

Gilchrist County
Board of County Commissioners

Audit Report

September 30, 2014

Gilchrist County Board of County Commissioners

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Carr, Riggs & Ingram, LLC
4010 N.W. 25th Place
Gainesville, Florida 32606
P.O. Box 13494
Gainesville, Florida 32604

(352) 372-6300
(352) 375-1583 (fax)
www.cricpa.com

INDEPENDENT AUDITOR'S REPORT

The Honorable County Commissioners
Gilchrist 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 Gilchrist County, Florida (the "County") as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the County as of September 30, 2014, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and the "required supplementary information" identified 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 "supplementary information" 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 schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by Chapter 10.550, Rules of the Auditor General, and is also not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied 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 08, 2015, 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.

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

Gainesville, Florida
June 08, 2015

GILCHRIST COUNTY, FLORIDA

MANAGEMENT'S DISCUSSION and ANALYSIS September 30, 2014

This Management Discussion and Analysis provides an objective and easily readable analysis of the County's financial activities for fiscal year ending September 30, 2014. The analysis provides summary financial information for the County and should be read in conjunction with the county's financial statements.

FINANCIAL HIGHLIGHTS

- Gilchrist County's assets exceeded total liabilities by \$36,367,551 (*net position*). Of this amount \$5,526,702 is unrestricted net position while \$28,283,335 was net investment in capital assets. The remaining \$2,557,514 is restricted net position.
- The County's total net position decreased by \$1,978,822 from the previous year.
- At September 30, 2014, the unassigned fund balance for the General Fund was \$3,257,866 or 26% of expenditures and transfers out.
- At September 30, 2014, the County's governmental funds reported a combined fund balance of \$8,703,410.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the County's finances in a manner similar to a private-sector business. The two government-wide financial statements are the Statement of Net Position and the Statement of Activities.

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

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

Both statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*). Governmental activities of the County include general governmental services, public safety, physical environment, transportation, economic environment, human services, culture and recreation, and court costs.

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 three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances 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, Clerk’s Fine and Forfeiture Fund, and EMS Fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

Proprietary Funds – Internal service funds are used to accumulate and allocate costs internally for a government’s various functions. The County uses an internal service fund to account for its self-insured health plan. Because the self-insurance activities benefit governmental functions, it has been included within the governmental activities in the government-wide financial statements. Enterprise funds are used to report business-type activities. The County has no enterprise funds.

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 the OPEB schedules of funding progress and employer contributions. 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, combining statement of fiduciary net position and schedules of expenditures of federal and state awards.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Gilchrist County, assets exceeded liabilities by \$36,367,551 and \$38,346,373 at the close of the fiscal years ending September 30, 2014 and 2013, respectively.

Gilchrist County		
Net Position, End of Year		
	2014	2013
	Governmental Activities	
Current and other assets	\$ 10,474,921	\$ 11,144,385
Capital assets, net	29,463,383	30,469,711
Total assets	39,938,304	41,614,096
Other liabilities	1,261,418	963,045
Long-term liabilities	2,309,335	2,304,678
Total liabilities	3,570,753	3,267,723
Net position:		
Net investment in capital assets	28,283,335	29,064,807
Restricted	2,557,514	2,991,864
Unrestricted	5,526,702	6,289,702
Total net position	\$ 36,367,551	\$ 38,346,373

The largest portion of the County's net position (78%) reflects its investment in capital assets (e.g. land, parks, buildings, infrastructure, and equipment); less any related outstanding debt used to acquire those assets. The County uses these capital assets to provide services to citizens;

consequently, these assets are *not* available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

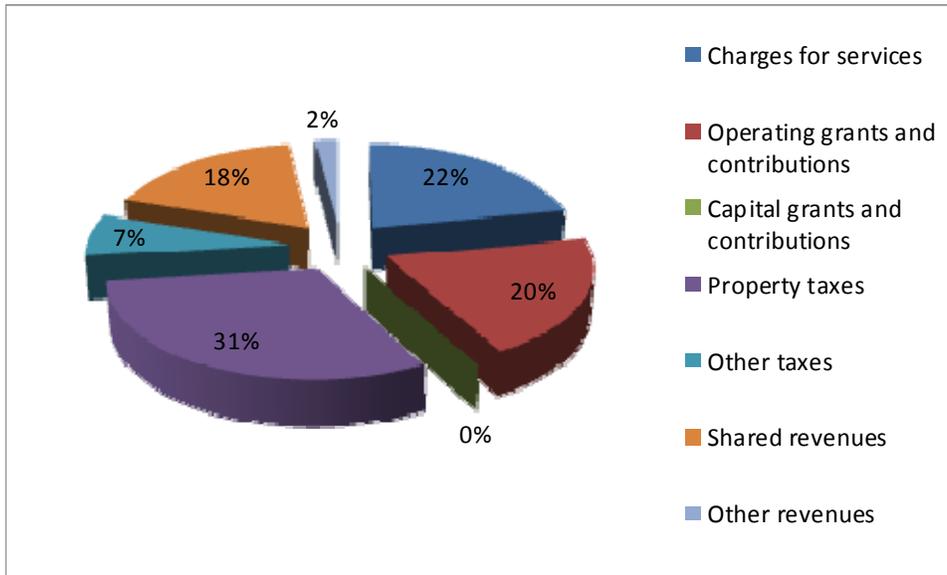
An additional portion of the County's net position (7%) represents resources that are subject to restrictions imposed externally.

