018, the General Fund had a surplus of \$456,735 which reduced the deficit fund balance to \$169,529. This was followed by a further reduction of \$73,810 during the current year that reduced the deficit fund balance to \$95,719. This reflects much improved fiscal monitoring in the Sheriff's Office.**

# Sheriff



**DEWEY H. HATCHER, SR. • DIXIE COUNTY**  
MEMBER FLORIDA SHERIFFS ASSOCIATION  
BOX 470 • CROSS CITY, FLORIDA 32628-0470  
(352) 498-1220 • FAX (352) 498-1226

October 26, 2020

Richard Powell and Associates  
1359 SW Main Blvd  
Lake City, FL 32025

Greetings,

The following are responses to the findings made by Powell and Jones, Certified Public Accountants, for the budget year October 1, 2018 through September 30, 2019.

- 2017-001 Steps are taken to minimize the occurrences of these events that include both transactions. However, due to staffing limitations brought about by lack of budget allowances, there are and will be circumstances that are unpreventable
- 2017-002 The fiscal year in question is a year in which our long time finance officer retired and we hired our current finance officer. There was a very short transition time during this period. In attempting to meet the separation of duties as recommended in 2017-001, there are three individuals who deal with various accounts to include; civil, payroll/payroll taxes and accounts payable. These three also have multiple other duties and therefore are not always on a schedule to submit to the finance officer for balancing. The Finance Officer has now had the opportunity to work multiple budget years and therefore has learned a great deal toward general accounting practices.
- 2017-003 We have become more and more automated which is allowing us to be more timely in postings, however, there are and will continue to be times when postings are not completed as scheduled due personnel performing other required duties and not focusing solely on financial tasks. The operating budgets of each division can now be entered into the accounting system.
- 2017-005 As noted in the Audit Report, this finding has been corrected

2017-006 We were monitoring and were aware of the rise in debt over a period of time. We submitted budget increases to the BOCC in each of the years. That rise in debt was due to inmate medical care and hospitalization. By law we are prohibited from denying the inmates medical care and as you well know that costs money. We have passed the assumption of outside/offsite medical care to the BOCC and worked with creditors to alleviate the past due medical debt. These debts have now been resolved and should reflect this in the 2020 Audit Report.

Respectfully,

A handwritten signature in cursive script, reading "Dewey H. Hatcher, Sheriff". The signature is written in dark ink and is positioned above the printed name.

Dewey H. Hatcher, Sheriff

**Dixie County  
Supervisor of Elections**

**Audit Report  
September 30, 2019**

# Dixie County Supervisor of Elections

## Table of Contents September 30, 2019

### **REPORT**

Independent Auditor's Report	1
------------------------------	---

### **SPECIAL PURPOSE FINANCIAL STATEMENTS**

#### Governmental Funds:

Balance Sheet	3
---------------	---

Statement of Revenues, Expenditures and Changes in Fund Balance	4
---	---

Notes to Financial Statements	5
-------------------------------	---

### **REQUIRED SUPPLEMENTARY INFORMATION**

Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	8
--	---

### **ADDITIONAL ELEMENTS REQUIRED BY THE RULES OF THE AUDITOR**

#### **GENERAL**

Management Letter	9
-------------------	---

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	11
---	----

Independent Accountant's Report on Compliance with Section 218.415, Florida Statutes	13
--	----

Schedule of Findings	14
----------------------	----

Elected Official's Response to Auditor's Comments	--
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**Powell & Jones**  
Certified Public Accountants

Richard C. Powell, Jr., CPA  
Marian Jones Powell, CPA

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Lake City, Florida 32025  
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admin@powellandjonescpa.com

## **INDEPENDENT AUDITOR'S REPORT**

The Honorable Starlet E. Cannon  
Supervisor of Elections  
Dixie County, Florida

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the office of the Dixie County Supervisor of Elections (the "Office") as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Office's special purpose financial statements as listed in the table of contents.

