

**BAKER COUNTY, FLORIDA**  
**FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**BAKER COUNTY, FLORIDA  
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SEPTEMBER 30, 2019**

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## INDEPENDENT AUDITORS' REPORT

The Honorable Board of County Commissioners,  
Baker 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 Baker 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*

The County's 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 did not audit the financial statements of the Baker County Development Corporation (the BCDC) and the Baker County Corrections Management Corporation (the BCCMC), which are the County's discretely presented component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinions, insofar as they relate to the amounts included for the BCDC and BCCMC, are based solely on the reports of the other auditors. 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 (1) unmodified audit opinion on each major fund and the aggregate remaining fund information; and (2) qualified audit opinion on the governmental activities.

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121 Executive Circle  
Daytona Beach, FL 32114-1180  
Telephone: 386-257-4100

133 East Indiana Avenue  
DeLand, FL 32724-4329  
Telephone: 386-738-3300

5931 NW 1st Place  
Gainesville, FL 32607-2063  
Telephone: 352-378-1331

2477 Tim Gamble Place, Suite 200  
Tallahassee, FL 32308-4386  
Telephone: 850-386-6184

### ***Basis for Qualified Opinion on Governmental Activities***

Management has not acquired an actuarial valuation to determine the amount of its total OPEB (Other Postemployment Benefits) liability and has not presented such liability in its government-wide financial statements as required by accounting principles generally accepted in the United States of America. The impact of such departure from generally accepted accounting principles on the liabilities, net position and expenses of the government-wide financial statements of the County is unknown. Such departure has no impact on the County's fund financial statements.

### ***Qualified Opinion on Governmental Activities***

In our opinion, based on our audit and the report of the other auditors, except for the effects, if any, of the matter described in the Basis for Qualified Opinion paragraph on the governmental activities, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the County, as of September 30, 2019, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Unmodified Opinion on Major Funds and Aggregate Remaining Fund Information***

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information for the County, as of September 30, 2019, and the respective changes in financial position 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, budgetary comparison information, and other required supplementary information as listed in the table of contents, 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.

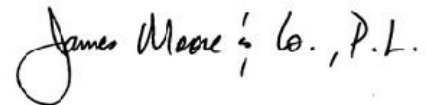
#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining general fund, nonmajor fund, and fiduciary fund schedules and schedule of expenditures of state financial assistance, as required by Section 215.97, Florida Statutes, *Florida Single Audit Act*; and Chapter 10.550, Rules of the State of Florida, Office of the Auditor General, and other information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental information and the schedule of expenditures of state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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 July 1, 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.

A handwritten signature in cursive script that reads "James Moore & Co., P.L." The signature is written in dark ink and is positioned to the right of the date and location text.

Daytona Beach, Florida  
July 1, 2020

**BAKER COUNTY, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2019**

As management of the Baker County, Florida, we offer readers of this narrative overview and analysis of the financial activities of the Baker County, Florida for the fiscal year ended September 30, 2019.

**Financial Highlights**

The following are various financial highlights for fiscal year 2019:

- The County's overall net position decreased by \$(2,642,707).
- Total ending net position was approximately \$41.8 million, which includes negative unrestricted net position of approximately \$11.1 million.

**Overview of the Basic Financial Statements**

This annual report contains government-wide financial statements that report on the County's activities as a whole and fund financial statements that report on the County's individual funds.

**Government-wide Financial Statements**

The first financial statement is the Statement of Net Position. This statement includes all of the County's assets and liabilities using the accrual basis of accounting. Accrual accounting is similar to the accounting used by most private-sector companies. All of the current year revenues and expenditures are recorded, regardless of when cash is received or paid. Net Position – the difference between assets, liabilities, and deferred outflows/inflows – can be used to measure the County's financial position.

The second financial statement is the Statement of Activities. This statement is also shown using the accrual basis of accounting. It shows the increases and decreases in net position during the fiscal year. Over time, the increases or decreases in net position are useful indicators of whether the County's financial health is improving or deteriorating. However, other non-financial factors, such as road conditions or changes in the tax base, must also be considered when assessing the overall health of the County.

In these statements, the County's activities are reported as follows:

- Governmental activities – The County's basic services are reported here, including administration, law enforcement and corrections, fire services, road and bridge maintenance, and garbage. Taxes and charges for services finance most of these activities.

The government-wide financial statements include not only the County itself (known as the primary government), but also two legally separate component units, the Baker County Correctional Management Corporation and the Baker County Correctional Development Corporation. Financial information for the component units is reported separately from the financial information presented for the primary government itself.

**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 into two categories: governmental funds and fiduciary funds.

**BAKER COUNTY, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2019**

**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 on 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 fund 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, the Transportation Trust Fund, the Fine and Forfeiture Fund and the SHIP Fund, 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 non-major 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 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 comparisons for the general fund and major special revenue funds and certain information pertaining to the County's participation in the Florida Retirement System. Following the required supplementary information can be found combining balance sheets and combining statements of revenues, expenditures and changes in fund balances for the non-major governmental funds, a combining statement of fiduciary net position, and a schedule of expenditures of federal and state awards.

**BAKER COUNTY, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2019**

**Schedule of Net Position**

	<u>2019</u>	<u>2018</u>
<b>ASSETS</b>		
Current and other assets	\$ 15,761,323	\$ 15,132,955
Capital assets	48,579,994	48,501,627
Total assets	<u>64,341,317</u>	<u>63,634,582</u>
Deferred outflows of resources	<u>7,412,056</u>	<u>8,318,435</u>
<b>LIABILITIES</b>		
Current and other liabilities	2,319,854	2,895,206
Long-term liabilities	25,664,263	22,112,966
Total liabilities	<u>27,984,117</u>	<u>25,008,172</u>
Deferred inflows of resources	<u>1,940,195</u>	<u>2,473,077</u>
<b>NET POSITION</b>		
Net investment in capital assets	\$ 46,434,144	\$ 47,508,906
Restricted	6,474,331	5,191,935
Unrestricted	(11,079,414)	(8,229,073)
Total net position	<u>\$ 41,829,061</u>	<u>\$ 44,471,768</u>

**Schedule of Changes in Net Position**

	<u>2019</u>	<u>2018</u>
<b>REVENUES</b>		
Program revenues:		
Charges for services	\$ 5,900,302	\$ 4,313,319
Operating grants and contributions	12,823,982	9,235,177
Capital grants and contributions	263,663	2,245,345
General revenues		
Property taxes	6,260,226	5,891,212
Other taxes	4,362,476	4,288,811
Unrestricted shared revenue	2,048,090	1,983,009
Other	1,113,496	1,181,137
Total revenues	<u>32,772,235</u>	<u>29,138,010</u>
<b>EXPENSES</b>		
General government	4,731,628	4,935,580
Public safety	22,248,382	17,276,405
Physical environment	1,263,222	1,135,388
Transportation	3,954,288	3,760,915
Economic environment	117,211	392,420
Human services	1,096,783	982,939
Culture and recreation	967,569	568,841
Court related	980,585	875,821
Interest on long-term debt	55,274	31,337
Total expenses	<u>35,414,942</u>	<u>29,959,646</u>
Change in net position	(2,642,707)	(821,636)
Net position, beginning of year	<u>44,471,768</u>	<u>45,293,404</u>
Net position, end of year	<u>\$ 41,829,061</u>	<u>\$ 44,471,768</u>



**BAKER COUNTY, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2019**

**OVERALL FINANCIAL POSITION AND RESULTS OF OPERATIONS**

**Governmental Activities**

The governmental activities generated \$32.8 million in revenues and incurred \$35.4 million of expenses. This resulted in a decrease in net position of approximately \$2.6 million. This compares with a prior year decrease in net position of approximately \$820,000. The largest factor in the negative fluctuation in net position compared to prior year related to unfavorable changes in the County's net pension liability related to participation in the Florida Retirement System (FRS).

**The County's Individual Funds**

- The General Fund's total fund balance increased by \$539,454, compared with a decrease of approximately \$490,000 last year. The most significant cause of this positive fluctuation was an increase in charges for services during the current year.
- The fund balance of the Fine & Forfeiture Fund decreased by \$41,187 due to the timing of expenditures and transfers to/from the general fund.
- Revenues were equal to expenditures in the State Housing Initiative Project fund.
- The Transportation Trust Fund's total fund balance increased by \$143,948, primarily due to the timing of certain capital outlay expenditures.

**GENERAL FUND – BUDGETARY HIGHLIGHTS**

Revenues of the General Fund were approximately \$90,000 less than budgeted amounts. The largest variance between final budget amounts and actual results occurred with intergovernmental revenues. The primary source of intergovernmental activity that caused the fluctuation was intergovernmental grant revenue. The County budgeted the full grant award amount in the year the grant was awarded rather than the amount earned in the current year, which was recognized in the statements. Expenditures were less than budgeted amounts by about \$2700,000, primarily due to certain general government expenditures that occurred during the year.

**CAPITAL ASSETS**

The County's capital assets, net of depreciation, decreased by approximately \$935,000 during the year. Please refer to the note to the accompanying financial statements entitled Capital Assets for more detailed information about the County's capital asset activity.

**DEBT ADMINISTRATION**

There was one vehicle loan and several capital lease agreements entered into during the current year. Please refer to a note to the accompanying financial statements entitled Changes in Long-Term Liabilities for more detailed information about the County's long-term debt activity.

**ECONOMIC FACTORS**

We are not currently aware of any conditions that are expected to have a significant effect on the County's financial position or results of operations.

**CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Baker County at 55 N. Third St., Macclenny, Florida 32063.

**BAKER COUNTY, FLORIDA**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2019**

	Primary Government Governmental Activities	Component Units	
		Baker County Development Corporation	Baker County Corrections Management Corporation
<b>ASSETS</b>			
Cash and cash equivalents	\$ 11,248,119	\$ -	\$ 5,142,578
Investments	1,885,160	-	-
Receivables, net	812,670	-	2,642,090
Due from other governments	1,552,833	-	-
Due from component unit	221,171	-	-
Prepays	41,370	-	-
Capital assets:			
Capital assets, not being depreciated	6,441,082	-	1,635,160
Other capital assets, net of depreciation	42,138,912	-	27,193,989
Total assets	<u>\$ 64,341,317</u>	<u>\$ -</u>	<u>\$ 36,613,817</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred loss on bond refunding	\$ -	\$ -	\$ -
Deferred outflows related to pensions	7,412,056	-	-
Total deferred outflows	<u>\$ 7,412,056</u>	<u>\$ -</u>	<u>\$ -</u>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	\$ 1,903,925	\$ -	\$ 224,982
Due to other governments	62,418	-	-
Due to component unit	2,645	-	-
Unearned revenue	350,866	-	-
Noncurrent liabilities:			
Due within one year:			
Bonds and notes payable	58,142	-	670,663
Capital lease payable	218,475	-	-
Compensated absences	933,488	-	-
Due in more than one year:			
Bonds and notes payable	59,923	-	34,321,332
Capital lease payable	1,809,310	-	-
Compensated absences	109,231	-	-
Net pension liability	22,475,694	-	-
Total liabilities	<u>\$ 27,984,117</u>	<u>\$ -</u>	<u>\$ 35,216,977</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows related to pensions	<u>\$ 1,940,195</u>	<u>\$ -</u>	<u>\$ -</u>
<b>NET POSITION</b>			
Net investment in capital assets	\$ 46,434,144	\$ -	\$ (12,888)
Restricted for:			
Title IV D	299,646	-	-
Health reimbursements	439,962	-	-
Law enforcement	881,561	-	-
Fire and rescue	169,031	-	-
Recreation	500,953	-	-
Human services	286,203	-	-
Physical environment	33,741	-	-
Transportation	2,658,678	-	-
Court costs	530,360	-	-
General government	646,581	-	-
Other purposes	27,615	-	723,074
Unrestricted	(11,079,414)	-	686,654
Total net position	<u>\$ 41,829,061</u>	<u>\$ -</u>	<u>\$ 1,396,840</u>

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

**BAKER COUNTY, FLORIDA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

Functions/Programs	Net (Expense) Revenue and Changes in Net Position						
	Program Revenues				Primary Government	Component Units	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Baker County Development Corporation	Baker County Corrections Management Corporation
Governmental activities:							
General government	\$ 4,731,628	\$ 1,352,443	\$ 393,383	\$ -	\$ (2,985,802)	\$ -	\$ -
Public safety	22,248,382	2,958,010	9,300,677	36,603	(9,953,092)	-	-
Physical environment	1,263,222	627,545	225,051	-	(410,626)	-	-
Transportation	3,954,288	-	2,248,509	227,060	(1,478,719)	-	-
Economic environment	117,211	-	476,556	-	359,345	-	-
Human services	1,096,783	-	60,077	-	(1,036,706)	-	-
Culture and recreation	967,569	15,891	74,688	-	(876,990)	-	-
Court related	980,585	946,413	45,041	-	10,869	-	-
Interest on long-term debt	55,274	-	-	-	(55,274)	-	-
Total governmental activities	35,414,942	5,900,302	12,823,982	263,663	(16,426,995)	-	-
Total primary government	<u>\$ 35,414,942</u>	<u>\$ 5,900,302</u>	<u>\$ 12,823,982</u>	<u>\$ 263,663</u>	<u>(16,426,995)</u>	<u>-</u>	<u>-</u>
Component units:							
Baker County Development Corporation	\$ 4,791,744	\$ 5,122,055	\$ -	\$ -	-	330,311	-
Baker County Corrections Management Corporation	<u>\$ 8,297,015</u>	<u>\$ 9,609,875</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>1,312,860</u>
General revenues:							
Property taxes					6,260,226	-	-
Sales taxes					3,990,443	-	-
Other taxes					372,033	-	-
Franchise fees					598,425	-	-
State revenue sharing					2,048,090	-	-
Investment earnings					105,310	41,471	83,980
Miscellaneous revenues					409,761	-	-
Total general revenues					13,784,288	41,471	83,980
Special items:							
Loss on sale of Baker Correctional Development Corporation					-	(1,299,684)	-
Change in net position					(2,642,707)	(927,902)	1,396,840
Net position, beginning of year					44,471,768	927,902	-
Net position, end of year					<u>\$ 41,829,061</u>	<u>\$ -</u>	<u>\$ 1,396,840</u>

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

**BAKER COUNTY, FLORIDA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2019**

	General	Transportation Trust	Fine and Forfeiture	SHIP	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and cash equivalents	\$ 6,765,595	\$ 19,205	\$ 23,529	\$ 306,830	\$ 4,132,960	\$ 11,248,119
Investments	34,440	1,850,720	-	-	-	1,885,160
Receivables, net	678,633	-	331	13,050	113,490	805,504
Due from other governments	915,456	342,976	-	-	303,669	1,562,101
Due from other funds	119,800	-	73,392	-	-	193,192
Due from component unit	219,069	-	-	-	-	219,069
Prepaid items	16,276	-	-	-	25,094	41,370
<b>Total Assets</b>	<u>\$ 8,749,269</u>	<u>\$ 2,212,901</u>	<u>\$ 97,252</u>	<u>\$ 319,880</u>	<u>\$ 4,575,213</u>	<u>\$ 15,954,515</u>
<b>LIABILITIES</b>						
Accounts payable and accrued liabilities	\$ 1,312,826	\$ 61,455	\$ 65,984	\$ 3,000	\$ 460,660	\$ 1,903,925
Due to other governments	62,418	-	-	-	2,000	64,418
Due to other funds	73,392	-	-	-	119,800	193,192
Due to component unit	-	-	-	-	645	645
Unearned revenue	8,892	-	-	316,880	25,094	350,866
<b>Total liabilities</b>	<u>1,457,528</u>	<u>61,455</u>	<u>65,984</u>	<u>319,880</u>	<u>608,199</u>	<u>2,513,046</u>
<b>FUND BALANCES</b>						
Nonspendable:						
Prepaid items	16,276	-	-	-	25,094	41,370
Restricted for:						
Title IV D	299,646	-	-	-	-	299,646
Health reimbursements	-	-	-	-	439,962	439,962
Law enforcement	-	-	31,268	-	850,293	881,561
Fire and rescue	-	-	-	-	169,031	169,031
Transportation	-	2,151,446	-	-	507,232	2,658,678
Recreation	-	-	-	-	500,953	500,953
Human services	-	-	-	-	286,203	286,203
Physical environment	-	-	-	-	33,741	33,741
Law library	-	-	-	-	6,275	6,275
Juvenile program	-	-	-	-	6,301	6,301
Crime prevention	-	-	-	-	15,039	15,039
Court costs	-	-	-	-	530,360	530,360
General government	-	-	-	-	646,581	646,581
Assigned to:						
Jail operations	6,630	-	-	-	-	6,630
Subsequent year's budget	639,689	-	-	-	-	639,689
Unassigned	6,329,500	-	-	-	(50,051)	6,279,449
<b>Total fund balances</b>	<u>7,291,741</u>	<u>2,151,446</u>	<u>31,268</u>	<u>-</u>	<u>3,967,014</u>	<u>13,441,469</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 8,749,269</u>	<u>\$ 2,212,901</u>	<u>\$ 97,252</u>	<u>\$ 319,880</u>	<u>\$ 4,575,213</u>	<u>\$ 15,954,515</u>

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

**BAKER COUNTY, FLORIDA**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2019**

**Fund balances - total governmental funds** \$ 13,441,469

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Total governmental capital assets - nondepreciable	6,441,082	
Total governmental capital assets - depreciable	96,077,213	
Less: accumulated depreciation	<u>(53,938,301)</u>	48,579,994

On the statement of net position, the County's net pension liability of the defined benefit pension plans is reported as a noncurrent liability. Additionally, deferred outflows and deferred inflows related to pensions are also reported.

Net pension liability	(22,475,694)	
Deferred outflows related to pensions	7,412,056	
Deferred inflows related to pensions	<u>(1,940,195)</u>	(17,003,833)

Long-term liabilities, including bonds payable and notes payable, are not due and payable in the current period and, therefore, are not reported in the funds. These liabilities, deferred outflows, and other debt-related deferred charges consist of the following:

Bonds and notes payable	(118,065)	
Capital leases	(2,027,785)	
Compensated absences	<u>(1,042,719)</u>	(3,188,569)

**Net position of governmental activities** \$ 41,829,061

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

**BAKER COUNTY, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	General	Transportation Trust	Fine and Forfeiture	SHIP	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>						
Taxes	\$ 4,360,500	\$ 1,176,390	\$ 4,249,108	\$ -	\$ 44,518	\$ 9,830,516
Permits and fees	336,209	-	-	-	158,677	494,886
Intergovernmental	5,325,189	1,411,936	24,633	476,556	745,233	7,983,547
Charges for services	10,569,243	-	-	-	1,765,554	12,334,797
Fines and forfeitures	162,837	-	681	-	136,236	299,754
Investment income	47,826	38,608	276	2,938	15,662	105,310
Miscellaneous	141,857	72,151	74,209	-	685,366	973,583
Total revenues	<u>20,943,661</u>	<u>2,699,085</u>	<u>4,348,907</u>	<u>479,494</u>	<u>3,551,246</u>	<u>32,022,393</u>
<b>Expenditures</b>						
Current:						
General government	4,217,469	-	10,428	-	82,993	4,310,890
Public safety	14,843,182	-	2,897,235	-	1,590,765	19,331,182
Physical environment	264,352	-	-	-	762,257	1,026,609
Transportation	-	2,069,669	-	-	292,278	2,361,947
Economic environment	-	-	-	448,184	-	448,184
Human services	755,548	-	-	31,310	-	786,858
Culture and recreation	479,251	-	-	-	111,913	591,164
Court related	819,062	-	-	-	119,035	938,097
Capital outlay	425,711	603,590	-	-	1,676,340	2,705,641
Debt service:						
Principal retirement	137,024	86,748	-	-	223,857	447,629
Interest and fiscal charges	15,127	40,147	-	-	-	55,274
Total expenditures	<u>21,956,726</u>	<u>2,800,154</u>	<u>2,907,663</u>	<u>479,494</u>	<u>4,859,438</u>	<u>33,003,475</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(1,013,065)</u>	<u>(101,069)</u>	<u>1,441,244</u>	<u>-</u>	<u>(1,308,192)</u>	<u>(981,082)</u>
<b>Other financing sources (uses)</b>						
Issuance of debt	187,527	245,017	-	-	1,168,214	1,600,758
Transfers in	4,358,909	-	2,904,661	-	419,425	7,682,995
Transfers out	(3,252,562)	-	(4,387,092)	-	(43,341)	(7,682,995)
Transfers in from other governments	262,990	-	-	-	325,399	588,389
Transfers out to other governments	(4,345)	-	-	-	-	(4,345)
Total other financing sources (uses)	<u>1,552,519</u>	<u>245,017</u>	<u>(1,482,431)</u>	<u>-</u>	<u>1,869,697</u>	<u>2,184,802</u>
<b>Net change in fund balances</b>	<u>539,454</u>	<u>143,948</u>	<u>(41,187)</u>	<u>-</u>	<u>561,505</u>	<u>1,203,720</u>
<b>Fund balances, beginning of year</b>	6,752,287	2,007,498	72,455	-	3,405,509	12,237,749
<b>Fund balances, end of year</b>	<u>\$ 7,291,741</u>	<u>\$ 2,151,446</u>	<u>\$ 31,268</u>	<u>\$ -</u>	<u>\$ 3,967,014</u>	<u>\$ 13,441,469</u>

The accompanying notes to financial statements are an integral part of this statement

**BAKER COUNTY, FLORIDA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

**Net change in fund balances - total governmental funds** \$ 1,203,720

Differences in amounts reported for governmental activities in the statement of activities are:

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.

Capital outlay expenditures	3,378,468
Depreciation expense	(3,129,289)
Net book value of disposition of capital assets	(170,812)

Repayment of notes payable, capital leases, and other long-term liabilities are expenditures in the governmental funds, but the repayment of debt principal reduces long-term liabilities in the statement of net position. These amounts are as follows:

Principal repayment of general long-term debt	447,629
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Proceeds from issuance of long-term liabilities are recognized as other financing sources in the governmental funds, but increase long-term liabilities in the statement of net position. These amounts are as follows:

Proceeds from issuance of notes payable and capital leases	(1,600,758)
--	-------------

Governmental funds report contributions to defined benefit pension plans as expenditures.

However, in the Statement of Activities, the amount contributed to defined benefit pension plans reduces future net pension liability. Also included in pension expense in the Statement of Activities are amounts required to be amortized.

Change in net pension liability and deferred inflows/outflows related to pensions	(2,830,651)
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Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. These adjustments are as follows:

Change in compensated absences liability	58,986
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**Change in net position of governmental activities** \$ (2,642,707)

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

**BAKER COUNTY, FLORIDA  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
SEPTEMBER 30, 2019**

	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 770,654
	<u>                    </u>
<b>LIABILITIES</b>	
Assets held for others	\$ 770,654
	<u>                    </u>

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



**BAKER COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**(1) Summary of Significant Accounting Policies:**

The financial statements of Baker County, Florida (the County), have been prepared in accordance with accounting principles generally accepted in the United States of America as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted body for promulgating governmental accounting and financial reporting principles. The following is a summary of the County's significant accounting policies:

(a) **Reporting entity**—Baker County, Florida 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 five-member Board of County Commissioners (the Board) and five elected constitutional officers, who are governed by state statutes and regulations. The Board and the constitutional officers – the Clerk of the Circuit Court, the Sheriff, the Tax Collector, the Property Appraiser, and the Supervisor of Elections – each operate as a separate county agency. Pursuant to Florida law, the Clerk of the Circuit Court is the clerk and accountant of the Board and serves as the auditor, recorder, and custodian of the Board's funds.

