

BAKER COUNTY, FLORIDA
FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

**BAKER COUNTY, FLORIDA
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SEPTEMBER 30, 2020**

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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, 2020, 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 Corrections Management Corporation (the BCCMC), which is the County's discretely presented component unit. 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 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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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, 2020, 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, 2020, 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.

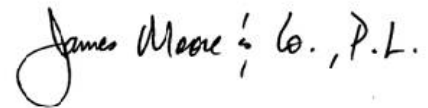
Other Information

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 and nonmajor fund financial statements, fiduciary fund schedule, and schedule of expenditures of federal awards and state financial assistance, as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and Section 215.97, Florida Statutes, Florida Single Audit Act; and Chapter 10.550, Rules of the State of Florida, Office of the Auditor General, 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 combining general fund and nonmajor fund financial statements, fiduciary fund schedule, and schedule of expenditures of federal awards and 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 June 25, 2021, 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 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
June 25, 2021

**BAKER COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020**

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, 2020.

Financial Highlights

The following are various financial highlights for fiscal year 2020:

- The County's overall net position increased by \$1,628,845.
- Total ending net position was approximately \$43.4 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 a legally separate component unit, the Baker County Correctional Management Corporation. Financial information for the component unit 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, 2020**

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 Road Paving 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, 2020**

Schedule of Net Position

	<u>2020</u>	<u>2019</u>
ASSETS		
Current and other assets	\$ 19,489,292	\$ 15,761,323
Capital assets	50,627,953	48,579,994
Total assets	<u>70,117,245</u>	<u>64,341,317</u>
Deferred outflows of resources	<u>8,611,580</u>	<u>7,412,056</u>
LIABILITIES		
Current and other liabilities	2,684,095	2,319,854
Long-term liabilities	31,856,731	25,664,263
Total liabilities	<u>34,540,826</u>	<u>27,984,117</u>
Deferred inflows of resources	<u>730,093</u>	<u>1,940,195</u>
NET POSITION		
Net investment in capital assets	\$ 48,065,397	\$ 46,434,144
Restricted	6,510,104	6,474,331
Unrestricted	<u>(11,117,595)</u>	<u>(11,079,414)</u>
Total net position	<u>\$ 43,457,906</u>	<u>\$ 41,829,061</u>

Schedule of Changes in Net Position

	<u>2020</u>	<u>2019</u>
REVENUES		
Program revenues:		
Charges for services	\$ 6,116,374	\$ 5,900,302
Operating grants and contributions	16,371,926	12,823,982
Capital grants and contributions	3,954,607	263,663
General revenues		
Property taxes	6,777,924	6,260,226
Other taxes	4,505,502	4,362,476
Unrestricted shared revenue	2,016,983	2,048,090
Other	1,199,485	1,113,496
Total revenues	<u>40,942,801</u>	<u>32,772,235</u>
EXPENSES		
General government	5,684,128	4,731,628
Public safety	25,264,319	22,248,382
Physical environment	1,194,119	1,263,222
Transportation	4,381,102	3,954,288
Economic environment	36,769	117,211
Human services	842,120	1,096,783
Culture and recreation	520,659	967,569
Court related	1,322,430	980,585
Interest on long-term debt	68,310	55,274
Total expenses	<u>39,313,956</u>	<u>35,414,942</u>
Change in net position	<u>1,628,845</u>	<u>(2,642,707)</u>
Net position, beginning of year	<u>41,829,061</u>	<u>44,471,768</u>
Net position, end of year	<u>\$ 43,457,906</u>	<u>\$ 41,829,061</u>

**BAKER COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020**

OVERALL FINANCIAL POSITION AND RESULTS OF OPERATIONS

Governmental Activities

The governmental activities generated \$40.9 million in revenues and incurred \$41.7 million of expenses. This resulted in a decrease in net position of approximately \$800,000. This compares with a prior year decrease in net position of approximately \$2.6 million. 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 \$2,664,211, compared with an increase of approximately \$539,454 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 \$61,270 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 \$622,198, primarily due to the timing of certain capital outlay expenditures.
- The Road Paving Fund's total fund balance increased by \$187, primarily due to transfers in from the general fund.

GENERAL FUND – BUDGETARY HIGHLIGHTS

Revenues of the General Fund were approximately \$655,000 more than budgeted amounts. The largest variance between final budget amounts and actual results occurred with charges for services. The primary source of intergovernmental activity that caused the fluctuation was intergovernmental grant revenue. The County budgeted less than the full grant revenue that recognized in the financial statements. Expenditures were less than budgeted amounts by about \$2.3 million, primarily due to certain general public safety expenditures that did not occur during the year.

CAPITAL ASSETS

The County's capital assets, net of depreciation, increased by approximately \$2.2 million 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 were 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

The County is still determining the impacts of COVID-19 however the County expects to receive funding allocations from the American Rescue Plan Act in future periods.

**BAKER COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020**

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, 2020

	Primary Government Governmental Activities	Component Unit Baker County Corrections Management Corporation
ASSETS		
Cash and cash equivalents	\$ 12,472,397	\$ 5,439,808
Investments	2,204,402	-
Receivables, net	614,216	1,075,831
Due from other governments	4,166,523	-
Due from component unit	-	76,128
Prepays	31,754	96,944
Restricted assets:		
Equity in pooled cash	-	1,189,746
Capital assets:		
Capital assets, not being depreciated	8,979,713	1,635,160
Capital assets, net of depreciation	41,648,240	26,396,074
Total assets	\$ 70,117,245	\$ 35,909,691
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pensions	\$ 8,611,580	\$ -
LIABILITIES		
Accounts payable and accrued liabilities	\$ 1,649,762	\$ 90,578
Due to other governments	70,159	-
Due to component unit	76,128	-
Unearned revenue	888,046	-
Noncurrent liabilities:		
Due within one year:		
Bonds and notes payable	59,923	824,098
Capital lease payable	840,146	-
Compensated absences	1,051,821	-
Due in more than one year:		
Bonds and notes payable	-	30,278,125
Capital lease payable	1,662,487	-
Compensated absences	21,280	-
Net pension liability	28,221,074	-
Total liabilities	\$ 34,540,826	\$ 31,192,801
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pensions	\$ 730,093	\$ -
NET POSITION		
Net investment in capital assets	\$ 48,065,397	\$ 2,395,329
Restricted for:		
Health reimbursements	437,280	-
Law enforcement	873,972	-
Fire and rescue	390,150	-
Recreation	422,685	-
Human services	188,371	-
Physical environment	34,876	-
Transportation	3,281,063	-
Court costs	457,067	-
Equitable sharing	121,553	-
Other purposes	27,322	1,189,745
Unrestricted	(10,841,830)	1,131,816
Total net position	\$ 43,457,906	\$ 4,716,890

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, 2020**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	Component Unit
					Governmental Activities	Baker County Corrections Management Corporation
Governmental activities:						
General government	\$ 5,684,128	\$ 1,437,536	\$ 783,195	\$ 596,756	\$ (2,866,641)	\$ -
Public safety	25,264,319	3,311,090	12,389,925	43,944	(9,519,360)	-
Physical environment	1,194,119	483,590	253,129	-	(457,400)	-
Transportation	4,381,102	-	2,203,279	3,234,052	1,056,229	-
Economic environment	36,769	-	30,978	-	(5,791)	-
Human services	842,120	-	567,070	-	(275,050)	-
Culture and recreation	520,659	23,581	64,979	79,855	(352,244)	-
Court related	1,322,430	860,577	79,371	-	(382,482)	-
Interest on long-term debt	68,310	-	-	-	(68,310)	-
Total governmental activities	39,313,956	6,116,374	16,371,926	3,954,607	(12,871,049)	-
Total primary government	<u>\$ 39,313,956</u>	<u>\$ 6,116,374</u>	<u>\$ 16,371,926</u>	<u>\$ 3,954,607</u>	<u>(12,871,049)</u>	<u>-</u>
Component units:						
Baker County Corrections Management Corporation	<u>\$ 12,416,172</u>	<u>\$ 15,706,548</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>3,290,376</u>
General revenues:						
Property taxes					6,777,924	-
Sales taxes					4,117,680	-
Other taxes					387,822	-
Franchise fees					603,999	-
State revenue sharing					2,016,983	-
Investment earnings					72,873	29,674
Miscellaneous revenues					522,613	-
Total general revenues					<u>14,499,894</u>	<u>29,674</u>
Change in net position					1,628,845	3,320,050
Net position, beginning of year					41,829,061	1,396,840
Net position, end of year					<u>\$ 43,457,906</u>	<u>\$ 4,716,890</u>

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

**BAKER COUNTY, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020**

	General	Transportation Trust	Road Paving	Fine and Forfeiture	SHIP	CARES Act	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS								
Cash and cash equivalents	\$ 7,232,636	\$ 319,426	\$ -	\$ 9,483	\$ 903,901	\$ 726,153	\$ 3,280,798	\$ 12,472,397
Investments	34,935	2,169,467	-	-	-	-	-	2,204,402
Receivables, net	531,875	201	-	11,015	-	-	71,125	614,216
Due from other governments	999,052	343,939	1,451,686	-	-	1,037,140	334,706	4,166,523
Due from other funds	2,114,995	-	-	-	-	-	353,727	2,468,722
Prepaid items	31,754	-	-	-	-	-	-	31,754
Total Assets	\$ 10,945,247	\$ 2,833,033	\$ 1,451,686	\$ 20,498	\$ 903,901	\$ 1,763,293	\$ 4,040,356	\$ 21,958,014
LIABILITIES								
Accounts payable and accrued liabilities	\$ 850,767	\$ 59,389	\$ 470,657	\$ 50,500	\$ 18,478	\$ 410	\$ 199,561	\$ 1,649,762
Due to other governments	59,777	-	-	-	-	-	10,382	70,159
Due to other funds	-	-	473,610	-	-	1,762,883	232,229	2,468,722
Due to component unit	76,128	-	-	-	-	-	-	76,128
Unearned revenue	2,623	-	-	-	885,423	-	-	888,046
Total liabilities	989,295	59,389	944,267	50,500	903,901	1,763,293	442,172	5,152,817
FUND BALANCES								
Nonspendable:								
Prepaid items	31,754	-	-	-	-	-	-	31,754
Restricted for:								
Title IV D	-	-	-	-	-	-	-	-
Health reimbursements	-	-	-	-	-	-	437,280	437,280
Law enforcement	-	-	-	-	-	-	873,972	873,972
Fire and rescue	-	-	-	-	-	-	390,150	390,150
Transportation	-	2,773,644	507,419	-	-	-	-	3,281,063
Recreation	-	-	-	-	-	-	422,685	422,685
Human services	-	-	-	-	-	-	188,371	188,371
Physical environment	-	-	-	-	-	-	34,876	34,876
Law library	-	-	-	-	-	-	-	-
Juvenile program	-	-	-	-	-	-	-	-
Crime prevention	-	-	-	-	-	-	27,322	27,322
Court costs	-	-	-	-	-	-	457,067	457,067
Equitable sharing	-	-	-	-	-	-	121,553	121,553
Economic environment	-	-	-	-	-	-	687,956	687,956
General government	-	-	-	-	-	-	-	-
Assigned to:								
Jail operations	46,598	-	-	-	-	-	-	46,598
Court operations	227,530	-	-	-	-	-	-	227,530
Subsequent year's budget	1,096,456	-	-	-	-	-	-	1,096,456
Unassigned	8,553,614	-	-	(30,002)	-	-	(43,048)	8,480,564
Total fund balances	9,955,952	2,773,644	507,419	(30,002)	-	-	3,598,184	16,805,197
Total Liabilities and Fund Balances	\$ 10,945,247	\$ 2,833,033	\$ 1,451,686	\$ 20,498	\$ 903,901	\$ 1,763,293	\$ 4,040,356	\$ 21,958,014

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, 2020**

Fund balances - total governmental funds		\$ 16,805,197
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	8,979,713	
Total governmental capital assets - depreciable	98,901,665	
Less: accumulated depreciation	<u>(57,253,425)</u>	50,627,953
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	(28,221,074)	
Deferred outflows related to pensions	8,611,580	
Deferred inflows related to pensions	<u>(730,093)</u>	(20,339,587)
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	(59,923)	
Capital leases	(2,502,633)	
Compensated absences	<u>(1,073,101)</u>	(3,635,657)
Net position of governmental activities		<u><u>\$ 43,457,906</u></u>