Changes in Net Position

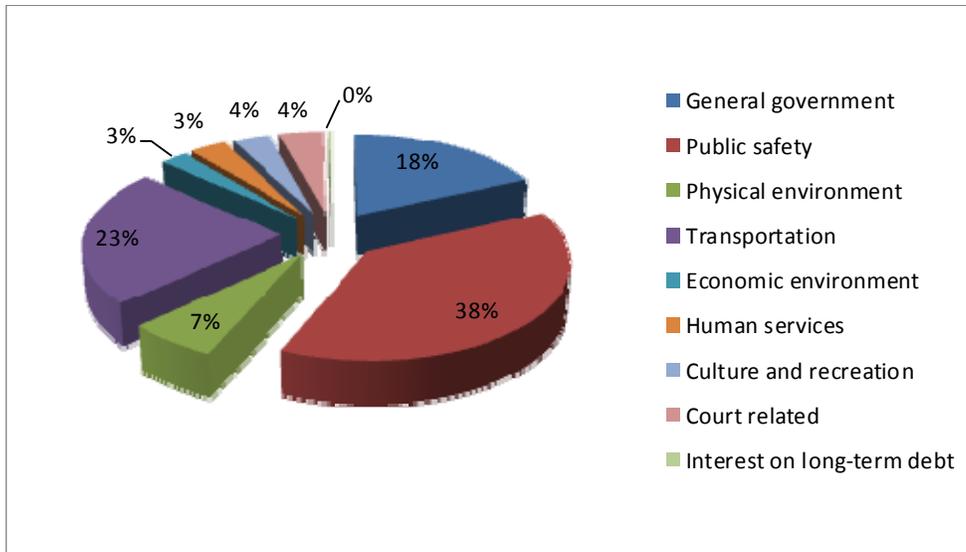
The following schedule provides a summary of the changes in net position.

Gilchrist County		
Changes in Net Position		
	2014	2013
	Governmental Activities	
Program revenues:		
Charges for services	\$ 3,671,495	\$ 3,476,735
Operating grants and contributions	3,346,596	2,773,740
Capital grants and contributions	-	-
General revenues:		
Property taxes	5,290,668	5,318,182
Other taxes	1,223,141	1,118,404
Shared revenues	3,026,125	2,968,964
Other revenues	294,928	194,544
Total revenues	16,852,953	15,850,569
Expenses:		
General government	3,441,689	3,530,167
Public safety	7,207,108	6,695,717
Physical environment	1,236,967	1,096,080
Transportation	4,394,721	3,645,002
Economic environment	480,424	101,578
Human services	629,550	618,312
Culture and recreation	649,744	695,657
Court related	741,913	724,469
Interest on long-term debt	49,659	59,600
Total expenses	18,831,775	17,166,582
Change in net position	(1,978,822)	(1,316,013)
Net position - beginning of year	38,346,373	39,662,386
Net position - end of year	\$ 36,367,551	\$ 38,346,373

**Fiscal Year Ended September, 2014
Revenue – Governmental Activities**



Expenses – Governmental Activities



Governmental activities expenses exceeded revenues by \$1,978,822.

Property tax revenues decreased by 0.5% from fiscal year 2013.

Operating grants and contributions totaled \$3,346,596 in fiscal year 2014.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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

Governmental Funds

At year-end, the County's governmental funds reported a combined fund balance of \$8,703,410, a decrease of \$819,048. Components of this change include a decrease of \$524,132 in the General Fund, a decrease of \$11,000 in the Clerk's Fine and Forfeiture Fund, a decrease of \$255,615 in the EMS Fund and a decrease of \$28,301 in the nonmajor governmental funds.

At the current time the County has three major governmental funds. They are 1) General Fund; 2) Clerk's Fine and Forfeiture Fund; and 3) EMS Fund.

The General Fund is the chief operating fund of the County. At the end of fiscal year 2014, the unassigned fund balance of the General Fund was \$3,257,866, which is approximately 19% of the budgeted expenditures for fiscal year 2014.

The Clerk's Fine and Forfeiture Fund accounts for court-related activities funded by general appropriations from the State and court-related fees. The fund has no fund balance at year-end as any excess generated is due to the State.

The EMS Fund accounts for the operations of the Emergency Medical Services Department. Revenues are primarily from ambulance fees charged for emergency transport and medical services, and from ad valorem taxes. The fund had a total fund balance of \$356,462 at year-end. This was a decrease of \$255,615 from prior year.

GENERAL FUND BUDGETARY HIGHLIGHTS

The General Fund budget was amended during the year for unanticipated grant revenues.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The following schedule provides a summary of the County's capital assets.