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.

Blended Component Units – Although legally separate entities, blended component units are in substance part of the primary government's operations and, accordingly, data from these units, if any, would be combined with the data of the primary government. There are no blended component units included in the accompanying financial statements.

Discretely Presented Component Units – Discretely presented component units, on the other hand, are reported in a separate column in the financial statements to emphasize that they are legally separate entities.

For two entities, the Baker Correctional Development Corporation (the BCDC) and the Baker County Corrections Management Corporation (the BCCMC), collectively the "Component Units", there were positive responses to the criteria used for establishing financial accountability. Accordingly, the Component Units have been included in the County's financial statements as discretely presented component units.

The Component Units, both not-for-profit organizations, were authorized by Sections 125.01 and 130.01, Florida Statutes, as amended. Both organizations were established to issue revenue bonds to finance the construction of a new jail facility for the County, and to operate the facility upon completion. The Baker Correctional Development Corporation was dissolved and the Baker Corrections Management Corporation was formed in the February 2019 in order to facilitate bond refinancing. The facility has 512 beds and became operational on June 13, 2009. The members of the original governing board were appointed by the Baker County Board of County Commissioners. After these original appointments, new Board members will be appointed by the Component Unit's existing board. However, the Baker County Board of County Commissioners will retain the right to remove the Component Unit's board members with or without cause. Financial statements of the Component Unit are separately issued and can be requested at PO Box 749, Macclenny, FL 32063.

**BAKER COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

(1) **Summary of Significant Accounting Policies:** (Continued)

(b) **Joint ventures**—The governments of Baker, Bradford, and Union Counties established the New River Solid Waste Association (the “Association”) through an interlocal agreement. The Association was established to provide a regional approach to solid waste management for the citizens of the tri-county region. The Association is governed by a Board of Directors whose members are appointed by each participating government. The County does not have an ongoing financial interest in the Association. However, the County does have an ongoing financial responsibility to the Association in that the Association's continued existence depends on the County's continuing participation. A copy of the Association's separate financial statements may be obtained from its administrative offices in Raiford, Florida.

The governments of Baker, Bradford, and Union Counties established the New River Public Library Cooperative (the “Cooperative”) through an interlocal agreement. The Cooperative was established to provide unified library services to the citizens of the tri-county region. The Cooperative is governed by a Board of Directors whose members are appointed by each participating government. The County does not have an ongoing financial interest in the Cooperative, however, the County does have an ongoing financial responsibility to the Cooperative in that the Cooperative's continued existence depends on the County's continuing participation. A copy of the Cooperative's separate financial statements may be obtained from its administrative offices in Lake Butler, Florida.

(c) **Government-wide and fund financial statements**—The government-wide financial statements (i.e., the statement of net position and the statement of activities) concentrate on the County as a whole. In addition, they report information on all of the non-fiduciary activities of the County. For the most part, the effect of inter-fund activity has been removed from these statements.

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

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. The nonmajor funds are combined in one column in the fund financial statements.

(d) **Measurement focus and basis of accounting**—The accounts of the County 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 balance, 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 accounting and financial reporting treatment is determined by the applicable measurement focus and the basis of accounting. The basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. The basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. Measurement focus indicates the type of resources being measured such as current financial resources (current assets less current liabilities) or economic resources (all assets and liabilities).

**BAKER COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

(1) **Summary of Significant Accounting Policies:** (Continued)

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 fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 90 days of the end of the current fiscal period; except for property taxes which is 60 days.

Property taxes, special assessments, intergovernmental revenues, charges for services, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the County.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, certain expenditure relating to future periods, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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.

*County Transportation Trust Fund* – This fund is used primarily to account for the receipt and expenditure of gas taxes and other funds restricted for transportation.

*Fine and Forfeiture Fund* – This fund is used primarily to fund operations of the Sheriff's Office. The operations are primarily financed by ad-valorem taxes and miscellaneous court surcharges.

*SHIP Fund* – This fund is used to account for the state housing initiatives partnership (SHIP) grant.

The County reports the following other fund type:

*Agency Funds* - Agency funds are used to account for assets held by the County in a custodial or trustee capacity (assets equal liabilities). Agency funds do not involve the measurement of results of operations.

**BAKER COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

(1) **Summary of Significant Accounting Policies:** (Continued)

(e) **Cash and investments**—The institutions in which the County’s monies are deposited are certified as a “Qualified Public Depository,” as required under the Florida Public Deposits Act. This law requires every qualified public depository to deposit with the State Treasurer eligible collateral equal to or in excess of an amount to be determined by the State Treasurer and requires the State Treasurer to ensure that funds are entirely collateralized throughout the fiscal year. Therefore, the County’s total deposits are insured by the Federal Depository Insurance Corporation and the Bureau of Collateral Securities, Division of Treasury, State Department of Insurance.

The County categorizes 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.

(f) **Receivables**—Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds” and are eliminated in the government-wide financial statements. All trade and property tax receivables are reported net of an allowance for uncollectible accounts, which is based upon management's analysis of historical trends.

(g) **Allowance for uncollectible accounts**—Receivables are reported net of an allowance for uncollectible service fees of \$659,861.

(h) **Capital assets**—Capital assets include property, plant, equipment and infrastructure assets. The terms general capital assets and general infrastructure assets relate only to the assets associated with governmental activities, whereas the terms capital assets and infrastructure assets relate to all such assets belonging to the County. Capital assets are defined by the County as property and equipment with an initial individual cost of \$5,000 or more and infrastructure of \$50,000 or more and an estimated useful life of more than one year. Such assets are recorded at historical cost, if purchased or constructed. Donated assets are recorded at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are only capitalized if they meet the dollar threshold above for capitalization. Donated capital assets are recorded at acquisition value. Maintenance and repairs of capital assets are charged to operating expenses.

Depreciation is reported for the primary government using the straight-line method calculated on a service-life basis to amortize the cost of the asset over their estimated economic useful lives, which are as follows:

Assets	Years
Buildings and Improvements	15 – 100 years
Infrastructure (Roads and Bridges)	40 – 50 years
Machinery and Equipment	5 – 20 years

(i) **Compensated absences**—The various County agencies maintain policies that permit employees to accumulate earned but unused vacation and sick pay benefits that will be paid to employees upon separation of service if certain criteria are met. These benefits, plus their related tax and retirement costs, are classified as compensated absences. The policies of the various County agencies vary as to the amount and the vesting of employee vacation leave time and, in some instances, sick time. The amount of vacation time is determined by the period of employment. Gross additions and deletions for compensated absences were not determined, accordingly, only the net change in the accumulated value of compensated absences is shown for the current fiscal year.

**BAKER COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

(1) **Summary of Significant Accounting Policies:** (Continued)

(j) **Long-term obligations**—In the government-wide financial statements, long-term debt obligations are reported as liabilities on the statement of net position. The compensated absences and net pension liabilities have been liquidated in the past by the reporting units of the underlying employees, including primarily the general fund, with some smaller amounts paid by other governmental funds.

(k) **Deferred outflows/inflows of resources**—In addition to assets, the statement of financial position will, if required, report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the only item in this category consisted of deferred amounts related to pensions, as discussed further in Note (11).

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of financial position or fund balance that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Currently, the item in this category consisted of deferred inflows of resources related to pensions, as discussed further in Note (11).

(l) **Fund equity**—Fund balance for governmental funds report classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in the funds may be spent. The following classifications describe the relative strength of applicable spending constraints:

*Nonspendable* – amounts not available to be spent or not in spendable form, such as inventory and prepaid items.

*Restricted* – amounts constrained to specific purposes by their providers (such as grantors and higher levels of government), through constitutional provisions or by enabling legislation.

*Committed* – amounts the County intends to use for a specific purpose as expressed at the highest level of decision making authority by the Board of County Commissioners.

*Assigned* – amounts the County intends to use for a specific purpose. Intent can be expressed by Board of County Commissioners or by an official or body which the Board delegates authority.

*Unassigned* – amounts that are available for any purpose. Positive amounts are reported only in the General Fund.

The County does not have a formal written policy regarding whether restricted or unrestricted amounts are considered to be spent when an expenditure for purposes for which both restricted and unrestricted fund balances are available. However, it has been the County's general practice when expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available; the County considers restricted funds to have been spent first. When expenditure is incurred for which assigned or unassigned fund balances are available, the County considers amounts to have been spent first out of assigned funds then unassigned funds, as needed.

**BAKER COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

(1) **Summary of Significant Accounting Policies:** (Continued)

(m) **Property taxes**— 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

(n) **Budgets and budgetary accounting**—Annual budgets are legally adopted by the Board of County Commissioners, on a basis consistent with generally accepted principles for the General Fund and special revenue funds. Formal budgetary integration is employed as a management control device during the year for all governmental funds.

The annual budget is prepared at the fund, department, and division level. The department directors submit requests for appropriations to the Clerk of Courts. The Clerk submits a recommended budget to the Board of County Commissioners. Public hearings on the proposed budget are held in September. On or before October 1, the budget is adopted by the Board of County Commissioners. Transfers between funds require Board approval. If during the fiscal year, there are additional available revenues for appropriation in excess of those estimated in the budget; the Board may make supplemental appropriations for the year, up to the amount of such excess revenues. Appropriations in all funds lapse at the close of the fiscal year to the extent that it has not been re-budgeted in the following fiscal year. The fund is the legal level of budgetary control.

(o) **Impact fees**—The County has not adopted any ordinances or resolutions to levy impact fees in accordance with Section 163.31801, *Florida Statutes*.

(p) **Use of estimates**—Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Actual results could vary from the estimates assumed in preparing the financial statements.

(2) **Reconciliation of Government-Wide and Fund Financial Statements:**

(a) **Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position**—Following the governmental fund balance sheet is a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. A detailed explanation of these differences is provided in this reconciliation.

(2) **Reconciliation of Government-Wide and Fund Financial Statements:** (Continued)

(b) **Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities**—Following the governmental fund statement of revenues, expenditures, and changes in fund balances, there is a reconciliation between net changes in fund balances - total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. A detailed explanation of these differences is provided in this reconciliation.

**BAKER COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**(3) Deposits and Investments:**

Florida Statutes authorize the County to invest in bonds, notes or other obligations of the U.S. Government, certificates of deposits, repurchase agreements, certain bonds of any State or local government unit and the State Treasurer’s Investment Pool.

The Florida Local Government Investment Trust (FLGIT) is a local government investment pool created by the Florida Association of Court Clerks and the Florida Association of Counties for the purpose of providing public entities with an investment program that focuses on longer term securities with the highest credit ratings. The effective maturity of the underlying investment is five years or less. At year-end, the FLGIT was invested in money markets, treasury notes, asset-backed securities and Federal agency obligations. The investment type is subject to some market risk due to fluctuating prices and liquidity risk due to advance redemption notification requirements. However, it has a professional investment advisor and an investment advisory board. The FLGIT maintains a credit rating of AA+ by Standard & Poor’s. A copy of FLGIT’s most recent financial statements can be found at <http://floridatrusionline.com>. At September 30, 2019, the County had \$1,885,160 invested with FLGIT.

*Interest Rate Risk.* The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

*Concentration of Credit Risk.* The County places no limit on the amount that may be invested in any one issuer.

**(4) Interfund Balances and Transfers:**

Transfers from/to other funds for the year ended September 30, 2019, were as follows:

<b>Recipient Fund</b>	<b>Amount</b>	<b>Reason for Transfer</b>
	<b>Transferred</b>	
Fine and Forfeiture	\$ 2,900,000	Transfer from General Fund to aid in operating costs
General Fund	4,363,570	Transfer from fine and forfeiture fund for public safety reimbursements.
12.50 SC Fund	20,000	Transfer from General Fund to aid in operating costs
Emergency Management	57,871	Transfer from General Fund to aid in operating costs
Solid Waste Fund	327,901	Transfer from General Fund to aid in operating costs
Court Innovations Trust	6,828	Transfer from Law Library Trust to Court Innovations Trust to aid in operating costs
Court Innovations Trust	6,825	Transfer from Juvenile Trust to Court Innovations Trust to aid in operating costs
	<u>\$ 7,682,995</u>	

**BAKER COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

(4) **Interfund Balances and Transfers:** (Continued)

As of September 30, 2019, interfund balances consisted of:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
<b>General Fund</b>	\$ 119,800	\$ 73,392
<b>Major Funds:</b>		
Fine and Forfeiture	73,392	-
<b>Non-Major Funds:</b>		
911	-	25,360
Inmate Welfare	-	76,772
School Crossing Guards	-	2,291
Emergency Management	-	15,377
<b>Total</b>	<u>\$ 193,192</u>	<u>\$ 193,192</u>

(5) **Capital Assets:**

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

<b>Governmental activities:</b>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land	\$ 5,817,899	\$ -	\$ (389,955)	\$ 5,427,944
Construction in progress	1,072,598	254,286	(313,746)	1,013,138
Total assets not being depreciated	<u>6,890,497</u>	<u>254,286</u>	<u>(703,701)</u>	<u>6,441,082</u>
Capital assets being depreciated:				
Building & Improvements	17,853,861	327,056	-	18,180,917
Infrastructure	61,115,711	703,701	-	61,819,412
Machinery and equipment	13,622,647	2,797,126	(342,889)	16,076,884
Total assets being depreciated	<u>92,592,219</u>	<u>3,827,883</u>	<u>(342,889)</u>	<u>96,077,213</u>
Less accumulated depreciation for:				
Buildings, Improvements	(4,582,262)	(439,279)	-	(5,021,541)
Infrastructure	(35,651,155)	(1,560,475)	-	(37,211,630)
Machinery and equipment	(10,747,672)	(1,129,535)	172,077	(11,705,130)
Total accumulated depreciation	<u>(50,981,089)</u>	<u>(3,129,289)</u>	<u>172,077</u>	<u>(53,938,301)</u>
Total capital assets being depreciated, net	<u>41,611,130</u>	<u>698,594</u>	<u>(170,812)</u>	<u>42,138,912</u>
Governmental activities capital assets, net	<u>\$ 48,501,627</u>	<u>\$ 952,880</u>	<u>\$ (874,513)</u>	<u>\$ 48,579,994</u>



**BAKER COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

(5) **Capital Assets:** (Continued)

Depreciation expense was charged to programs for the County as follows:

General Government	\$	503,418
Public Safety		527,197
Physical Environment		182,981
Transportation		1,516,138
Economic Environment		414
Human Service		293,525
Culture and Recreation		45,793
Court Related		59,823
		\$ 3,129,289

Capital assets activity for the Component Units for the year ended September 30, 2019, was as follows:

Governmental Activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 2,541,842	\$ 1,635,160	\$ (2,541,842)	\$ 1,635,160
Capital assets being depreciated:				
Equipment	2,749,937	1,170,384	(2,749,937)	1,170,384
Buildings and improvements	35,067,117	26,617,931	(35,067,117)	26,617,931
Total capital assets being depreciated	37,817,054	27,788,315	(37,817,054)	27,788,315
Less accumulated depreciation	11,001,841	938,055	(11,345,569)	594,327
Total capital assets being depreciated, net	26,815,213	26,850,260	(26,471,485)	27,193,988
Total capital assets, net	\$ 29,357,055	\$ 28,485,420	\$(29,013,327)	\$ 28,829,148

(6) **Long-Term Debt:**

*Notes Payable*

The County has entered into various long-term note agreements, which are summarized below:

Note payable to financial institution for vehicle, interest rate of 4.09%, payable from Solid Waste Fund through May 2021. Loan is secured by vehicle. \$ 118,065

The following schedule provides future debt service requirements of the notes payable:

Year Ending September 30,	Principal	Interest	Total
2020	\$ 58,142	\$ 4,920	\$ 63,062
2021	59,923	3,139	63,062
<b>Total</b>	<b>\$ 118,065</b>	<b>\$ 8,059</b>	<b>\$ 126,124</b>

**BAKER COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

(6) **Long-Term Debt:** (Continued)

*Capital Leases*

The County leases heavy equipment under agreements that are classified as capital leases. The agreements bear interest rates ranging from 2.71% to 6.25%. 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,	Payment
2020	\$ 286,241
2021	844,277
2022	189,276
2023	189,277
2024	284,586
2025-2028	472,462
Total minimum lease payments	2,266,119
Less: amount representing interest	238,334
Present value of minimum lease payments	\$ 2,027,785

Amortization of leased equipment under capital assets is included with depreciation expense.

The following is a summary of changes in long-term debt of the County for the year ended September 30, 2019:

	Balance 10/01/18	Increases	Decreases	Balance 09/30/19	Current Portion
Capital lease obligations	\$ 886,979	\$ 1,482,693	(341,887)	\$ 2,027,785	\$ 218,475
Compensated absences	1,101,705	1,154,821	(1,213,807)	1,042,719	933,488
Note payable	105,742	118,065	(105,742)	118,065	58,142
Totals	\$ 2,094,426	\$ 2,755,579	\$ (1,661,436)	\$ 3,188,569	\$ 1,210,105

The following is a summary of changes in long-term debt of the Component Units for the year ended September 30, 2019:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Notes payable	\$ 95,090	\$ 30,763	\$ (125,853)	\$ -	\$ -
USDA loan	-	35,371,400	(379,405)	34,991,995	670,663
Revenue bonds	34,566,300	-	(34,566,300)	-	-
Totals	\$ 34,661,390	\$35,402,163	\$(35,071,558)	\$ 34,991,995	\$ 670,663

**BAKER COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**(7) Commitments and Contingencies:**

Various suits and claims arising in the ordinary course of the County's operations, some of which involve substantial amounts, are pending against the County.

The ultimate effect of such litigation cannot be ascertained at this time. However, in the opinion of counsel for the County, the liabilities which may arise from such action would not result in losses which would materially affect the financial position of the County or the results of its operations, nor is it anticipated that any material amount will be paid for claims and judgments in the next fiscal year.

**(8) Risk Management:**

*Commercial Insurance*

The County is exposed to various risks of loss related to general liability, auto liability, collision, property, island marine and crime liability. The County carries commercial insurance for coverage of those risks. Settled claims have not exceeded commercial insurance coverage in any of the past three fiscal years.

*Public Entity Risk Pool*

The County is exposed to a risk of loss related to worker's compensation. To manage this risk, the County joined a public entity risk pool (the "pool"). The County pays annual premiums to the pool for its coverage. Premiums paid to the pool are designed to fund the risks assumed by the pool and are based on certain actual exposures of each member.

**(9) Related Party Transactions:**

Facility operations agreements between the Component Unit and the Baker County Sheriff's Office were executed to facilitate operations of the correctional facility. The Component Unit is the owner of the correctional facility and issuer of revenue bonds for the cost of construction of the facility. Construction of the correctional facility was completed in May 2009. The Sheriff's Office is responsible for the operation of the facility and resources are provided from the Component Unit to the Sheriff's Office to cover the costs associated with correctional operations and facility management.

Costs covering the correctional operations, such as salaries and benefits of corrections officers and administrative staff, insurance, inmate medical costs, compensatory time for detention staff and other various reimbursements are reimbursed by the Component Units to the Sheriff's Office at the actual costs incurred; approximately \$8,166,000 during 2019.

*Due from Component Unit*

At September 30, 2019 amounts due from the Component Units to the Sheriff's Office for various fees and reimbursements totaled \$221,171.

**(10) Deficit Fund Balance:**

At September 30, 2019, the 12.50 SC and Solid Waste funds, both nonmajor funds, had deficit fund balances of \$666 and \$31,798, respectively. The reason for the deficit in the 12.50 SC fund is that transfers in were not enough to support the fund as a whole, thus the result is an overall fund deficit. The reason for the deficit in the Solid Waste fund is that solid waste expenditures are annually significantly more than solid waste revenues, thus the result is an overall fund deficit. These deficits were eliminated through additional transfers in subsequent to year-end.

**BAKER COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

(11) **Employees' Retirement Plans:**

**A. Florida Retirement System**

**Plan Description and Administration**

The County participates in the Florida Retirement System (FRS), a multiple-employer, cost sharing defined public employee retirement system which covers all of the County's full-time employees. The System is a noncontributory retirement plan, administered by the State of Florida, Department of Administration, Division of Retirement to provide retirement and survivor benefits to participating public employees. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. The FRS is a single retirement system administered by the Department of Management Services, Division of Retirement, and consists of two cost-sharing, multiple-employer retirement plans and other nonintegrated programs. These include a defined-benefit pension plan (Plan), with a Deferred Retirement Option Program (DROP), and a defined-contribution plan, referred to as the FRS Investment Plan (Investment Plan).

In addition, all regular employees of the entity are eligible to enroll as members of the Retiree Health Insurance Subsidy (HIS) Program. The HIS 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. For the fiscal year ended September 30, 2018, eligible retirees and beneficiaries received 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. To be eligible to receive a HIS benefit, a retiree under one of the state-administered retirement systems must provide proof of eligible health insurance coverage, which can include Medicare.

**Benefits Provided and Employees Covered**

Employees enrolled in the Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service. Members of both Plans may include up to four years of credit for military service toward creditable service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments.

Benefits under the Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the 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.

**BAKER COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

(11) **Employees' Retirement Plans:** (Continued)

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months.

During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest.

Employees may elect to participate in the Investment Plan in lieu of the FRS defined-benefit plan. Employer and employee contributions are defined by law, but the ultimate benefit depends in part on the performance of investment funds. The Investment Plan is funded by employer and employee contributions that are based on salary and membership class (Regular, DROP, etc.). Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Employees in the Investment Plan vest at one year of service.

**Financial Statements**

Financial statements and other supplementary information of the FRS are included in the State's Comprehensive Annual Financial Report, which is available from the Florida Department of Financial Services, Bureau of Financial Reporting Statewide Financial Reporting Section by mail at 200 E. Gaines Street, Tallahassee, Florida 32399-0364; by telephone at (850) 413-5511; or at the Department's Web site ([www.myfloridacfo.com](http://www.myfloridacfo.com)). An annual report on the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from:

Florida Department of Management Services  
 Division of Retirement, Research and Education Services  
 P.O. Box 9000  
 Tallahassee, FL 32315-9000  
 850-488-5706 or toll free at 877-377-1737

**Contributions**

Employers may participate in certain classes of FRS membership. The employee contribution rate for eligible employees are 3.0%. Each class has descriptions and employer contribution rates in effect during the fiscal year ended September 30, 2019, as follows (contribution rates are in agreement with the actuarially determined rates):

FRS Membership Plan & Class	Through June 30, 2019	After June 30, 2019
Regular Class	8.26%	8.47%
Senior Management	24.06%	25.41%
Special Risk	24.50%	25.48%

Current-year employer HIS contributions were made at a rate of 1.66% of covered payroll, included in the above rates.