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, 2020

	General	Transportation Trust	Road Paving	Fine and Forfeiture	SHIP	CARES Act	Nonmajor Governmental Funds	Total Governmental Funds
Revenues								
Taxes	\$ 4,703,828	\$ 1,236,634	\$ -	\$ 4,487,764	\$ -	\$ -	\$ 47,304	\$ 10,475,530
Permits and fees	345,601	-	-	-	-	-	158,523	504,124
Intergovernmental	7,407,016	1,881,052	3,355,444	-	30,978	504,471	934,877	14,113,838
Charges for services	12,686,222	-	-	-	-	-	1,827,243	14,513,465
Fines and forfeitures	141,770	-	-	381	-	-	126,493	268,644
Investment income	28,826	29,088	-	3,551	1,186	-	10,227	72,878
Miscellaneous	345,703	55,968	-	62,643	-	-	236,901	701,215
Total revenues	25,658,966	3,202,742	3,355,444	4,554,339	32,164	504,471	3,341,568	40,649,694
Expenditures								
Current:								
General government	4,563,811	-	-	2,992	-	-	154,574	4,721,377
Public safety	16,505,080	-	-	2,934,783	-	-	1,171,824	20,611,687
Physical environment	173,017	-	-	-	-	-	785,467	958,484
Transportation	-	2,119,575	622,930	-	-	-	42,165	2,784,670
Economic environment	-	-	-	-	18,488	-	-	18,488
Human services	812,044	-	-	-	13,676	504,471	-	1,330,191
Culture and recreation	443,278	-	-	-	-	-	141,824	585,102
Court related	919,666	-	-	-	-	-	166,058	1,085,724
Capital outlay	900,209	913,726	2,732,327	-	-	-	992,377	5,538,639
Debt service:								
Principal retirement	96,866	234,824	-	-	-	-	150,959	482,649
Interest and fiscal charges	6,278	36,734	-	-	-	-	25,298	68,310
Total expenditures	24,420,249	3,304,859	3,355,257	2,937,775	32,164	504,471	3,630,546	38,185,321
Excess (deficiency) of revenues over expenditures	1,238,717	(102,117)	187	1,616,564	-	-	(288,978)	2,464,373
Other financing sources (uses)								
Issuance of debt	175,040	724,315	-	-	-	-	-	899,355
Transfers in	4,387,598	-	-	2,913,148	-	-	542,117	7,842,863
Transfers out	(3,137,144)	-	-	(4,590,982)	-	-	(114,737)	(7,842,863)
Total other financing sources (uses)	1,425,494	724,315	-	(1,677,834)	-	-	427,380	899,355
Net change in fund balances	2,664,211	622,198	187	(61,270)	-	-	138,402	3,363,728
Fund balances, beginning of year	7,291,741	2,151,446	507,232	31,268	-	-	3,459,782	13,441,469
Fund balances, end of year	\$ 9,955,952	\$ 2,773,644	\$ 507,419	\$ (30,002)	\$ -	\$ -	\$ 3,598,184	\$ 16,805,197

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, 2020

Net change in fund balances - total governmental funds	\$ 3,363,728
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	5,538,639
Depreciation expense	(3,474,646)
Net book value of disposition of capital assets	(16,034)
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	626,311
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	(1,043,017)
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	(3,335,754)
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	(30,382)
Change in net position of governmental activities	\$ 1,628,845

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

BAKER COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(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.

There was a positive response to the criteria used for establishing financial accountability for the Baker County Corrections Management Corporation's (the BCCMC). Accordingly, the BCCMC has been included in the County's financial statements as a discretely presented component unit.

The BCCMC, a not-for-profit organization, was authorized by Sections 125.01 and 130.01, Florida Statutes, as amended. The Organization was 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 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 of the Baker County Development Corporation (a previous component unit that dissolved prior to the beginning of the current fiscal year) were appointed by the Baker County Board of County Commissioners. Baker County Board of County Commissioners retains 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, 2020

(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, 2020

(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.

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

Road Paving Fund – This special revenue fund is used primarily to account for the grants and other revenues received by the County that are restricted to road paving and road infrastructure needs of the County.

Fine and Forfeiture Fund – This special revenue 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 special revenue fund is used to account for the state housing initiatives partnership (SHIP) grant.

CARES Act Fund – This special revenue fund is used to account for the CARES Act Coronavirus Relief Fund 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, 2020

(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 \$505,926.

(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	3 – 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. The compensated absences liability is primarily liquidated by the general fund.

BAKER COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(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, 2020

(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.

(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, 2020

(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 State Board of Administration PRIME pool (Florida PRIME) is an external investment pool that meets all of the necessary criteria to elect to measure all of the investments in Florida PRIME at amortized cost. Therefore, the County's investment in Florida PRIME is reported at amortized cost. The fair value of the position in the pool is equal to the value of the pool shares. As of September 30, 2020, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100% of their account value. The weighted average maturity of the fund was 48 days. At September 30, 2020, the County had \$2,204,402 invested with Florida PRIME.

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, 2020, were as follows:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 2,114,995	\$ -
Major Funds:		
Road Paving Fund	-	473,610
CARES Act		1,762,883
Non-Major Funds:		
Fire	232,174	-
Law Library Trust	-	177
Juvenile Trust	-	503
911	-	98,523
Special Law	-	121,553
Inmate Welfare	-	5,389
School Crossing Guards	-	2,793
Emergency Management	-	3,291
Equitable Sharing Fund	121,553	-
Total	<u>\$ 2,468,722</u>	<u>\$ 2,468,722</u>

**BAKER COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

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

As of September 30, 2020, interfund balances consisted of:

Recipient Fund	Amount Transferred	Reason for Transfer
Fine and Forfeiture	\$ 2,913,148	Transfer from General Fund to aid in operating costs
General Fund	4,387,598	Transfer from fine and forfeiture fund for public safety reimbursements.
12.50 SC Fund	20,866	Transfer from General Fund to aid in operating costs
Emergency Management	229,216	Transfer from General Fund to aid in operating costs
Solid Waste Fund	249,794	Transfer from General Fund to aid in operating costs
Court Innovations Trust	13,792	Transfer from Law Library Trust to Court Innovations Trust for funds owed
Court Innovations Trust	13,813	Transfer from Juvenile Trust to Court Innovations Trust for funds owed
EMS Grant	14,636	Transfer from General Fund to aid in operating costs
	<u>\$ 7,842,863</u>	

BAKER COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(5) **Capital Assets:**

Capital asset activity for the fiscal year ended September 30, 2020, was as follows:

Governmental activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 5,427,944	\$ -	\$ -	\$ 5,427,944
Construction in progress	1,013,138	2,812,182	(273,551)	3,551,769
Total assets not being depreciated	<u>6,441,082</u>	<u>2,812,182</u>	<u>(273,551)</u>	<u>8,979,713</u>
Capital assets being depreciated:				
Building & Improvements	18,180,917	192,324	-	18,373,241
Infrastructure	61,819,412	273,551	-	62,092,963
Machinery and equipment	16,076,884	2,534,133	(175,556)	18,435,461
Total assets being depreciated	<u>96,077,213</u>	<u>3,000,008</u>	<u>(175,556)</u>	<u>98,901,665</u>
Less accumulated depreciation for:				
Buildings, Improvements	(5,021,541)	(477,710)	-	(5,499,251)
Infrastructure	(37,211,630)	(1,567,317)	-	(38,778,947)
Machinery and equipment	(11,705,130)	(1,429,619)	159,522	(12,975,227)
Total accumulated depreciation	<u>(53,938,301)</u>	<u>(3,474,646)</u>	<u>159,522</u>	<u>(57,253,425)</u>
Total capital assets being depreciated, net	<u>42,138,912</u>	<u>(474,638)</u>	<u>(16,034)</u>	<u>41,648,240</u>
Governmental activities capital assets, net	<u>\$ 48,579,994</u>	<u>\$ 2,337,544</u>	<u>\$ (289,585)</u>	<u>\$ 50,627,953</u>

BAKER COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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

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

General Government	\$ 551,860
Public Safety	946,165
Physical Environment	169,557
Transportation	1,639,680
Human Service	4,660
Culture and Recreation	19,916
Court Related	142,808
	\$ 3,474,646

Capital assets activity for the Component Units for the year ended September 30, 2020, was as follows:

Governmental Activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 1,635,160	\$ -	\$ -	\$ 1,635,160
Capital assets being depreciated:				
Equipment	1,170,384	97,887	-	1,268,271
Buildings and improvements	26,617,931	18,875	-	26,636,806
Total capital assets being depreciated	27,788,315	116,762	-	27,905,077
Less accumulated depreciation	594,327	914,676	-	1,509,003
Total capital assets being depreciated, net	27,193,988	(797,914)	-	26,396,074
Total capital assets, net	\$ 28,829,148	\$ (797,914)	\$ -	\$ 28,031,234

(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. \$ 59,923

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

Year Ending September 30,	Principal	Interest	Total
2021	\$ 59,923	\$ 3,139	\$ 63,062
Total	\$ 59,923	\$ 3,139	\$ 63,062

**BAKER COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

(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, 2020, are as follows:

Year Ending September 30,	Payment
2021	\$ 1,050,854
2022	395,852
2023	333,940
2024	430,249
2025	118,115
2026-2028	354,347
Total minimum lease payments	2,683,357
Less: amount representing interest	180,724
Present value of minimum lease payments	\$ 2,502,633

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, 2020:

	Balance 10/01/19	Increases	Decreases	Balance 09/30/20	Current Portion
Capital lease obligations	\$ 2,027,785	\$ 899,355	\$ (424,507)	\$ 2,502,633	\$ 840,146
Compensated absences	1,042,719	1,530,464	(1,500,082)	1,073,101	1,051,821
Note payable	118,065	-	(58,142)	59,923	59,923
Totals	\$ 3,188,569	\$ 2,429,819	\$ (1,982,731)	\$ 3,635,657	\$ 1,951,890

The following is a summary of changes in long-term debt of the Component Units for the year ended September 30, 2020:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
USDA loan	\$ 34,991,996	-	\$ (3,889,773)	\$ 31,102,223	\$ 824,098

BAKER COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(7) Commitments and Contingencies:

During the year ended September 30, 2020, 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. 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 June 25, 2021, management believes that a material impact on the County's financial position and results of future operations is reasonably possible.

(8) Risk Management:

Commercial Insurance

The County is exposed to various risks of loss related to general liability, auto liability, collision, property, inland 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 Unit to the Sheriff's Office at the actual costs incurred; approximately \$9,800,000 during 2020.

Due to Component Unit

At September 30, 2020 amounts due to the Component Unit from the County's Office amounted to \$76,128.

BAKER COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(10) **Deficit Fund Balance:**

At September 30, 2020, the Fine and Forfeiture major fund had a deficit fund balance of \$30,002. Additionally, EMS Grant, Solid Waste, and Legal Aid Trust funds, all nonmajor funds, had deficit fund balances of \$4,785 and \$37,767, and \$496 respectively. The reason for the deficit in the Fine and Forfeiture fund is due to timing differences between when revenues and expenditures. The reason for the deficits in the EMS Grant, Solid Waste, and Legal Aid Trust funds is that transfers in were not enough to support the funds as a whole, thus the results are overall fund deficits for each of the respective funds.

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

BAKER COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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

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.

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). 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

**BAKER COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

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

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, 2020, as follows (contribution rates are in agreement with the actuarially determined rates):

<u>FRS Membership Plan & Class</u>	<u>Through June 30, 2020</u>	<u>After June 30, 2020</u>
Regular Class	8.47%	10.00%
Senior Management	25.41%	27.29%
Special Risk	25.48%	24.45%
Elected Official	48.82%	49.18%
DROP	14.60%	16.98%

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

Actual contributions made for entity employees participating in FRS and HIS for the plan year ended June 30, 2020, were as follows:

Entity Contributions – FRS	\$ 1,849,596
Entity Contributions – HIS	193,211
Employee Contributions – FRS	349,176

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

At September 30, 2020, the entity reported a net pension liability related to FRS and HIS as follows:

<u>Plan</u>	<u>Net Pension Liability</u>
FRS	\$ 24,127,261
HIS	4,093,813
Total	<u>\$ 28,221,074</u>

The net pension liability was measured as of June 30, 2020, 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, 2020 and 2019, the organization's proportionate share of the FRS and HIS net pension liabilities were as follows:

<u>Plan</u>	<u>2020</u>	<u>2019</u>
FRS	0.055667836%	0.054654622%
HIS	0.033528808%	0.032651738%

BAKER COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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

For the plan year ended June 30, 2020, pension expense was recognized related to the FRS and HIS plans as follows:

FRS	\$ 5,101,890
HIS	307,999
Total	\$ 5,409,889

Deferred outflows/inflows related to pensions:

At September 30, 2020, 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	\$ 923,399	\$ -	\$ 167,462	\$ (3,158)
Changes of assumptions	4,367,802	-	440,201	(238,039)
Net different between projected and actual investment earnings	1,436,560	-	3,269	-
Change in proportionate share	493,467	(371,046)	200,429	(117,850)
Contributions subsequent to measurement date	524,290	-	54,701	-
	\$ 7,745,518	\$ (371,046)	\$ 866,062	\$ (359,047)

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, 2021.