**Capital Assets, Net of Depreciation
September 30, 2014**

	Governmental Activities
Land	\$ 1,273,538
Buildings, net	8,651,097
Infrastructure, net	14,701,150
Improvements, net	1,543,991
Equipment, net	2,947,783
Construction in progress	345,824
Total	\$ 29,463,383

The County's total investment in capital assets for its governmental activities as of September 30, 2014, was \$29,463,383 (net of accumulated depreciation). This investment in capital assets includes land, buildings, infrastructure, improvements, machinery and equipment, and construction in progress.

Additional information on the County's capital assets may be found in Note 5 of the accompanying financial statements.

Long-term Debt

On September 30, 2014, the County's outstanding long-term debt was \$2,309,335.

Additional information on the County's long-term obligations can be found in Note 6 of the accompanying financial statements.

NEXT YEAR'S BUDGET AND SIGNIFICANT FINANCIAL CONDITIONS

- The millage rate of 8.2695 was increased to 8.5.
- The unemployment rate for the County increased from 6.4% in 2013 to 6.5% in 2014.
- Taxable property values used in preparing the 2015 budget increased by 0.13% from 2014.

REQUESTS FOR INFORMATION

This report was prepared by the Finance Department under the direction of the Clerk of the Court. Questions concerning this report or requests for additional information should be addressed to:

Gilchrist County Clerk of the Court
Finance Department
P. O. Box 37
Trenton, Florida 32693

Gilchrist County, Florida

Statement of Net Position
September 30, 2014

	Governmental Activities
Assets	
Cash and equivalents	\$ 4,558,628
Investments	4,372,454
Due from other governments	1,219,950
Receivables	305,469
Inventory	18,420
Capital assets:	
Non-depreciable	1,619,362
Depreciable, net	27,844,021
Total assets	39,938,304
Liabilities	
Accounts payable and accrued liabilities	1,220,523
Unearned revenue	40,895
Noncurrent liabilities:	
Due within one year	851,194
Due in more than one year	1,458,141
Total liabilities	3,570,753
Net position	
Net investment in capital assets	28,283,335
Restricted:	
Public safety	1,122,169
Physical environment	330,199
Economic environment	395,196
Court related	403,885
Other	306,065
Unrestricted	5,526,702
Total net position	\$ 36,367,551

See accompanying notes.

Gilchrist County, Florida

Statement of Activities
Year ended September 30, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
General government	\$ 3,441,689	\$ 326,773	\$ -	\$ -	\$ (3,114,916)
Public safety	7,207,108	2,073,885	247,272	-	(4,885,951)
Physical environment	1,236,967	680,228	90,909	-	(465,830)
Transportation	4,394,721	16,842	2,205,419	-	(2,172,460)
Economic environment	480,424	9,967	350,000	-	(120,457)
Human services	629,550	24,543	1,426	-	(603,581)
Culture and recreation	649,744	288,725	129,206	-	(231,813)
Court related	741,913	250,532	322,364	-	(169,017)
Interest on long-term debt	49,659	-	-	-	(49,659)
Total	\$18,831,775	\$ 3,671,495	\$ 3,346,596	\$ -	(11,813,684)

General revenues:	
Property taxes	5,290,668
Sales taxes	694,816
Gas taxes	403,947
Tourist development tax	30,660
Communication service tax	93,718
Shared revenues	3,026,125
Investment earnings	33,703
Miscellaneous	261,225
Total general revenues	9,834,862
Change in net position	(1,978,822)
Net position - beginning of year	38,346,373
Net position - end of year	\$ 36,367,551

See accompanying notes.

Balance Sheet – Governmental Funds
September 30, 2014

	General Fund	EMS Fund	Clerk's Fine and Forfeiture Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and equivalents	\$ 1,340,307	\$ 257,083	\$ 154,933	\$ 2,470,488	\$ 4,222,811
Investments	3,487,684	111,805	-	772,965	4,372,454
Receivables	29,542	274,697	-	259	304,498
Due from other funds	121,099	49	-	12,358	133,506
Due from other governments	1,068,136	747	-	151,067	1,219,950
Inventory	18,420	-	-	-	18,420
Total assets	\$ 6,065,188	\$ 644,381	\$ 154,933	\$ 3,407,137	\$ 10,271,639
Liabilities					
Accounts payable and accrued liabilities	\$ 797,702	\$ 10,715	\$ 154,933	\$ 155,720	\$ 1,119,070
Due to other funds	53,302	2,527	-	18,572	74,401
Total liabilities	851,004	13,242	154,933	174,292	1,193,471
Deferred inflows					
Unavailable revenue	81,819	274,677	-	18,262	374,758
Fund balances					
Nonspendable	18,420	-	-	-	18,420
Restricted	-	-	-	2,557,514	2,557,514
Assigned	1,856,079	356,462	-	657,069	2,869,610
Unassigned	3,257,866	-	-	-	3,257,866
Total fund balances	5,132,365	356,462	-	3,214,583	8,703,410
Total liabilities, deferred inflows and fund balances	\$ 6,065,188	\$ 644,381	\$ 154,933	\$ 3,407,137	\$ 10,271,639

See accompanying notes.