**BAKER COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

(11) **Employees' Retirement Plans:** (Continued)

Actual contributions made for entity employees participating in FRS and HIS for the plan year ended June 30, 2019, were as follows:

Entity Contributions – FRS	\$ 1,694,688
Entity Contributions – HIS	181,312
Employee Contributions – FRS	327,672

**Net Pension Liability, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions**

At September 30, 2019, the entity reported a net pension liability related to FRS and HIS as follows:

<b>Plan</b>	<b>Net Pension Liability</b>
FRS	\$ 18,822,291
HIS	3,653,403
Total	\$ 22,475,694

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer proportion of the net pension liability was based on a projection of the organization's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, as actuarially determined. At June 30, 2019 and 2018, the organization's proportionate share of the FRS and HIS net pension liabilities were as follows:

<b>Plan</b>	<b>2019</b>	<b>2018</b>
FRS	0.054654622%	0.055003836%
HIS	0.032651738%	0.032606414%

For the plan year ended June 30, 2019, pension expense was recognized related to the FRS and HIS plans as follows:

FRS	\$ 4,521,722
HIS	238,278
Total	\$ 4,760,000

**BAKER COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

(11) **Employees' Retirement Plans:** (Continued)

*Deferred outflows/inflows related to pensions:*

At September 30, 2019, deferred outflows of resources and deferred inflows of resources related to pensions were recorded 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	\$ 1,116,404	\$ (11,681)	\$ 44,375	\$ (4,473)
Changes of assumptions	4,834,374	-	423,030	(298,599)
Net different between projected and actual investment earnings	-	(1,041,347)	2,357	-
Change in proportionate share	297,267	(398,023)	146,074	(186,072)
Contributions subsequent to measurement date	496,909	-	51,266	-
	<u>\$ 6,744,954</u>	<u>\$ (1,451,051)</u>	<u>\$ 667,102</u>	<u>\$ (489,144)</u>

The above amounts for deferred outflows of resources for contributions related to pensions resulting from employer contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended September 30, 2020.

Other amounts reported as deferred outflows and deferred inflows of resources related to pensions being amortized for a period of greater than one year will be recognized in pension expense in succeeding years as follows:

2020	\$ 1,372,846
2021	1,342,309
2022	1,248,782
2023	655,575
2024	223,704
Thereafter	80,470
Total	<u>\$ 4,923,686</u>

*Actuarial assumptions:*

The actuarial assumptions for both defined benefit plans are reviewed annually by the Florida Retirement System Actuarial Assumptions Conference. The FRS has a valuation performed annually. The HIS Program has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The most recent experience study for the FRS was completed in 2019 for the period July 1, 2013, through June 30, 2018. Because HIS is funded on a pay-as-you-go basis, no experience study has been completed.

The total pension liability for each of the defined benefit plans was determined by an actuarial valuation, using the entry age normal actuarial cost method. Inflation increases for both plans is assumed at 2.60%. Payroll growth, including inflation, for both plans is assumed at 3.25%. Both the discount rate and the long-term expected rate of return used for FRS investments is 6.90%. This rate decreased from the prior year rate, which was 7.00%. The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. Because HIS Program uses a pay-as-you-go funding structure, a municipal bond rate of 3.50% was used to determine the total pension for the program. This rate decreased from the prior year rate, which was 3.87%.

**BAKER COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

(11) **Employees' Retirement Plans:** (Continued)

Mortality assumptions for both plans were based on the PUB2010 base table varies by member category and sex, projected generationally with Scale MP-2018 details.

*Long-term expected rate of return:*

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in October 2019, the FRS Actuarial Assumptions conference reviewed long-term assumptions developed by both Milliman's capital market assumptions team and by a capital market assumptions team from Aon Hewitt Investment Consulting, which consults to the Florida State Board of Administration. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the long-term target asset allocation. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Asset Class	Target Allocation	Long-Term Arithmetic Expected Rate of Return
Cash	1.0%	3.3%
Fixed income	18.0%	4.1%
Global equities	54.0%	8.0%
Real estate	11.0%	6.7%
Private equity	10.0%	11.2%
Strategic investments	6.0%	5.9%
Total	100.0%	

*Sensitivity of the net pension liability to changes in the discount rate:*

The following presents the proportionate shares of the FRS and HIS net pension liability of the entity calculated using the current discount rates, as well as what the entity's net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

Plan	Current Discount Rate	NPL with 1% Decrease	NPL at Current Discount Rate	NPL with 1% Increase
FRS	6.90%	\$ 32,537,473	\$ 18,822,291	\$ 7,367,794
HIS	3.50%	4,170,547	3,653,403	3,222,681



**BAKER COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**(12) Recent Accounting Pronouncements**

The Governmental Accounting Standards Board (GASB) has issued several pronouncements that have effective dates that may impact future financial statements. Listed below are pronouncements with required implementation dates, as adjusted based on the impacts of GASB Statement No. 95, effective for subsequent fiscal years that have not yet been implemented. Management has not currently determined what, if any, impact implementation of the following will have on the County's financial statements:

- (a) GASB issued Statement No. 84, *Fiduciary Activities*, in January 2017. GASB 84 improves guidance regarding the identification and reporting of fiduciary activities. The provisions in GASB 84 are effective for periods beginning after December 15, 2019.
- (b) GASB issued Statement No. 87, *Leases*, in June 2017. GASB 87 increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The provisions in GASB 87 are effective for periods beginning after June 15, 2021.
- (c) GASB issued Statement No. 90, *Majority Equity Interests-an amendment of GASB Statements No. 14 and No. 61*, in August 2018. GASB 90 improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and improves the relevance of financial statement information for certain component units. The provisions in GASB 90 are effective for periods beginning after December 15, 2019.
- (d) GASB issued Statement No. 91, *Conduit Debt Obligations*, in May 2019. GASB 91 provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The provisions in GASB 91 are effective for periods beginning after December 15, 2021.

**(13) Subsequent Events:**

Subsequent to September 30, 2019, local, U.S., and world governments have encouraged self-isolation to curtail the spread of the global pandemic, coronavirus disease (COVID-19), by mandating temporary work stoppage in many sectors and imposing limitations on travel and size and duration of group meetings. Most industries are experiencing disruption to business operations and the impact of reduced consumer spending and investment markets have been substantially impacted. There is unprecedented uncertainty surrounding the duration of the pandemic, its potential economic ramifications, and any government actions to mitigate them. Accordingly, while management cannot quantify the financial and other impact to the County as of July 1, 2020, management believes that a material impact on County's financial position and results of future operations is reasonably possible.

**REQUIRED SUPPLEMENTARY INFORMATION**

**BAKER COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget - Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		<u>Actual</u>
<b>Revenues</b>				
Taxes	\$ 4,360,787	\$ 4,360,787	\$ 4,360,500	\$ (287)
Permits and fees	291,600	291,600	336,209	44,609
Intergovernmental	4,442,161	4,448,011	5,325,189	877,178
Charges for services	8,573,211	11,765,067	10,569,243	(1,195,824)
Fines and forfeitures	21,140	21,140	162,837	141,697
Investment income	8,049	8,049	47,826	39,777
Miscellaneous	76,078	142,737	141,857	(880)
<b>Total revenues</b>	<u>17,773,026</u>	<u>21,037,391</u>	<u>20,943,661</u>	<u>(93,730)</u>
<b>Expenditures</b>				
Current:				
General government	4,482,237	4,570,069	4,217,469	352,600
Public safety	11,759,398	15,038,158	14,843,182	194,976
Physical environment	175,842	183,669	264,352	(80,683)
Human services	635,349	647,821	755,548	(107,727)
Culture and recreation	617,230	605,223	479,251	125,972
Court related	928,327	844,456	819,062	25,394
Capital outlay	320,250	334,343	425,711	(91,368)
Debt service:				
Principal retirement	-	-	137,024	(137,024)
Interest and fiscal charges	-	-	15,127	(15,127)
<b>Total expenditures</b>	<u>18,918,633</u>	<u>22,223,739</u>	<u>21,956,726</u>	<u>267,013</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(1,145,607)</u>	<u>(1,186,348)</u>	<u>(1,013,065)</u>	<u>173,283</u>
<b>Other financing sources (uses)</b>				
Issuance of debt	-	-	187,527	187,527
Transfers in	-	1,500	4,358,909	4,357,409
Transfers out	(3,315,271)	(3,315,271)	(3,252,562)	62,709
Transfers in from other governments	-	-	262,990	262,990
Transfers out to other governments	-	-	(4,345)	(4,345)
Appropriations to constitutional officers	4,259,406	4,298,647	-	(4,298,647)
Reversions from constitutional officers	200,000	200,000	-	(200,000)
<b>Total other financing sources (uses)</b>	<u>1,144,135</u>	<u>1,184,876</u>	<u>1,552,519</u>	<u>367,643</u>
<b>Net change in fund balances</b>	<u>(1,472)</u>	<u>(1,472)</u>	<u>539,454</u>	<u>367,643</u>
<b>Fund balances, beginning of year</b>	6,752,287	6,752,287	6,752,287	-
<b>Fund balances, end of year</b>	<u>\$ 6,750,815</u>	<u>\$ 6,750,815</u>	<u>\$ 7,291,741</u>	<u>\$ 367,643</u>

The accompanying note to schedules of revenues, expenditures, and changes in fund balance - budgetary information is an integral part of this schedule.

**BAKER COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - COUNTY TRANSPORTATION TRUST FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 1,110,880	\$ 1,110,880	\$ 1,176,390	\$ 65,510
Intergovernmental	1,350,527	1,387,440	1,411,936	24,496
Investment income	7,500	7,500	38,608	31,108
Miscellaneous	15,000	15,000	72,151	57,151
<b>Total revenues</b>	2,483,907	2,520,820	2,699,085	178,265
<b>Expenditures</b>				
Current:				
Transportation	2,723,769	2,760,682	2,069,669	691,013
Capital outlay	377,752	377,752	603,590	(225,838)
Debt service:				
Principal retirement	120,464	120,464	86,748	33,716
Interest and fiscal charges	-	-	40,147	(40,147)
<b>Total expenditures</b>	3,221,985	3,258,898	2,800,154	458,744
<b>Excess (deficiency) of revenues over expenditures</b>	(738,078)	(738,078)	(101,069)	637,009
<b>Other financing sources (uses)</b>				
Issuance of debt	-	-	245,017	245,017
<b>Net change in fund balances</b>	(738,078)	(738,078)	143,948	882,026
<b>Fund balances, beginning of year</b>	2,007,498	2,007,498	2,007,498	-
<b>Fund balances, end of year</b>	\$ 1,269,420	\$ 1,269,420	\$ 2,151,446	\$ 882,026

The accompanying note to schedules of revenues, expenditures, and changes in fund balance - budgetary information is an integral part of this schedule.

**BAKER COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - FINE AND FORFEITURE FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$ 4,279,479	\$ 4,279,479	\$ 4,249,108	\$ (30,371)
Intergovernmental	216,909	253,917	24,633	(229,284)
Fines and forfeitures	250	250	681	431
Investment income	1,500	1,500	276	(1,224)
Miscellaneous	52,000	52,000	74,209	22,209
Total revenues	<u>4,550,138</u>	<u>4,587,146</u>	<u>4,348,907</u>	<u>(238,239)</u>
<b>Expenditures</b>				
Current:				
General government	10,000	10,000	10,428	(428)
Public safety	3,210,187	3,257,195	2,897,235	359,960
Total expenditures	<u>3,220,187</u>	<u>3,267,195</u>	<u>2,907,663</u>	<u>359,532</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>1,329,951</u>	<u>1,319,951</u>	<u>1,441,244</u>	<u>121,293</u>
<b>Other financing sources (uses)</b>				
Transfers in	3,035,793	3,035,793	2,904,661	(131,132)
Transfers out	-	-	(4,661)	(4,661)
Transfers out	(4,365,744)	(4,365,744)	(4,382,431)	(16,687)
Total other financing sources (uses)	<u>(1,329,951)</u>	<u>(1,329,951)</u>	<u>(1,482,431)</u>	<u>(152,480)</u>
<b>Net change in fund balances</b>	<u>-</u>	<u>(10,000)</u>	<u>(41,187)</u>	<u>(31,187)</u>
<b>Fund balances, beginning of year</b>	72,455	72,455	72,455	-
<b>Fund balances, end of year</b>	<u>\$ 72,455</u>	<u>\$ 62,455</u>	<u>\$ 31,268</u>	<u>\$ (31,187)</u>

The accompanying note to schedules of revenues, expenditures, and changes in fund balance - budgetary information is an integral part of this schedule.

**BAKER COUNTY, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - SHIP FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$ 350,000	\$ 350,000	\$ 476,556	\$ 126,556
Investment income	1,100	1,100	2,938	1,838
Total revenues	<u>351,100</u>	<u>351,100</u>	<u>479,494</u>	<u>128,394</u>
<b>Expenditures</b>				
Current:				
Economic environment	752,420	752,420	448,184	304,236
Human services	35,000	35,000	31,310	3,690
Total expenditures	<u>787,420</u>	<u>787,420</u>	<u>479,494</u>	<u>307,926</u>
<b>Net change in fund balances</b>	<u>(436,320)</u>	<u>(436,320)</u>	<u>-</u>	<u>436,320</u>
<b>Fund balances, beginning of year</b>	-	-	-	-
<b>Fund balances, end of year</b>	<u>\$ (436,320)</u>	<u>\$ (436,320)</u>	<u>\$ -</u>	<u>\$ 436,320</u>

The accompanying note to schedules of revenues, expenditures, and changes in fund balance - budgetary information is an integral part of this schedule.

**BAKER COUNTY, FLORIDA**  
**NOTE TO SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCE - BUDGET AND ACTUAL**  
**SEPTEMBER 30, 2019**

**Note to Budgetary Comparison Schedules:**

The preparation, adoption and amendment of the budgets are governed by Florida Statutes. The fund is the legal level of control. Budgets are prepared on a basis that does not differ materially from generally accepted accounting principles (GAAP). Appropriations lapse at year-end. Budgeted excess expenditures over revenues are funded through transfers in and use of fund balance reserves.

**BAKER COUNTY, FLORIDA**  
**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY**  
**LAST 10 FISCAL YEAR AS OF SEPTEMBER 30**  
**(UNAUDITED)**

**For the Plan Year Ending June 30,**

	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
<b>Florida Retirement System (FRS)</b>					
Proportion of the net pension liability	0.054654622%	0.055003836%	0.054897926%	0.055978745%	0.056326104%
Proportionate share of the net pension liability	\$ 18,822,291	\$ 16,657,441	\$ 16,238,437	\$ 14,134,677	\$ 7,275,272
Covered payroll	10,922,406	10,652,133	10,051,718	9,991,268	10,028,017
Proportionate share of the net pension liability as a percentage of its covered payroll	172.33%	156.38%	161.55%	143.32%	72.55%
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 (HIS)</b>					
Proportion of the net pension liability	0.032651738%	0.032606414%	0.031526930%	0.031886264%	0.033689953%
Proportionate share of the net pension liability	\$ 3,653,403	\$ 3,451,099	\$ 3,371,004	\$ 3,716,212	\$ 3,435,846
Covered payroll	10,922,406	10,652,133	10,051,718	9,991,268	10,028,017
Proportionate share of the net pension liability as a percentage of its covered payroll	33.45%	32.40%	33.54%	37.68%	34.26%
Plan fiduciary net position as a percentage of the total pension liability	2.63%	2.15%	1.64%	0.97%	0.50%

Note 1: GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, the County will present information for only those years for which information is available.



**BAKER COUNTY, FLORIDA  
SCHEDULE OF CONTRIBUTIONS  
LAST 10 FISCAL YEAR AS OF SEPTEMBER 30  
(UNAUDITED)**

	<b>For the Plan Year Ending June 30,</b>				
	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
<b>Florida Retirement System (FRS)</b>					
Contractually required contribution	\$ 1,694,688	\$ 1,567,565	\$ 1,538,209	\$ 1,365,131	\$ 1,373,194
Contributions in relation to the contractually required contribution	(1,694,688)	(1,567,565)	(1,538,209)	(1,365,131)	(1,373,194)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 10,922,406	\$ 10,652,133	\$ 10,051,718	\$ 9,991,268	\$ 10,028,017
Contributions as a percentage of covered-employee payroll	15.52%	14.72%	15.30%	13.66%	13.57%
<b>Health Insurance Subsidy Program (HIS)</b>					
Contractually required contribution	\$ 181,312	\$ 176,825	\$ 166,859	\$ 163,437	\$ 138,657
Contributions in relation to the contractually required contribution	(181,312)	(176,825)	(166,859)	(163,437)	(138,657)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 10,922,406	\$ 10,652,133	\$ 10,051,718	\$ 9,991,268	\$ 10,028,017
Contributions as a percentage of covered-employee payroll	1.66%	1.66%	1.66%	1.66%	1.37%

Note 1: GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, the County will present information for only those years for which information is available.

**SUPPLEMENTAL INFORMATION**

**BAKER COUNTY, FLORIDA  
COMBINING BALANCE SHEET  
GENERAL FUND  
SEPTEMBER 30, 2019**

	<u>BCC</u>	<u>Sheriff</u>	<u>Property Appraiser</u>	<u>Supervisor of Elections</u>	<u>Tax Collector</u>	<u>Clerk of Courts</u>	<u>Subtotals</u>	<u>Interfund Eliminations</u>	<u>Total General Fund</u>
<b>ASSETS</b>									
Cash and cash equivalents	\$ 5,958,895	\$ 140,597	\$ 50,652	\$ 12,501	\$ 141,065	\$ 461,885	\$ 6,765,595	\$ -	\$ 6,765,595
Investments	34,440	-	-	-	-	-	34,440	-	34,440
Receivables, net	341,195	337,438	-	-	-	-	678,633	-	678,633
Due from other governments	706,675	197,646	-	-	-	11,135	915,456	-	915,456
Due from other funds	291,316	119,800	-	-	-	-	411,116	(291,316)	119,800
Due from component unit	-	219,069	-	-	-	-	219,069	-	219,069
Prepaid items	-	16,276	-	-	-	-	16,276	-	16,276
<b>Total Assets</b>	<u>\$ 7,332,521</u>	<u>\$ 1,030,826</u>	<u>\$ 50,652</u>	<u>\$ 12,501</u>	<u>\$ 141,065</u>	<u>\$ 473,020</u>	<u>\$ 9,040,585</u>	<u>\$ (291,316)</u>	<u>\$ 8,749,269</u>
<b>LIABILITIES</b>									
Accounts payable and accrued liabilities	\$ 363,332	\$ 934,528	\$ -	\$ -	\$ 972	\$ 13,994	\$ 1,312,826	\$ -	\$ 1,312,826
Due to other governments	-	-	4,305	-	-	58,113	62,418	-	62,418
Due to other funds	-	73,392	46,347	3,609	140,093	101,267	364,708	(291,316)	73,392
Unearned revenue	-	-	-	8,892	-	-	8,892	-	8,892
Total liabilities	<u>363,332</u>	<u>1,007,920</u>	<u>50,652</u>	<u>12,501</u>	<u>141,065</u>	<u>173,374</u>	<u>1,748,844</u>	<u>(291,316)</u>	<u>1,457,528</u>
<b>FUND BALANCES</b>									
Nonspendable:									
Prepaid items	-	16,276	-	-	-	-	16,276	-	16,276
Restricted for:									
Title IV D	-	-	-	-	-	299,646	299,646	-	299,646
Assigned to:									
Jail operations	-	6,630	-	-	-	-	6,630	-	6,630
Subsequent year's budget	639,689	-	-	-	-	-	639,689	-	639,689
Unassigned	<u>6,329,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,329,500</u>	<u>-</u>	<u>6,329,500</u>
Total fund balances	<u>6,969,189</u>	<u>22,906</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>299,646</u>	<u>7,291,741</u>	<u>-</u>	<u>7,291,741</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 7,332,521</u>	<u>\$ 1,030,826</u>	<u>\$ 50,652</u>	<u>\$ 12,501</u>	<u>\$ 141,065</u>	<u>\$ 473,020</u>	<u>\$ 9,040,585</u>	<u>\$ (291,316)</u>	<u>\$ 8,749,269</u>

See accompanying notes to financial statements.

**BAKER COUNTY, FLORIDA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**GENERAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>BCC</u>	<u>Sheriff</u>	<u>Property Appraiser</u>	<u>Supervisor of Elections</u>	<u>Tax Collector</u>	<u>Clerk of Courts</u>	<u>Subtotals</u>	<u>Interfund Eliminations</u>	<u>Total General Fund</u>
<b>Revenues</b>									
Taxes	\$ 4,360,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,360,500	\$ -	\$ 4,360,500
Permits and fees	336,209	-	-	-	-	-	336,209	-	336,209
Intergovernmental	4,585,975	504,260	-	9,128	-	225,826	5,325,189	-	5,325,189
Charges for services	975,015	8,353,727	96,323	-	694,595	449,583	10,569,243	-	10,569,243
Fines and forfeitures	18,300	-	-	-	-	144,537	162,837	-	162,837
Investment income	42,680	78	-	398	991	3,679	47,826	-	47,826
Miscellaneous	53,257	84,406	31	-	-	4,163	141,857	-	141,857
Total revenues	<u>10,371,936</u>	<u>8,942,471</u>	<u>96,354</u>	<u>9,526</u>	<u>695,586</u>	<u>827,788</u>	<u>20,943,661</u>	<u>-</u>	<u>20,943,661</u>
<b>Expenditures</b>									
Current:									
General government	1,915,608	-	688,972	470,696	776,999	365,194	4,217,469	-	4,217,469
Public safety	1,595,048	13,248,134	-	-	-	-	14,843,182	-	14,843,182
Physical environment	264,352	-	-	-	-	-	264,352	-	264,352
Human services	755,548	-	-	-	-	-	755,548	-	755,548
Culture and recreation	479,251	-	-	-	-	-	479,251	-	479,251
Court related	4,982	228,424	-	-	-	585,656	819,062	-	819,062
Capital outlay	424,832	-	-	-	879	-	425,711	-	425,711
Debt service:									
Principal retirement	20,095	116,929	-	-	-	-	137,024	-	137,024
Interest and fiscal charges	3,956	11,171	-	-	-	-	15,127	-	15,127
Total expenditures	<u>5,463,672</u>	<u>13,604,658</u>	<u>688,972</u>	<u>470,696</u>	<u>777,878</u>	<u>950,850</u>	<u>21,956,726</u>	<u>-</u>	<u>21,956,726</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>4,908,264</u>	<u>(4,662,187)</u>	<u>(592,618)</u>	<u>(461,170)</u>	<u>(82,292)</u>	<u>(123,062)</u>	<u>(1,013,065)</u>	<u>-</u>	<u>(1,013,065)</u>
<b>Other financing sources (uses)</b>									
Issuance of debt	187,527	-	-	-	-	-	187,527	-	187,527
Transfers in	5,846	-	-	-	-	20,933	26,779	4,332,130	4,358,909
Transfers out	(3,247,901)	-	-	-	-	-	(3,247,901)	(4,661)	(3,252,562)
Transfers in from other governments	-	262,990	-	-	-	-	262,990	-	262,990
Transfers out to other governments	-	-	-	-	-	(4,345)	(4,345)	-	(4,345)
Appropriations to constitutional officers	(1,661,021)	4,388,665	638,965	464,779	222,385	278,357	4,332,130	(4,332,130)	-
Reversions from constitutional officers	291,316	(4,661)	(46,347)	(3,609)	(140,093)	(101,267)	(4,661)	4,661	-
Total other financing sources (uses)	<u>(4,424,233)</u>	<u>4,646,994</u>	<u>592,618</u>	<u>461,170</u>	<u>82,292</u>	<u>193,678</u>	<u>1,552,519</u>	<u>-</u>	<u>1,552,519</u>
<b>Net change in fund balances</b>	<u>484,031</u>	<u>(15,193)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>70,616</u>	<u>539,454</u>	<u>-</u>	<u>539,454</u>
<b>Fund balances, beginning of year</b>	<u>6,485,158</u>	<u>38,099</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>229,030</u>	<u>6,752,287</u>	<u>-</u>	<u>6,752,287</u>
<b>Fund balances, end of year</b>	<u>\$ 6,969,189</u>	<u>\$ 22,906</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 299,646</u>	<u>\$ 7,291,741</u>	<u>\$ -</u>	<u>\$ 7,291,741</u>

See accompanying notes to financial statements.