#### ***Management's Responsibility for the Financial Statements***

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

#### ***Auditor's Responsibility***

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

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

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

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Office as of September 30, 2019, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Emphasis of Matter***

We draw attention to Note 1 to the financial statements, which describes that the accompanying financial statements were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are special purpose financial statements that do not constitute a complete presentation, but otherwise constitute financial statements prepared in accordance with generally accepted accounting principles. Our opinion is not modified with respect to this matter.

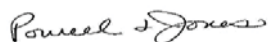
***Other Matters***

***Required Supplementary Information***

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

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 3, 2020, on our consideration of the Office'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 Office'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 Office's internal control over financial reporting and compliance.



**POWELL & JONES**  
**Certified Public Accountants**  
**September 3, 2020**



**Dixie County Supervisor of Elections**

**Balance Sheet – Governmental Funds  
September 30, 2019**

	General Fund
<hr/>	
<b>Assets</b>	
Cash and equivalents	\$ 37,452
<hr/>	
<b>Liabilities and fund balance</b>	
Liabilities:	
Accounts payable and accrued liabilities	\$ 12,547
Due to other county agencies	5,103
<hr/>	
Total liabilities	17,650
Fund balance:	
Restricted – election grants	19,802
<hr/>	
Total liabilities and fund balance	\$ 37,452
<hr/>	

*See accompanying notes.*

**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Governmental Funds**  
**Year ended September 30, 2019**

	General Fund
<b>Revenues</b>	
Intergovernmental revenue	\$ 29,992
Miscellaneous revenue	425
<b>Total revenues</b>	<b>30,417</b>
<b>Expenditures</b>	
Current:	
General government services	445,725
<b>Excess of revenues under expenditures</b>	<b>(415,308)</b>
<b>Other financing sources (uses)</b>	
Appropriation from board of county commissioners	365,489
Reversion to board of county commissioners	(5,103)
<b>Total other financing sources (uses)</b>	<b>360,386</b>
<b>Net change in fund balance</b>	<b>(54,922)</b>
<b>Fund balance - October 1, 2018</b>	<b>74,724</b>
<b>Fund balance - September 30, 2019</b>	<b>\$ 19,802</b>

*See accompanying notes.*

## **Dixie County Supervisor of Elections Notes to Financial Statements**

### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the office of the Dixie County Supervisor of Elections (the “Office”) conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies.

#### ***Reporting Entity***

The Supervisor of Elections is an elected constitutional officer, whose office is established by Article VIII of the Constitution of the State of Florida and is governed by various provisions of state law.

The Office is an integral part of Dixie County, which is the primary government for financial reporting purposes.

#### ***Basis of Presentation***

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

#### ***Fund Accounting***

Accounts are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Government resources are allocated to, and accounted for in, individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The focus of fund financial statements is on major funds, each displayed in a separate column. All nonmajor funds are aggregated and displayed in a single column. There are no nonmajor governmental funds.

The Office reports the following major governmental fund:

*General Fund* – The General Fund is the primary operating fund. It is used to account for and report all financial resources not accounted for and reported in another fund.

#### ***Fund Balance***

The Office follows the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* to classify fund balances for governmental funds into specifically defined classifications. The classifications comprise a hierarchy based primarily on the extent to which the Office is bound to honor constraints on the specific purposes for which amounts in the funds can be spent.

## Dixie County Supervisor of Elections Notes to Financial Statements

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The fund balance classifications specified in GASB Statement No. 54 are as follows:

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

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

*Committed Fund Balance* – Committed fund balances are amounts that can only be used for specific purposes as a result of constraints imposed by formal action of the Office's highest level of decision-making authority, which is a policy of the Office. Committed amounts cannot be used for any other purpose unless the Office removes those constraints by taking the same type of action.

*Assigned Fund Balance* – Assigned fund balances are amounts that are constrained by the Office's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by (a) the constitutional officer or (b) a body or official to which the constitutional officer has delegated the authority to assign amounts to be used for specific purposes.

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

The Office's policy is to expend resources in the following order: restricted, committed, assigned, and unassigned.

#### ***Measurement Focus/Basis of Accounting***

All governmental funds are accounted for on a current financial resources measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources." Their operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets and, accordingly, are said to present a summary of sources and uses of "available spendable resources" during a period.