Reconciliation of the Balance Sheet to the Statement of Net Position
Governmental Funds
September 30, 2014

Fund balances - total governmental funds	\$ 8,703,410
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not reported in the governmental funds.	
Capital assets – net	29,463,383
Long-term liabilities are not reported in the governmental funds.	
Bonds payable	(137,854)
Notes payable	(1,042,194)
Landfill postclosure care	(37,349)
Compensated absences	(650,100)
Net OPEB liability	(441,838)
Deferred inflows for earned but unavailable revenue are reported in the governmental funds but not in the statement of net position.	
	374,758
The assets and liabilities of the internal service fund are reported with governmental activities.	
	135,335
<hr/>	
Net position of governmental activities	<u>\$ 36,367,551</u>

See accompanying notes.

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year ended September 30, 2014

	General Fund	EMS Fund	Clerk's Fine and Forfeiture Fund	Other Govern- mental Funds	Total Govern- mental Funds
Revenues					
Taxes	\$ 5,484,916	\$ 624,946	\$ -	\$ 403,947	\$ 6,513,809
Licenses, permits and special assessments	147,562	-	-	1,187,354	1,334,916
Intergovernmental	5,243,087	65,679	249,752	1,179,948	6,738,466
Charges for services	798,462	937,894	183,186	311,160	2,230,702
Fines and forfeitures	271	-	-	17,736	18,007
Miscellaneous	213,394	10,593	217	76,709	300,913
Total revenues	11,887,692	1,639,112	433,155	3,176,854	17,136,813
Expenditures					
Current:					
General government	3,355,054	-	-	66,060	3,421,114
Public safety	4,650,687	1,530,094	-	885,290	7,066,071
Physical environment	304,988	-	-	881,417	1,186,405
Transportation	1,759,962	-	-	1,462,548	3,222,510
Economic environment	58,846	-	-	390,233	449,079
Human services	603,678	-	-	-	603,678
Culture and recreation	702,737	-	-	121,824	824,561
Court related	242,711	-	444,155	37,776	724,642
Capital outlay	-	-	-	183,286	183,286
Debt service:					
Principal retirement	50,871	102,344	-	271,641	424,856
Interest and fiscal charges	7,958	6,229	-	35,472	49,659
Total expenditures	11,737,492	1,638,667	444,155	4,335,547	18,155,861
Excess of revenues over (under) expenditures	150,200	445	(11,000)	(1,158,693)	(1,019,048)
Other financing sources (uses)					
Debt issued	-	-	-	200,000	200,000
Transfers in	56,044	-	-	1,119,876	1,175,920
Transfers out	(730,376)	(256,060)	-	(189,484)	(1,175,920)
Total other financing sources (uses)	(674,332)	(256,060)	-	1,130,392	200,000
Net change in fund balances	(524,132)	(255,615)	(11,000)	(28,301)	(819,048)
Fund balances - beginning of year	5,656,497	612,077	11,000	3,242,884	9,522,458
Fund balances - end of year	\$ 5,132,365	\$ 356,462	\$ -	\$ 3,214,583	\$ 8,703,410

See accompanying notes.

Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances to the Statement of Activities – Governmental Funds
Year ended September 30, 2014

Net change in fund balances - total governmental funds	\$ (819,048)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is depreciated over their estimated useful lives.	
Acquisitions of capital assets	1,195,358
Current year depreciation expense	(2,201,686)
The timing of revenue recognition sometimes differs between governmental funds and the statement of activities.	
	(284,124)
The issuance of long-term debt provides current financial resources for governmental funds, but does not effect net position of governmental activities.	
Notes payable	(200,000)
Repayment of debt is an expenditure in the governmental funds, but the repayment does not effect net position of governmental activities.	
Principal payments	424,856
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	
Compensated absences	(5,400)
Landfill postclosure care	569
Net OPEB liability	(224,682)
Internal service fund is used to charge the cost of risk management to individual funds. The net revenue is reported with governmental activities.	
	135,335
<u>Change in net position of governmental activities</u>	<u>\$ (1,978,822)</u>

See accompanying notes.

Gilchrist County, Florida

Statement of Net Position – Proprietary Funds
September 30, 2014

	Governmental Activities Internal Service Fund
Current assets	
Cash and equivalents	\$ 335,817
Due from other funds	40,895
Accounts receivable	971
Total assets	377,683
Current liabilities	
Accounts payable and accrued liabilities	101,453
Due to other funds	100,000
Unearned revenue	40,895
Total liabilities	242,348
Net position	
Unrestricted	\$ 135,335

See accompanying notes.

Gilchrist County, Florida

Statement of Revenues, Expenses and Changes in Fund Net Position
 Proprietary Funds
 Year ended September 30, 2014

	Governmental Activities
	Internal Service Fund
Operating revenues	
Charges for insurance	\$ 1,011,988
Operating expenses	
Claims expense	551,799
Professional services and administration	325,118
Total operating expenses	876,917
Operating income (loss)	135,071
Nonoperating revenues	
Interest revenue	264
Change in net position	135,335
Net position - beginning of year	-
Net position - end of year	\$ 135,335

See accompanying notes.