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:

2021	\$ 1,511,556
2022	2,243,692
2023	1,900,592
2024	1,207,165
2025	366,733
Thereafter	72,758
Total	\$ 7,302,496

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.

BAKER COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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

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 2.40%. 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 6.80%. This rate decreased from the prior year rate, which was 6.90%. 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 2.21% was used to determine the total pension for the program. This rate decreased from the prior year rate, which was 3.50%. Mortality assumptions for both plans were based on the PUB-2010 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 2020, 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%	2.2%
Fixed income	19.0%	3.0%
Global equities	54.2%	8.0%
Real estate	10.3%	6.4%
Private equity	11.1%	10.8%
Strategic investments	4.4%	5.5%
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	6.80%	\$ 38,527,180	\$ 24,127,261	\$ 12,100,385
HIS	2.21%	4,732,265	4,093,813	3,571,242

BAKER COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(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.

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, 2020

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Taxes	\$ 3,873,596	\$ 4,234,274	\$ 4,703,828	\$ 469,554
Permits and fees	305,900	305,900	345,601	39,701
Intergovernmental	5,020,866	5,262,379	7,407,016	2,144,637
Charges for services	12,852,024	13,501,301	12,686,222	(815,079)
Fines and forfeitures	19,585	19,585	141,770	122,185
Investment income	20,000	20,000	28,826	8,826
Miscellaneous	120,254	127,056	345,703	218,647
Total revenues	<u>22,212,225</u>	<u>23,470,495</u>	<u>25,658,966</u>	<u>2,188,471</u>
Expenditures				
Current:				
General government	4,780,938	4,847,539	4,563,811	283,728
Public safety	16,388,284	17,442,319	16,505,080	937,239
Physical environment	197,163	197,163	173,017	24,146
Human services	348,991	840,205	812,044	28,161
Culture and recreation	527,118	527,118	443,278	83,840
Court related	963,600	963,600	919,666	43,934
Capital outlay	475,704	462,747	900,209	(437,462)
Debt service:				
Principal retirement	-	-	96,866	(96,866)
Interest and fiscal charges	-	-	6,278	(6,278)
Total expenditures	<u>23,681,798</u>	<u>25,280,691</u>	<u>24,420,249</u>	<u>860,442</u>
Excess (deficiency) of revenues over expenditures	<u>(1,469,573)</u>	<u>(1,810,196)</u>	<u>1,238,717</u>	<u>3,048,913</u>
Other financing sources (uses)				
Issuance of debt	-	175,040	175,040	-
Transfers in	-	526,261	4,387,598	3,861,337
Transfers out	(3,418,909)	(4,103,587)	(3,137,144)	966,443
Appropriations to constitutional officers	4,501,109	4,501,109	-	(4,501,109)
Reversions from constitutional officers	180,000	180,000	-	(180,000)
Total other financing sources (uses)	<u>1,262,200</u>	<u>1,278,823</u>	<u>1,425,494</u>	<u>146,671</u>
Net change in fund balances	<u>(207,373)</u>	<u>(531,373)</u>	<u>2,664,211</u>	<u>146,671</u>
Fund balances, beginning of year	7,291,741	7,291,741	7,291,741	-
Fund balances, end of year	<u>\$ 7,084,368</u>	<u>\$ 6,760,368</u>	<u>\$ 9,955,952</u>	<u>\$ 146,671</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, 2020

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Taxes	\$ 1,197,706	\$ 1,197,706	\$ 1,236,634	\$ 38,928
Intergovernmental	1,400,700	1,400,700	1,881,052	480,352
Investment income	19,912	19,912	29,088	9,176
Miscellaneous	50,000	50,000	55,968	5,968
Total revenues	<u>2,668,318</u>	<u>2,668,318</u>	<u>3,202,742</u>	<u>534,424</u>
Expenditures				
Current:				
Transportation	2,721,620	2,721,620	2,119,575	602,045
Capital outlay	217,040	217,040	913,726	(696,686)
Debt service:				
Principal retirement	198,500	198,500	234,824	(36,324)
Interest and fiscal charges	-	-	36,734	(36,734)
Total expenditures	<u>3,137,160</u>	<u>3,137,160</u>	<u>3,304,859</u>	<u>(167,699)</u>
Excess (deficiency) of revenues over expenditures	<u>(468,842)</u>	<u>(468,842)</u>	<u>(102,117)</u>	<u>366,725</u>
Other financing sources (uses)				
Issuance of debt	-	-	724,315	724,315
Net change in fund balances	<u>(468,842)</u>	<u>(468,842)</u>	<u>622,198</u>	<u>1,091,040</u>
Fund balances, beginning of year	2,151,446	2,151,446	2,151,446	-
Fund balances, end of year	<u>\$ 1,682,604</u>	<u>\$ 1,682,604</u>	<u>\$ 2,773,644</u>	<u>\$ 1,091,040</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 - ROAD PAVING FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u> <u>Final Budget -</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 14,051,858	\$ 18,927,921	\$ 3,355,444	\$ (15,572,477)
Expenditures				
Current:				
Transportation	3,222,600	7,100,463	622,930	6,477,533
Capital outlay	10,829,258	11,827,458	2,732,327	9,095,131
Total expenditures	14,051,858	18,927,921	3,355,257	15,572,664
Excess (deficiency) of revenues over expenditures	-	-	187	187
Other financing sources (uses)				
Transfers in	-	-	-	-
Net change in fund balances	-	-	187	187
Fund balances, beginning of year	507,232	507,232	507,232	-
Fund balances, end of year	<u>\$ 507,232</u>	<u>\$ 507,232</u>	<u>\$ 507,419</u>	<u>\$ 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 - FINE AND FORFEITURE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 4,670,744	\$ 4,670,744	\$ 4,487,764	\$ (182,980)
Intergovernmental	261,142	285,142	-	(285,142)
Fines and forfeitures	700	700	381	(319)
Investment income	-	-	3,551	3,551
Miscellaneous	7,000	7,000	62,643	55,643
Total revenues	<u>4,939,586</u>	<u>4,963,586</u>	<u>4,554,339</u>	<u>(409,247)</u>
Expenditures				
Current:				
General government	10,000	10,000	2,992	7,008
Public safety	3,286,642	3,310,642	2,934,783	375,859
Total expenditures	<u>3,296,642</u>	<u>3,320,642</u>	<u>2,937,775</u>	<u>382,867</u>
Excess (deficiency) of revenues over expenditures	<u>1,642,944</u>	<u>1,642,944</u>	<u>1,616,564</u>	<u>(26,380)</u>
Other financing sources (uses)				
Transfers in	2,948,038	2,948,038	2,913,148	(34,890)
Transfers out	(4,590,982)	(4,590,982)	(4,590,982)	-
Total other financing sources (uses)	<u>(1,642,944)</u>	<u>(1,642,944)</u>	<u>(1,677,834)</u>	<u>(34,890)</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>(61,270)</u>	<u>(61,270)</u>
Fund balances, beginning of year	31,268	31,268	31,268	-
Fund balances, end of year	<u>\$ 31,268</u>	<u>\$ 31,268</u>	<u>\$ (30,002)</u>	<u>\$ (61,270)</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, 2020

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$ 320,883	\$ 911,651	\$ 30,978	\$ (880,673)
Investment income	1,500	1,500	1,186	(314)
Total revenues	<u>322,383</u>	<u>913,151</u>	<u>32,164</u>	<u>(880,987)</u>
Expenditures				
Current:				
Economic environment	342,236	679,861	18,488	661,373
Human services	-	253,143	13,676	239,467
Total expenditures	<u>342,236</u>	<u>933,004</u>	<u>32,164</u>	<u>900,840</u>
Net change in fund balances	<u>(19,853)</u>	<u>(19,853)</u>	<u>-</u>	<u>19,853</u>
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	<u>\$ (19,853)</u>	<u>\$ (19,853)</u>	<u>\$ -</u>	<u>\$ 19,853</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 - CARES ACT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget - Positive (Negative)
Revenues				
Intergovernmental	\$ -	\$ 1,230,214	\$ 504,471	\$ (725,743)
Total revenues	<u>-</u>	<u>1,230,214</u>	<u>504,471</u>	<u>(725,743)</u>
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Human services	-	1,230,214	504,471	725,743
Total expenditures	<u>-</u>	<u>1,230,214</u>	<u>504,471</u>	<u>725,743</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></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, 2020

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.

Expenditures exceed appropriations in the County Transportation Trust Fund by \$167,699.

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,					
	2020	2019	2018	2017	2016	2015
Florida Retirement System (FRS)						
Proportion of the net pension liability	0.055667836%	0.054654622%	0.055003836%	0.054897926%	0.055978745%	0.056326104%
Proportionate share of the net pension liability	\$ 24,127,261	\$ 18,822,291	\$ 16,657,441	\$ 16,238,437	\$ 14,134,677	\$ 7,275,272
Covered payroll	11,639,205	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	207.29%	172.33%	156.38%	161.55%	143.32%	72.55%
Plan fiduciary net position as a percentage of the total pension liability	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%
Health Insurance Subsidy Program (HIS)						
Proportion of the net pension liability	0.033528808%	0.032651738%	0.032606414%	0.031526930%	0.031886264%	0.033689953%
Proportionate share of the net pension liability	\$ 4,093,813	\$ 3,653,403	\$ 3,451,099	\$ 3,371,004	\$ 3,716,212	\$ 3,435,846
Covered payroll	11,639,205	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	35.17%	33.45%	32.40%	33.54%	37.68%	34.26%
Plan fiduciary net position as a percentage of the total pension liability	3.00%	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)

	For the Plan Year Ending June 30,					
	2020	2019	2018	2017	2016	2015
Florida Retirement System (FRS)						
Contractually required contribution	\$ 1,849,596	\$ 1,694,688	\$ 1,567,565	\$ 1,538,209	\$ 1,365,131	\$ 1,373,194
Contributions in relation to the contractually required contribution	(1,849,596)	(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>	<u>\$ -</u>
Covered payroll	\$ 11,639,205	\$ 10,922,406	\$ 10,652,133	\$ 10,051,718	\$ 9,991,268	\$ 10,028,017
Contributions as a percentage of covered-employee payroll	15.89%	15.52%	14.72%	15.30%	13.66%	13.57%
Health Insurance Subsidy Program (HIS)						
Contractually required contribution	\$ 193,211	\$ 181,312	\$ 176,825	\$ 166,859	\$ 163,437	\$ 138,657
Contributions in relation to the contractually required contribution	(193,211)	(181,312)	(176,825)	(166,859)	(163,437)	(138,657)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 11,639,205	\$ 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%	1.66%	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, 2020**

	<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>
ASSETS									
Cash and cash equivalents	\$ 6,109,858	\$ 587,184	\$ 46,977	\$ 14,063	\$ 98,686	\$ 375,868	\$ 7,232,636	\$ -	\$ 7,232,636
Investments	34,935	-	-	-	-	-	34,935	-	34,935
Receivables, net	511,191	20,684	-	-	-	-	531,875	-	531,875
Due from other governments	782,885	147,877	-	-	-	68,290	999,052	-	999,052
Due from other funds	2,412,504	109,996	-	-	-	-	2,522,500	(407,505)	2,114,995
Prepaid items	-	31,754	-	-	-	-	31,754	-	31,754
Total Assets	<u>\$ 9,851,373</u>	<u>\$ 897,495</u>	<u>\$ 46,977</u>	<u>\$ 14,063</u>	<u>\$ 98,686</u>	<u>\$ 444,158</u>	<u>\$ 11,352,752</u>	<u>\$ (407,505)</u>	<u>\$ 10,945,247</u>
LIABILITIES									
Accounts payable and accrued liabilities	\$ 201,303	\$ 625,647	\$ -	\$ -	\$ 389	\$ 23,428	\$ 850,767	\$ -	\$ 850,767
Due to other governments	-	4,710	3,960	-	-	51,107	59,777	-	59,777
Due to other funds	-	112,658	43,017	11,440	98,297	142,093	407,505	(407,505)	-
Due to component unit	-	76,128	-	-	-	-	76,128	-	76,128
Unearned revenue	-	-	-	2,623	-	-	2,623	-	2,623
Total liabilities	<u>201,303</u>	<u>819,143</u>	<u>46,977</u>	<u>14,063</u>	<u>98,686</u>	<u>216,628</u>	<u>1,396,800</u>	<u>(407,505)</u>	<u>989,295</u>
FUND BALANCES									
Nonspendable:									
Prepaid items	-	31,754	-	-	-	-	31,754	-	31,754
Assigned to:									
Jail operations	-	46,598	-	-	-	-	46,598	-	46,598
Court operations	-	-	-	-	-	227,530	227,530	-	227,530
Subsequent year's budget	1,096,456	-	-	-	-	-	1,096,456	-	1,096,456
Unassigned	8,553,614	-	-	-	-	-	8,553,614	-	8,553,614
Total fund balances	<u>9,650,070</u>	<u>78,352</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>227,530</u>	<u>9,955,952</u>	<u>-</u>	<u>9,955,952</u>
Total Liabilities and Fund Balances	<u>\$ 9,851,373</u>	<u>\$ 897,495</u>	<u>\$ 46,977</u>	<u>\$ 14,063</u>	<u>\$ 98,686</u>	<u>\$ 444,158</u>	<u>\$ 11,352,752</u>	<u>\$ (407,505)</u>	<u>\$ 10,945,247</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, 2020