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.

## **Dixie County Supervisor of Elections Notes to Financial Statements**

### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. However, principal and interest on long-term debt are recognized when due.

#### ***Capital Assets and Long-Term Liabilities***

Because of the current financial resources measurement focus, the accompanying fund financial statements do not report capital assets or long-term liabilities. Such amounts are instead reported in the government-wide financial statements of the County.

#### ***Cash and Equivalents***

All cash is placed in a bank that qualifies as a public depository pursuant to the provisions of the Florida Security For Public Deposits Act. Every qualified public depository is required by this law to deposit with the Chief Financial Officer eligible collateral equal to, or in excess of, an amount to be determined by the Chief Financial Officer. The Chief Financial Officer is required to ensure that all funds are entirely insured or collateralized throughout the fiscal year. All the deposits of the office are entirely collateralized pursuant to Chapter 280, Florida Statutes.

#### ***Restricted Fund Balance***

The Office implemented voter education, poll worker recruitment, and federal election activities programs using federal funds passed through the Florida Department of State. Available but unexpended funds of these programs are restricted for future expenditures.

#### ***Use of Estimates***

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

### **NOTE 2 – COMMITMENTS AND CONTINGENCIES**

On September 1, 2017, the Office entered into an agreement with Dominion Voting Systems for voting system services, software licenses, and related services through December 31, 2025. The first of eight annual payments of \$47,936 were due in May, 2019. Equal amounts due annually thereafter, through December 31, 2025, are subject to annual increases based upon changes in the Consumer Price Index. Two payments were made in the 2019 fiscal year leaving six payments to be made.

## **REQUIRED SUPPLEMENTARY INFORMATION**

## Dixie County Supervisor of Elections

### Statement of Revenues, Expenditures and Changes in Fund Balance Budget and Actual – General Fund Year Ended September 30, 2019

	Budgeted Amounts		Actual	Variance
	Original	Final		With Final Budget
<b>Revenues</b>				
Intergovernmental revenue	\$ -	\$ -	\$ 29,992	\$ 29,992
Miscellaneous revenue	-	-	425	425
<b>Total revenues</b>	-	-	30,417	30,417
<b>Expenditures</b>				
Current:				
General government services	312,307	312,307	445,725	(133,418)
<b>Excess of revenues over (under) expenditures</b>	(312,307)	(312,307)	(415,308)	(103,001)
<b>Other financing sources (uses)</b>				
Appropriation from board of county commissioners	312,307	312,307	312,307	-
Special appropriation from board of county commissioners	-	-	53,182	53,182
Reversion to board of county commissioners	-	-	(5,103)	(5,103)
<b>Total other financing sources (uses)</b>	312,307	312,307	360,386	48,079
<b>Net change in fund balances</b>	-	-	(54,922)	(54,922)
<b>Fund balances - October 1, 2018</b>	-	-	74,724	74,724
<b>Fund balances - September 30, 2019</b>	\$ -	\$ -	\$ 19,802	\$ 19,802

Notes to Schedule:

The budget is prepared on a basis that does not differ materially from generally accepted accounting principles. Its preparation, adoption, and amendment is governed by Florida Statutes. The fund is the legal level of control.

## **Additional Elements Required by the Rules of the Auditor General**



## **MANAGEMENT LETTER**

The Honorable Starlet E. Cannon  
Supervisor of Elections  
Dixie County, Florida

We have audited the financial statements of the office of the Supervisor of Elections (the "Office"), Dixie County, Florida, as of and for the year ended September 30, 2019, and have issued our report thereon dated September 3, 2020. That report should be considered in conjunction with this management letter.

### **Auditor's Responsibility**

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

### **Other Reporting Requirements**

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards; and Independent Accountant's Report on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated September 3, 2020, should be considered in conjunction with this management letter.

### **Prior Audit Findings**

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Prior-audit findings 2017-001 and 2017-002 were substantially corrected during the current year.