BAKER COUNTY, FLORIDA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2019  
(CONTINUED)

	Fire	Road Paving	National Forest Title III	EMS Grant	Health Reimbursement	Civic Center	Law Library Trust	Legal Aid Trust	Juvenile Trust	Crime Prevention Trust	Solid Waste	Alcohol and Drug Abuse Trust	Court Facility	Drivers Ed Trust	Special Law Enforcement Trust	Shoals Park
<b>ASSETS</b>																
Cash and cash equivalents	\$ 180,878	\$ 434,197	\$ 297,139	\$ 3,000	\$ 439,762	\$ 639,870	\$ 6,275	\$ 3,802	\$ 6,301	\$ 15,039	\$ 316	\$ 33,741	\$ 126,939	\$ 5,438	\$ 1,228	\$ 357,669
Receivables, net	768	-	-	-	200	-	-	-	-	-	876	-	-	-	-	9,366
Due from other governments	-	155,625	-	5,004	-	-	-	-	-	-	3,250	-	-	-	-	-
Prepaid items	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 181,646</b>	<b>\$ 589,822</b>	<b>\$ 297,139</b>	<b>\$ 8,004</b>	<b>\$ 439,962</b>	<b>\$ 639,870</b>	<b>\$ 6,275</b>	<b>\$ 3,802</b>	<b>\$ 6,301</b>	<b>\$ 15,039</b>	<b>\$ 4,442</b>	<b>\$ 33,741</b>	<b>\$ 126,939</b>	<b>\$ 5,438</b>	<b>\$ 1,228</b>	<b>\$ 367,035</b>
<b>LIABILITIES</b>																
Accounts payable and accrued liabilities	\$ 17,619	\$ 82,590	\$ 10,936	\$ 3,000	\$ -	\$ -	\$ -	\$ 3,802	\$ -	\$ -	\$ 36,240	\$ -	\$ 1,527	\$ 5,438	\$ -	\$ 3,736
Due to other governments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Due to component unit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>17,619</b>	<b>82,590</b>	<b>10,936</b>	<b>3,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,802</b>	<b>-</b>	<b>-</b>	<b>36,240</b>	<b>-</b>	<b>1,527</b>	<b>5,438</b>	<b>-</b>	<b>3,736</b>
<b>FUND BALANCES</b>																
Nonspendable:																
Prepaid items	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restricted for:																
Health reimbursements	-	-	-	-	439,962	-	-	-	-	-	-	-	-	-	-	-
Law enforcement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,228	-
Fire and rescue	164,027	-	-	5,004	-	-	-	-	-	-	-	-	-	-	-	-
Transportation	-	507,232	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Physical environment	-	-	286,203	-	-	-	-	-	-	-	-	-	-	-	-	363,299
Human services	-	-	-	-	-	-	-	-	-	-	-	33,741	-	-	-	-
Law library	-	-	-	-	-	-	6,275	-	-	-	-	-	-	-	-	-
Juvenile program	-	-	-	-	-	-	-	-	6,301	-	-	-	-	-	-	-
Crime prevention	-	-	-	-	-	-	-	-	-	15,039	-	-	-	-	-	-
Court costs	-	-	-	-	-	-	-	-	-	-	-	-	125,412	-	-	-
General government	-	-	-	-	-	639,870	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-	(31,798)	-	-	-	-	-
Total fund balances	164,027	507,232	286,203	5,004	439,962	639,870	6,275	-	6,301	15,039	(31,798)	33,741	125,412	-	1,228	363,299
<b>Total Liabilities and Fund Balances</b>	<b>\$ 181,646</b>	<b>\$ 589,822</b>	<b>\$ 297,139</b>	<b>\$ 8,004</b>	<b>\$ 439,962</b>	<b>\$ 639,870</b>	<b>\$ 6,275</b>	<b>\$ 3,802</b>	<b>\$ 6,301</b>	<b>\$ 15,039</b>	<b>\$ 4,442</b>	<b>\$ 33,741</b>	<b>\$ 126,939</b>	<b>\$ 5,438</b>	<b>\$ 1,228</b>	<b>\$ 367,035</b>

See accompanying notes to financial statements.

**BAKER COUNTY, FLORIDA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2019  
(CONTINUED)**

	Boating Improvement	Court Innovations Trust	12.50 SC	State Court Grant	Impact Fees	Clerk Records Modernization	Sheriff 911	Sheriff Special Law	Sheriff Inmate Welfare	Sheriff Second Dollar	Sheriff School Crossing Guards	Sheriff Emergency Management	Total Nonmajor Governmental Funds
<b>ASSETS</b>													
Cash and cash equivalents	\$ 135,631	\$ 122,837	\$ (666)	\$ 178,628	\$ 118,800	\$ 216,257	\$ -	\$ 329,431	\$ 383,611	\$ 6,797	\$ 53,504	\$ 36,536	\$ 4,132,960
Receivables, net	2,023	-	-	-	-	-	-	-	100,257	-	-	-	113,490
Due from other governments	-	-	-	-	2,592	50	97,961	-	-	406	8,862	29,919	303,669
Prepaid items	-	-	-	-	-	-	25,094	-	-	-	-	-	25,094
<b>Total Assets</b>	<b>\$ 137,654</b>	<b>\$ 122,837</b>	<b>\$ (666)</b>	<b>\$ 178,628</b>	<b>\$ 121,392</b>	<b>\$ 216,307</b>	<b>\$ 123,055</b>	<b>\$ 329,431</b>	<b>\$ 483,868</b>	<b>\$ 7,203</b>	<b>\$ 62,366</b>	<b>\$ 66,455</b>	<b>\$ 4,575,213</b>
<b>LIABILITIES</b>													
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ 100,145	\$ 114,681	\$ 12,679	\$ 65,094	\$ -	\$ 2,508	\$ -	\$ -	\$ 665	\$ 460,660
Due to other governments	-	-	-	-	-	-	-	-	-	-	-	2,000	2,000
Due to other funds	-	-	-	-	-	-	25,360	-	76,772	-	2,291	15,377	119,800
Due to component unit	-	-	-	-	-	-	-	-	645	-	-	-	645
Unearned revenue	-	-	-	-	-	-	25,094	-	-	-	-	-	25,094
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>100,145</b>	<b>114,681</b>	<b>12,679</b>	<b>115,548</b>	<b>-</b>	<b>79,925</b>	<b>-</b>	<b>2,291</b>	<b>18,042</b>	<b>608,199</b>
<b>FUND BALANCES</b>													
Nonspendable:													
Prepaid items	-	-	-	-	-	-	25,094	-	-	-	-	-	25,094
Restricted for:													
Health reimbursements	-	-	-	-	-	-	-	-	-	-	-	-	439,962
Law enforcement	-	-	-	-	-	-	-	329,431	403,943	7,203	60,075	48,413	850,293
Fire and rescue	-	-	-	-	-	-	-	-	-	-	-	-	169,031
Transportation	-	-	-	-	-	-	-	-	-	-	-	-	507,232
Recreation	137,654	-	-	-	-	-	-	-	-	-	-	-	500,953
Physical environment	-	-	-	-	-	-	-	-	-	-	-	-	286,203
Human services	-	-	-	-	-	-	-	-	-	-	-	-	33,741
Law library	-	-	-	-	-	-	-	-	-	-	-	-	6,275
Juvenile program	-	-	-	-	-	-	-	-	-	-	-	-	6,301
Crime prevention	-	-	-	-	-	-	-	-	-	-	-	-	15,039
Court costs	-	122,837	-	78,483	-	203,628	-	-	-	-	-	-	530,360
General government	-	-	-	-	6,711	-	-	-	-	-	-	-	646,581
Unassigned	-	-	(666)	-	-	-	(17,587)	-	-	-	-	-	(50,051)
<b>Total fund balances</b>	<b>137,654</b>	<b>122,837</b>	<b>(666)</b>	<b>78,483</b>	<b>6,711</b>	<b>203,628</b>	<b>7,507</b>	<b>329,431</b>	<b>403,943</b>	<b>7,203</b>	<b>60,075</b>	<b>48,413</b>	<b>3,967,014</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 137,654</b>	<b>\$ 122,837</b>	<b>\$ (666)</b>	<b>\$ 178,628</b>	<b>\$ 121,392</b>	<b>\$ 216,307</b>	<b>\$ 123,055</b>	<b>\$ 329,431</b>	<b>\$ 483,868</b>	<b>\$ 7,203</b>	<b>\$ 62,366</b>	<b>\$ 66,455</b>	<b>\$ 4,575,213</b>

See accompanying notes to financial statements.

BAKER COUNTY, FLORIDA  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCE  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2019  
 (CONTINUED)

	Fire	Road Paving	National Forest Title III	EMS Grant	Health Reimbursement	Civic Center	Law Library Trust	Legal Aid Trust	Juvenile Trust	Crime Prevention Trust	Solid Waste	Alcohol and Drug Abuse Trust	Court Facility	Drivers Ed Trust	Special Law Enforcement Trust	Shoals Park	Boating Improvement
<b>REVENUES</b>																	
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 44,518	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Permits and fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	287,137	-	36,603	-	-	-	-	-	-	90,909	-	-	-	-	-	13,293
Charges for services	662,548	-	-	-	-	-	-	-	-	-	471,376	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	6,276	6,273	6,300	12,473	-	6,336	29,633	9,048	-	-	-
Investment income	1,941	-	1,579	5	1,678	3,005	-	-	-	46	289	-	729	-	20	1,475	643
Miscellaneous	1,080	-	-	4,000	185,208	-	-	-	-	-	115,562	-	-	-	-	195,346	-
Total revenues	665,569	287,137	1,579	40,608	186,886	47,523	6,276	6,273	6,300	12,519	678,136	6,336	30,362	9,048	20	196,821	13,936
<b>EXPENDITURES</b>																	
Current:																	
General government	-	-	-	-	67,672	-	-	6,273	-	-	-	-	-	9,048	-	-	-
Public safety	362,683	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Physical environment	-	-	27,528	-	-	-	-	-	-	-	734,511	-	-	-	-	-	-
Transportation	-	292,278	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	111,913	-
Court related	-	-	-	-	-	-	-	-	-	-	-	-	73,379	-	-	-	-
Capital outlay	1,193,147	-	21,002	35,604	-	-	-	-	-	-	197,582	-	-	-	-	30,635	-
Debt service:																	
Principal retirement	118,115	-	-	-	-	-	-	-	-	-	105,742	-	-	-	-	-	-
Total expenditures	1,673,945	292,278	48,530	35,604	67,672	-	-	6,273	-	-	1,037,835	-	73,379	9,048	-	142,548	-
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(1,008,376)</b>	<b>(5,141)</b>	<b>(46,951)</b>	<b>5,004</b>	<b>119,214</b>	<b>47,523</b>	<b>6,276</b>	<b>-</b>	<b>6,300</b>	<b>12,519</b>	<b>(359,699)</b>	<b>6,336</b>	<b>(43,017)</b>	<b>-</b>	<b>20</b>	<b>54,273</b>	<b>13,936</b>
<b>Other financing sources (uses)</b>																	
Issuance of debt	1,168,214	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	327,901	-	-	-	-	-	-
Transfers out	-	-	-	-	-	(1,336)	(6,828)	-	(6,825)	-	-	-	-	-	(6,234)	(1,185)	-
Transfers in from other governments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	1,168,214	-	-	-	-	(1,336)	(6,828)	-	(6,825)	-	327,901	-	-	-	(6,234)	(1,185)	-
<b>Net change in fund balances</b>	<b>159,838</b>	<b>(5,141)</b>	<b>(46,951)</b>	<b>5,004</b>	<b>119,214</b>	<b>46,187</b>	<b>(552)</b>	<b>-</b>	<b>(525)</b>	<b>12,519</b>	<b>(31,798)</b>	<b>6,336</b>	<b>(43,017)</b>	<b>-</b>	<b>(6,214)</b>	<b>53,088</b>	<b>13,936</b>
<b>Fund balances, beginning of year</b>	<b>4,189</b>	<b>512,373</b>	<b>333,154</b>	<b>-</b>	<b>320,748</b>	<b>593,683</b>	<b>6,827</b>	<b>-</b>	<b>6,826</b>	<b>2,520</b>	<b>-</b>	<b>27,405</b>	<b>168,429</b>	<b>-</b>	<b>7,442</b>	<b>310,211</b>	<b>123,718</b>
<b>Fund balances, end of year</b>	<b>\$ 164,027</b>	<b>\$ 507,232</b>	<b>\$ 286,203</b>	<b>\$ 5,004</b>	<b>\$ 439,962</b>	<b>\$ 639,870</b>	<b>\$ 6,275</b>	<b>\$ -</b>	<b>\$ 6,301</b>	<b>\$ 15,039</b>	<b>\$ (31,798)</b>	<b>\$ 33,741</b>	<b>\$ 125,412</b>	<b>\$ -</b>	<b>\$ 1,228</b>	<b>\$ 363,299</b>	<b>\$ 137,654</b>

See accompanying notes to financial statements.

BAKER COUNTY, FLORIDA  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCE  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2019  
 (CONTINUED)

	Court Innovations Trust	12.50 SC	State Court Grant	Impact Fees	Clerk Records Modernization	Sheriff 911	Sheriff Special Law	Sheriff Inmate Welfare	Sheriff Second Dollar	Sheriff School Crossing Guards	Sheriff Emergency Management	Total Nonmajor Governmental Funds
<b>REVENUES</b>												
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 44,518
Permits and fees	-	-	-	-	-	158,677	-	-	-	-	-	158,677
Intergovernmental	-	-	-	-	-	88,398	-	-	-	79,757	149,136	745,235
Charges for services	-	-	-	6,711	35,878	-	-	589,041	-	-	-	1,765,554
Fines and forfeitures	6,297	15,200	-	-	32,908	-	-	-	5,492	-	-	136,236
Investment income	-	13	1,159	218	418	142	1,823	-	37	324	118	15,662
Miscellaneous	-	-	-	-	-	-	183,064	1,106	-	-	-	685,366
Total revenues	6,297	15,213	1,159	6,929	69,204	247,217	184,887	590,147	5,529	80,081	149,254	3,551,246
<b>EXPENDITURES</b>												
Current:												
General government	-	-	-	-	-	-	-	-	-	-	-	82,993
Public safety	-	38,696	-	-	-	354,848	61,797	511,603	3,320	73,605	184,213	1,590,765
Physical environment	-	-	-	218	-	-	-	-	-	-	-	762,257
Transportation	-	-	-	-	-	-	-	-	-	-	-	292,278
Culture and recreation	-	-	-	-	-	-	-	-	-	-	-	111,913
Court related	960	-	-	-	44,696	-	-	-	-	-	-	119,035
Capital outlay	-	-	185,617	-	12,753	-	-	-	-	-	-	1,676,340
Debt service:												
Principal retirement	-	-	-	-	-	-	-	-	-	-	-	223,857
Total expenditures	960	38,696	185,617	218	57,449	354,848	61,797	511,603	3,320	73,605	184,213	4,859,438
<b>Excess (deficiency) of revenues over expenditures</b>	5,337	(23,483)	(184,458)	6,711	11,755	(107,631)	123,090	78,544	2,209	6,476	(34,959)	(1,308,192)
<b>Other financing sources (uses)</b>												
Issuance of debt	-	-	-	-	-	-	-	-	-	-	-	1,168,214
Transfers in	13,653	20,000	-	-	-	-	-	-	-	-	57,871	419,425
Transfers out	-	-	-	-	(20,933)	-	-	-	-	-	-	(43,341)
Transfers in from other governments	-	-	-	-	-	-	-	325,399	-	-	-	325,399
Total other financing sources (uses)	13,653	20,000	-	-	(20,933)	-	-	325,399	-	-	57,871	1,869,697
<b>Net change in fund balances</b>	18,990	(3,483)	(184,458)	6,711	(9,178)	(107,631)	123,090	403,943	2,209	6,476	22,912	561,505
<b>Fund balances, beginning of year</b>	103,847	2,817	262,941	-	212,806	115,138	206,341	-	4,994	53,599	25,501	3,405,509
<b>Fund balances, end of year</b>	\$ 122,837	\$ (666)	\$ 78,483	\$ 6,711	\$ 203,628	\$ 7,507	\$ 329,431	\$ 403,943	\$ 7,203	\$ 60,075	\$ 48,413	\$ 3,967,014

See accompanying notes to financial statements.



**BAKER COUNTY, FLORIDA  
 COMBINING SCHEDULE OF FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 SEPTEMBER 30, 2019**

	<b>Tax Collector</b>	<b>Clerk of Courts</b>	<b>Sheriff</b>	<b>Total Agency Funds</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 304,285	\$ 202,149	\$ 264,220	\$ 770,654
<b>LIABILITIES</b>				
Assets held for others	\$ 304,285	\$ 202,149	\$ 264,220	\$ 770,654

See accompanying notes to financial statements.

**BAKER COUNTY, FLORIDA**  
**SCHEDULE OF STATE FINANCIAL ASSISTANCE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

<u>State Agency / Pass-Through Entity / State Program</u>	<u>CSFA Number</u>	<u>Contract / Grant Number</u>	<u>Expenditures</u>
<b><u>STATE FINANCIAL ASSISTANCE</u></b>			
<u>Florida Department of Environmental Protection</u>			
Small County Consolidated Grants	37.012	SC801	\$ 90,909
<u>Florida Department of State and Secretary of State</u>			
State Aid to Libraries	45.030	19-ST-38	61,395
<u>Florida Housing Finance Corporation</u>			
State Housing Initiatives Partnership	40.901	-	476,556
<u>Florida Department of Transportation</u>			
Small County Road Assistance Program	55.016	G0J33	22,237
Small County Road Assistance Program	55.016	G0880	2,137
Small County Road Assistance Program	55.016	G0T84	32,486
Small County Road Assistance Program	55.016	G0K18	7,500
Program Total			64,360
Small County Outreach Program	55.009	G0L19	55,350
Small County Outreach Program	55.009	G0Y94	10,249
Small County Outreach Program	55.009	G0T77	27,972
Small County Outreach Program	55.009	G1253	28,992
Program Total			122,563
County Incentive Grant Program	55.008	G0634	40,137
Total Florida Department of Transportation			227,060
<u>Florida Department of Health</u>			
Emergency Medical Services County Grant	64.005	C6002	9,603
<u>Florida Department of Management Services</u>			
Prepaid Next Generation 911 (NG911) State Grant Program	72.003	S11-18-05-01	44,909
Wireless 911 Emergency Telephone System	72.001	18-04-01	10,184
Wireless 911 Emergency Telephone System	72.001	18-11-01	27,839
Wireless 911 Emergency Telephone System	72.001	19-04-01	5,466
Program Total			43,489
Total Florida Department of Management Services			88,398
<u>Florida Department of Economic Opportunity</u>			
Economic Development Tax Refund, Tax Credit, and Grant Program	40.043	G0040	60,077
<u>Florida Department of Education</u>			
Coach Aaron Feis Guardian Program	48.140	C6002	302,108
<b>Total State Financial Assistance</b>			<b>\$ 1,316,106</b>

The accompanying notes to the schedule of expenditures of state financial assistance are an integral part of this schedule.

**BAKER COUNTY, FLORIDA**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF**  
**STATE FINANCIAL ASSISTANCE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

(1) **Basis of Presentation:**

The accompanying schedule of expenditures of state financial assistance includes the state grant activity of Baker County, Florida (the County), and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements Section 215.97, Florida Statutes. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

(2) **Subrecipients:**

During the year ended September 30, 2019, the County provided no state awards to subrecipients.

(3) **Contingency:**

Project expenditures are subject to audit and adjustment. If any expenditures were to be disallowed by the grantor agency as a result of such an audit, any claim for reimbursement to the grantor agency would become a liability of the County. In the opinion of management, all project expenditures included on the accompanying schedule are in compliance with the terms of the project agreements and applicable federal and state laws and regulations.

**OTHER REPORTS AND SCHEDULE**

**BAKER COUNTY, FLORIDA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

**A. Summary of Auditors' Results:**

***Financial Statements:***

Type of audit report issued on the financial statements: *Unmodified*

Internal control over financial reporting:

Material weakness(es) identified?   X   yes        no

Significant deficiency(ies) identified?        yes   X   none reported

Noncompliance material to financial statements noted?        yes   X   no

***State Financial Assistance:***

Internal control over major State projects:

Material weakness(es) identified?        yes   X   no

Significant deficiency(ies) identified?        yes   X   none reported

Type of auditor's report issued on compliance for major State projects: *Unmodified*

Any audit findings disclosed that are required to be reported for state financial assistance projects in accordance with Chapter 10.550?        yes   X   none reported

Dollar threshold used to distinguish between type A and type B programs: \$394,832

Identification of major State projects:

<b>CSFA Number</b>	<b>Program Name</b>
40.901	State Housing Initiatives Program
48.140	Coach Aaron Feis Guardian Program

**BAKER COUNTY, FLORIDA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

**B. Financial Statement Findings:**

**2019-001 Timeliness of Bank Reconciliations**

**Condition and Criteria:** Bank reconciliations were not performed timely during the course of the year. The basic premise is that bank accounts should be reconciled timely to prevent misappropriation and proper recording of all transactions.

**Cause:** We noted the County's bank accounts were not reconciled on a timely basis during the year during the year. Additionally, audit adjustments were required during the audit to agree the accounting records to the amount listed on the bank reconciliation.

**Effect:** Assets could potentially be misappropriated. Accounting records could be misstated.

**Recommendation:** We recommend the County's finance department perform bank reconciliations within 30 days after the end of the month and agree the bank reconciliations to the general ledger.