	<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>
Revenues									
Taxes	\$ 4,703,828	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,703,828	\$ -	\$ 4,703,828
Permits and fees	345,601	-	-	-	-	-	345,601	-	345,601
Intergovernmental	6,291,913	883,422	-	18,249	-	213,432	7,407,016	-	7,407,016
Charges for services	1,274,078	10,144,251	120,897	-	710,504	436,492	12,686,222	-	12,686,222
Fines and forfeitures	18,991	-	-	-	-	122,779	141,770	-	141,770
Investment income	27,002	55	-	440	613	716	28,826	-	28,826
Miscellaneous	124,386	216,696	-	-	-	4,621	345,703	-	345,703
Total revenues	<u>12,785,799</u>	<u>11,244,424</u>	<u>120,897</u>	<u>18,689</u>	<u>711,117</u>	<u>778,040</u>	<u>25,658,966</u>	<u>-</u>	<u>25,658,966</u>
Expenditures									
Current:									
General government	1,970,348	-	731,443	592,813	829,401	439,806	4,563,811	-	4,563,811
Public safety	1,748,062	14,757,018	-	-	-	-	16,505,080	-	16,505,080
Physical environment	173,017	-	-	-	-	-	173,017	-	173,017
Human services	812,044	-	-	-	-	-	812,044	-	812,044
Culture and recreation	443,278	-	-	-	-	-	443,278	-	443,278
Court related	1,105	276,793	-	-	-	641,768	919,666	-	919,666
Capital outlay	153,592	746,617	-	-	-	-	900,209	-	900,209
Debt service:									
Principal retirement	35,497	61,369	-	-	-	-	96,866	-	96,866
Interest and fiscal charges	5,733	545	-	-	-	-	6,278	-	6,278
Total expenditures	<u>5,342,676</u>	<u>15,842,342</u>	<u>731,443</u>	<u>592,813</u>	<u>829,401</u>	<u>1,081,574</u>	<u>24,420,249</u>	<u>-</u>	<u>24,420,249</u>
Excess (deficiency) of revenues over expenditures	<u>7,443,123</u>	<u>(4,597,918)</u>	<u>(610,546)</u>	<u>(574,124)</u>	<u>(118,284)</u>	<u>(303,534)</u>	<u>1,238,717</u>	<u>-</u>	<u>1,238,717</u>
Other financing sources (uses)									
Issuance of debt	-	175,040	-	-	-	-	175,040	-	175,040
Transfers in	6,330	-	-	-	-	18,083	24,413	4,363,185	4,387,598
Transfers out	(3,185,296)	-	-	-	-	-	(3,185,296)	48,152	(3,137,144)
Appropriations to constitutional officers	(2,038,418)	4,590,982	653,563	585,049	216,581	355,428	4,363,185	(4,363,185)	-
Reversions from constitutional officers	455,142	(112,658)	(43,017)	(10,925)	(98,297)	(142,093)	48,152	(48,152)	-
Total other financing sources (uses)	<u>(4,762,242)</u>	<u>4,653,364</u>	<u>610,546</u>	<u>574,124</u>	<u>118,284</u>	<u>231,418</u>	<u>1,425,494</u>	<u>-</u>	<u>1,425,494</u>
Net change in fund balances	<u>2,680,881</u>	<u>55,446</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(72,116)</u>	<u>2,664,211</u>	<u>-</u>	<u>2,664,211</u>
Fund balances, beginning of year	6,969,189	22,906	-	-	-	299,646	7,291,741	-	7,291,741
Fund balances, end of year	<u>\$ 9,650,070</u>	<u>\$ 78,352</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 227,530</u>	<u>\$ 9,955,952</u>	<u>\$ -</u>	<u>\$ 9,955,952</u>

See accompanying notes to financial statements.

**BAKER COUNTY, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020**

	Fire	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
ASSETS																
Cash and cash equivalents	\$ 215,771	\$ 189,777	\$ 2,000	\$ 437,165	\$ 684,014	\$ -	\$ 1,584	\$ -	\$ 26,628	\$ 2,041	\$ 34,862	\$ 94,471	\$ 1,287	\$ 1,231	\$ 280,031	\$ 75,446
Receivables, net	450	50	-	115	4,058	177	496	503	694	-	14	11,263	-	-	768	19
Due from other government	-	-	-	-	-	-	-	-	-	4,287	-	-	-	-	-	79,855
Due from other funds:	232,174	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Assets	\$ 448,395	\$ 189,827	\$ 2,000	\$ 437,280	\$ 688,072	\$ 177	\$ 2,080	\$ 503	\$ 27,322	\$ 6,328	\$ 34,876	\$ 105,734	\$ 1,287	\$ 1,231	\$ 280,799	\$ 155,320
LIABILITIES																
Accounts payable and accrued liabilities:	\$ 58,245	\$ 1,456	\$ 6,785	\$ -	\$ 116	\$ -	\$ 2,576	\$ -	\$ -	\$ 44,095	\$ -	\$ 2,990	\$ 1,287	\$ -	\$ 5,496	\$ 7,938
Due to other government:	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Due to other funds:	-	-	-	-	-	177	-	503	-	-	-	-	-	-	-	-
Total liabilities	58,245	1,456	6,785	-	116	177	2,576	503	-	44,095	-	2,990	1,287	-	5,496	7,938
FUND BALANCES																
Restricted for:																
Health reimbursements	-	-	-	437,280	-	-	-	-	-	-	-	-	-	-	-	-
Law enforcement	-	-	-	-	-	-	-	-	-	-	-	-	-	1,231	-	-
Fire and rescue	390,150	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	275,303	147,382
Physical environment	-	188,371	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Human services	-	-	-	-	-	-	-	-	-	-	34,876	-	-	-	-	-
Crime preventior	-	-	-	-	-	-	-	-	27,322	-	-	-	-	-	-	-
Court costs	-	-	-	-	-	-	-	-	-	-	-	102,744	-	-	-	-
Equitable sharing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic environmen	-	-	-	-	687,956	-	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	(4,785)	-	-	-	(496)	-	-	(37,767)	-	-	-	-	-	-
Total fund balances	390,150	188,371	(4,785)	437,280	687,956	-	(496)	-	27,322	(37,767)	34,876	102,744	-	1,231	275,303	147,382
Total Liabilities and Fund Balances	\$ 448,395	\$ 189,827	\$ 2,000	\$ 437,280	\$ 688,072	\$ 177	\$ 2,080	\$ 503	\$ 27,322	\$ 6,328	\$ 34,876	\$ 105,734	\$ 1,287	\$ 1,231	\$ 280,799	\$ 155,320

See accompanying notes to financial statements.

**BAKER COUNTY, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020**

	Court Innovations Trust	12.50 SC	Equitable Sharing	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
ASSETS													
Cash and cash equivalents	\$ 153,648	\$ 2,159	\$ -	\$ -	\$ 63,863	\$ 198,964	\$ 4,994	\$ 121,553	\$ 440,848	\$ 8,251	\$ 69,361	\$ 170,849	\$ 3,280,798
Receivables, net	532	677	-	-	14	-	-	-	51,295	-	-	-	71,125
Due from other government	-	-	-	-	10,368	-	217,257	-	-	-	8,862	14,077	334,706
Due from other fund:	-	-	121,553	-	-	-	-	-	-	-	-	-	353,227
Total Assets	\$ 154,180	\$ 2,836	\$ 121,553	\$ -	\$ 74,245	\$ 198,964	\$ 222,251	\$ 121,553	\$ 492,143	\$ 8,251	\$ 78,223	\$ 184,926	\$ 4,040,356
LIABILITIES													
Accounts payable and accrued liabilities	\$ 1,218	\$ -	\$ -	\$ -	\$ 63,863	\$ 439	\$ 4	\$ -	\$ 2,541	\$ -	\$ -	\$ 512	\$ 199,561
Due to other government	-	-	-	-	10,382	-	-	-	-	-	-	-	10,382
Due to other funds:	-	-	-	-	-	-	98,523	121,553	5,389	-	2,793	3,291	232,229
Total liabilities	1,218	-	-	-	74,245	439	98,527	121,553	7,930	-	2,793	3,803	442,172
FUND BALANCES													
Restricted for:													
Health reimbursements	-	-	-	-	-	-	-	-	-	-	-	-	437,280
Law enforcement	-	-	-	-	-	-	123,724	-	484,213	8,251	75,430	181,123	873,972
Fire and rescue	-	-	-	-	-	-	-	-	-	-	-	-	390,150
Recreation	-	-	-	-	-	-	-	-	-	-	-	-	422,685
Physical environment	-	-	-	-	-	-	-	-	-	-	-	-	188,371
Human services	-	-	-	-	-	-	-	-	-	-	-	-	34,876
Crime prevention	-	-	-	-	-	-	-	-	-	-	-	-	27,322
Court costs	152,962	2,836	-	-	-	198,525	-	-	-	-	-	-	457,067
Equitable sharing	-	-	121,553	-	-	-	-	-	-	-	-	-	121,553
Economic environment	-	-	-	-	-	-	-	-	-	-	-	-	687,956
Unassigned	-	-	-	-	-	-	-	-	-	-	-	-	(43,048)
Total fund balances	152,962	2,836	121,553	-	-	198,525	123,724	-	484,213	8,251	75,430	181,123	3,598,184
Total Liabilities and Fund Balances	\$ 154,180	\$ 2,836	\$ 121,553	\$ -	\$ 74,245	\$ 198,964	\$ 222,251	\$ 121,553	\$ 492,143	\$ 8,251	\$ 78,223	\$ 184,926	\$ 4,040,356