### **Financial Management**

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

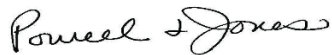
### **Additional Matters**

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

**Purpose of this Letter**

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

We wish to take this opportunity to thank you and your staff for the cooperation and courtesies extended to us during the course of the audit. Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.

A handwritten signature in cursive script that reads "Powell & Jones".

**POWELL & JONES**  
**Certified Public Accountants**  
**September 3, 2020**

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

The Honorable Starlet E. Cannon  
Supervisor of Elections  
Dixie 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 office of the Dixie County Supervisor of Elections (the "Office"), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Office's special purpose financial statements, and have issued our report thereon dated September 3, 2020.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Office's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Office's internal control. Accordingly, we do not express an opinion on the effectiveness of the Office'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. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings as items 2019-001 and 2019-002 that we consider to be material weaknesses.

**Compliance and Other Matters**

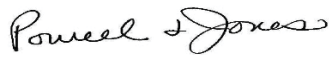
As part of obtaining reasonable assurance about whether the Office's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

**The Office's Response to Findings**

The Office's response to the findings identified in our audit is described in its accompanying letter of response. The Office'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 office'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.

A handwritten signature in cursive script that reads "Powell & Jones".

**POWELL & JONES**  
**Certified Public Accountants**  
**September 3, 2020**

## **INDEPENDENT ACCOUNTANT’S REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES**

The Honorable Starlet E. Cannon  
Supervisor of Elections  
Dixie County, Florida

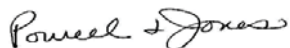
We have examined the office of the Dixie County Supervisor of Elections’ (the “Office”) compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2019. Management is responsible for the Office’s compliance with the specified requirements. Our responsibility is to express an opinion on the Office’s compliance with the specified requirements based on our examination.

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

Our examination does not provide a legal determination on the Office’s compliance with specified requirements.

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

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



**POWELL & JONES**  
**Certified Public Accountants**  
**September 3, 2020**

## Dixie County Supervisor of Elections

### Schedule of Findings

2017-001 (Reported in previous audit reports as items 2017-001 and 2016-001)

**Condition:** The Office failed to adequately segregate certain incompatible duties. The same two employees have access to both physical assets and the related accounting records.

**Criteria:** Internal controls should be designed and implemented to allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis.

**Cause of Condition:** Because of limited personnel, it is not always possible to adequately segregate certain incompatible duties. Where segregation was not possible, management failed to select and develop alternative control activities. The IT environment is set up in such a way that error or fraud on the account of one of the two employees mentioned would not be traceable to a specific employee.

**Potential Effect of Condition:** Failure to properly segregate duties or select alternative control activities could result in a misstatement, whether due to error or fraud, that could exist and not be promptly detected or corrected.

**Recommendation:** We recommend that the Office, to the extent possible given the availability of personnel, segregate employee duties or select or develop alternative control activities so that no single individual has access to both physical assets and the related accounting records without compensating controls being in place.

**Current Year Status:** *During the current year this finding was corrected to the greatest extent possible.*

2017-002 (Reported in previous audit reports as items 2017-002 and 2016-002)

**Condition:** As part of the audit process, it was necessary for us to assist with the preparation of Office's financial statements.

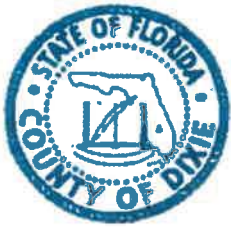
**Criteria:** Management should have sufficient resources and expertise to prepare the financial statements of the Office.

**Cause of condition:** Limited personnel and resources such that it is not feasible to devote staff or resources to prepare the financial statements

**Potential effect of condition:** Although the Office reviews the financial statements prepared by the auditor, the financial statements are a presentation of the Office, and should ideally be prepared by the Office. If the auditor did not prepare the financial statements, the Office would not have the resources to do so.

**Recommendation:** We recommend the Office consider and evaluate the costs and benefits of improving internal controls relative to the financial reporting process.