**2019-002 Reconciliation of Account Balances**

**Condition and Criteria:** Internal controls over financial reporting should include year-end reconciliations of all significant account balances, with such reconciliations to also include procedures related to the proper cutoff of significant revenue and expense activities.

**Cause:** For the year ended September 30, 2019, certain adjustments were required to be made to the accounting records subsequent to the start of the audit process related to year-end accrual entries. Had these adjustments not been recorded, the financial statements would have been materially misstated.

**Effect:** Financial statements would be materially misstated if significant adjustments were not made.

**Recommendation:** We recommend management select and apply the appropriate accounting principles to prepare the financial statements in accordance with generally accepted accounting principles.

**C. State Project Findings and Questioned Costs:** None

**D. Summary Schedule of Prior Audit Findings:** See Summary Schedule of Prior Audit Findings / Management's Response to Current Year Findings as listed in the table of contents.

**E. Corrective Action Plan:** See Corrective Action Plan as listed in the table of contents.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROJECT AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH CHAPTER 10.550, RULES OF THE AUDITOR GENERAL**

To the Honorable Board of County Commissioners,  
Baker County, Florida:

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

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

***Management's Responsibility***

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

***Auditors' Responsibility***

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

***Opinion on Each Major State Project***

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

## Report on Internal Control over Compliance


Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major 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 Auditor General, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a 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 as combination of deficiencies, in internal control over compliance with the 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Daytona Beach, Florida  
July 1, 2020

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive style with a large initial 'J'.



**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,  
Baker County, Florida:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Baker 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 Baker County, Florida's basic financial statements, and have issued our report thereon dated July 1, 2020. Our report includes a reference to other auditors who audited the financial statements of the Baker Correctional Development Corporation (the BCDC) and the Baker County Corrections Management Corporation, as described in our report on the County's financial statements.

Because Baker County, Florida's management has not acquired an actuarial valuation to determine the amount of its OPEB (Other Postemployment Benefits) liability and has not presented such liability in its government-wide financial statements as required by accounting principles generally accepted in the United States of America, we issued a qualified opinion on the governmental activities. The impact of such departure from generally accepted accounting principles on the liabilities, net position and expenditures of the government-wide financial statements of Baker County, Florida is unknown.

***Internal Control over Financial Reporting***

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses as items 2019-001 and 2019-002.

Our consideration of internal control over financial reporting 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 financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### ***Compliance and Other Matters***

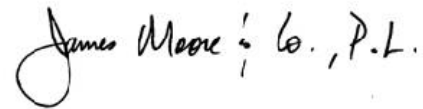
As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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 tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Baker County, Florida's Response to Findings**

The County's response to the findings identified in our audit is described in the accompanying Schedule of Prior Audit Findings/Management's Response to Current Audit Findings. The County'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 black ink that reads "James Moore & Co., P.L." The signature is written in a cursive style with a large initial 'J'.

Daytona Beach, Florida  
July 1, 2020

**INDEPENDENT AUDITORS' MANAGEMENT LETTER REQUIRED  
BY CHAPTER 10.550, RULES OF THE STATE OF FLORIDA  
OFFICE OF THE AUDITOR GENERAL**

To the Honorable Board of County Commissioners,  
Baker County, Florida:

**Report on the Financial Statements**

We have audited the financial statements of Baker County, Florida (the County), as of and for the fiscal year ended September 30, 2019, and have issued our report thereon dated July 1, 2020. We did not audit the financial statements of the Baker County Development Corporation (the BCDC) and the Baker County Corrections Management Corporation (the BCCMC), which are the County's discretely presented component units. Those financial statements were audited by other auditors whose reports thereon has been furnished to us, and our opinions, insofar as they relate to the amounts included for the BCDC and BCCMC, are based solely on the report of the other auditors.

Because the County's management has not acquired an actuarial valuation to determine the amount of its OPEB (Other Postemployment Benefits) liability and has not presented such liability in its government-wide financial statements as required by accounting principles generally accepted in the United States of America, we issued a qualified opinion on the governmental activities. The impact of such departure from generally accepted accounting principles on the liabilities, net position and expenditures of the government-wide financial statements of the County is unknown.

**Auditors' Responsibility**

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

**Other Reporting Requirements**

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditors' Report on Compliance for Each Major State Project and Report on Internal Control over Compliance in Accordance with Chapter 10.550 Rules of the Florida Auditor General; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated July 1, 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. One finding remain uncorrected from the second preceding audit report. A full summary of the status of prior year findings follows:

<b>Tabulation of Uncorrected Audit Findings</b>		
<b>Current Year Finding #</b>	<b>2018 Finding #</b>	<b>2017 Finding #</b>
N/A	2018-001	2017-001
2019-002	2018-002	2017-002
N/A	2018-003	N/A

**Official Title and Legal Authority**

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The legal authority for the primary government and component units of the reporting entity is disclosed in Note 1 of the basic financial statements. Baker County, Florida included the following component unit: Baker Correctional Development Corporation.

**Financial Condition and Management**

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

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

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

**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 have the following recommendations:

**2019-003 Payroll Process**

We noted the County’s payroll function is performed at a separate location from other County finance and accounting functions. For improved operational efficiency, segregation of duties, and oversight by the County comptroller, we recommend the County payroll function be performed at the same location as other finance and accounting functions.

**2019-004 Accounting System**

We noted the County’s current accounting system has certain limitations which can create challenges in financial reporting as well as decreased operational efficiencies, many of which relate to the year-end closing process that impact the ability to generate accurate financial statements. We recommend management evaluate the County’s current accounting system and determine whether any upgrades should be considered.

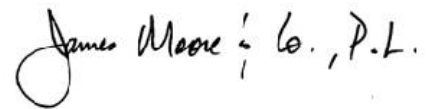
## **Baker County, Florida's Response to Findings**

The County's response to the findings identified in our audit is described in the accompanying Schedule of Prior Audit Findings/Management's Response to Current Audit Findings. The County'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 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 State grant agencies, the Board of County Commissioners, management, and others within the County and is not intended to be and should not be used by anyone other than these specified parties.

Daytona Beach, Florida  
July 1, 2020

James Moore & Co., P.L.

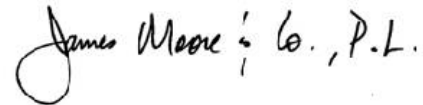
**INDEPENDENT ACCOUNTANTS' EXAMINATION REPORT**

To the Honorable Board of County Commissioners,  
Baker County, Florida

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

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the County complied with the aforementioned statutes, for the year ended September 30, 2019, in all material respects. An examination involves performing procedures to obtain evidence about the County's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of risks of material noncompliance with those requirements, 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.

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



Daytona Beach, Florida  
July 1, 2020



STACIE D. HARVEY  
CLERK TO BOARD

# Baker County Board of Commissioners

55 NORTH THIRD STREET  
MACCLENNY, FLORIDA 32063  
(904) 259-3613 • (904) 259-7610  
www.bakercountyfl.org



JAMES BENNETT  
CHAIRMAN

July 1, 2020

James Moore, CPA  
121 Executive Circle  
Daytona Beach, FL 32114-1180

To whom it may concern:

This letter is in response to the Auditor's Financial Statement findings for the Baker County Board of County Commissioner's audit for the fiscal year ending September 30, 2019.

2019-001: Timeliness of Bank Reconciliations

Previous County Finance Director failed to maintain this job duty; however, with the current County Finance Director and staff, the bank reconciliations along with all other accounts are balanced in a timely manner. This process has been improved and is supervised by signing off on each reconciliation.

2019-002: Cash to Accrual Basis Audit Adjustment

Due to the County's cumbersome and antiquated finance system, it is unable to perform 'cut off' deadlines or timelines. The County Comptroller and Assistant to Clerk are investigating a new finance system to properly record entries according to generally accepted accounting principles.

2019-003: Payroll Process

The County Comptroller will be presenting consolidating these functions to save the County money and make the department more efficient and effective.

2019-004: Accounting System

As mentioned in 2019-002, we realize our financial system has constraints in many faculties. The County Comptroller and Assistant to Clerk are currently evaluating government finance systems to resolve these issues.

Sincerely,

Stacie D. Harvey  
Clerk to the Board of Baker County

JAMES CROFT  
DISTRICT 1

JIMMY ANDERSON  
DISTRICT 2

CATHY RHODEN  
DISTRICT 3

JAMES G. BENNETT  
DISTRICT 4

BOBBY STEELE  
DISTRICT 5

"AN EQUAL OPPORTUNITY EMPLOYER"

**BAKER COUNTY CLERK OF COURTS**  
**SPECIAL-PURPOSE FINANCIAL STATEMENTS**  
**AND INDEPENDENT AUDITORS' REPORT**  
**SEPTEMBER 30, 2019**



**BAKER COUNTY CLERK OF COURTS**  
**SPECIAL-PURPOSE FINANCIAL STATEMENTS**  
**AND INDEPENDENT AUDITORS' REPORT**

**SEPTEMBER 30, 2019**

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## INDEPENDENT AUDITORS' REPORT

The Honorable Stacie D. Harvey, Clerk of Courts,  
Baker 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 Baker County Clerk of the Courts (the Office), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Baker County Clerk of Courts' 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.

## ***Opinion***

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

## ***Emphasis of Matter***

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

## ***Other Matters***

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

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a required 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.

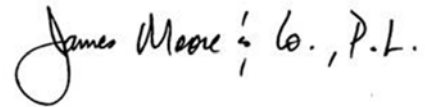
### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Baker County Clerk of Courts' basic financial statements. The supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplemental information is the responsibility of management and are derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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 on our consideration of the Baker County Clerk of Courts' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts, and grant agreements and other matters included under the heading 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*. 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 Baker County Clerk of Courts' internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "James Moore & Co., P.L.".

Daytona Beach, Florida  
July 1, 2020

**BAKER COUNTY CLERK OF COURTS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2019**

	<u>General Fund</u>	<u>Records Modernization Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 461,885	\$ 216,257	\$ 678,142
Due from other governments	11,135	50	11,185
<b>Total Assets</b>	<u>\$ 473,020</u>	<u>\$ 216,307</u>	<u>\$ 689,327</u>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	\$ 13,994	\$ 12,679	\$ 26,673
Due to other governments	58,113	-	58,113
Due to Board of County Commissioners	101,267	-	101,267
Total liabilities	<u>173,374</u>	<u>12,679</u>	<u>186,053</u>
<b>FUND BALANCES</b>			
Restricted for:			
Title IV D	299,646	-	299,646
Records modernization	-	203,628	203,628
Total fund balances	<u>299,646</u>	<u>203,628</u>	<u>503,274</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 473,020</u>	<u>\$ 216,307</u>	<u>\$ 689,327</u>

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

**BAKER COUNTY CLERK OF COURTS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>General Fund</u>	<u>Records Modernization Fund</u>	<u>Governmental Funds</u>
<b>Revenues</b>			
Intergovernmental	\$ 225,826	\$ -	\$ 225,826
Charges for services	449,583	35,878	485,461
Fines and forfeitures	144,537	32,908	177,445
Investment income	3,679	418	4,097
Miscellaneous	4,163	-	4,163
Total revenues	<u>827,788</u>	<u>69,204</u>	<u>896,992</u>
<b>Expenditures</b>			
Current:			
General government	365,194	-	365,194
Court related	585,656	44,696	630,352
Capital outlay	-	12,753	12,753
Total expenditures	<u>950,850</u>	<u>57,449</u>	<u>1,008,299</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(123,062)</u>	<u>11,755</u>	<u>(111,307)</u>
<b>Other financing sources (uses)</b>			
Transfers in	20,933	-	20,933
Transfers out	-	(20,933)	(20,933)
Appropriations from Board of County Commissioners	278,357	-	278,357
Title IV D reversion	(4,345)	-	(4,345)
Reversions to Board of County Commissioners	(101,267)	-	(101,267)
Total other financing sources (uses)	<u>193,678</u>	<u>(20,933)</u>	<u>172,745</u>
<b>Net change in fund balances</b>	<u>70,616</u>	<u>(9,178)</u>	<u>61,438</u>
<b>Fund balances, beginning of year</b>	229,030	212,806	441,836
<b>Fund balances, end of year</b>	<u>\$ 299,646</u>	<u>\$ 203,628</u>	<u>\$ 503,274</u>

The accompanying notes to financial statements are an integral part of this statement

**BAKER COUNTY CLERK OF COURTS  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
SEPTEMBER 30, 2019**

	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 202,149
	<u>                    </u>
<b>LIABILITIES</b>	
Assets held for others	\$ 202,149
	<u>                    </u>

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

**BAKER COUNTY CLERK OF COURTS  
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

**(1) Summary of Significant Accounting Policies:**

The accounting policies of the Baker County Clerk of Courts (the Office) conform to generally accepted accounting principles as applicable to governments in the Governmental Accounting Standards Board (GASB) Codification. The following is a summary of the more significant policies.

(a) **Reporting entity**— The Clerk 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. Baker County, Florida (the County), including the Office of the Clerk, was established by Chapter 8516, Laws of Florida in 1921. The Office is an integral part of the County, the reporting entity for financial reporting purposes.

(b) **Basis of presentation**—The Office’s financial statements are special-purpose financial statements that have been prepared for the purpose of complying with the Rules of the Auditor General of the State of Florida (the Rules). In conformity with the Rules, the Office has not presented the government-wide financial statements, the reconciliations to the government-wide statements or management’s discussion and analysis.

(c) **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, as appropriate for each fund type. 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.

The Office reports the following major governmental fund; there are no non-major governmental funds:

*General Fund* – The principal operating fund of the office. It is used to account for all financial resources, except those required to be accounted for in another fund.

The Office reports the following Special Revenue fund:

*Records Modernization Trust Fund* – Used to account for additional recording fees, which are collected by the Clerk’s office and are earmarked for the modernization of recording service operations.

Additionally, the Office reports the following fiduciary fund type:

*Agency Fund* – Used to account for assets held by the Office as an agent for individuals, private organizations, other governments, and/or other funds.

(d) **Measurement focus/basis of accounting**—All governmental funds are accounted for on a spending or current financial resources measurement focus and the modified accrual basis of accounting. 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.



**BAKER COUNTY CLERK OF COURTS  
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

(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. The Office considers revenues to be available if they are collected within 90 days of the end of the current fiscal period.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. However, principal and interest on general long-term debt are recognized when due.

(e) **Cash and cash equivalents**—The Office’s cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

(f) **Capital assets and long-term liabilities**—Capital assets used by the Office are capitalized (recorded and accounted for) by the Baker County Board of County Commissioners.

Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by non-current liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are instead reported as liabilities in the financial statements of the County.

(g) **Accounts payable**—Accounts payable balances in the general fund are primarily payable to third-party vendors for goods provided and services rendered.

(h) **Compensated absences**—The Office follows generally accepted accounting principles in accounting for accrued compensated absences. The Office allows limited vesting of unused employee leave time. Since the annual and sick leave liability is considered long-term, it is recorded in the government-wide financial statements of the County. Compensated absences are expected to be paid out of the General Fund of the Office and this practice is expected to continue in the future. The Office kept compensated absence records for the hours earned, used and available.

(i) **Fund balance**—Fund balance for governmental funds report classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in the funds may be spent. In as much as the Clerk is a county constitutional officer, any funds remaining at the end of the fiscal year are returned to the Board of County Commissioners. Unassigned fund balance represents funds available for spending at the government’s discretion.

The Office does not have a formal written policy regarding whether restricted or unrestricted amounts are considered to be spent when an expenditure for purposes for which both restricted and unrestricted fund balances are available. However, it has been the Office’s general practice when expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available; the Office considers restricted funds to have been spent first. When expenditure is incurred for which committed, assigned or unassigned fund balances are available, the Office considers amounts to have been spent first out of committed funds, then assigned funds, and lastly unassigned funds, as needed.

(j) **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.

**BAKER COUNTY CLERK OF COURTS  
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

**(2) Budgets and Budgetary Accounting:**

Governmental fund revenues and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with the Florida Statutes. An annual budget was adopted for the General Fund. All budget amounts presented in the accompanying special-purpose financial statements have been adjusted for legally authorized amendments of the annual budget for the year. The annual budget is monitored at varying levels of classification detail. However, for purposes of budgetary control, expenditures cannot legally exceed the total budget appropriations at the individual fund level. All appropriations lapse at year-end.

**(3) Investments:**

Florida Statutes authorize the Office to invest in bonds, notes or other obligations of the U.S. Government, certificates of deposits, repurchase agreements, certain bonds of any State or local government unit and the State Treasurer’s Investment Pool.

*Interest Rate Risk.* The Office does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

*Concentration of Credit Risk.* The Office places no limit on the amount the Office may invest in any one issuer. The Office maintained 100 percent of excess deposits in a checking account with a local financial institution subject to Federal Depository Insurance Corporation (FDIC) insurance, and/or the State of Florida collateral pool established under the Florida Security for Public Deposits Act (the Act).

**(4) Risk Management:**

The County purchased commercial insurance to limit the exposure of the following risks of loss: theft of, damage to, and destruction of assets; natural disasters and injuries to employees. Commercial insurance has been purchased by the Office to cover the risks of loss due to employee errors or omissions and health insurance. Settled claims resulting from all risks have not exceeded insurance coverage in any of the past three years.

**(5) Long-term Liabilities:**

A summary of changes in long-term liabilities of the Office for the fiscal year ended September 30, 2019, follows:

	<u>Beginning Balance</u>		<u>Additions</u>		<u>Reductions</u>		<u>Ending Balance</u>		<u>Due Within One Year</u>
Compensated absences	\$ 29,601	\$	23,004	\$	(18,605)	\$	34,000	\$	23,920

**BAKER COUNTY CLERK OF COURTS  
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

**(6) Pension Plan:**

The entity participates in the Florida Retirement System (FRS), a multiple-employer, cost sharing defined public employee retirement system which covers all of the Office's full-time employees. The System is administered by the State of Florida, Department of Administration, Division of Retirement to provide retirement and survivor benefits to participating public employees. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. The FRS is a single retirement system administered by the Department of Management Services, Division of Retirement, and consists of two cost-sharing, multiple-employer retirement plans and other nonintegrated programs. These include a defined-benefit pension plan (Plan), with a Deferred Retirement Option Program (DROP), and a defined-contribution plan, referred to as the FRS Investment Plan (Investment Plan).

In addition, all regular employees of the entity are eligible to enroll as members of the Retiree Health Insurance Subsidy (HIS) Program. The HIS 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. For the fiscal year ended September 30, 2019, eligible retirees and beneficiaries received 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. To be eligible to receive a HIS benefit, a retiree under one of the state-administered retirement systems must provide proof of eligible health insurance coverage, which can include Medicare.

For financial reporting purposes, the Office is deemed to be part of the primary government of the County. A liability related to the Office's proportionate share of FRS retirement benefits, along with a detailed plan description, is reported in the financial statements of the County for the fiscal year ended September 30, 2019.

**REQUIRED SUPPLEMENTARY INFORMATION**

**BAKER COUNTY CLERK OF COURTS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget - Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
<b>Revenues</b>				
Intergovernmental	\$ 80,592	\$ 80,592	\$ 225,826	\$ 145,234
Charges for services	710,558	710,558	449,583	(260,975)
Fines and forfeitures	2,740	2,740	144,537	141,797
Investment income	49	49	3,679	3,630
Miscellaneous	47	47	4,163	4,116
Total revenues	<u>793,986</u>	<u>793,986</u>	<u>827,788</u>	<u>33,802</u>
<b>Expenditures</b>				
Current:				
General government	463,025	463,025	365,194	97,831
Court related	609,318	609,318	585,656	23,662
Total expenditures	<u>1,072,343</u>	<u>1,072,343</u>	<u>950,850</u>	<u>121,493</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(278,357)</u>	<u>(278,357)</u>	<u>(123,062)</u>	<u>155,295</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	-	20,933	20,933
Title IV D reversion	-	-	(4,345)	(4,345)
Appropriations from Board of County Commissioners	278,357	278,357	278,357	-
Reversions to Board of County Commissioners	-	-	(101,267)	(101,267)
Total other financing sources (uses)	<u>278,357</u>	<u>278,357</u>	<u>193,678</u>	<u>(84,679)</u>
<b>Net change in fund balances</b>	<u>-</u>	<u>-</u>	<u>70,616</u>	<u>70,616</u>
<b>Fund balances, beginning of year</b>	229,030	229,030	229,030	-
<b>Fund balances, end of year</b>	<u>\$ 229,030</u>	<u>\$ 229,030</u>	<u>\$ 299,646</u>	<u>\$ 70,616</u>

The accompanying notes to schedules of revenues, expenditures and changes in fund balances - budget and actual - governmental funds are an integral part of this schedule.

**BAKER COUNTY CLERK OF COURTS**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - RECORDS MODERNIZATION FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget -</u>
				<u>(Negative)</u>
<b>Revenues</b>				
Charges for services	\$ 29,246	\$ 29,246	\$ 35,878	\$ 6,632
Fines and forfeitures	9,808	9,808	32,908	23,100
Investment income	451	451	418	(33)
Miscellaneous	13,411	16,880	-	(16,880)
<b>Total revenues</b>	<u>52,916</u>	<u>56,385</u>	<u>69,204</u>	<u>12,819</u>
<b>Expenditures</b>				
Current:				
Court related	46,947	50,416	44,696	5,720
Capital outlay	5,969	5,969	12,753	(6,784)
<b>Total expenditures</b>	<u>52,916</u>	<u>56,385</u>	<u>57,449</u>	<u>(1,064)</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>-</u>	<u>-</u>	<u>11,755</u>	<u>11,755</u>
<b>Other financing sources (uses)</b>				
Transfers out	-	-	(20,933)	(20,933)
<b>Net change in fund balances</b>	<u>-</u>	<u>-</u>	<u>(9,178)</u>	<u>(9,178)</u>
<b>Fund balances, beginning of year</b>	212,806	212,806	212,806	-
<b>Fund balances, end of year</b>	<u>\$ 212,806</u>	<u>\$ 212,806</u>	<u>\$ 203,628</u>	<u>\$ (9,178)</u>

The accompanying notes to schedules of revenues, expenditures and changes in fund balances - budget and actual - governmental funds are an integral part of this schedule.

**BAKER COUNTY CLERK OF COURTS  
NOTE TO SCHEDULES OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL –  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

(1) **Budgetary Information:**

An annual budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America for the general fund and the records modernization trust fund. All annual appropriations lapse at fiscal year-end.

The Clerk follows these procedures in establishing the budgetary data reflected in the financial statements:

- a) The preparation, adoption and amendment of the budgets are governed by Florida Statutes. Public hearings are conducted to obtain taxpayer comments.
- b) Budget excess expenditures over revenues are funded through appropriations from the Board of County Commissioners.
- c) Formal budgetary integration is employed as a management control device during the year. The legal level of budgetary control is the fund level.
- d) The budgets for the funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

**SUPPLEMENTARY INFORMATION**



**BAKER COUNTY CLERK OF COURTS  
 COMBINING SCHEDULE OF FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 SEPTEMBER 30, 2019**

	<u>Witness Fund</u>	<u>Clerk's Trust Fund</u>	<u>Fine and Forfeiture Fund</u>	<u>Domestic Relations Fund</u>	<u>Registry of the Court Fund</u>	<u>Total Agency Funds</u>
<b>ASSETS</b>						
Cash and cash equivalents	\$ 30,861	\$ 26,529	\$ 2,072	\$ 2,400	\$ 140,287	\$ 202,149
<b>LIABILITIES</b>						
Assets held for others	\$ 30,861	\$ 26,529	\$ 2,072	\$ 2,400	\$ 140,287	\$ 202,149

See accompanying notes to financial statements.