Gilchrist County, Florida

Statement of Cash Flows – Proprietary Funds
Year ended September 30, 2014

	Governmental Activities
	<u>Internal Service Fund</u>
Cash flows from operating activities	
Cash received for premiums	\$ 1,011,017
Cash paid on insurance claims	(450,346)
Cash paid for professional services and administration	(325,118)
Net cash provided (used) by operating activities	235,553
Cash flows from noncapital financing activities	
Interfund loan	100,000
Cash flows from investing activities	
Interest received	264
Net change in cash and equivalents	335,817
Cash and equivalents - beginning of year	-
Cash and equivalents - end of year	<u>\$ 335,817</u>
Reconciliation of operating income to net cash provided (used) by operating activities	
Operating income (loss)	\$ 135,071
Change in assets and liabilities:	
Due from other funds	(40,895)
Accounts receivable	(971)
Accounts payable and accrued liabilities	101,453
Unearned revenue	40,895
Net cash provided (used) by operating activities	<u>\$ 235,553</u>

See accompanying notes.

Gilchrist County, Florida

Statement of Fiduciary Net Position
September 30, 2014

	<u>Agency Funds</u>
Assets	
Cash and equivalents	\$ 2,608,023
Receivables	1,008
<hr/>	
Total assets	2,609,031
Liabilities	
Assets held for others	2,609,031
<hr/>	
Net position	\$ -

See accompanying notes.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Gilchrist County, Florida (the “County”) conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies.

Reporting Entity

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

The County uses the criteria established in GASB Statement No. 14, as amended, to define the reporting entity and identify component units. Component units are legally separate entities for which the County is considered to be financially accountable. In addition, component units can be other organizations for which their relationship with the County would cause the County’s financial statements to be misleading by their exclusion.

Blended component units, although legally separate entities, are in substance part of the County’s operations and, accordingly, data from these units are combined with data of the primary government. The County does not report any blended component units.

Discretely presented component units, on the other hand, are reported in separate columns to emphasize that they are legally separate from the primary government. The Gilchrist County Industrial Development Authority (the “Authority”), is a dependent special district which was established by Chapter 159, Part III, Florida Statutes. The board of the Authority is appointed by the Board. The Authority is reported in the General Fund because its activity is immaterial. Separate financial statements of the Authority are not available.

Joint Venture

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

The County does not have an ongoing financial interest in the Library. However, the County does have an ongoing financial responsibility to the Library in that the Library’s continued existence depends on the County’s continuing participation.

A copy of the Library’s separate financial statements may be obtained from its offices in Mayo, Florida.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the County. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees charged to external parties. The County has no business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *Program revenues* include: charges for services that are directly related to a given function; and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function.

Taxes and other revenues not properly included among program revenues are reported instead as *general revenues*.

Fund Financial Statements

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

The County reports the following major governmental funds:

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

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

Clerk's Fine and Forfeiture Fund – This fund is used to account for and report court-related activities funded by general appropriations from the State and court-related fees.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Additionally, the County reports the following funds:

Internal service fund, which accounts for the risk financing activities of the board and other county agencies on a cost reimbursement basis.

Agency funds, which are fiduciary funds used to account for resources held in a purely custodial capacity.

Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

Deposits with Financial Institutions

All deposits are placed in banks that qualify as public depositories, as required by law (Florida Security For Public Deposits Act). Accordingly, all deposits are insured by Federal depository insurance and/or collateralized pursuant to Chapter 280, Florida Statutes.

Investments

The County's investment in the State Pool is reported at amortized cost. The investments in FLGIT and Fixed Income portfolio are reported at fair value.

Receivables

Accounts receivable of the EMS Fund are reported net of an allowance for uncollectable accounts of approximately \$183,000. The allowance represents approximately 40% of gross ambulance service accounts receivable at September 30, 2014. The County considers all other receivables to be fully collectible.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Capital assets are valued at historical cost or estimated historical cost. Donated capital assets are recorded at estimated fair value on the date donated. The threshold for capitalizing property and equipment is generally \$1,000.

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

Buildings	30-50 years
Improvements	20-25 years
Infrastructure	25-50 years
Equipment	4-20 years

Compensated Absences

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

Restricted Net Position

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

The accompanying government-wide statement of net position includes approximately \$982,000 of net position restricted by enabling legislation.

Fund Balance

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

Deferred Outflows/Inflows of Resources

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

Use of Estimates

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

NOTE 2 – PROPERTY TAXES

Details of the property tax calendar are presented below:

Lien date	January 1
Levy date	October 1
Discount periods	November - February
Delinquent date	April 1

NOTE 3 – INVESTMENTS

The County invests excess public funds pursuant to its investment policy. Accordingly, the County is authorized to invest excess public funds in the following instruments: The Local Government Surplus Funds Trust Fund, the State Investment Pool administered by the State Board of Administration, the Florida Local Government Investment Trust, Securities and Exchange Commission registered money market funds with the highest credit quality rating; savings accounts and certificates of deposit in qualified public depositories; direct obligations of the U.S. Treasury, repurchase agreements secured by investments authorized above, obligations of the Government National Mortgage Association, obligations of Government Sponsored Enterprises, obligations of the Federal National Mortgage Association, and interest-bearing obligations with a fixed maturity of any corporation within the United States.