**Current Year Status:** *During the current year this finding was corrected.*



*Starlet E. Cannon*

P.O. BOX 2057  
CROSS CITY, FLORIDA 32628-2057  
(352) 498-1216

**Supervisor of Elections**

DIXIE COUNTY



December 17, 2020

Honorable David Martin  
Office of the Auditor General  
PO Box 1735  
Tallahassee, Fl. 32302

**RESPONSE TO AUDIT OF THE SUPERVISOR OF ELECTIONS DIXIE COUNTY, FLORIDA FOR F/Y 2019**

REF: 2017-001 and 2017-002

I am pleased to the findings of the corrected in the audit and I will make effect to assure that prior findings do not recurrence.

Sincerely,

A handwritten signature in blue ink that reads "Starlet Cannon".

Starlet Cannon  
Supervisor of Elections  
Dixie County

# **Dixie County Tax Collector**

## **Audit Report**

**September 30, 2019**



## Dixie County Tax Collector

### Table of Contents September 30, 2019

#### **REPORT**

Independent Auditor's Report	1
------------------------------	---

#### **SPECIAL PURPOSE FINANCIAL STATEMENTS**

##### Governmental Funds:

Balance Sheet	3
---------------	---

Statement of Revenues, Expenditures and Changes in Fund Balance	4
---	---

##### Fiduciary Funds:

Statement of Fiduciary Net Position	5
-------------------------------------	---

Notes to Financial Statements	6
-------------------------------	---

#### **REQUIRED SUPPLEMENTARY INFORMATION**

Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	9
--	---

#### **ADDITIONAL ELEMENTS REQUIRED BY THE RULES OF THE AUDITOR**

##### **GENERAL**

Management Letter	10
-------------------	----

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	11
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Independent Accountant's Report on Compliance with Section 218.415, Florida Statutes	13
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Elected Official's Response to Auditor's Comments	--
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Richard C. Powell, Jr., CPA  
Marian Jones Powell, CPA

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Lake City, Florida 32025  
386 / 755-4200  
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admin@powellandjonescpa.com

## **INDEPENDENT AUDITOR'S REPORT**

The Honorable Michelle F. Cannon  
Tax Collector  
Dixie County, Florida

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the major fund and the aggregate remaining fund information of the office of the Dixie County Tax Collector (the "Office") as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Office's special purpose financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the major fund and the aggregate remaining fund information of the Office as of September 30, 2019, and the respective changes in financial position, where applicable, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Emphasis of Matter***

We draw attention to Note 1 to the financial statements, which describes that the accompanying financial statements were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are special purpose financial statements that do not constitute a complete presentation, but otherwise constitute financial statements prepared in accordance with generally accepted accounting principles. Our opinions are not modified with respect to this matter.

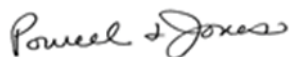
***Other Matters***

***Required Supplementary Information***

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

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated August 17, 2020 on our consideration of the Office'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 Office'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 Office's internal control over financial reporting and compliance.



**POWELL & JONES**  
**Certified Public Accountants**  
**August 17, 2020**

## Dixie County Tax Collector

### Balance Sheet – Governmental Funds September 30, 2019

	General Fund
<hr/>	
<b>Assets</b>	
Cash and equivalents	\$ 11,294
<hr/>	
<b>Liabilities and fund balance</b>	
Liabilities:	
Accounts payable and accrued liabilities	2,930
Due to other county agencies	8,364
<hr/>	
Total liabilities	11,294
Fund balance	-
<hr/>	
Total liabilities and fund balance	\$ 11,294
<hr/>	

*See accompanying notes.*

**Dixie County Tax Collector**

**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Governmental Funds**  
**Year ended September 30, 2019**

	General Fund
<b>Revenues</b>	
Miscellaneous revenue	\$ 41
<b>Expenditures</b>	
Current:	
General government services	632,477
<b>Excess of revenues under expenditures</b>	<b>(632,436)</b>
<b>Other financing sources (uses)</b>	
Appropriation from board of county commissioners	632,436
Reversion to board of county commissioners	-
<b>Total other financing sources (uses)</b>	<b>632,436</b>
<b>Net change in fund balance</b>	<b>-</b>
<b>Fund balance - beginning of year</b>	<b>-</b>
<b>Fund balance - end of year</b>	<b>\$ -</b>