**ADDITIONAL INFORMATION**

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

The Honorable Stacie D. Harvey, Clerk of Courts,  
Baker County, Florida:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the general fund of the Baker County Clerk of Courts (the Office) as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Baker County Clerk of Courts' special-purpose financial statements, and have issued our report thereon dated July 1, 2020, which was modified to refer to a basis of accounting required for compliance with state filing requirements, and for other reasons.

***Internal Control over Financial Reporting***

In planning and performing our audit of the special-purpose 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 special-purpose 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 Baker County Clerk of Courts' 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 over financial reporting 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 financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

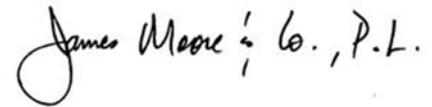
### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Baker County Clerk of Courts' special-purpose 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.

Daytona Beach, Florida  
July 1, 2020

James Moore & Co., P.L.

**INDEPENDENT AUDITORS' MANAGEMENT LETTER REQUIRED BY  
CHAPTER 10.550, RULES OF THE STATE OF FLORIDA, OFFICE OF THE  
AUDITOR GENERAL**

The Honorable Stacie D. Harvey, Clerk of Courts,  
Baker County, Florida:

We have audited the financial statements of the Baker County Clerk of Courts (the Office), as of and for the fiscal year ended September 30, 2019, and have issued our report thereon dated July 1, 2020.

**Auditors' Responsibility**

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

**Other Reporting Requirements**

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of Special-Purpose 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 July 1, 2020, should be considered in conjunction with this management letter.

**Prior Audit Findings**

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

**Official Title and Legal Authority**

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The Baker County Clerk of Courts 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. Baker County, including the Office of the Clerk, was established by Chapter 8516, Laws of Florida in 1921. There are no component units of the Baker County Clerk of Courts to be disclosed as required by accounting principles generally accepted in the United States of America.

## **Financial Management**

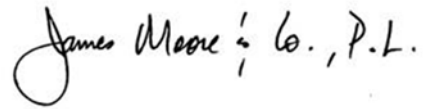
Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

## **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 Baker County Clerk of Courts, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "James Moore & Co., P.L.". The signature is written in a cursive style with a large initial "J" and a stylized "M".

Daytona Beach, Florida  
July 1, 2020

**INDEPENDENT ACCOUNTANTS' EXAMINATION REPORT**

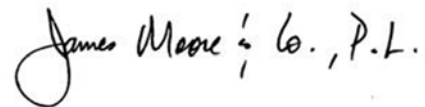
The Honorable Stacie D. Harvey, Clerk of Courts,  
Baker County, Florida:

We have examined the Baker County Clerk of Courts' (the Office) compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies*, Section 28.35, Florida Statutes, *Florida Clerks of Court Operations Corporation*, Section 28.36, Florida Statutes, *Budget Procedure*, and Section 61.181, Florida Statutes, *Depository for Alimony Transactions, Support, Maintenance, and Support Payments; Fees* (collectively, "the Statutes"), 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 with the Statutes for the year ended September 30, 2019, in all material respects. An examination involves performing procedures to obtain evidence about the Office's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of risks of material noncompliance with those requirements, 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.

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

Daytona Beach, Florida  
July 1, 2020



**BAKER COUNTY PROPERTY APPRAISER**  
**SPECIAL-PURPOSE FINANCIAL STATEMENTS**  
**AND INDEPENDENT AUDITORS' REPORT**  
**SEPTEMBER 30, 2019**



**BAKER COUNTY PROPERTY APPRAISER**  
**SPECIAL-PURPOSE FINANCIAL STATEMENTS**  
**AND INDEPENDENT AUDITORS' REPORT**

**SEPTEMBER 30, 2019**

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## INDEPENDENT AUDITORS' REPORT

The Honorable Timothy Sweat, Property Appraiser,  
Baker County, Florida:

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

We have audited the accompanying financial statements of the general fund of the Baker 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 Baker County Property Appraiser'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 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 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 opinion.

- 1 -

121 Executive Circle  
Daytona Beach, FL 32114-1180  
Telephone: 386-257-4100

133 East Indiana Avenue  
DeLand, FL 32724-4329  
Telephone: 386-738-3300

5931 NW 1st Place  
Gainesville, FL 32607-2063  
Telephone: 352-378-1331

2477 Tim Gamble Place, Suite 200  
Tallahassee, FL 32308-4386  
Telephone: 850-386-6184

## ***Opinion***

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

## ***Emphasis of Matter***

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

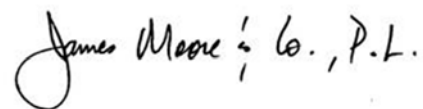
## ***Other Matters***

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

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a required 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 Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report on our consideration of the Baker County Property Appraiser's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts, and grant agreements and other matters included under the heading 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*. 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 Baker County Property Appraiser's internal control over financial reporting and compliance.



Daytona Beach, Florida  
July 1, 2020

**BAKER COUNTY PROPERTY APPRAISER  
BALANCE SHEET  
GENERAL FUND  
SEPTEMBER 30, 2019**

**ASSETS**

Cash and cash equivalents	<u>\$ 50,652</u>
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**LIABILITIES AND FUND BALANCES**

Liabilities:

Due to other governments	\$ 4,305
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Due to Board of County Commissioners	<u>46,347</u>
--------------------------------------	---------------

Total liabilities	50,652
-------------------	--------

Fund Balance:

Unassigned	-
------------	---

<b>Total Liabilities and Fund Balances</b>	<u>\$ 50,652</u>
--	------------------

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

**BAKER COUNTY PROPERTY APPRAISER  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
GENERAL FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

<b>Revenues</b>	
Charges for services	\$ 96,323
Miscellaneous	31
Total revenues	96,354
<b>Expenditures</b>	
Current:	
General government	688,972
<b>Excess (deficiency) of revenues over expenditures</b>	(592,618)
<b>Other financing sources (uses)</b>	
Appropriations to constitutional officers	638,965
Reversions from constitutional officers	(46,347)
Total other financing sources (uses)	592,618
<b>Net change in fund balances</b>	-
<b>Fund balances, beginning of year</b>	-
<b>Fund balances, end of year</b>	\$ -

The accompanying notes to financial statements are an integral part of this statement

**BAKER COUNTY PROPERTY APPRAISER**  
**NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**(1) Summary of Significant Accounting Policies:**

The accounting policies of the Baker County Property Appraiser (the “Office”) conform to generally accepted accounting principles as applicable to governments in the Governmental Accounting Standards Board (GASB) Codification. The following is a summary of the more significant policies.

(a) **Reporting entity**—The Baker County 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. Baker County, Florida (the County), including the Office of the Property Appraiser, was established by Chapter 8516, Laws of Florida in 1921. The Office is an integral part of the County, the reporting entity for financial reporting purposes.

(b) **Basis of presentation**—The Office’s financial statements are special-purpose financial statements that have been prepared for the purpose of complying with the Rules of the Auditor General of the State of Florida (the Rules). In conformity with the Rules, the Office has not presented the government-wide financial statements, the reconciliations to the government-wide statements or management’s discussion and analysis.

(c) **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, as appropriate for each fund type. 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.

The Office reports the following major governmental fund; there are no non-major governmental funds:

*General Fund* – The principal operating fund of the Office. It is used to account for all financial resources.

(d) **Measurement focus/basis of accounting**—All governmental funds are accounted for on a spending or current financial resources measurement focus and the modified accrual basis of accounting. 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. The Office considers revenues to be available if they are collected within 90 days of the end of the current fiscal period.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. However, principal and interest on general long-term debt are recognized when due.

**BAKER COUNTY PROPERTY APPRAISER**  
**NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

(1) **Summary of Significant Accounting Policies:** (Continued)

(e) **Cash**—The Office’s cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

(f) **Capital assets and long-term liabilities**—Capital assets used by the Office are capitalized (recorded and accounted for) by the Baker County Board of County Commissioners.

Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by non-current liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are instead reported as liabilities in the financial statements of the County.

(g) **Accounts payable**—Accounts payable balances in the general fund are primarily payable to third-party vendors for goods provided and services rendered.

(h) **Compensated absences**—The Office follows generally accepted accounting principles in accounting for accrued compensated absences. The Office allows limited vesting of unused employee leave time. Since the annual and sick leave liability is considered long-term, it is recorded in the government-wide financial statements of the County. Compensated absences are expected to be paid out of the General Fund of the Office and this practice is expected to continue in the future. The Office kept compensated absence records for the hours earned, used and available.

(i) **Fund balance**—Fund balance for governmental funds report classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in the funds may be spent. In as much as the Property Appraiser is a county constitutional officer, any funds remaining at the end of the fiscal year are returned to the Board of County Commissioners. Unassigned fund balance represents funds available for spending at the government’s discretion.

The Office does not have a formal written policy regarding whether restricted or unrestricted amounts are considered to be spent when an expenditure for purposes for which both restricted and unrestricted fund balances are available. However, it has been the Office’s general practice when expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available; the Office considers restricted funds to have been spent first. When expenditure is incurred for which committed, assigned or unassigned fund balances are available, the Office considers amounts to have been spent first out of committed funds, then assigned funds, and lastly unassigned funds, as needed.

(j) **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.

**BAKER COUNTY PROPERTY APPRAISER  
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

**(2) Budgets and Budgetary Accounting:**

Governmental fund revenues and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with the Florida Statutes. An annual budget was adopted for the General Fund. All budget amounts presented in the accompanying special-purpose financial statements have been adjusted for legally authorized amendments of the annual budget for the year. The annual budget is monitored at varying levels of classification detail. However, for purposes of budgetary control, expenditures cannot legally exceed the total budget appropriations at the individual fund level. All appropriations lapse at year-end.

**(3) Investments:**

Florida Statutes authorize the Office to invest in bonds, notes or other obligations of the U.S. Government, certificates of deposits, repurchase agreements, certain bonds of any State or local government unit and the State Treasurer’s Investment Pool.

*Interest Rate Risk.* The Office does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

*Concentration of Credit Risk.* The Office places no limit on the amount the Office may invest in any one issuer. The Office maintained 100 percent of excess deposits in a checking account with a local financial institution subject to Federal Depository Insurance Corporation (FDIC) insurance, and/or the State of Florida collateral pool established under the Florida Security for Public Deposits Act (the Act).

**(4) Risk Management:**

The County purchased commercial insurance to limit the exposure of the following risks of loss: theft of, damage to, and destruction of assets; natural disasters and injuries to employees. Commercial insurance has been purchased by the Office to cover the risks of loss due to employee errors or omissions and health insurance. Settled claims resulting from all risks have not exceeded insurance coverage in any of the past three years.

**(5) Long-term Liabilities:**

A summary of changes in long-term liabilities for the fiscal year ended September 30, 2019, follows:

	<u>Beginning Balance</u>		<u>Additions</u>		<u>Reductions</u>		<u>Ending Balance</u>		<u>Due Within One Year</u>
Compensated absences	\$ 11,518	\$	15,801	\$	(14,724)	\$	12,595	\$	12,595



**BAKER COUNTY PROPERTY APPRAISER  
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

**(6) Pension Plan:**

The entity participates in the Florida Retirement System (FRS), a multiple-employer, cost sharing defined public employee retirement system which covers all of the Office's full-time employees. The System is administered by the State of Florida, Department of Administration, Division of Retirement to provide retirement and survivor benefits to participating public employees. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. The FRS is a single retirement system administered by the Department of Management Services, Division of Retirement, and consists of two cost-sharing, multiple-employer retirement plans and other nonintegrated programs. These include a defined-benefit pension plan (Plan), with a Deferred Retirement Option Program (DROP), and a defined-contribution plan, referred to as the FRS Investment Plan (Investment Plan).

In addition, all regular employees of the entity are eligible to enroll as members of the Retiree Health Insurance Subsidy (HIS) Program. The HIS 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. For the fiscal year ended September 30, 2019, eligible retirees and beneficiaries received 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. To be eligible to receive a HIS benefit, a retiree under one of the state-administered retirement systems must provide proof of eligible health insurance coverage, which can include Medicare.

For financial reporting purposes, the Property Appraiser is deemed to be part of the primary government of Baker County, Florida. A liability related to the Property Appraiser's proportionate share of FRS retirement benefits, along with a detailed plan description, is reported in the financial statements of the County for the fiscal year ended September 30, 2019.

**REQUIRED SUPPLEMENTARY INFORMATION**

**BAKER COUNTY PROPERTY APPRAISER  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Charges for services	\$ 96,323	\$ 96,323	\$ 96,323	\$ -
Miscellaneous	31	31	31	-
Total revenues	<u>96,354</u>	<u>96,354</u>	<u>96,354</u>	<u>-</u>
<b>Expenditures</b>				
Current:				
General government	697,080	735,288	688,972	46,316
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(600,726)</u>	<u>(638,934)</u>	<u>(592,618)</u>	<u>46,316</u>
<b>Other financing sources (uses)</b>				
Appropriations to constitutional officers	600,726	638,934	638,965	31
Reversions from constitutional officers	-	-	(46,347)	(46,347)
Total other financing sources (uses)	<u>600,726</u>	<u>638,934</u>	<u>592,618</u>	<u>(46,316)</u>
<b>Net change in fund balances</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances, beginning of year</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying note to schedule of revenues, expenditures, and changes in fund balance - budget and actual - general fund is an integral part of this schedule.

**BAKER COUNTY PROPERTY APPRAISER  
NOTE TO SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCES – BUDGET AND ACTUAL – GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

(1) **Budgetary Information:**

An annual budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America for the general fund. All annual appropriations lapse at fiscal year-end.

The Property Appraiser follows these procedures in establishing the budgetary data reflected in the financial statements:

- a) The preparation, adoption and amendment of the budgets are governed by Florida Statutes. Public hearings are conducted to obtain taxpayer comments.
- b) Budget excess expenditures over revenues are funded through appropriations from the Board of County Commissioners.
- c) Formal budgetary integration is employed as a management control device during the year for the General Fund. The legal level of budgetary control is the fund level.
- d) The budgets for the funds are adopted on a basis consistent with accounting principles.

**ADDITIONAL INFORMATION**

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

The Honorable Timothy Sweat, Property Appraiser,  
Baker County, Florida:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the general fund of the Baker 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 Baker County Property Appraiser's special-purpose financial statements, and have issued our report thereon dated July 1, 2020, which was modified to refer to a basis of accounting required for compliance with state filing requirements, and for other reasons.

***Internal Control over Financial Reporting***

In planning and performing our audit of the special-purpose 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 special-purpose 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 Baker County Property Appraiser's internal control.

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

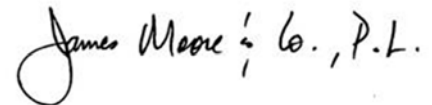
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting 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 Baker County Property Appraiser's special-purpose 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 black ink that reads "James Moore & Co., P.L." The signature is written in a cursive style with a large initial 'J'.

Daytona Beach, Florida  
July 1, 2020

**INDEPENDENT AUDITORS' MANAGEMENT LETTER REQUIRED BY  
CHAPTER 10.550, RULES OF THE STATE OF FLORIDA, OFFICE OF THE  
AUDITOR GENERAL**

The Honorable Timothy Sweat, Property Appraiser,  
Baker County, Florida:

We have audited the financial statements of the Baker County Property Appraiser (the Office), as of and for the fiscal year ended September 30, 2019, and have issued our report thereon dated July 1, 2020.

**Auditors' Responsibility**

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

**Other Reporting Requirements**

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of Special-Purpose 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 July 1, 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. There were no recommendations made in the preceding financial audit report.

**Official Title and Legal Authority**

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The Baker County 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. Baker County, including the Office of the Property Appraiser, was established by Chapter 8516, Laws of Florida in 1921. There are no component units of the Baker County Property Appraiser to be disclosed as required by accounting principles generally accepted in the United States of America.

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121 Executive Circle  
Daytona Beach, FL 32114-1180  
Telephone: 386-257-4100

133 East Indiana Avenue  
DeLand, FL 32724-4329  
Telephone: 386-738-3300

5931 NW 1st Place  
Gainesville, FL 32607-2063  
Telephone: 352-378-1331

2477 Tim Gamble Place, Suite 200  
Tallahassee, FL 32308-4386  
Telephone: 850-386-6184



## **Financial Management**

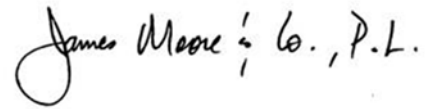
Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

## **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 Baker County Property Appraiser, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "James Moore & Co., P.L.". The signature is written in a cursive style with a large initial "J" and a stylized "M".

Daytona Beach, Florida  
July 1, 2020

**INDEPENDENT ACCOUNTANTS' EXAMINATION REPORT**

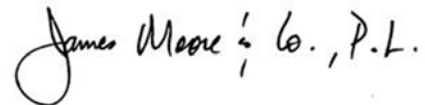
The Honorable Timothy Sweat, Property Appraiser,  
Baker County, Florida:

We have examined the Baker County Property Appraiser's (the Office) compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies*, 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 with Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2019, in all material respects. An examination involves performing procedures to obtain evidence about the Office's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of risks of material noncompliance with those requirements, 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.

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

Daytona Beach, Florida  
July 1, 2020



**BAKER COUNTY SHERIFF**  
**SPECIAL-PURPOSE FINANCIAL STATEMENTS**  
**AND INDEPENDENT AUDITORS' REPORT**  
**SEPTEMBER 30, 2019**

**BAKER COUNTY SHERIFF**  
**SPECIAL-PURPOSE FINANCIAL STATEMENTS**  
**AND INDEPENDENT AUDITORS' REPORT**

**SEPTEMBER 30, 2019**

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## INDEPENDENT AUDITORS' REPORT

The Honorable Scotty Rhoden, Sheriff,  
Baker 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 Baker 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 Baker County Sheriff'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 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.

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121 Executive Circle  
Daytona Beach, FL 32114-1180  
Telephone: 386-257-4100

133 East Indiana Avenue  
DeLand, FL 32724-4329  
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## ***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 for the Baker County Sheriff as of September 30, 2019, and the respective changes in financial position thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Emphasis of Matter***

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

## ***Other Matters***

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

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a required 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.

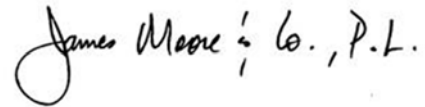
### ***Other Information***

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

The supplemental information is the responsibility of management and are derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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 on our consideration of the Baker County Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts, and grant agreements and other matters included under the heading 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*. 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 Baker County Sheriff's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive style with a large initial 'J'.

Daytona Beach, Florida  
July 1, 2020

**BAKER COUNTY SHERIFF  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2019**

	<u>General Fund</u>	<u>Inmate Welfare Fund</u>	<u>Special Law</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 140,597	\$ 383,611	\$ 329,431	\$ 96,837	\$ 950,476
Receivables, net	337,438	100,257	-	-	437,695
Due from other governments	197,646	-	-	137,148	334,794
Due from other funds	119,800	-	-	-	119,800
Due from Baker County Detention Center	219,069	-	-	-	219,069
Prepaid items	16,276	-	-	25,094	41,370
<b>Total Assets</b>	<u>\$ 1,030,826</u>	<u>\$ 483,868</u>	<u>\$ 329,431</u>	<u>\$ 259,079</u>	<u>\$ 2,103,204</u>
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	\$ 934,528	\$ 2,508	\$ -	\$ 65,759	\$ 1,002,795
Due to other governments	-	-	-	2,000	2,000
Unearned revenue	-	-	-	25,094	25,094
Due to other funds	-	76,772	-	43,028	119,800
Due to Board of County Commissioners	73,392	-	-	-	73,392
Due to component unit	-	645	-	-	645
Total liabilities	<u>1,007,920</u>	<u>79,925</u>	<u>-</u>	<u>135,881</u>	<u>1,223,726</u>
<b>FUND BALANCES</b>					
Nonspendable:					
Prepaid items	16,276	-	-	25,094	41,370
Assigned for:					
Jail operations	6,630	-	-	-	6,630
Total fund balances	<u>22,906</u>	<u>403,943</u>	<u>329,431</u>	<u>123,198</u>	<u>879,478</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 1,030,826</u>	<u>\$ 483,868</u>	<u>\$ 329,431</u>	<u>\$ 259,079</u>	<u>\$ 2,103,204</u>

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



**BAKER COUNTY SHERIFF**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>General Fund</u>	<u>Inmate Welfare Fund</u>	<u>Special Law</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues</b>					
Permits and fees	\$ -	\$ -	\$ -	\$ 158,677	\$ 158,677
Intergovernmental	504,260	-	-	317,291	821,551
Charges for services	8,353,727	589,041	-	-	8,942,768
Fines and forfeitures	-	-	-	5,492	5,492
Investment income	78	-	1,823	621	2,522
Miscellaneous	84,406	1,106	183,064	-	268,576
Total revenues	<u>8,942,471</u>	<u>590,147</u>	<u>184,887</u>	<u>482,081</u>	<u>10,199,586</u>
<b>Expenditures</b>					
Current:					
Public safety	13,248,134	511,603	61,797	615,986	14,437,520
Court related	228,424	-	-	-	228,424
Debt service:					
Principal	116,929	-	-	-	116,929
Interest and fiscal charges	11,171	-	-	-	11,171
Total expenditures	<u>13,604,658</u>	<u>511,603</u>	<u>61,797</u>	<u>615,986</u>	<u>14,794,044</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(4,662,187)</u>	<u>78,544</u>	<u>123,090</u>	<u>(133,905)</u>	<u>(4,594,458)</u>
<b>Other financing sources (uses)</b>					
Transfers from external	262,990	325,399	-	-	588,389
Appropriations from Board of County Commissioners	4,388,665	-	-	57,871	4,446,536
Reversions to Board of County Commissioners	(4,661)	-	-	-	(4,661)
Total other financing sources (uses)	<u>4,646,994</u>	<u>325,399</u>	<u>-</u>	<u>57,871</u>	<u>5,030,264</u>
<b>Net change in fund balances</b>	<u>(15,193)</u>	<u>403,943</u>	<u>123,090</u>	<u>(76,034)</u>	<u>435,806</u>
<b>Fund balances, beginning of year</b>	38,099	-	206,341	199,232	443,672
<b>Fund balances, end of year</b>	<u>\$ 22,906</u>	<u>\$ 403,943</u>	<u>\$ 329,431</u>	<u>\$ 123,198</u>	<u>\$ 879,478</u>

The accompanying notes to financial statements are an integral part of this statement

**BAKER COUNTY SHERIFF  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
SEPTEMBER 30, 2019**

	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash and cash equivalents	<u>\$ 264,220</u>
<b>LIABILITIES</b>	
Assets held for others	<u>\$ 264,220</u>

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

**BAKER COUNTY SHERIFF  
NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

**(1) Summary of Significant Accounting Policies:**

The accounting policies of the Baker County Sheriff (the “Office”) conform to generally accepted accounting principles as applicable to governments in the Governmental Accounting Standards Board (GASB) Codification. The following is a summary of the more significant policies.