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, 2020**

	Fire	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	Court Innovations Trust
REVENUES																	
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 47,304	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Permits and fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental	268,099	-	43,944	-	-	-	-	-	-	91,313	-	-	-	-	-	89,233	-
Charges for services	741,835	-	-	-	-	-	-	-	-	479,810	-	-	-	-	7,555	-	-
Fines and forfeitures	-	-	-	-	-	7,517	7,533	7,512	12,213	-	1,135	28,002	6,892	-	-	-	7,549
Investment income	1,413	788	12	1,341	2,201	-	-	-	70	402	-	367	-	3	1,092	350	118
Miscellaneous	24,794	160	2,000	136,126	-	-	-	-	-	14,999	-	-	-	-	12,190	-	-
Total revenues	<u>1,036,141</u>	<u>948</u>	<u>45,956</u>	<u>137,467</u>	<u>49,505</u>	<u>7,517</u>	<u>7,533</u>	<u>7,512</u>	<u>12,283</u>	<u>586,524</u>	<u>1,135</u>	<u>28,369</u>	<u>6,892</u>	<u>3</u>	<u>20,837</u>	<u>89,583</u>	<u>7,667</u>
EXPENDITURES																	
Current:																	
General government	-	-	-	140,149	-	-	7,533	-	-	-	-	-	6,892	-	-	-	-
Public safety	339,476	-	70,381	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Physical environment	-	3,068	-	-	-	-	-	-	-	778,072	-	-	-	-	-	-	-
Transportation	42,165	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Culture and recreation	-	59,495	-	-	-	-	496	-	-	-	-	-	-	-	81,833	-	-
Court related	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,147
Capital outlay	310,262	36,217	-	-	-	-	-	-	-	6,073	-	23,102	-	-	-	-	-
Debt service:																	
Principal retirement	92,817	-	-	-	-	-	-	-	-	58,142	-	-	-	-	-	-	-
Interest and fiscal charges	25,298	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	<u>810,018</u>	<u>98,780</u>	<u>70,381</u>	<u>140,149</u>	<u>-</u>	<u>-</u>	<u>8,029</u>	<u>-</u>	<u>-</u>	<u>842,287</u>	<u>-</u>	<u>51,037</u>	<u>6,892</u>	<u>-</u>	<u>108,833</u>	<u>79,855</u>	<u>5,147</u>
Excess (deficiency) of revenues over expenditures	<u>226,123</u>	<u>(97,832)</u>	<u>(24,425)</u>	<u>(2,682)</u>	<u>49,505</u>	<u>7,517</u>	<u>(496)</u>	<u>7,512</u>	<u>12,283</u>	<u>(255,763)</u>	<u>1,135</u>	<u>(22,668)</u>	<u>-</u>	<u>3</u>	<u>(87,996)</u>	<u>9,728</u>	<u>2,520</u>
Other financing sources (uses)																	
Transfers in	-	-	14,636	-	-	-	-	-	-	249,794	-	-	-	-	-	-	27,605
Transfers out	-	-	-	-	(1,419)	(13,792)	-	(13,813)	-	-	-	-	-	-	-	-	-
Reversions from constitutional officers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	14,636	-	(1,419)	(13,792)	-	(13,813)	-	249,794	-	-	-	-	-	-	27,605
Net change in fund balances	<u>226,123</u>	<u>(97,832)</u>	<u>(9,789)</u>	<u>(2,682)</u>	<u>48,086</u>	<u>(6,275)</u>	<u>(496)</u>	<u>(6,301)</u>	<u>12,283</u>	<u>(5,969)</u>	<u>1,135</u>	<u>(22,668)</u>	<u>-</u>	<u>3</u>	<u>(87,996)</u>	<u>9,728</u>	<u>30,125</u>
Fund balances, beginning of year	<u>164,027</u>	<u>286,203</u>	<u>5,004</u>	<u>439,962</u>	<u>639,870</u>	<u>6,275</u>	<u>-</u>	<u>6,301</u>	<u>15,039</u>	<u>(31,798)</u>	<u>33,741</u>	<u>125,412</u>	<u>-</u>	<u>1,228</u>	<u>363,299</u>	<u>137,654</u>	<u>122,837</u>
Fund balances, end of year	<u>\$ 390,150</u>	<u>\$ 188,371</u>	<u>\$ (4,785)</u>	<u>\$ 437,280</u>	<u>\$ 687,956</u>	<u>\$ -</u>	<u>\$ (496)</u>	<u>\$ -</u>	<u>\$ 27,322</u>	<u>\$ (37,767)</u>	<u>\$ 34,876</u>	<u>\$ 102,744</u>	<u>\$ -</u>	<u>\$ 1,231</u>	<u>\$ 275,303</u>	<u>\$ 147,382</u>	<u>\$ 152,962</u>

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, 2020**

	12.50 SC	Equitable Sharing	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
REVENUES												
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 47,304
Permits and fees	-	-	-	-	-	158,523	-	-	-	-	-	158,523
Intergovernmental	-	-	-	-	-	234,111	-	-	-	-	128,420	934,877
Charges for services	-	-	-	3,844	40,689	-	-	553,510	-	-	-	1,827,243
Fines and forfeitures	12,990	-	-	-	31,378	-	-	-	3,772	-	-	126,493
Investment income	40	-	-	102	239	83	1,058	-	34	239	275	10,227
Miscellaneous	-	-	-	-	-	24,000	20,170	2,462	-	-	-	236,901
Total revenues	13,030	-	-	3,946	72,306	416,717	21,228	555,972	3,806	79,996	128,695	3,341,568
EXPENDITURES												
Current:												
General government	-	-	-	-	-	-	-	-	-	-	-	154,574
Public safety	30,394	-	-	-	-	36,808	1,200	462,265	2,758	64,641	163,901	1,171,824
Physical environment	-	-	-	4,327	-	-	-	-	-	-	-	785,467
Transportation	-	-	-	-	-	-	-	-	-	-	-	42,165
Culture and recreation	-	-	-	-	-	-	-	-	-	-	-	141,824
Court related	-	-	78,483	-	59,326	-	-	-	-	-	-	166,058
Capital outlay	-	-	-	-	-	263,692	227,906	13,437	-	-	-	992,377
Debt service:												
Principal retirement	-	-	-	-	-	-	-	-	-	-	-	150,959
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-	-	25,298
Total expenditures	30,394	-	78,483	4,327	59,326	300,500	229,106	475,702	2,758	64,641	163,901	3,630,546
Excess (deficiency) of revenues over expenditures	(17,364)	-	(78,483)	(381)	12,980	116,217	(207,878)	80,270	1,048	15,355	(35,206)	(288,978)
Other financing sources (uses)												
Transfers in	20,866	-	-	-	-	-	-	-	-	-	229,216	542,117
Transfers out	-	-	-	(6,330)	(18,083)	-	-	-	-	-	(61,300)	(114,737)
Reversions from constitutional officers	-	121,553	-	-	-	-	(121,553)	-	-	-	-	-
Total other financing sources (uses)	20,866	121,553	-	(6,330)	(18,083)	-	(121,553)	-	-	-	167,916	427,380
Net change in fund balances	3,502	121,553	(78,483)	(6,711)	(5,103)	116,217	(329,431)	80,270	1,048	15,355	132,710	138,402
Fund balances, beginning of year	(666)	-	78,483	6,711	203,628	7,507	329,431	403,943	7,203	60,075	48,413	3,459,782
Fund balances, end of year	\$ 2,836	\$ 121,553	\$ -	\$ -	\$ 198,525	\$ 123,724	\$ -	\$ 484,213	\$ 8,251	\$ 75,430	\$ 181,123	\$ 3,598,184

See accompanying notes to financial statements.

**BAKER COUNTY, FLORIDA
 COMBINING SCHEDULE OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 SEPTEMBER 30, 2020**

	<u>Tax Collector</u>	<u>Clerk of Courts</u>	<u>Sheriff</u>	<u>Total Agency Funds</u>
ASSETS				
Cash and cash equivalents	<u>\$ 444,900</u>	<u>\$ 115,198</u>	<u>\$ 179,723</u>	<u>\$ 739,821</u>
LIABILITIES				
Assets held for others	<u>\$ 444,900</u>	<u>\$ 115,198</u>	<u>\$ 179,723</u>	<u>\$ 739,821</u>

See accompanying notes to financial statements.

BAKER COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2020

Federal/State Grantor/Pass Through Grantor/Program Title	CFDA/ CSFA Number	Contract Number	Expenditures
FEDERAL AGENCY			
Department of the Interior			
Direct:			
Fish and Wildlife Service National Wildlife Refuge Grant	15.659	N/A	\$ 4,370
Payments in Lieu of Taxes	15.226	N/A	241,247
Total Department of the Interior			<u>245,617</u>
Department of Justice			
Direct:			
Public Safety Partnership and Community Policing Grants	16.710	2019-PREA-BAKE-1-A6-004	14,529
Bulletproof Vest Partnership Program	16.607	N/A	8,135
Passed through the Florida Department of Law Enforcement:			
Edward Byrne Memorial Competitive Grant Program	16.571	2019-PREA-BAKE-1-A6-004	17,460
Edward Byrne Memorial Justice Assistance Grant (JAG) Program	16.738	2020-JAGC-BAKE-1-Y5-046	35,759
Edward Byrne Memorial Justice Assistance Grant (JAG) Program	16.738	2020-JAGD-BAKE-1-Y6-031	3,256
			39,015
Passed through the Florida Attorney General:			
Crime Victim Assistance	16.575	VOCA-2019-BAKER COUNTY SHERIFF'S OF-00209	40,978
Total Department of Justice			<u>120,117</u>
Department of Transportation			
Passed through the Florida Department of Transportation:			
Highway Planning & Construction	20.205	G0U08	1,630
Highway Planning & Construction	20.205	G0634	1,155
Total Highway Planning and Construction Cluster			<u>2,785</u>
National Priority Safety Programs	20.616	G1D90	15,000
Total National Priority Safety Programs Cluster			15,000
Total Department of Transportation			<u>17,785</u>
Election Assistance Commission			
Direct:			
Helping America Vote Act Requirements Payments	90.401	2018-2019-003-BAK	6,269
Helping America Vote Act Requirements Payments	90.401	2019-2020-001-BAK	11,980
Total Election Assistance Commission			<u>18,249</u>
Department of Health and Human Services			
Direct:			
Provider Relief Fund	93.498	N/A	27,007
Total Department of Health and Human Services			<u>27,007</u>
Department of Homeland Security			
Passed through Florida Division of Emergency Management:			
Emergency Management Performance Grant	97.042	A0013	84,800
Emergency Management Performance Grant	97.042	G0012	43,620
Direct:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Hurricane Irma	920,944
Total Department of Homeland Security			<u>1,049,364</u>
Department of the Treasury			
Passed through Florida Division of Emergency Management:			
COVID-19 - Coronavirus Relief Fund	21.019	Y2300	2,267,354
Total Department of the Treasury			<u>2,267,354</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 3,745,493</u>

See accompanying notes to schedule of expenditures of federal awards and state financial assistance.

BAKER COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2020
(CONTINUED)

Federal/State Grantor/Pass Through Grantor/Program Title	CFDA/ CSFA Number	Contract Number	Expenditures
STATE AGENCY			
Florida Department of Financial Services			
Direct:			
Volunteer Firefighter Grant Assistance Program	43.006	D1478	35,925
Total Florida Department of Financial Services			<u>35,925</u>
Florida Department of Education			
Direct:			
Coach Aaron Feis Guardian Program	48.140	N/A	252,811
Total Florida Department of Education			<u>252,811</u>
Florida Department of Economic Opportunity			
Direct:			
Economic Development Tax Refund, Tax Credit, and Grant Program	40.043	G0040	62,599
Total Florida Department of Economic Opportunity			<u>62,599</u>
Florida Department of State			
Direct:			
State Aid to Libraries	45.030	20-ST-38	55,601
Total Florida Department of State			<u>55,601</u>
Florida Department of Transportation			
Direct:			
County Incentive Grant Program	55.008	G0634	1,234,044
County Incentive Grant Program	55.008	G1850	19,230
Total County Incentive Grant Program			<u>1,253,274</u>
Transportation Regional Incentive Program	55.026	G1850	57,690
Small County Outreach Program	55.009	G0T77	316,687
Small County Outreach Program	55.009	GY094	437,763
Small County Outreach Program	55.009	G0L19	439,185
Small County Outreach Program	55.009	G1E11	55,157
Small County Outreach Program	55.009	G1H13	3,636
Small County Outreach Program	55.009	G1253	3,317
Small County Outreach Program	55.009	G1E12	110,300
Total Small County Outreach Program			<u>1,366,045</u>
Small County Road Assistance Program	55.016	G0J33	81,978
Small County Road Assistance Program	55.016	G0T84	77,885
Small County Road Assistance Program	55.016	G0K18	453,188
Total Small County Road Assistance Program			<u>613,051</u>
Total Florida Department of Transportation			<u>3,290,060</u>
Florida Department of Health			
Direct:			
Emergency Medical Services Matching Grant	64.003	M8015	43,944
Total Florida Department of Health			<u>43,944</u>
Florida Housing Finance Corporation			
Direct:			
State Housing Initiatives Partnership Program	40.901	N/A	30,978
Total Florida Housing Finance Corporation			<u>30,978</u>
Florida Department of Management Services			
Direct:			
Wireless 911 Emergency Telephone System Rural County Grant Program	72.001	19-10-01	57,597
Wireless 911 Emergency Telephone System Rural County Grant Program	72.001	18-11-01	25,094
Wireless 911 Emergency Telephone System Rural County Grant Program	72.001	19-10-02	84,056
Total Wireless 911 Emergency Telephone System Rural County Grant Program			<u>166,747</u>
Prepaid Next Generation 911 (NG911) State Grant Program	72.003	S11-18-05-01	67,364
Total Department of Management Services			<u>234,111</u>
Florida Fish & Wildlife Commission			
Direct:			
Florida Boating Improvement Program	77.006	18067	79,855
Total Florida Fish & Wildlife Commission			<u>79,855</u>
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE			<u>\$ 4,085,884</u>

See accompanying notes to schedule of expenditures of federal awards and state financial assistance.

BAKER COUNTY, FLORIDA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2020

(1) **Basis of Presentation:**

The accompanying schedule of expenditures of federal awards and 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 of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Section 215.97, Florida Statutes, *Florida Single Audit Act*. Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County.

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

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Section 215, Florida Statutes, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

(3) **Subrecipients:**

During the year ended September 30, 2020, the County provided no federal or state awards to subrecipients.

(4) **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.

(5) **De Minimis Indirect Cost Rate Election:**

The County has elected not to use the 10 percent de minimis indirect cost rate as allowed under Uniform Guidance.