*See accompanying notes.*

## Dixie County Tax Collector

### Statement of Fiduciary Net Position September 30, 2019

	General Fund
<hr/>	
<b>Assets</b>	
Cash and equivalents	\$ 11,294
<hr/>	
<b>Liabilities and fund balance</b>	
Liabilities:	
Accounts payable and accrued liabilities	2,930
Due to other county agencies	8,364
<hr/>	
Total liabilities	11,294
Fund balance	-
<hr/>	
Total liabilities and fund balance	\$ 11,294
<hr/>	

*See accompanying notes.*

## Notes to Financial Statements

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the office of the Dixie County Tax Collector (the “Office”) conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies.

#### ***Reporting Entity***

The Tax Collector is an elected constitutional officer, whose office is established by Article VIII of the Constitution of the State of Florida and is governed by various provisions of state law.

The Office is an integral part of Dixie County, which is the primary government for financial reporting purposes.

#### ***Basis of Presentation***

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

#### ***Fund Accounting***

Accounts are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Government resources are allocated to, and accounted for in, individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The focus of fund financial statements is on major funds, each displayed in a separate column. All nonmajor funds are aggregated and displayed in a single column. The Office has no nonmajor funds.

The Office reports the following major governmental fund:

*General Fund* – The General Fund is the primary operating fund. It is used to account for and report all financial resources not accounted for and reported in another fund.

The Office also reports the following fiduciary funds:

*Agency Fund* – the Agency Fund is used to account for assets held in a custodial capacity.

#### ***Fund Balance***

The Office follows the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* to classify fund balances for governmental funds into specifically defined classifications. The classifications comprise a hierarchy based primarily on the extent to which the Office is bound to honor constraints on the specific purposes for which amounts in the funds can be spent.

**Notes to Financial Statements**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The fund balance classifications specified in GASB Statement No. 54 are as follows:

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

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

*Committed Fund Balance* – Committed fund balances are amounts that can only be used for specific purposes as a result of constraints imposed by formal action of the Office's highest level of decision-making authority, which is a policy of the Office. Committed amounts cannot be used for any other purpose unless the Office removes those constraints by taking the same type of action.

*Assigned Fund Balance* – Assigned fund balances are amounts that are constrained by the Office's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by (a) the constitutional officer or (b) a body or official to which the constitutional officer has delegated the authority to assign amounts to be used for specific purposes.

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

The Office's policy is to expend resources in the following order: restricted, committed, assigned, and unassigned.

***Measurement Focus/Basis of Accounting***

All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources." Their operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets and, accordingly, are said to present a summary of sources and uses of "available spendable resources" during a period.

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 funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. However, principal and interest on long-term debt are recognized when due.



**Notes to Financial Statements**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Agency fund assets and liabilities are accounted for on the accrual basis of accounting.

***Capital Assets and Long-Term Liabilities***

Because of the current financial resources measurement focus, the accompanying fund financial statements do not report capital assets or long-term liabilities. Such amounts are instead reported in the government-wide financial statements of the County.

***Cash and Equivalents***

All cash and equivalents are placed in a bank that qualifies as a public depository pursuant to the provisions of the Florida Security for Public Deposits Act. Every qualified public depository is required by this law to deposit with the Chief Financial Officer eligible collateral equal to, or in excess of, an amount to be determined by the Chief Financial Officer. The Chief Financial Officer is required to ensure that all funds are entirely insured or collateralized throughout the fiscal year.