(a) **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. Baker County, including the Office of the Sheriff, was established by Chapter 8516, Laws of Florida in 1921. The Office is an integral part of Baker County, the reporting entity for financial reporting purposes.

(b) **Basis of presentation**—The Office’s financial statements are special-purpose financial statements that have been prepared for the purpose of complying with the Rules of the Auditor General of the State of Florida (the Rules). In conformity with the Rules, the Office has not presented the government-wide financial statements, the reconciliations to the government-wide statements or management’s discussion and analysis.

(c) **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, as appropriate for each fund type. 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.

The Office reports the following major governmental funds:

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

*Special Law Fund* – This fund is used to account for the proceeds of certain fines and forfeitures which are restricted as to their authorized use.

*Inmate Welfare Fund* – The Inmate Welfare Fund is a Special Revenue Fund is used to account for the funds that are generated by phone commissions and commissary sales. The profits can only be spent for the benefit of the inmates.

Additionally, the Sheriff reports the following fiduciary fund type:

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

(d) **Measurement focus/basis of accounting**—All governmental funds are accounted for on a spending or current financial resources measurement focus and the modified accrual basis of accounting. 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.

**BAKER COUNTY SHERIFF**  
**NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

(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. The Office considers revenues to be available if they are collected within 90 days of the end of the current fiscal period.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. However, principal and interest on general long-term debt are recognized when due.

(e) **Cash**—The Office’s cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

(f) **Capital assets and long-term liabilities**—Capital assets used by the Office are capitalized (recorded and accounted for) by the Baker County Board of County Commissioners.

Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by non-current liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are instead reported as liabilities in the financial statements of the County.

(g) **Accounts payable**—Accounts payable balances in the general fund are primarily payable to third-party vendors for goods provided and services rendered.

(h) **Compensated absences**—The Office follows generally accepted accounting principles in accounting for accrued compensated absences. The Office allows limited vesting of unused employee leave time. Since the annual and sick leave liability is considered long-term, it is recorded in the government-wide financial statements of the County. Compensated absences are expected to be paid out of the General Fund of the Office and this practice is expected to continue in the future. The Office kept compensated absence records for the hours earned, used and available.

(i) **Fund balance**—Fund balance for governmental funds report classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in the funds may be spent. In as much as the Sheriff is a county constitutional officer, any funds remaining at the end of the fiscal year are returned to the Board of County Commissioners. Unassigned fund balance represents funds available for spending at the government’s discretion.

The Office does not have a formal written policy regarding whether restricted or unrestricted amounts are considered to be spent when an expenditure for purposes for which both restricted and unrestricted fund balances are available. However, it has been the Office’s general practice when expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available; the Office considers restricted funds to have been spent first. When expenditure is incurred for which committed, assigned or unassigned fund balances are available, the Office considers amounts to have been spent first out of committed funds, then assigned funds, and lastly unassigned funds, as needed.

(j) **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.

**BAKER COUNTY SHERIFF  
NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

**(2) Budgets and Budgetary Accounting:**

Governmental fund revenues and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with the Florida Statutes. An annual budget was adopted for the General Fund, Inmate Welfare Fund, and Special Law Fund. All budget amounts presented in the accompanying special-purpose financial statements have been adjusted for legally authorized amendments of the annual budget for the year. The annual budget is monitored at varying levels of classification detail. However, for purposes of budgetary control, expenditures cannot legally exceed the total budget appropriations at the individual fund level. All appropriations lapse at year-end.

**(3) Investments:**

Florida Statutes authorize the Office to invest in bonds, notes or other obligations of the U.S. Government, certificates of deposits, repurchase agreements, certain bonds of any State or local government unit and the State Treasurer's Investment Pool.

*Interest Rate Risk.* The Office does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

*Concentration of Credit Risk.* The Office places no limit on the amount the Office may invest in any one issuer. The Office maintained 100 percent of excess deposits in a checking account with a local financial institution subject to Federal Depository Insurance Corporation (FDIC) insurance, and/or the State of Florida collateral pool established under the Florida Security for Public Deposits Act (the Act).

**(4) Risk Management:**

The County purchased commercial insurance to limit the exposure of the following risks of loss: theft of, damage to, and destruction of assets; natural disasters and injuries to employees. Commercial insurance has been purchased by the Office to cover the risks of loss due to employee errors or omissions and health insurance. Settled claims resulting from all risks have not exceeded insurance coverage in any of the past three years.

**(5) Capital Assets:**

Capital asset activity of the Office is incorporated in the County-wide financial statements. All applicable depreciation expense is recorded under the public safety function.

**(6) Long-term Liabilities:**

A summary of changes in long-term liabilities of the Office for the fiscal year ended September 30, 2019, follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Compensated absences	\$ 689,055	\$ 855,266	\$ (878,044)	\$ 666,277	\$ 666,277

**BAKER COUNTY SHERIFF  
NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

**(7) Pension Plan:**

The entity participates in the Florida Retirement System (FRS), a multiple-employer, cost sharing defined public employee retirement system which covers all of the Office's full-time employees. The System is administered by the State of Florida, Department of Administration, Division of Retirement to provide retirement and survivor benefits to participating public employees. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. The FRS is a single retirement system administered by the Department of Management Services, Division of Retirement, and consists of two cost-sharing, multiple-employer retirement plans and other nonintegrated programs. These include a defined-benefit pension plan (Plan), with a Deferred Retirement Option Program (DROP), and a defined-contribution plan, referred to as the FRS Investment Plan (Investment Plan).

In addition, all regular employees of the entity are eligible to enroll as members of the Retiree Health Insurance Subsidy (HIS) Program. The HIS 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. For the fiscal year ended September 30, 2019, eligible retirees and beneficiaries received 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. To be eligible to receive a HIS benefit, a retiree under one of the state-administered retirement systems must provide proof of eligible health insurance coverage, which can include Medicare.

For financial reporting purposes, the Office is deemed to be part of the primary government of the County. A liability related to the Office's proportionate share of FRS retirement benefits, along with a detailed plan description, is reported in the financial statements of the County for the fiscal year ended September 30, 2019.

**REQUIRED SUPPLEMENTARY INFORMATION**

**BAKER COUNTY SHERIFF**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
<b>Revenues</b>				
Intergovernmental	\$ -	\$ -	\$ 504,260	\$ 504,260
Charges for services	6,029,338	9,221,194	8,353,727	(867,467)
Investment income	-	-	78	78
Miscellaneous	-	-	84,406	84,406
Total revenues	<u>6,029,338</u>	<u>9,221,194</u>	<u>8,942,471</u>	<u>(278,723)</u>
<b>Expenditures</b>				
Current:				
Public safety	10,099,260	13,376,020	13,248,134	127,886
Court related	312,509	228,638	228,424	214
Debt service:				
Principal	-	-	116,929	(116,929)
Interest and fiscal charges	-	-	11,171	(11,171)
Total expenditures	<u>10,411,769</u>	<u>13,604,658</u>	<u>13,604,658</u>	<u>-</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(4,382,431)</u>	<u>(4,383,464)</u>	<u>(4,662,187)</u>	<u>(278,723)</u>
<b>Other financing sources (uses)</b>				
Transfers from external	-	-	262,990	262,990
Appropriations from Board of County Commissioners	4,382,431	4,383,464	4,388,665	5,201
Reversions to Board of County Commissioners	-	-	(4,661)	(4,661)
Total other financing sources (uses)	<u>4,382,431</u>	<u>4,383,464</u>	<u>4,646,994</u>	<u>263,530</u>
<b>Net change in fund balances</b>	<u>-</u>	<u>-</u>	<u>(15,193)</u>	<u>(15,193)</u>
<b>Fund balances, beginning of year</b>	<u>-</u>	<u>-</u>	<u>38,099</u>	<u>38,099</u>
<b>Fund balances, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,906</u>	<u>\$ 22,906</u>

The accompanying note to schedules of revenues, expenditures, and changes in fund balances - budget and actual - governmental funds is an integral part of this schedule.



**BAKER COUNTY SHERIFF**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - INMATE WELFARE FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Charges for services	\$ 590,148	\$ 590,148	\$ 589,041	\$ (1,107)
Miscellaneous	-	-	1,106	1,106
Total revenues	590,148	590,148	590,147	(1)
<b>Expenditures</b>				
Current:				
Public safety	590,148	590,148	511,603	78,545
Total expenditures	590,148	590,148	511,603	78,545
<b>Excess (deficiency) of revenues over expenditures</b>	-	-	78,544	78,544
<b>Other financing sources (uses)</b>				
Transfers from external	-	-	325,399	325,399
Net change in fund balances	-	-	403,943	403,943
<b>Fund balances, beginning of year</b>	-	-	-	-
<b>Fund balances, end of year</b>	\$ -	\$ -	\$ 403,943	\$ 403,943

The accompanying note to schedules of revenues, expenditures, and changes in fund balances - budget and actual - governmental funds is an integral part of this schedule.

**BAKER COUNTY SHERIFF**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - SPECIAL LAW FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Investment income	\$ -	\$ 1,823	\$ 1,823	\$ -
Miscellaneous	300,000	183,064	183,064	-
Total revenues	<u>300,000</u>	<u>184,887</u>	<u>184,887</u>	<u>-</u>
<b>Expenditures</b>				
Current:				
Public safety	300,000	61,797	61,797	-
<b>Excess (deficiency) of revenues over expenditures</b>	<u>-</u>	<u>123,090</u>	<u>123,090</u>	<u>-</u>
<b>Fund balances, beginning of year</b>	206,341	206,341	206,341	-
<b>Fund balances, end of year</b>	<u>\$ 206,341</u>	<u>\$ 329,431</u>	<u>\$ 329,431</u>	<u>\$ -</u>

The accompanying note to schedules of revenues, expenditures, and changes in fund balances - budget and actual - governmental funds is an integral part of this schedule.

**BAKER COUNTY SHERIFF  
NOTE TO SCHEDULES OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL –  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

(1) **Budgetary Information:**

An annual budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America for the governmental funds, with the exception of long-term debt issuance and related items. All annual appropriations lapse at fiscal year-end.

The Sheriff follows these procedures in establishing the budgetary data reflected in the financial statements:

- a) The preparation, adoption and amendment of the budgets are governed by Florida Statutes. Public hearings are conducted to obtain taxpayer comments.
- b) Budget excess expenditures over revenues are funded through appropriations from the Board of County Commissioners.
- c) Formal budgetary integration is employed as a management control device during the year. The legal level of budgetary control is the fund level.
- d) The budgets for the funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

**SUPPLEMENTARY INFORMATION**

**BAKER COUNTY SHERIFF  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2019**

	<b>Second Dollar Fund</b>	<b>School Crossing Guards Fund</b>	<b>Emergency Management Fund</b>	<b>911 Fund</b>	<b>Total Nonmajor Governmental Funds</b>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 6,797	\$ 53,504	\$ 36,536	\$ -	\$ 96,837
Due from other governments	406	8,862	29,919	97,961	137,148
Prepaid items	-	-	-	25,094	25,094
<b>Total Assets</b>	<b><u>\$ 7,203</u></b>	<b><u>\$ 62,366</u></b>	<b><u>\$ 66,455</u></b>	<b><u>\$ 123,055</u></b>	<b><u>\$ 259,079</u></b>
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 665	\$ 65,094	\$ 65,759
Due to other governments	-	-	2,000	-	2,000
Unearned revenue	-	-	-	25,094	25,094
Due to other funds	-	2,291	15,377	25,360	43,028
Total liabilities	-	2,291	18,042	115,548	135,881
<b>FUND BALANCES</b>					
Restricted for:					
Public safety	7,203	60,075	48,413	7,507	123,198
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 7,203</u></b>	<b><u>\$ 62,366</u></b>	<b><u>\$ 66,455</u></b>	<b><u>\$ 123,055</u></b>	<b><u>\$ 259,079</u></b>

See accompanying notes to financial statements.

**BAKER COUNTY SHERIFF**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>Second Dollar Fund</u>	<u>School Crossing Guards Fund</u>	<u>Emergency Management Fund</u>	<u>911 Fund</u>	<u>Total Nonmajor Governmental Funds</u>
<b>Revenues</b>					
Permits and fees	\$ -	\$ -	\$ -	\$ 158,677	\$ 158,677
Intergovernmental	-	79,757	149,136	88,398	317,291
Fines and forfeitures	5,492	-	-	-	5,492
Investment income	37	324	118	142	621
Total revenues	<u>5,529</u>	<u>80,081</u>	<u>149,254</u>	<u>247,217</u>	<u>482,081</u>
<b>Expenditures</b>					
Current:					
Public safety	3,320	73,605	184,213	354,848	615,986
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>2,209</u>	<u>6,476</u>	<u>(34,959)</u>	<u>(107,631)</u>	<u>(133,905)</u>
<b>Other financing sources (uses)</b>					
Appropriations from Board of County Commissioners	-	-	57,871	-	57,871
<b>Net change in fund balances</b>	<u>2,209</u>	<u>6,476</u>	<u>22,912</u>	<u>(107,631)</u>	<u>(76,034)</u>
<b>Fund balances, beginning of year</b>	4,994	53,599	25,501	115,138	199,232
<b>Fund balances, end of year</b>	<u><u>\$ 7,203</u></u>	<u><u>\$ 60,075</u></u>	<u><u>\$ 48,413</u></u>	<u><u>\$ 7,507</u></u>	<u><u>\$ 123,198</u></u>

See accompanying notes to financial statements.

**BAKER COUNTY SHERIFF  
 COMBINING SCHEDULE OF FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 SEPTEMBER 30, 2019**

	<u>Bond Fund</u>	<u>Individual Deposits Fund</u>	<u>Evidence Escrow Fund</u>	<u>Inmate Trust Fund</u>	<u>Total Agency Funds</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 9,947	\$ 355	\$ 18,660	\$ 235,258	\$ 264,220
<b>LIABILITIES</b>					
Assets held for others	\$ 9,947	\$ 355	\$ 18,660	\$ 235,258	\$ 264,220

See accompanying notes to financial statements.

**ADDITIONAL INFORMATION**



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

The Honorable Scotty Rhoden, Sheriff,  
Baker County, Florida:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the general fund of the Baker 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 Baker County Sheriff's special-purpose financial statements, and have issued our report thereon dated July 1, 2020, which was modified to refer to a basis of accounting required for compliance with state filing requirements, and for other reasons.

***Internal Control over Financial Reporting***

In planning and performing our audit of the special-purpose 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 special-purpose 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 Baker County Sheriff's internal control.

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

Our consideration of internal control over financial reporting 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 financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

***Compliance and Other Matters***

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121 Executive Circle  
Daytona Beach, FL 32114-1180  
Telephone: 386-257-4100

133 East Indiana Avenue  
DeLand, FL 32724-4329  
Telephone: 386-738-3300

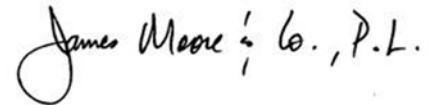
5931 NW 1st Place  
Gainesville, FL 32607-2063  
Telephone: 352-378-1331

2477 Tim Gamble Place, Suite 200  
Tallahassee, FL 32308-4386  
Telephone: 850-386-6184

As part of obtaining reasonable assurance about whether the Baker County Sheriff's special-purpose 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 black ink that reads "James Moore & Co., P.L." The signature is written in a cursive style with a large initial 'J'.

Daytona Beach, Florida  
July 1, 2020

**INDEPENDENT AUDITORS' MANAGEMENT LETTER REQUIRED BY  
CHAPTER 10.550, RULES OF THE STATE OF FLORIDA, OFFICE OF THE  
AUDITOR GENERAL**

The Honorable Scotty Rhoden, Sheriff,  
Baker County, Florida:

We have audited the financial statements of the Baker County Sheriff (the Office), as of and for the fiscal year ended September 30, 2019, and have issued our report thereon dated July 1, 2020.

**Auditors' Responsibility**

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

**Other Reporting Requirements**

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of Special-Purpose 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 July 1, 2020, should be considered in conjunction with this management letter.

**Prior Audit Findings**

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

**Official Title and Legal Authority**

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The Baker County 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. Baker County, including the Office of the Sheriff, was established by Chapter 8516, Laws of Florida in 1921. There are no component units of the Baker County Sheriff to be disclosed as required by accounting principles generally accepted in the United States of America.

## **Financial Management**

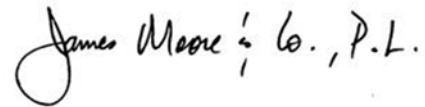
Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

## **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 Baker County Sheriff, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "James Moore & Co., P.L.". The signature is written in a cursive style with a large initial "J" and "M".

Daytona Beach, Florida  
July 1, 2020

**INDEPENDENT ACCOUNTANTS' EXAMINATION REPORT**

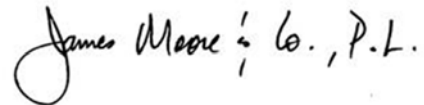
The Honorable Scotty Rhoden, Sheriff,  
Baker County, Florida:

We have examined the Baker County Sheriff's (the Office) compliance with Section 365.172, Florida Statutes, *Emergency Communications Number "E911"*, Section 365.173, Florida Statutes, *Communications Number E911 System Fund*, and Section 218.415, Florida Statutes, *Local Government Investment Policies*, 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 with Section 365.172, Florida Statutes, *Emergency Communications Number "E911"*, Section 365.173, Florida Statutes, *Communications Number E911 System Fund*, and Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2019, in all material respects. An examination involves performing procedures to obtain evidence about the Office's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of risks of material noncompliance with those requirements, 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.

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

Daytona Beach, Florida  
July 1, 2020



**BAKER COUNTY SUPERVISOR OF ELECTIONS**

**SPECIAL-PURPOSE FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITORS' REPORT**

**SEPTEMBER 30, 2019**

**BAKER COUNTY SUPERVISOR OF ELECTIONS**  
**SPECIAL-PURPOSE FINANCIAL STATEMENTS**  
**AND INDEPENDENT AUDITORS' REPORT**

**SEPTEMBER 30, 2019**

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## INDEPENDENT AUDITORS' REPORT

The Honorable Nita D. Crawford, Supervisor of Elections,  
Baker County, Florida:

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

We have audited the accompanying financial statements of the general fund of the Baker County Supervisor of Elections, as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Baker County Supervisor of Elections' financial statements, as listed in the table of contents.

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

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

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

Our responsibility is to express 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 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 opinion.

- 1 -

121 Executive Circle  
Daytona Beach, FL 32114-1180  
Telephone: 386-257-4100

133 East Indiana Avenue  
DeLand, FL 32724-4329  
Telephone: 386-738-3300

5931 NW 1st Place  
Gainesville, FL 32607-2063  
Telephone: 352-378-1331

2477 Tim Gamble Place, Suite 200  
Tallahassee, FL 32308-4386  
Telephone: 850-386-6184



## ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the general fund for the Baker County Supervisor of Elections as of September 30, 2019, and the respective changes in financial position thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Emphasis of Matter***

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

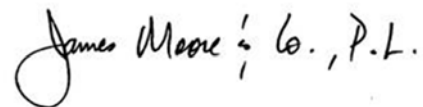
## ***Other Matters***

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

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a required 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 Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report on our consideration of the Baker County Supervisor of Elections' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts, and grant agreements and other matters included under the heading 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*. 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 Baker County Supervisor of Elections' internal control over financial reporting and compliance.



Daytona Beach, Florida  
July 1, 2020

**BAKER COUNTY SUPERVISOR OF ELECTIONS  
BALANCE SHEET  
GENERAL FUND  
SEPTEMBER 30, 2019**

**ASSETS**

Cash and cash equivalents	\$ 12,501
---------------------------	-----------

**LIABILITIES**

Unearned revenue	\$ 8,892
------------------	----------

Due to Board of County Commissioners	3,609
--------------------------------------	-------

Total liabilities	<u>12,501</u>
-------------------	---------------

**FUND BALANCE**

Unassigned	-
------------	---

<b>Total Liabilities and Fund Balances</b>	<u><u>\$ -</u></u>
--	--------------------

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

**BAKER COUNTY SUPERVISOR OF ELECTIONS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
GENERAL FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

<b>Revenues</b>	
Intergovernmental	\$ 9,128
Investment income	398
Total revenues	9,526
 <b>Expenditures</b>	
Current:	
General government	470,696
 <b>Excess (deficiency) of revenues over expenditures</b>	 (461,170)
 <b>Other financing sources (uses)</b>	
Appropriations to constitutional officers	464,779
Reversions from constitutional officers	(3,609)
Total other financing sources (uses)	461,170
 <b>Net change in fund balances</b>	 -
 <b>Fund balances, beginning of year</b>	 -
 <b>Fund balances, end of year</b>	 \$ -

The accompanying notes to financial statements are an integral part of this statement

**BAKER COUNTY SUPERVISOR OF ELECTIONS  
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

**(1) Summary of Significant Accounting Policies:**

The accounting policies of the Baker County Supervisor of Elections (the “Office”) conform to generally accepted accounting principles as applicable to governments in the Governmental Accounting Standards Board (GASB) Codification. The following is a summary of the more significant policies.

(a) **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. Baker County, including the Office of the Supervisor of Elections, was established by Chapter 8516, Laws of Florida in 1921. The Office is an integral part of Baker County, the reporting entity for financial reporting purposes.

(b) **Basis of presentation**—The Office’s financial statements are special-purpose financial statements that have been prepared for the purpose of complying with the Rules of the Auditor General of the State of Florida (the Rules). In conformity with the Rules, the Office has not presented the government-wide financial statements, the reconciliations to the government-wide statements or management’s discussion and analysis.

(c) **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, as appropriate for each fund type. 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.

The Office reports the following major governmental fund; there are no non-major governmental funds:

*General Fund* – The principal operating fund of the Office. It is used to account for all financial resources.

(d) **Measurement focus/basis of accounting**—All governmental funds are accounted for on a spending or current financial resources measurement focus and the modified accrual basis of accounting. 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. The Office considers revenues to be available if they are collected within 90 days of the end of the current fiscal period.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. However, principal and interest on general long-term debt are recognized when due.

**BAKER COUNTY SUPERVISOR OF ELECTIONS**  
**NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

(1) **Summary of Significant Accounting Policies:** (Continued)

(e) **Cash**—The Office’s cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

(f) **Capital assets and long-term liabilities**—Capital assets used by the Office are capitalized (recorded and accounted for) by the Baker County Board of County Commissioners.

Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by non-current liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are instead reported as liabilities in the financial statements of the County.

(g) **Accounts payable**—Accounts payable balances in the general fund are primarily payable to third-party vendors for goods provided and services rendered.