OTHER REPORTS AND SCHEDULE

**BAKER COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

A. Summary of Auditors' Results:

Financial Statements:

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

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

Federal Awards:

Internal control over major Federal programs:

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 Federal programs: *Unmodified*

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? yes X none reported

Auditee qualified as a low-risk auditee? yes X no

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

Identification of major Federal programs:

CFDA Number	Program Name
21.019	Coronavirus Relief Fund
97.036	Disaster Grants – Public Assistance (Presidentially Declared Disasters)

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: \$750,000

Identification of major State projects:

CSFA Number	Program Name
55.008	County Incentive Grant Program
55.009	Small county Outreach Program Agreement

B. Financial Statement Findings:

2020-001: Cash to Accrual Basis Audit Adjustments

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

Condition: For the year ended September 30, 2020, various significant adjustments were required to be made to the accounting records subsequent to the start of the audit process related to year-end accrual entries.

Cause: Various internal balances were not adjusted for final year-end accrual adjustments at the start of audit fieldwork.

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 record year-end accrual basis adjustments to prepare the financial statements in accordance with generally accepted accounting principles.

C. **Federal Program Findings and Questioned Costs:** None

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

E. **Summary Schedule of Prior Audit Findings:** Not applicable as no prior year findings were reported as part of a single audit.

F. **Corrective Action Plan:** See Management’s Response to Findings as listed in the table of contents.

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

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

Report on Compliance for Each Major Federal Program and Major State Project

We have audited Baker County, Florida (the County)'s compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement and *Florida Department of Financial Services State Projects Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs and major state projects for the year ended September 30, 2020. The County's major federal programs and state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs and state projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); 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 federal program or 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 federal program and state project. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program and 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 federal programs and state projects for the year ended September 30, 2020.

Report on Internal Control over Compliance


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

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

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

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

Daytona Beach, Florida
June 25, 2021



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 as of and for the year ended September 30, 2020, 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 June 25, 2021. Our report includes a reference to other auditors who audited the financial statements of the Baker County Corrections Management Corporation (BCCMC), 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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 as item 2020-001, we identified a certain deficiency in internal control that we consider to be a material weakness.

Compliance and Other Matters

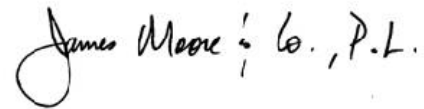
As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

Management'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
June 25, 2021

**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, 2020, and have issued our report thereon dated June 25, 2021. We did not audit the financial statements of the Baker County Corrections Management Corporation (the BCCMC), which is the County's discretely presented component unit. Those financial statements were audited by another auditor whose reports thereon have been furnished to us, and our opinions, insofar as they relate to the amounts included for the BCCMC, are based solely on the report of the other auditor.

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 Federal Program and 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 June 25, 2021, 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:

Tabulation of Uncorrected Audit Findings		
Current Year Finding #	2019 Finding #	2018 Finding #
2020-001	2019-002	2018-002
N/A	2019-001	N/A
2020-002	2019-003	N/A
N/A	2019-004	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 unit of the reporting entity is disclosed in Note 1 of the basic financial statements. The County included the following component unit: Baker County Corrections Management 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:

2020-002 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.

2020-003 Budgetary Controls

During our audit, we noted funds were expended in excess of budgeted amounts due to expenditures funded from capital lease proceeds that were not factored as part of the budget process. Based upon that budget approach, the County's expenditures exceeded appropriations in the County Transportation Trust Fund by approximately \$168,000. We recommend the County include any capital lease capital outlays in the budget whenever those transactions occur.

2020-004 Solid Waste Fund

During our audit, we noted that the Solid Waste Fund required significant transfers from the General Fund to subsidize the operations of the Solid Waste fund. We recommend the County perform an analysis of the annual costs required to operate the Solid Waste fund and reduce the required level of subsidy required annually from the General Fund

Management'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
June 25, 2021

James Moore & Co., P.L.

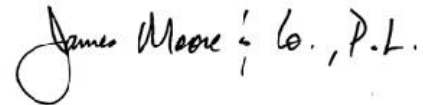
INDEPENDENT ACCOUNTANTS' EXAMINATION REPORT

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, 2020. 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, 2020, 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, 2020.



Daytona Beach, Florida
June 25, 2021



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



JIMMY ANDERSON
CHAIRMAN

June 25, 2021

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

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, 2020.

2020-001 Cash to Accrual Basis

In year 2021, the County has contracted with a finance software program that will allow year end accruals.

2020-002 Payroll Process

The County Comptroller presented to the Board last year and to two County Managers that several of the functions performed in the Human Resource Department are not Human Resource related. Hence, the Comptroller duties in safeguarding the County assets and to operate the County more efficiently are not being adhered to. When duties are performed with the correct staff and their expertise, we are in agreeance with the auditors’ recommendation these duties can be handled with more proficiency.

2020-003 Budgetary Controls

We have noted GASB 87 guidelines and the presentation of reporting capital leases should accounted for in the budget process.

2020-004 Solid Waste Fund

The County is currently discussing professional analysis to propose a financial remedy, whether to keep the General Fund supplementing or to raise the Solid Waste Tax for this fund.

If you have any questions, please contact me at 259-3121.

Sincerely,

Stacie D. Harvey

Baker County Clerk of Court
County Comptroller
339 E. Macclenny Ave.
Macclenny, FL 32063
Ph: (904) 259-3121
Fx: (904) 259-4176

JAMES CROFT
DISTRICT 1

JIMMY ANDERSON
DISTRICT 2

CATHY RHODEN
DISTRICT 3

JAMES G. BENNETT
DISTRICT 4

MARY HARTLEY
DISTRICT 5

“AN EQUAL OPPORTUNITY EMPLOYER”

BAKER COUNTY PROPERTY APPRAISER
SPECIAL-PURPOSE FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT
SEPTEMBER 30, 2020

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

SEPTEMBER 30, 2020

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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, 2020, 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 -

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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, 2020, 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, 2020, 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.

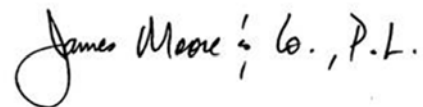
Other Matters

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
June 25, 2021

**BAKER COUNTY PROPERTY APPRAISER
BALANCE SHEET
GENERAL FUND
SEPTEMBER 30, 2020**

ASSETS

Cash and cash equivalents	<u>\$ 46,977</u>
---------------------------	------------------

LIABILITIES AND FUND BALANCES

Liabilities:

Due to other governments	\$ 3,960
Due to Board of County Commissioners	<u>43,017</u>

Total liabilities	46,977
-------------------	--------

Fund Balance:

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

Total Liabilities and Fund Balances	<u><u>\$ 46,977</u></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, 2020**

Revenues	
Charges for services	\$ 120,897
Total revenues	<u>120,897</u>
Expenditures	
Current:	
General government	731,443
Excess (deficiency) of revenues over expenditures	<u>(610,546)</u>
Other financing sources (uses)	
Appropriations to constitutional officers	653,563
Reversions from constitutional officers	<u>(43,017)</u>
Total other financing sources (uses)	610,546
Net change in fund balances	<u>-</u>
Fund balances, beginning of year	-
Fund balances, end of year	<u><u>\$ -</u></u>

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, 2020

(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, 2020**

(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, 2020**

(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, 2020, follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Compensated absences	\$ 12,595	\$ 10,891	\$ (12,525)	\$ 10,961	\$ 10,961

**BAKER COUNTY PROPERTY APPRAISER
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

(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, 2020, 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, 2020.

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, 2020**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for services	\$ 114,425	\$ 120,866	\$ 120,897	\$ 31
Expenditures				
Current:				
General government	767,988	774,429	731,443	42,986
Excess (deficiency) of revenues over expenditures	<u>(653,563)</u>	<u>(653,563)</u>	<u>(610,546)</u>	<u>43,017</u>
Other financing sources (uses)				
Appropriations to constitutional officers	653,563	653,563	653,563	-
Reversions from constitutional officers	-	-	(43,017)	(43,017)
Total other financing sources (uses)	<u>653,563</u>	<u>653,563</u>	<u>610,546</u>	<u>(43,017)</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<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 PROPERTY APPRAISER
NOTE TO SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL – GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

(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, 2020, 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 June 25, 2021, 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) as a basis for designing 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.

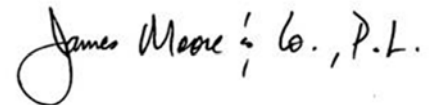
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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
June 25, 2021

**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, 2020, and have issued our report thereon dated June 25, 2021.

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 June 25, 2021, 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.

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.

James Moore & Co., P.L.

Daytona Beach, Florida
June 25, 2021

INDEPENDENT ACCOUNTANTS' EXAMINATION REPORT

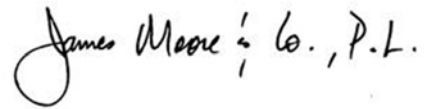
The Honorable Timothy Sweat, Property Appraiser,
Baker County, Florida:

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, 2020. 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, 2020, 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, 2020.

Daytona Beach, Florida
June 25, 2021



BAKER COUNTY SHERIFF
SPECIAL-PURPOSE FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT
SEPTEMBER 30, 2020

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

SEPTEMBER 30, 2020

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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, 2020, and the related notes to the financial statements, which collectively comprise the Office's financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 -

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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 Office as of September 30, 2020, 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 Office. They do not purport to, and do not, present fairly the financial position of Baker County, Florida as of September 30, 2020, 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

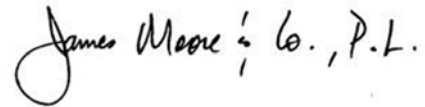
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Office's basic financial statements. The supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of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

Daytona Beach, Florida
June 25, 2021

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'.

**BAKER COUNTY SHERIFF
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020**

	General Fund	Inmate Welfare Fund	911 Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 587,184	\$ 440,848	\$ 4,994	\$ 370,014	\$ 1,403,040
Receivables, net	20,684	51,295	-	-	71,979
Due from other governments	147,877	-	217,257	22,939	388,073
Due from other funds	109,996	-	-	-	109,996
Prepaid items	31,754	-	-	-	31,754
Total Assets	\$ 897,495	\$ 492,143	\$ 222,251	\$ 392,953	\$ 2,004,842
LIABILITIES					
Accounts payable and accrued liabilities	\$ 625,647	\$ 2,541	\$ 4	\$ 512	\$ 628,704
Due to other governments	4,710	-	-	-	4,710
Due to other funds	-	5,389	98,523	6,084	109,996
Due to Board of County Commissioners	112,658	-	-	121,553	234,211
Due to component unit	76,128	-	-	-	76,128
Total liabilities	819,143	7,930	98,527	128,149	1,053,749
FUND BALANCES					
Nonspendable:					
Prepaid items	31,754	-	-	-	31,754
Restricted for:					
Public safety	-	484,213	123,724	264,804	872,741
Assigned for:					
Jail operations	46,598	-	-	-	46,598
Total fund balances	78,352	484,213	123,724	264,804	951,093
Total Liabilities and Fund Balances	\$ 897,495	\$ 492,143	\$ 222,251	\$ 392,953	\$ 2,004,842

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, 2020

	<u>General Fund</u>	<u>Inmate Welfare Fund</u>	<u>911 Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues					
Permits and fees	\$ -	\$ -	\$ 158,523	\$ -	\$ 158,523
Intergovernmental	883,422	-	234,111	208,177	1,325,710
Charges for services	10,144,251	553,510	-	-	10,697,761
Fines and forfeitures	-	-	-	3,772	3,772
Investment income	55	-	83	1,606	1,744
Miscellaneous	216,696	2,462	24,000	20,170	263,328
Total revenues	<u>11,244,424</u>	<u>555,972</u>	<u>416,717</u>	<u>233,725</u>	<u>12,450,838</u>
Expenditures					
Current:					
Public safety	14,757,018	462,265	36,808	232,500	15,488,591
Court related	276,793	-	-	-	276,793
Capital outlay	746,617	13,437	263,692	227,906	1,251,652
Debt service:					
Principal	61,369	-	-	-	61,369
Interest and fiscal charges	545	-	-	-	545
Total expenditures	<u>15,842,342</u>	<u>475,702</u>	<u>300,500</u>	<u>460,406</u>	<u>17,078,950</u>
Excess (deficiency) of revenues over expenditures	<u>(4,597,918)</u>	<u>80,270</u>	<u>116,217</u>	<u>(226,681)</u>	<u>(4,628,112)</u>
Other financing sources (uses)					
Transfers from external	-	-	-	-	-
Appropriations from Board of County Commissioners	4,590,982	-	-	229,216	4,820,198
Reversions to Board of County Commissioners	(112,658)	-	-	(182,853)	(295,511)
Proceeds from capital lease	175,040	-	-	-	175,040
Total other financing sources (uses)	<u>4,653,364</u>	<u>-</u>	<u>-</u>	<u>46,363</u>	<u>4,699,727</u>
Net change in fund balances	<u>55,446</u>	<u>80,270</u>	<u>116,217</u>	<u>(180,318)</u>	<u>71,615</u>
Fund balances, beginning of year	22,906	403,943	7,507	445,122	879,478
Fund balances, end of year	<u>\$ 78,352</u>	<u>\$ 484,213</u>	<u>\$ 123,724</u>	<u>\$ 264,804</u>	<u>\$ 951,093</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, 2020**

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	<u>\$ 179,723</u>
LIABILITIES	
Assets held for others	<u>\$ 179,723</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, 2020

(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.