***Use of Estimates***

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

## **Required Supplementary Information**

## Dixie County Tax Collector

### Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual – General Fund Year ended September 30, 2019

	Budgeted Amounts			Variance
	Original	Final	Actual	With Final Budget
<b>Revenues</b>				
Miscellaneous revenue	\$ -	\$ -	\$ 41	\$ 41
<b>Expenditures</b>				
Current:				
General government services	632,436	632,436	632,477	(41)
<b>Excess of revenues over (under) expenditures</b>	(632,436)	(632,436)	(632,436)	-
<b>Other financing sources (uses)</b>				
Appropriation from board of county commissioners	632,436	632,436	632,436	-
Reversion to board of county commissioners	-	-	-	-
Total other financing sources (uses)	632,436	632,436	632,436	-
<b>Net change in fund balances</b>	-	-	-	-
<b>Fund balances - beginning of year</b>	-	-	-	-
<b>Fund balances - end of year</b>	\$ -	\$ -	\$ -	\$ -

Notes to Schedule:

The budget is prepared on a basis that does not differ materially from generally accepted accounting principles. Its preparation, adoption, and amendment is governed by Florida Statutes. The fund is the legal level of control.

## **Additional Elements Required by the Rules of the Auditor General**

## MANAGEMENT LETTER

The Honorable Michelle F. Cannon  
Tax Collector  
Dixie County, Florida

We have audited the financial statements of the office of the Dixie County Tax Collector (the "Office"), as of and for the year ended September 30, 2019, and have issued our report thereon dated August 17, 2020. That report should be considered in conjunction with this management letter.

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. Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida and require that certain items be addressed in this letter.

### **Prior Audit Findings**

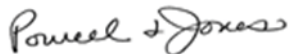
The Rules of the Auditor General require that we comment as to whether or not corrective actions have been taken to address findings and recommendations made in the preceding audit. There were no unresolved prior audit findings.

### **Other Matters**

Our audit did not reveal any other matters that we are required to include in this management letter.

The purpose of this management letter is solely to comply with the requirements of Chapter 10.550, Rules of the Auditor General. Accordingly, this communication is not suitable for any other purpose.

We wish to take this opportunity to thank you and your staff for the cooperation and courtesies extended to us during the course of the audit. Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.



**POWELL & JONES**  
**Certified Public Accountants**  
**August 17, 2020**

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

The Honorable Michelle F. Cannon  
Tax Collector  
Dixie County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the major fund and the aggregate remaining fund information of the office of the Dixie County Tax Collector (the "Office"), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Office's special purpose financial statements, and have issued our report thereon dated August 17, 2020.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Office'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 Office's internal control. Accordingly, we do not express an opinion on the effectiveness of the Office'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.

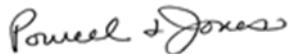
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Office'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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Powell & Jones".

**POWELL & JONES**  
**Certified Public Accountants**  
**August 17, 2020**

## INDEPENDENT ACCOUNTANT’S REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES

The Honorable Michelle F. Cannon  
Tax Collector  
Dixie County, Florida

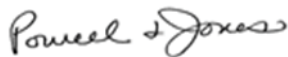
We have examined the office of the Dixie County Tax Collector’s (the “Office”) compliance with the specified requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the period October 1, 2018 to September 30, 2019. Management is responsible for the Office’s compliance with those specified requirements. Our responsibility is to express an opinion on the Office’s compliance with the specified requirements based on our examination.

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

Our examination does not provide a legal determination on the Office’s compliance with specified requirements.

In our opinion, the Office complied, in all material respects, with the aforementioned requirements during the period October 1, 2018 to September 30, 2019.

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



**POWELL & JONES**  
**Certified Public Accountants**  
**August 17, 2020**





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## MICHELLE F. CANNON, C.F.C.

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### DIXIE COUNTY TAX COLLECTOR

P.O. Box 5040  
Cross City, FL 32628-5040  
Phone: (352) 498-1213  
Fax: (352) 498-1259

October 23, 2020

Sherrill F. Norman, CPA  
State of Florida Auditor General  
Claude Pepper Building  
111 West Madison Street  
Tallahassee, Florida 32399

Dear Mrs. Norman,

We are in receipt of our Audit Report ending September 30, 2019 conducted by Powell and Jones, CPA's. We are pleased to note there were no findings reported in this year's audit.

We appreciate the assistance provided throughout the year and look forward to future association.

Respectfully,

Michelle F. Cannon, C.F.C.  
Tax Collector

Cc: Powell and Jones, CPA's