At year-end, the County’s investments consisted of:

State Pool	\$ 640,924
FLGIT	2,771,167
Investments with Raymond James:	
Fixed income	960,363
<hr/>	
Total investments	\$ 4,372,454

The Local Government Surplus Funds Trust Fund (the “State Pool”) is administered by the Florida State Board of Administration (“SBA”), who provides regulatory oversight. The State Pool has adopted operating procedures consistent with the requirements for a 2a7-like fund. The fair value of the position in the pool is equal to the value of the pool shares.

The Florida Local Governments Investment Trust (“FLGIT”), an external local government investment pool administered by the Florida Association of Court Clerks and Comptrollers, is not registered with the SEC. The fair value of the position in the FLGIT is equal to the value of the pool shares.

Investment Risks

The County’s investments expose it to risks. The County’s investment policy is designed to mitigate these risks, which are hereafter described.

Credit Risk – The risk that an issuer or other counterparty to an investment will not fulfill its obligations. Ratings at September 30, 2014, by Standard & Poor’s are as follows:

Notes to Financial Statements

NOTE 3 – INVESTMENTS (CONTINUED)

Rating	State Pool	FLGIT	U.S. Treasuries	Mortgage Backed Securities	Bonds	Total
AAA	\$ -	\$ -	\$ -	\$ -	\$ 84,956	\$ 84,956
AAAm	640,924	2,771,167	-	-	-	3,412,091
AA+	-	-	-	-	74,741	74,741
AA	-	-	-	-	15,247	15,247
AA-	-	-	-	-	111,681	111,681
A+	-	-	-	-	55,901	55,901
A	-	-	-	-	91,888	91,888
A-	-	-	-	-	56,701	56,701
BBB+	-	-	-	-	10,425	10,425
Not Rated	-	-	248,898	170,335	39,590	458,823
	\$ 640,924	\$ 2,771,167	\$ 248,898	\$ 170,335	\$ 541,130	\$ 4,372,454

Interest Rate Risk – The risk that changes in interest rates will adversely affect the fair value of an investment. The maturities of investments are as follows:

	Less than 5 years	5 - 10 years	More than 10 years	Total
U.S. Treasuries	\$ 132,468	\$ 116,430	\$ -	\$ 248,898
Mortgage backed securities	-	79,364	90,971	170,335
Bonds	334,014	204,830	2,286	541,130
State pool	640,924	-	-	640,924
FLGIT	2,771,167	-	-	2,771,167
	\$ 3,878,573	\$ 400,624	\$ 93,257	\$ 4,372,454

Concentrations – The County did not have any concentration of greater than 5% from any issuer.

Notes to Financial Statements

NOTE 4 – FUND BALANCE CLASSIFICATIONS

Fund balance is *restricted* for the following purposes:

	Other Governmental Funds
Public safety	\$ 1,122,169
Transportation	195,430
Physical environment	330,199
Economic environment	395,196
Court related	403,885
Capital outlay	110,635
Total restricted fund balance	\$ 2,557,514

Fund balance is *assigned* for the following purposes:

	General Fund	EMS Fund	Other Governmental Funds	Total
Public safety	\$ -	\$ 356,462	\$ 21,792	\$ 378,254
Transportation	-	-	249,280	249,280
Capital outlay	-	-	385,997	385,997
Subsequent year's expenditures	1,856,079	-	-	1,856,079
Total assigned fund balance	\$ 1,856,079	\$ 356,462	\$ 657,069	\$ 2,869,610

Notes to Financial Statements

NOTE 5 – CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets follows:

	October 1, 2013	Additions	Deductions	September 30, 2014
Capital assets not being depreciated:				
Land	\$ 1,270,381	\$ 3,157	\$ -	\$ 1,273,538
Construction in progress	499,582	536,274	690,032	345,824
Total capital assets not being depreciated	1,769,963	539,431	690,032	1,619,362
Capital assets being depreciated:				
Buildings	11,684,594	422,025	-	12,106,619
Improvements	1,692,896	270,887	-	1,963,783
Infrastructure	20,721,399	-	-	20,721,399
Equipment	11,662,570	653,047	227,485	12,088,132
Total capital assets being depreciated	45,761,459	1,345,959	227,485	46,879,933
Less accumulated depreciation for:				
Buildings	3,236,813	218,709	-	3,455,522
Improvements	340,087	79,705	-	419,792
Infrastructure	4,995,200	1,025,049	-	6,020,249
Equipment	8,489,611	878,223	227,485	9,140,349
Total accumulated depreciation	17,061,711	2,201,686	227,485	19,035,912
Total capital assets being depreciated, net	28,699,748	(855,727)	-	27,844,021
Total capital assets, net	\$30,469,711	\$ (316,296)	\$ 690,032	\$ 29,463,383

Depreciation expense was charged to functions as follows:

General government	\$ 171,316
Public safety	546,920
Physical environment	74,913
Transportation	1,274,020
Economic environment	31,592
Human services	38,573
Culture/recreation	64,352
Total depreciation expense	\$2,201,686

Notes to Financial Statements

NOTE 6 – LONG-TERM LIABILITIES

At September 30, 2014, the County’s long-term liabilities consisted of:

Special assessment bonds, series 2008	\$ 137,854
Notes payable	1,042,194
Landfill postclosure care	37,349
Compensated absences	650,100
Net OPEB obligation	441,838
<hr/>	
Total long-term liabilities	<u>\$ 2,309,335</u>

Bonds Payable

\$198,077 - 2008 Special Assessment Bonds for road and ancillary improvements. Due in annual installments varying from \$6,881 to \$13,794, plus interest (payable annually) at 5.0% beginning April 1, 2009 and through 2027. The bond interest indenture pledges the proceeds of special assessments. The approximate amount of the pledge is equal to the remaining principal and interest of \$189,635. Assessments totaling \$14,442 were recognized during 2014.

\$ 137,854

Debt service requirements are as follows:

Year Ending September 30,	Principal	Interest	Total
2015	\$ 8,009	\$ 6,893	\$ 14,902
2016	8,394	6,492	14,886
2017	8,841	6,073	14,914
2018	9,289	5,631	14,920
2019	9,760	5,166	14,926
2020 - 2024	56,711	18,001	74,712
2025 - 2027	36,850	3,525	40,375
<hr/>			
Total	\$ 137,854	\$ 51,781	\$ 189,635

Notes Payable

The County is obligated under various long-term note agreements at interest rates ranging from approximately 2.3% to 4.9%.

NOTE 6 – LONG-TERM LIABILITIES (CONTINUED)

The notes are expected to be repaid from specified revenues/resources as follows:

45% Transportation Trust Fund resources, 15% EMS Fund fees, 3% Solid Waste Fund fees, 25% Fire Districts Fund resources, and 12% General Fund shared revenues and racing tax commissions.

The approximate total amount of the pledges is equal to the remaining principal and interest outstanding.

Debt service requirements are as follows:

Year Ending September 30,	Principal	Interest	Total
2015	\$ 390,636	\$ 434,417	\$ 825,053
2016	281,724	302,240	583,964
2017	200,716	212,185	412,901
2018	42,536	47,743	90,279
2019	19,679	23,198	42,877
2020 - 2024	106,903	115,992	222,895
Total	\$ 1,042,194	\$1,135,775	\$2,177,969

Landfill Postclosure Care

The Florida Department of Environmental Protection (DEP) requires landfill owners to perform certain maintenance and monitoring functions at the landfill sites for twenty years after closure. The County was previously released by the DEP from these requirements on its Central Landfill which closed in 1993. The County has accrued \$37,349 for closure costs for its Materials Recovery facility.

DEP also requires the County to deposit in an escrow account, by the end of each fiscal year, funds sufficient to cover closure costs. The County has set aside \$80,320 for that requirement.

Notes to Financial Statements

NOTE 6 – LONG-TERM LIABILITIES (CONTINUED)

Changes in Long-Term Liabilities

	Balance October 1, 2013		Additions	Deductions	Balance September 30, 2014		Due Within One Year
Bonds payable	\$ 145,477	\$ -	\$ 7,623	\$ 137,854	\$ 8,009		
Notes payable	1,259,427	200,000	417,233	1,042,194	390,636		
Landfill postclosure care	37,918	-	569	37,349	37,349		
Compensated absences	644,700	502,400	497,000	650,100	415,200		
Net OPEB obligation	217,156	232,616	7,934	441,838	-		
Totals	\$2,304,678	\$935,016	\$ 930,359	\$ 2,309,335	\$851,194		

NOTE 7 – PENSION PLAN

Plan Description. The County contributes to the Florida Retirement System ("System"), a cost-sharing multiple-employer defined benefit pension plan administered by the State of Florida, Department of Management Services, Division of Retirement. The System provides retirement, disability or death benefits to retirees or their designated beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature.

The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Division of Retirement, PO Box 9000, Tallahassee, Florida, 32315-9000, or by calling (850) 488-6491.

Funding Policy. The County is required to contribute at an actuarially determined rate. The employer contribution rates at September 30, 2014, were as follows: Regular Employees 7.37%; Special Risk Employees 19.82%; Senior Management 21.14%; Elected Officials 43.24%; DROP 12.28%. Employees are required to contribute 3%. The contribution requirements of plan members and the County are established and may be amended by the Florida Legislature. The County's contributions to the System for the years ended September 30, 2014, 2013 and 2012 were approximately \$855,000, \$617,000, and \$517,000, respectively, equal to the required contributions for each year.

NOTE 8 – OTHER POSTEMPLOYMENT BENEFIT PLAN

Plan Description – The County administers a single employer defined benefit plan for postemployment benefits other than pension benefits (OPEB Plan). The OPEB Plan provides for medical and life insurance for retirees and eligible dependents of the Board of County Commissioners and all Constitutional Officers. The County provides health care coverage through a self-insured plan.