(h) **Compensated absences**—The Office follows generally accepted accounting principles in accounting for accrued compensated absences. The Office allows limited vesting of unused employee leave time. Since the annual and sick leave liability is considered long-term, it is recorded in the government-wide financial statements of the County. Compensated absences are expected to be paid out of the General Fund of the Office and this practice is expected to continue in the future. The Office kept compensated absence records for the hours earned, used and available.

(i) **Fund balance**—Fund balance for governmental funds report classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in the funds may be spent. In as much as the Supervisor of Elections is a county constitutional officer, any funds remaining at the end of the fiscal year are returned to the Board of County Commissioners. Unassigned fund balance represents funds available for spending at the government’s discretion.

The Office does not have a formal written policy regarding whether restricted or unrestricted amounts are considered to be spent when an expenditure for purposes for which both restricted and unrestricted fund balances are available. However, it has been the Office’s general practice when expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available; the Office considers restricted funds to have been spent first. When expenditure is incurred for which committed, assigned or unassigned fund balances are available, the Office considers amounts to have been spent first out of committed funds, then assigned funds, and lastly unassigned funds, as needed.

(j) **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.

**BAKER COUNTY SUPERVISOR OF ELECTIONS  
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

**(2) Budgets and Budgetary Accounting:**

Governmental fund revenues and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with the Florida Statutes. An annual budget was adopted for the General Fund. All budget amounts presented in the accompanying special-purpose financial statements have been adjusted for legally authorized amendments of the annual budget for the year. The annual budget is monitored at varying levels of classification detail. However, for purposes of budgetary control, expenditures cannot legally exceed the total budget appropriations at the individual fund level. All appropriations lapse at year-end

**(3) Investments:**

Florida Statutes authorize the Office to invest in bonds, notes or other obligations of the U.S. Government, certificates of deposits, repurchase agreements, certain bonds of any State or local government unit and the State Treasurer’s Investment Pool.

*Interest Rate Risk.* The Office does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

*Concentration of Credit Risk.* The Office places no limit on the amount the Office may invest in any one issuer. The Office maintained 100 percent of excess deposits in a checking account with a local financial institution subject to Federal Depository Insurance Corporation (FDIC) insurance, and/or the State of Florida collateral pool established under the Florida Security for Public Deposits Act (the Act).

**(4) Risk Management:**

The County purchased commercial insurance to limit the exposure of the following risks of loss: theft of, damage to, and destruction of assets; natural disasters and injuries to employees. Commercial insurance has been purchased by the Office to cover the risks of loss due to employee errors or omissions and health insurance. Settled claims resulting from all risks have not exceeded insurance coverage in any of the past three years.

**(5) Long-term Liabilities:**

A summary of changes in long-term liabilities for the fiscal year ended September 30, 2019, follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Compensated absences	\$ 90,005	\$ 15,421	\$ (18,800)	\$ 86,626	\$ 12,609

**BAKER COUNTY SUPERVISOR OF ELECTIONS  
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

**(6) Pension Plan:**

The Office participates in the Florida Retirement System (FRS), a multiple-employer, cost sharing defined public employee retirement system which covers all of the Office's full-time employees. The System is administered by the State of Florida, Department of Administration, Division of Retirement to provide retirement and survivor benefits to participating public employees. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. The FRS is a single retirement system administered by the Department of Management Services, Division of Retirement, and consists of two cost-sharing, multiple-employer retirement plans and other nonintegrated programs. These include a defined-benefit pension plan (Plan), with a Deferred Retirement Option Program (DROP), and a defined-contribution plan, referred to as the FRS Investment Plan (Investment Plan).

In addition, all regular employees of the entity are eligible to enroll as members of the Retiree Health Insurance Subsidy (HIS) Program. The HIS 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. For the fiscal year ended September 30, 2019, eligible retirees and beneficiaries received 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. To be eligible to receive a HIS benefit, a retiree under one of the state-administered retirement systems must provide proof of eligible health insurance coverage, which can include Medicare.

For financial reporting purposes, the Office is deemed to be part of the primary government of the County. A liability related to the Office's proportionate share of FRS retirement benefits, along with a detailed plan description, is reported in the financial statements of the County for the fiscal year ended September 30, 2019.

**REQUIRED SUPPLEMENTARY INFORMATION**



**BAKER COUNTY SUPERVISOR OF ELECTIONS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget - Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ 5,850	\$ 9,128	\$ 3,278
Investment income	-	-	398	398
<b>Total revenues</b>	<u>-</u>	<u>5,850</u>	<u>9,526</u>	<u>3,676</u>
<b>EXPENDITURES</b>				
Current:				
General government	464,846	470,696	470,696	-
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(464,846)</u>	<u>(464,846)</u>	<u>(461,170)</u>	<u>3,676</u>
<b>Other financing sources (uses)</b>				
Appropriations to constitutional officers	464,846	464,846	464,779	(67)
Reversions from constitutional officers	-	-	(3,609)	(3,609)
<b>Total other financing sources (uses)</b>	<u>464,846</u>	<u>464,846</u>	<u>461,170</u>	<u>(3,676)</u>
<b>Net change in fund balances</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances, beginning of year</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

The accompanying note to schedule of revenues, expenditures, and changes in fund balance - budget and actual - general fund is an integral part of this schedule.

**BAKER COUNTY SUPERVISOR OF ELECTIONS  
NOTE TO SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL – GENERAL FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

(1) **Budgetary Information:**

An annual budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America for the general fund. All annual appropriations lapse at fiscal year-end.

The Supervisor of Elections follows these procedures in establishing the budgetary data reflected in the financial statements:

- a) The preparation, adoption and amendment of the budgets are governed by Florida Statutes. Public hearings are conducted to obtain taxpayer comments.
- b) Budget excess expenditures over revenues are funded through appropriations from the Board of County Commissioners.
- c) Formal budgetary integration is employed as a management control device during the year for the General Fund. The legal level of budgetary control is the fund level.
- d) The budgets for the funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

**ADDITIONAL INFORMATION**

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

The Honorable Nita D. Crawford, Supervisor of Elections,  
Baker County, Florida:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the general fund of the Baker 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 Baker County Supervisor of Elections' special-purpose financial statements, and have issued our report thereon dated July 1, 2020, which was modified to refer to a basis of accounting required for compliance with state filing requirements, and for other reasons.

***Internal Control over Financial Reporting***

In planning and performing our audit of the special-purpose 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 special-purpose 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 Baker County Supervisor of Elections' internal control.

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

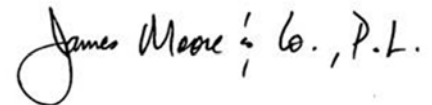
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting 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 Baker County Supervisor of Elections' special-purpose 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 black ink that reads "James Moore & Co., P.L." The signature is written in a cursive style with a large initial 'J'.

Daytona Beach, Florida  
July 1, 2020

**INDEPENDENT AUDITORS' MANAGEMENT LETTER REQUIRED BY  
CHAPTER 10.550, RULES OF THE STATE OF FLORIDA, OFFICE OF THE  
AUDITOR GENERAL**

The Honorable Nita D. Crawford, Supervisor of Elections,  
Baker County, Florida:

We have audited the financial statements of the Baker County Supervisor of Elections (the Office), as of and for the fiscal year ended September 30, 2019, and have issued our report thereon dated July 1, 2020.

**Auditors' Responsibility**

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

**Other Reporting Requirements**

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of Special-Purpose 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 July 1, 2020, should be considered in conjunction with this management letter.

**Prior Audit Findings**

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

**Official Title and Legal Authority**

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The Baker County 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. Baker County, including the Office of the Supervisor of Elections, was established by Chapter 8516, Laws of Florida in 1921. There are no component units of the Baker County Supervisor of Elections to be disclosed as required by accounting principles generally accepted in the United States of America.

## **Financial Management**

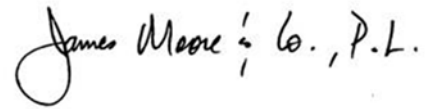
Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

## **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 Baker 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.

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive style with a large initial 'J'.

Daytona Beach, Florida  
July 1, 2020

**INDEPENDENT ACCOUNTANTS' EXAMINATION REPORT**

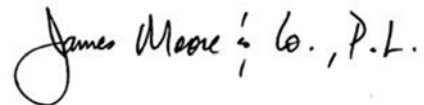
The Honorable Nita D. Crawford, Supervisor of Elections,  
Baker County, Florida:

We have examined the Baker County Supervisor of Elections' (the Office) compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies*, 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 with Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2019, in all material respects. An examination involves performing procedures to obtain evidence about the Office's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of risks of material noncompliance with those requirements, 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.

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

Daytona Beach, Florida  
July 1, 2020





**BAKER COUNTY TAX COLLECTOR**  
**SPECIAL-PURPOSE FINANCIAL STATEMENTS**  
**AND INDEPENDENT AUDITORS' REPORT**  
**SEPTEMBER 30, 2019**

**BAKER COUNTY TAX COLLECTOR**  
**SPECIAL-PURPOSE FINANCIAL STATEMENTS**  
**AND INDEPENDENT AUDITORS' REPORT**

**SEPTEMBER 30, 2019**

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## INDEPENDENT AUDITORS' REPORT

The Honorable Amy Dugger, Tax Collector,  
Baker 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 Baker 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 Baker County Tax Collector's financial statements, as listed in the table of contents.

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

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

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

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *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.

- 1 -

121 Executive Circle  
Daytona Beach, FL 32114-1180  
Telephone: 386-257-4100

133 East Indiana Avenue  
DeLand, FL 32724-4329  
Telephone: 386-738-3300

5931 NW 1st Place  
Gainesville, FL 32607-2063  
Telephone: 352-378-1331

2477 Tim Gamble Place, Suite 200  
Tallahassee, FL 32308-4386  
Telephone: 850-386-6184

## ***Opinion***

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

## ***Emphasis of Matter***

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

## ***Other Matters***

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

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a required 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.

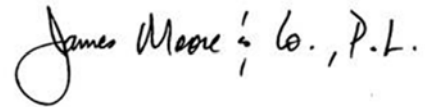
### ***Other Information***

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

The supplemental information is the responsibility of management and are derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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 on our consideration of the Baker County Tax Collector's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts, and grant agreements and other matters included under the heading 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*. 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 Baker County Tax Collector's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "James Moore & Co., P.L.". The signature is written in a cursive style with a large, looped initial "J".

Daytona Beach, Florida  
July 1, 2020

**BAKER COUNTY TAX COLLECTOR  
BALANCE SHEET  
GENERAL FUND  
SEPTEMBER 30, 2019**

**ASSETS**

Cash and cash equivalents	\$ 141,065
---------------------------	------------

**LIABILITIES**

Accounts payable and accrued liabilities	\$ 972
Due to Board of County Commissioners	140,093
Total liabilities	<u>141,065</u>

**FUND BALANCES**

Unassigned	-
------------	---

<b>Total Liabilities and Fund Balances</b>	<u><u>\$ -</u></u>
--	--------------------

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

**BAKER COUNTY TAX COLLECTOR**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**GENERAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

<b>Revenues</b>	
Charges for services	\$ 694,595
Investment income	991
Total revenues	695,586
 <b>Expenditures</b>	
Current:	
General government	776,999
Capital outlay	879
Total expenditures	777,878
 <b>Excess (deficiency) of revenues over expenditures</b>	 (82,292)
 <b>Other financing sources (uses)</b>	
Appropriations from Board of County Commissioners	222,385
Reversions to Board of County Commissioners	(140,093)
Total other financing sources (uses)	82,292
 <b>Net change in fund balances</b>	 -
 <b>Fund balances, beginning of year</b>	 -
 <b>Fund balances, end of year</b>	 \$ -

The accompanying notes to financial statements are an integral part of this statement

**BAKER COUNTY TAX COLLECTOR  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
SEPTEMBER 30, 2019**

	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash and cash equivalents	<u>\$    304,285</u>
<b>LIABILITIES</b>	
Assets held for others	<u>\$    304,285</u>

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



**BAKER COUNTY TAX COLLECTOR**  
**NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

(1) **Summary of Significant Accounting Policies:**

The accounting policies of the Baker County Tax Collector (the Office) conform to generally accepted accounting principles as applicable to governments in the Governmental Accounting Standards Board (GASB) Codification. The following is a summary of the more significant policies.

(a) **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. Baker County, Florida (the County), including the Office of the Tax Collector, was established by Chapter 8516, Laws of Florida in 1921. The Office is an integral part of the County, which is the reporting entity for financial reporting purposes.

(b) **Basis of presentation**—The Office’s financial statements are special-purpose financial statements that have been prepared for the purpose of complying with the Rules of the Auditor General of the State of Florida (the Rules). In conformity with the Rules, the Office has not presented the government-wide financial statements, the reconciliations to the government-wide statements or management’s discussion and analysis.

(c) **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, as appropriate for each fund type. 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.

The Office reports the following major governmental fund; there are no non-major governmental funds:

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

Additionally, the Tax Collector reports the following fiduciary fund type:

*Agency Fund* - Used to account for assets held by the Office as an agent for individuals, private organizations, other governments, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Tax Collector’s Agency Fund is used to account for the collection and distribution of property taxes, sales tax, vehicle tags and titles, boat registrations and titles, fishing licenses, and driver’s licenses.

(d) **Measurement focus/basis of accounting**—All governmental funds are accounted for on a spending or current financial resources measurement focus and the modified accrual basis of accounting. 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.

**BAKER COUNTY TAX COLLECTOR**  
**NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

(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. The Office considers revenues to be available if they are collected within 90 days of the end of the current fiscal period.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. However, principal and interest on general long-term debt are recognized when due.

(e) **Cash**—The Office’s cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

(f) **Capital assets and long-term liabilities**—Capital assets used by the Office are capitalized (recorded and accounted for) by the Baker County Board of County Commissioners.

Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by non-current liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are instead reported as liabilities in the financial statements of the County.

(g) **Accounts payable**—Accounts payable balances in the general fund are primarily payable to third-party vendors for goods provided and services rendered.

(h) **Compensated absences**—The Office follows generally accepted accounting principles in accounting for accrued compensated absences. The Office allows limited vesting of unused employee leave time. Since the annual and sick leave liability is considered long-term, it is recorded in the government-wide financial statements of the County. Compensated absences are expected to be paid out of the General Fund of the Office and this practice is expected to continue in the future. The Office kept compensated absence records for the hours earned, used and available.

(i) **Fund balance**—Fund balance for governmental funds report classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in the funds may be spent. In as much as the Tax Collector is a county constitutional officer, any funds remaining at the end of the fiscal year are returned to the Board of County Commissioners. Unassigned fund balance represents funds available for spending at the government’s discretion.

The Office does not have a formal written policy regarding whether restricted or unrestricted amounts are considered to be spent when an expenditure for purposes for which both restricted and unrestricted fund balances are available. However, it has been the Office’s general practice when expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available; the Office considers restricted funds to have been spent first. When expenditure is incurred for which committed, assigned or unassigned fund balances are available, the Office considers amounts to have been spent first out of committed funds, then assigned funds, and lastly unassigned funds, as needed.

(j) **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.

**BAKER COUNTY TAX COLLECTOR  
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

**(2) Budgets and Budgetary Accounting:**

Governmental fund revenues and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with the Florida Statutes. An annual budget was adopted for the General Fund. All budget amounts presented in the accompanying special-purpose financial statements have been adjusted for legally authorized amendments of the annual budget for the year. The annual budget is monitored at varying levels of classification detail. However, for purposes of budgetary control, expenditures cannot legally exceed the total budget appropriations at the individual fund level. All appropriations lapse at year-end

**(3) Investments:**

Florida Statutes authorize the Office to invest in bonds, notes or other obligations of the U.S. Government, certificates of deposits, repurchase agreements, certain bonds of any State or local government unit and the State Treasurer's Investment Pool.

*Interest Rate Risk.* The Office does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

*Concentration of Credit Risk.* The Office places no limit on the amount the Office may invest in any one issuer. The Office maintained 100 percent of excess deposits in a checking account with a local financial institution subject to Federal Depository Insurance Corporation (FDIC) insurance, and/or the State of Florida collateral pool established under the Florida Security for Public Deposits Act (the Act).

**(4) Risk Management:**

The County purchased commercial insurance to limit the exposure of the following risks of loss: theft of, damage to, and destruction of assets; natural disasters and injuries to employees. Commercial insurance has been purchased by the Office to cover the risks of loss due to employee errors or omissions and health insurance. Settled claims resulting from all risks have not exceeded insurance coverage in any of the past three years.

**(5) Long-term Liabilities:**

A summary of changes in long-term liabilities for the fiscal year ended September 30, 2019, follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Compensated absences	\$ 12,987	\$ 36,646	\$ (36,394)	\$ 13,239	\$ 13,239

**BAKER COUNTY TAX COLLECTOR**  
**NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**(6) Pension Plan:**

The entity participates in the Florida Retirement System (FRS), a multiple-employer, cost sharing defined public employee retirement system which covers all of the Office's full-time employees. The System is administered by the State of Florida, Department of Administration, Division of Retirement to provide retirement and survivor benefits to participating public employees. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. The FRS is a single retirement system administered by the Department of Management Services, Division of Retirement, and consists of two cost-sharing, multiple-employer retirement plans and other nonintegrated programs. These include a defined-benefit pension plan (Plan), with a Deferred Retirement Option Program (DROP), and a defined-contribution plan, referred to as the FRS Investment Plan (Investment Plan).

In addition, all regular employees of the entity are eligible to enroll as members of the Retiree Health Insurance Subsidy (HIS) Program. The HIS 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. For the fiscal year ended September 30, 2019, eligible retirees and beneficiaries received 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. To be eligible to receive a HIS benefit, a retiree under one of the state-administered retirement systems must provide proof of eligible health insurance coverage, which can include Medicare.

For financial reporting purposes, the Office is deemed to be part of the primary government of the County. A liability related to the Office's proportionate share of FRS retirement benefits, along with a detailed plan description, is reported in the financial statements of the County for the fiscal year ended September 30, 2019.

**REQUIRED SUPPLEMENTARY INFORMATION**

**BAKER COUNTY TAX COLLECTOR**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget - Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Charges for services	\$ 579,592	\$ 579,592	\$ 694,595	\$ 115,003
Investment income	-	-	991	991
<b>Total revenues</b>	<u>579,592</u>	<u>579,592</u>	<u>695,586</u>	<u>115,994</u>
<b>Expenditures</b>				
Current:				
General government	785,763	785,763	776,999	8,764
Capital outlay	1,500	1,500	879	621
<b>Total expenditures</b>	<u>787,263</u>	<u>787,263</u>	<u>777,878</u>	<u>9,385</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(207,671)</u>	<u>(207,671)</u>	<u>(82,292)</u>	<u>125,379</u>
<b>Other financing sources (uses)</b>				
Appropriations to constitutional officers	207,671	207,671	222,385	14,714
Reversions from constitutional officers	-	-	(140,093)	(140,093)
<b>Total other financing sources (uses)</b>	<u>207,671</u>	<u>207,671</u>	<u>82,292</u>	<u>(125,379)</u>
<b>Net change in fund balances</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances, beginning of year</b>	-	-	-	-
<b>Fund balances, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying note to schedule of revenues, expenditures, and changes in fund balances - budget and actual - general fund is an integral part of this schedule.

**BAKER COUNTY TAX COLLECTOR  
NOTE TO SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL – GENERAL FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

(1) **Budgetary Information:**

An annual budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America for the general fund. All annual appropriations lapse at fiscal year-end.

The Tax Collector follows these procedures in establishing the budgetary data reflected in the financial statements:

- a) The preparation, adoption and amendment of the budgets are governed by Florida Statutes. Public hearings are conducted to obtain taxpayer comments.
- b) Budget excess expenditures over revenues are funded through appropriations from the Board of County Commissioners.
- c) Formal budgetary integration is employed as a management control device during the year for the General Fund. The legal level of budgetary control is the fund level.
- d) The budgets for the funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

**SUPPLEMENTARY INFORMATION**



**BAKER COUNTY TAX COLLECTOR  
 COMBINING SCHEDULE OF FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 SEPTEMBER 30, 2019**

	<b>Tax Fund</b>	<b>Tag Fund</b>	<b>Total Agency Funds</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 259,363	\$ 44,922	\$ 304,285
<b>LIABILITIES</b>			
Assets held for others	\$ 259,363	\$ 44,922	\$ 304,285

**ADDITIONAL INFORMATION**

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

The Honorable Amy Dugger, Tax Collector,  
Baker County, Florida:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the general fund of the Baker 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 Baker County Tax Collector's special-purpose financial statements, and have issued our report thereon dated July 1, 2020, which was modified to refer to a basis of accounting required for compliance with state filing requirements, and for other reasons.

**Internal Control over Financial Reporting**

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

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

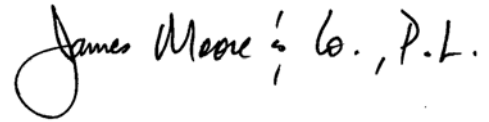
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting 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 Baker County Tax Collector's special purpose 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 black ink that reads "James Moore & Co., P.L." The signature is written in a cursive style with a large initial 'J'.

Daytona Beach, Florida  
July 1, 2020

**INDEPENDENT AUDITORS' MANAGEMENT LETTER REQUIRED BY  
CHAPTER 10.550, RULES OF THE STATE OF FLORIDA, OFFICE OF THE  
AUDITOR GENERAL**

The Honorable Amy Dugger, Tax Collector,  
Baker County, Florida:

We have audited the financial statements of the Baker County Tax Collector (the Office), as of and for the fiscal year ended September 30, 2019, and have issued our report thereon dated July 1, 2020.

**Auditors' Responsibility**

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

**Other Reporting Requirements**

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of Special-Purpose 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 July 1, 2020, should be considered in conjunction with this management letter.

**Prior Audit Findings**

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

**Official Title and Legal Authority**

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The Baker County 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. Baker County, including the Office of the Tax Collector, was established by Chapter 8516, Laws of Florida in 1921. There are no component units of the Baker County Tax Collector to be disclosed as required by accounting principles generally accepted in the United States of America.

### **Financial Management**

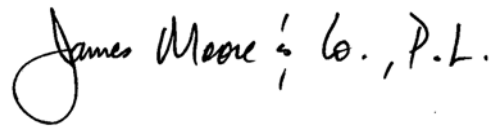
Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

### **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 Baker County Tax Collector, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "James Moore & Co., P.L.". The signature is written in a cursive style with a large, looped initial "J".

Daytona Beach, Florida  
July 1, 2020

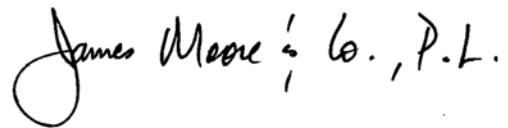
## INDEPENDENT ACCOUNTANTS' EXAMINATION REPORT

The Honorable Amy Dugger, Tax Collector,  
Baker County, Florida:

We have examined the Baker County Tax Collector's (the Office) compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies*, 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 with Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2019, in all material respects. An examination involves performing procedures to obtain evidence about the Office's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of risks of material noncompliance with those requirements, 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.

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



Daytona Beach, Florida  
July 1, 2020