911 Fund – This fund is used to account for the proceeds of 911 charges 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 Office 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, 2020

(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, 2020**

(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, 2020, follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Compensated absences	\$ 666,277	\$ 775,366	\$ (739,120)	\$ 702,523	\$ 702,523

**BAKER COUNTY SHERIFF
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

(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, 2020, 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, 2020.

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, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ -	\$ 221,510	\$ 883,422	\$ 661,912
Charges for services	10,365,430	11,022,915	10,144,251	(878,664)
Investment income	-	-	55	55
Miscellaneous	-	-	216,696	216,696
Total revenues	<u>10,365,430</u>	<u>11,244,425</u>	<u>11,244,424</u>	<u>(1)</u>
Expenditures				
Current:				
Public safety	14,659,341	15,713,376	14,757,018	956,358
Court related	297,071	297,071	276,793	20,278
Capital outlay	-	-	746,617	(746,617)
Debt service:				
Principal	-	-	61,369	(61,369)
Interest and fiscal charges	-	-	545	(545)
Total expenditures	<u>14,956,412</u>	<u>16,010,447</u>	<u>15,842,342</u>	<u>168,105</u>
Excess (deficiency) of revenues over expenditures	<u>(4,590,982)</u>	<u>(4,766,022)</u>	<u>(4,597,918)</u>	<u>168,104</u>
Other financing sources (uses)				
Transfers from external	-	-	-	-
Appropriations from Board of County Commissioners	4,590,982	4,590,982	4,590,982	-
Reversions to Board of County Commissioners	-	-	(112,658)	(112,658)
Proceeds from capital lease	-	175,040	175,040	-
Total other financing sources (uses)	<u>4,590,982</u>	<u>4,766,022</u>	<u>4,653,364</u>	<u>(112,658)</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>55,446</u>	<u>55,446</u>
Fund balances, beginning of year	22,906	22,906	22,906	-
Fund balances, end of year	<u>\$ 22,906</u>	<u>\$ 22,906</u>	<u>\$ 78,352</u>	<u>\$ 55,446</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, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for services	\$ -	\$ 555,972	\$ 553,510	\$ (2,462)
Miscellaneous	-	-	2,462	2,462
Total revenues	<u>-</u>	<u>555,972</u>	<u>555,972</u>	<u>-</u>
Expenditures				
Current:				
Public safety	-	475,702	462,265	13,437
Capital outlay	<u>-</u>	<u>-</u>	<u>13,437</u>	<u>(13,437)</u>
Total expenditures	<u>-</u>	<u>475,702</u>	<u>475,702</u>	<u>-</u>
Net change in fund balances	<u>-</u>	<u>80,270</u>	<u>80,270</u>	<u>-</u>
Fund balances, beginning of year	403,943	403,943	403,943	-
Fund balances, end of year	<u>\$ 403,943</u>	<u>\$ 484,213</u>	<u>\$ 484,213</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
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - 911 FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Permits and fees	\$ 150,128	\$ 416,717	\$ 158,523	\$ (258,194)
Intergovernmental	-	-	234,111	234,111
Investment income	-	-	83	83
Miscellaneous	-	-	24,000	24,000
Total revenues	<u>150,128</u>	<u>416,717</u>	<u>416,717</u>	<u>-</u>
Expenditures				
Current:				
Public safety	150,128	316,033	36,808	279,225
Capital outlay	-	-	263,692	(263,692)
Total expenditures	<u>150,128</u>	<u>316,033</u>	<u>300,500</u>	<u>15,533</u>
Net change in fund balances	<u>-</u>	<u>100,684</u>	<u>116,217</u>	<u>15,533</u>
Fund balances, beginning of year	7,507	7,507	7,507	-
Fund balances, end of year	<u><u>\$ 7,507</u></u>	<u><u>\$ 108,191</u></u>	<u><u>\$ 123,724</u></u>	<u><u>\$ 15,533</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, 2020**

(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 Office 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, 2020**

	Second Dollar Fund	School Crossing Guards Fund	Emergency Management Fund	Special Law Fund	Total Nonmajor Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 8,251	\$ 69,361	\$ 170,849	\$ 121,553	\$ 370,014
Due from other governments	-	8,862	14,077	-	22,939
Total Assets	<u>\$ 8,251</u>	<u>\$ 78,223</u>	<u>\$ 184,926</u>	<u>\$ 121,553</u>	<u>\$ 392,953</u>
LIABILITIES					
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 512	\$ -	\$ 512
Due to other funds	-	2,793	3,291	-	6,084
Total liabilities	-	2,793	3,803	121,553	128,149
FUND BALANCES					
Restricted for:					
Public safety	8,251	75,430	181,123	-	264,804
Total Liabilities and Fund Balances	<u>\$ 8,251</u>	<u>\$ 78,223</u>	<u>\$ 184,926</u>	<u>\$ 121,553</u>	<u>\$ 392,953</u>

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, 2020

	Second Dollar Fund	School Crossing Guards Fund	Emergency Management Fund	Special Law Fund	Total Nonmajor Governmental Funds
Revenues					
Intergovernmental	\$ -	\$ 79,757	\$ 128,420	\$ -	\$ 208,177
Fines and forfeitures	3,772	-	-	-	3,772
Investment income	34	239	275	1,058	1,606
Miscellaneous	-	-	-	20,170	20,170
Total revenues	<u>3,806</u>	<u>79,996</u>	<u>128,695</u>	<u>21,228</u>	<u>233,725</u>
Expenditures					
Current:					
Public safety	2,758	64,641	163,901	1,200	232,500
Capital outlay	-	-	-	227,906	227,906
Total expenditures	<u>2,758</u>	<u>64,641</u>	<u>163,901</u>	<u>229,106</u>	<u>460,406</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,048</u>	<u>15,355</u>	<u>(35,206)</u>	<u>(207,878)</u>	<u>(226,681)</u>
Other financing sources (uses)					
Appropriations from Board of County Commissioners	-	-	229,216	-	229,216
Reversions from constitutional officers	-	-	(61,300)	(121,553)	(182,853)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>167,916</u>	<u>(121,553)</u>	<u>46,363</u>
Net change in fund balances	<u>1,048</u>	<u>15,355</u>	<u>132,710</u>	<u>(329,431)</u>	<u>(180,318)</u>
Fund balances, beginning of year	7,203	60,075	48,413	329,431	445,122
Fund balances, end of year	<u>\$ 8,251</u>	<u>\$ 75,430</u>	<u>\$ 181,123</u>	<u>\$ -</u>	<u>\$ 264,804</u>

See accompanying notes to financial statements.

**BAKER COUNTY SHERIFF
 COMBINING SCHEDULE OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 SEPTEMBER 30, 2020**

	<u>Bond Fund</u>	<u>Individual Deposits Fund</u>	<u>Evidence Escrow Fund</u>	<u>Inmate Trust Fund</u>	<u>Total Agency Funds</u>
ASSETS					
Cash and cash equivalents	<u>\$ 6,390</u>	<u>\$ 355</u>	<u>\$ 47,478</u>	<u>\$ 125,500</u>	<u>\$ 179,723</u>
LIABILITIES					
Assets held for others	<u>\$ 6,390</u>	<u>\$ 355</u>	<u>\$ 47,478</u>	<u>\$ 125,500</u>	<u>\$ 179,723</u>

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, 2020, and the related notes to the financial statements, which collectively comprise the Office's special-purpose financial statements, and have issued our report thereon dated June 25, 2021, 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 Office's internal control.

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

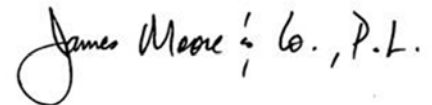
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given 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 Office'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
June 25, 2021

**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, 2020, and have issued our report thereon dated June 25, 2021.

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 June 25, 2021, 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

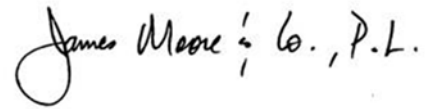
Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

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 Office 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
June 25, 2021

INDEPENDENT ACCOUNTANTS' EXAMINATION REPORT

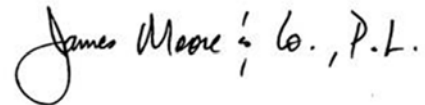
The Honorable Scotty Rhoden, Sheriff,
Baker County, Florida:

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, 2020. 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, 2020, 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 Office complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2020.

Daytona Beach, Florida
June 25, 2021



BAKER COUNTY SUPERVISOR OF ELECTIONS

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

SEPTEMBER 30, 2020

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

SEPTEMBER 30, 2020

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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, 2020, 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.

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, 2020, 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.

- 1 -

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Tallahassee, FL 32308-4386
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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, 2020, 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.

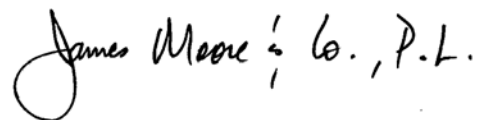
Other Matters

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
December 23, 2020

**BAKER COUNTY SUPERVISOR OF ELECTIONS
BALANCE SHEET
GENERAL FUND
SEPTEMBER 30, 2020**

ASSETS

Cash and cash equivalents	\$ 14,063
---------------------------	-----------

LIABILITIES

Unearned revenue	\$ 2,623
Due to Board of County Commissioners	11,440
Total liabilities	<u>14,063</u>

FUND BALANCE

Unassigned	-
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Total Liabilities and Fund Balances	<u>\$ 14,063</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, 2020**

Revenues	
Intergovernmental	\$ 18,249
Investment income	440
Total revenues	18,689
Expenditures	
Current:	
General government	592,813
Excess (deficiency) of revenues over expenditures	(574,124)
Other financing sources (uses)	
Appropriations to constitutional officers	585,049
Reversions from constitutional officers	(10,925)
Total other financing sources (uses)	574,124
Net change in fund balances	-
Fund balances, beginning of year	-
Fund balances, end of year	\$ -

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, 2020

(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, 2020

(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, 2020**

(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, 2020, follows:

	<u>Beginning Balance</u>		<u>Additions</u>		<u>Reductions</u>		<u>Ending Balance</u>		<u>Due Within One Year</u>
Compensated absences	\$ 86,626	\$	9,456	\$	(56,934)	\$	39,148	\$	37,573

**BAKER COUNTY SUPERVISOR OF ELECTIONS
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

(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, 2020, 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, 2020.

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, 2020**

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Intergovernmental	\$ -	\$ 20,003	\$ 18,249	\$ (1,754)
Investment income	-	-	440	440
Total revenues	<u>-</u>	<u>20,003</u>	<u>18,689</u>	<u>(1,314)</u>
EXPENDITURES				
Current:				
General government	585,049	605,052	592,813	12,239
Excess (deficiency) of revenues over expenditures	<u>(585,049)</u>	<u>(585,049)</u>	<u>(574,124)</u>	<u>10,925</u>
Other financing sources (uses)				
Appropriations to constitutional officers	585,049	585,049	585,049	-
Reversions from constitutional officers	-	-	(10,925)	(10,925)
Total other financing sources (uses)	<u>585,049</u>	<u>585,049</u>	<u>574,124</u>	<u>(10,925)</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	<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, 2020**

(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, 2020, 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 December 23, 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) as a basis for designing 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.

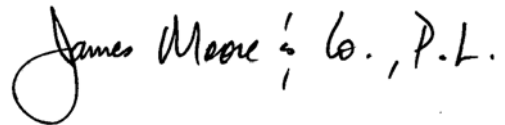
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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
December 23, 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, 2020, and have issued our report thereon dated December 23, 2020.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of 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 December 23, 2020, should be considered in conjunction with this management letter.

Prior Audit Findings

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

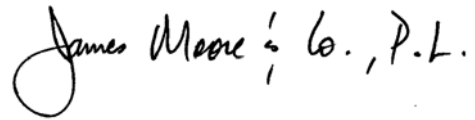
Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

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, looped initial "J".

Daytona Beach, Florida
December 23, 2020

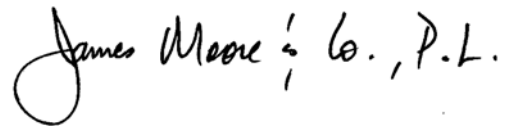
INDEPENDENT ACCOUNTANTS' EXAMINATION REPORT

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, 2020. 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, 2020, 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, 2020.



Daytona Beach, Florida
December 23, 2020

BAKER COUNTY TAX COLLECTOR
SPECIAL-PURPOSE FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT
SEPTEMBER 30, 2020

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

SEPTEMBER 30, 2020

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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, 2020, and the related notes to the financial statements, which collectively comprise the Office's financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 -

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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 Office as of September 30, 2020, 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 Office. They do not purport to, and do not, present fairly the financial position of Baker County, Florida as of September 30, 2020, 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.

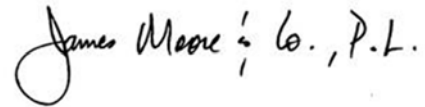
Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Office'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 Office'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 Office'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" and a stylized "M".

Daytona Beach, Florida
June 25, 2021

**BAKER COUNTY TAX COLLECTOR
BALANCE SHEET
GENERAL FUND
SEPTEMBER 30, 2020**

ASSETS	
Cash and cash equivalents	<u>\$ 98,686</u>
LIABILITIES	
Accounts payable and accrued liabilities	\$ 389
Due to Board of County Commissioners	<u>98,297</u>
Total liabilities	98,686
FUND BALANCES	
Unassigned	-
Total Liabilities and Fund Balances	<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, 2020**

Revenues	
Charges for services	\$ 710,504
Investment income	613
Total revenues	<u>711,117</u>
Expenditures	
Current:	
General government	829,401
Total expenditures	<u>829,401</u>
Excess (deficiency) of revenues over expenditures	<u>(118,284)</u>
Other financing sources (uses)	
Appropriations from Board of County Commissioners	216,581
Reversions to Board of County Commissioners	(98,297)
Total other financing sources (uses)	<u>118,284</u>
Net change in fund balances	<u>-</u>
Fund balances, beginning of year	-
Fund balances, end of year	<u><u>\$ -</u></u>

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, 2020**

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	\$ 444,900
	<u> </u>
LIABILITIES	
Assets held for others	\$ 444,900
	<u> </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, 2020

(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 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. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Office’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, 2020

(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, 2020**

(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, 2020, follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Compensated absences	\$ 13,239	\$ 36,646	\$ (28,137)	\$ 21,747	\$ 21,747

BAKER COUNTY TAX COLLECTOR
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

(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, 2020, 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, 2020.

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, 2020

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for services	\$ 598,077	\$ 598,077	\$ 710,504	\$ 112,427
Investment income	-	-	613	613
Total revenues	<u>598,077</u>	<u>598,077</u>	<u>711,117</u>	<u>113,040</u>
Expenditures				
Current:				
General government	834,863	834,863	829,401	5,462
Capital outlay	600	600	-	600
Total expenditures	<u>835,463</u>	<u>835,463</u>	<u>829,401</u>	<u>6,062</u>
Excess (deficiency) of revenues over expenditures	<u>(237,386)</u>	<u>(237,386)</u>	<u>(118,284)</u>	<u>119,102</u>
Other financing sources (uses)				
Appropriations to constitutional officers	237,386	237,386	216,581	(20,805)
Reversions from constitutional officers	-	-	(98,297)	(98,297)
Total other financing sources (uses)	<u>237,386</u>	<u>237,386</u>	<u>118,284</u>	<u>(119,102)</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<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, 2020**

(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, 2020**

	<u>Tax Fund</u>	<u>Tag Fund</u>	<u>Total Agency Funds</u>
ASSETS			
Cash and cash equivalents	<u>\$ 379,541</u>	<u>\$ 65,359</u>	<u>\$ 444,900</u>
LIABILITIES			
Assets held for others	<u>\$ 379,541</u>	<u>\$ 65,359</u>	<u>\$ 444,900</u>

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, 2020, and the related notes to the financial statements, which collectively comprise the Office's special-purpose financial statements, and have issued our report thereon dated June 25, 2021, 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) as a basis for designing 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 Office's internal control.

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

Our consideration of internal control 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.

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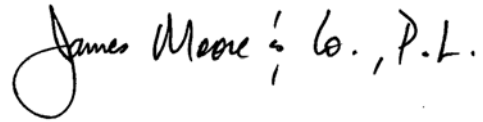
2477 Tim Gamble Place, Suite 200
Tallahassee, FL 32308-4386
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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Office'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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Daytona Beach, Florida
June 25, 2021

**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, 2020, and have issued our report thereon dated June 25, 2021.

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 June 25, 2021, 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.

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Financial Management

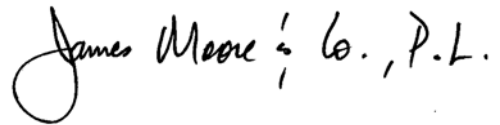
Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we had no recommendations.

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.

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Daytona Beach, Florida
June 25, 2021

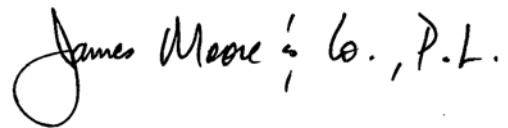
INDEPENDENT ACCOUNTANTS' EXAMINATION REPORT

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, 2020. 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, 2020, 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, 2020.



Daytona Beach, Florida
June 25, 2021

BAKER COUNTY CLERK OF COURTS
SPECIAL-PURPOSE FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT
SEPTEMBER 30, 2020

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

SEPTEMBER 30, 2020

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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, 2020, and the related notes to the financial statements, which collectively comprise the Office's financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 Office as of September 30, 2020, 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 Office. They do not purport to, and do not, present fairly the financial position of Baker County, Florida as of September 30, 2020, 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.

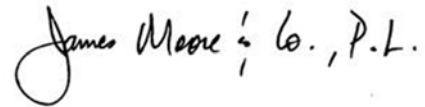
Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Office'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 Office'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 Office'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
June 25, 2021

**BAKER COUNTY CLERK OF COURTS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020**

	<u>General Fund</u>	<u>Records Modernization Fund</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and cash equivalents	\$ 375,868	\$ 198,964	\$ 574,832
Due from other governments	68,290	-	68,290
Total Assets	<u>\$ 444,158</u>	<u>\$ 198,964</u>	<u>\$ 643,122</u>
LIABILITIES			
Accounts payable and accrued liabilities	\$ 23,428	\$ 439	\$ 23,867
Due to other governments	51,107	-	51,107
Due to Board of County Commissioners	142,093	-	142,093
Total liabilities	<u>216,628</u>	<u>439</u>	<u>217,067</u>
FUND BALANCES			
Restricted for:			
Records modernization	-	198,525	198,525
Assigned to:			
Court operations	227,530	-	227,530
Total fund balances	<u>227,530</u>	<u>198,525</u>	<u>426,055</u>
Total Liabilities and Fund Balances	<u>\$ 444,158</u>	<u>\$ 198,964</u>	<u>\$ 643,122</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, 2020

	General Fund	Records Modernization Fund	Governmental Funds
Revenues			
Intergovernmental	\$ 213,432	\$ -	\$ 213,432
Charges for services	436,492	40,689	477,181
Fines and forfeitures	122,779	31,378	154,157
Investment income	716	239	955
Miscellaneous	4,621	-	4,621
Total revenues	<u>778,040</u>	<u>72,306</u>	<u>850,346</u>
Expenditures			
Current:			
General government	439,806	-	439,806
Court related	641,768	59,326	701,094
Total expenditures	<u>1,081,574</u>	<u>59,326</u>	<u>1,140,900</u>
Excess (deficiency) of revenues over expenditures	<u>(303,534)</u>	<u>12,980</u>	<u>(290,554)</u>
Other financing sources (uses)			
Transfers in	18,083	-	18,083
Transfers out	-	(18,083)	(18,083)
Appropriations from Board of County Commissioners	355,428	-	355,428
Reversions to Board of County Commissioners	(142,093)	-	(142,093)
Total other financing sources (uses)	<u>231,418</u>	<u>(18,083)</u>	<u>213,335</u>
Net change in fund balances	<u>(72,116)</u>	<u>(5,103)</u>	<u>(77,219)</u>
Fund balances, beginning of year	299,646	203,628	503,274
Fund balances, end of year	<u>\$ 227,530</u>	<u>\$ 198,525</u>	<u>\$ 426,055</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, 2020**

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	\$ 115,198
	<u> </u>
LIABILITIES	
Assets held for others	\$ 115,198
	<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, 2020

(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, 2020**

(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, 2020**

(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, 2020, follows:

	<u>Beginning Balance</u>		<u>Additions</u>		<u>Reductions</u>		<u>Ending Balance</u>		<u>Due Within One Year</u>
Compensated absences	\$ 34,000	\$	25,997	\$	(19,873)	\$	40,125	\$	20,419

**BAKER COUNTY CLERK OF COURTS
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

(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, 2020, 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, 2020.

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, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 43,187	\$ 43,187	\$ 213,432	\$ 170,245
Charges for services	666,029	666,029	436,492	(229,537)
Fines and forfeitures	-	-	122,779	122,779
Investment income	-	-	716	716
Miscellaneous	-	-	4,621	4,621
Total revenues	<u>709,216</u>	<u>709,216</u>	<u>778,040</u>	<u>68,824</u>
Expenditures				
Current:				
General government	401,615	401,615	439,806	(38,191)
Court related	663,029	663,029	641,768	21,261
Total expenditures	<u>1,064,644</u>	<u>1,064,644</u>	<u>1,081,574</u>	<u>(16,930)</u>
Excess (deficiency) of revenues over expenditures	<u>(355,428)</u>	<u>(355,428)</u>	<u>(303,534)</u>	<u>51,894</u>
Other financing sources (uses)				
Transfers in	-	-	18,083	18,083
Appropriations from Board of County Commissioners	355,428	355,428	355,428	-
Reversions to Board of County Commissioners	-	-	(142,093)	(142,093)
Total other financing sources (uses)	<u>355,428</u>	<u>355,428</u>	<u>231,418</u>	<u>(124,010)</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>(72,116)</u>	<u>(72,116)</u>
Fund balances, beginning of year	299,646	299,646	299,646	-
Fund balances, end of year	<u>\$ 299,646</u>	<u>\$ 299,646</u>	<u>\$ 227,530</u>	<u>\$ (72,116)</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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Charges for services	\$ 24,535	\$ 24,535	\$ 40,689	\$ 16,154
Fines and forfeitures	19,000	19,000	31,378	12,378
Investment income	165	165	239	74
Miscellaneous	31,000	31,000	-	(31,000)
Total revenues	74,700	74,700	72,306	(2,394)
Expenditures				
Current:				
Court related	74,700	74,700	59,326	15,374
Total expenditures	74,700	74,700	59,326	15,374
Excess (deficiency) of revenues over expenditures	-	-	12,980	12,980
Other financing sources (uses)				
Transfers out	-	-	(18,083)	(18,083)
Fund balances, beginning of year	203,628	203,628	203,628	-
Fund balances, end of year	\$ 203,628	\$ 203,628	\$ 198,525	\$ (5,103)

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, 2020**

(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 Office 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, 2020**

	<u>Clerk's Trust Fund</u>	<u>Fine and Forfeiture Fund</u>	<u>Domestic Relations Fund</u>	<u>Witness Fund</u>	<u>Registry of the Court Fund</u>	<u>Total Agency Funds</u>
ASSETS						
Cash and cash equivalents	\$ 37,306	\$ 33,479	\$ 2,784	\$ 3,479	\$ 38,150	\$ 115,198
LIABILITIES						
Assets held for others	\$ 37,306	\$ 33,479	\$ 2,784	\$ 3,479	\$ 38,150	\$ 115,198

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, 2020, and the related notes to the financial statements, which collectively comprise the Office's special-purpose financial statements, and have issued our report thereon dated June 25, 2021, 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 Office's internal control.

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

Our consideration of internal control 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

- 18 -

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

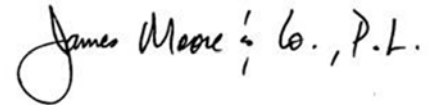
2477 Tim Gamble Place, Suite 200
Tallahassee, FL 32308-4386
Telephone: 850-386-6184

As part of obtaining reasonable assurance about whether the Office'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.

Daytona Beach, Florida
June 25, 2021

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".

**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, 2020, and have issued our report thereon dated June 25, 2021.

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 June 25, 2021, 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

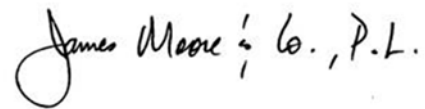
Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

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
June 25, 2021

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, 2020. 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, 2020, 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 Office complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2020.

Daytona Beach, Florida
June 25, 2021