NOTE 8 – OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

Eligibility – Employees of the Board of County Commissioners and Constitutional Officers are eligible at age 64 and 10 years of service, or 30 years of service, regardless of age, which is normal retirement. Once a retiree waives coverage, he is not eligible to participate in the future. Surviving spouses of deceased retirees cannot keep coverage.

As of October 1, 2013, the date of the latest actuarial valuation, plan participation consisted of 178 active employees and 26 retirees; only 3 retirees receive medical benefits. Of the active employees, 157 are not yet eligible to receive benefits.

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

Funding Policy – The contribution requirements of the plan members and the County are established and may be amended by the Gilchrist County Board of County Commissioners. A trust has not been established. Contributions are being made based on pay-as-you-go financing requirements. Currently, retirees receive 100% premium subsidy for 12 months, then may continue with 100% contribution of the rate, which is the same as the active premium rates, until age 65.

Annual OPEB Cost and Net OPEB Obligation – The annual cost (expense) of the County’s OPEB Plan is calculated based on the Annual Required Contribution (“ARC”), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liability over a period not to exceed 30 years. The following table shows the components of the County’s annual OPEB Plan cost for the year, the amount actually contributed by the employer, and the changes in the net OPEB obligation.

Annual required contribution	\$ 78,439
Interest on net OPEB obligation	16,813
Adjustments to ARC	(19,097)
Other adjustment	156,461
<hr/>	
Annual OPEB cost (expense)	232,616
Contributions made	(7,934)
<hr/>	
Increase in net OPEB obligation	224,682
Net OPEB obligation - beginning of year	217,156
<hr/>	
Net OPEB obligation - end of year	<u>\$ 441,838</u>

NOTE 8 – OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

Trend Information:

Year Ended	Annual OPEB Cost	Actual Employer Contribution	Percentage Contributed	Net OPEB Obligation
9/30/2014	\$ 232,616	\$ 7,934	3%	\$441,838
9/30/2013	103,210	121,854	118%	217,156
9/30/2012	104,830	4,590	4%	235,800

Actuarial Methods and Assumptions – Calculations of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used are designed to reduce short term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long term perspective of the calculations.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

Actuarial cost method	Projected Unit Credit
Amortization period	20 year paydown with 4% salary scale; open
Asset valuation method	N/A
Discount rate	4.50%
Projected annual salaries increase	N/A
Inflation rate	N/A
Mortality	1983 Group Annuity Mortality Table
Healthcare cost trend rate	6.5% current year; reduced 0.5% each year until reaching ultimate trend rate of 5.0% in 2017.

Funded Status and Funding Progress – The OPEB contributions made for the 2014 fiscal year were 3% of the annual OPEB cost. As of the actuarial valuation report dated October 1, 2013, the actuarial value of assets was \$0, the actuarial accrued liability for benefits was \$611,000, the unfunded actuarial accrued liability (UAAL) was also

Notes to Financial Statements

NOTE 8 – OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

\$611,000, the funded ratio was 0%, the covered payroll was \$5,190,600, and the UAAL as a percentage of covered payroll was 12%.

The required schedule of funding progress immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

NOTE 9 – INTERFUND BALANCES/TRANSFERS

At September 30, 2014, interfund balances consisted of:

Due From	Due To				Total
	General	EMS Fund	Nonmajor Governmental	Internal Service	
General fund	\$ -	\$ 49	\$ 12,358	\$ 40,895	\$ 53,302
EMS fund	2,527	-	-	-	2,527
Nonmajor governmental	18,572	-	-	-	18,572
Internal service	100,000	-	-	-	100,000
Totals	\$121,099	\$ 49	\$ 12,358	\$ 40,895	\$174,401

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

Interfund transfers are summarized below:

Transfers In	Transfers Out			Total
	General fund	EMS	Nonmajor Governmental	
General fund	\$ -	\$ -	\$ 56,044	\$ 56,044
Nonmajor governmental	730,376	256,060	133,440	1,119,876
Totals	\$ 730,376	\$256,060	\$ 189,484	\$1,175,920

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

NOTE 10 – RISK MANAGEMENT

Commercial Insurance

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the County carries commercial insurance. There were no significant reductions in insurance coverages from prior years. For the past three years, there have been no insurance settlements significantly in excess of insurance coverages.

Public Entity Risk Pool

The County participates in the Preferred Governmental Insurance Trust self-insurance fund for risk related to workers' compensation, general liability, and auto liability. There have been no settlements exceeding coverages for the past three years.

The Sheriff participates in the Florida Sheriff's self-insurance fund for risk related to professional police liability. There have been no settlements exceeding coverages for the past three years.

Self-Insurance

The County is exposed to various risks of loss related to employee health insurance claims for which it is self-insured effective October 1, 2013. An excess coverage insurance policy covers individual claims in excess of \$50,000. There is an aggregate maximum reimbursement per policy period of \$1,000,000. Settled claims did not exceed this maximum in the past fiscal year. Liabilities are reported if information prior to the issuance of the financial statements indicated that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. An Internal Service Fund is used to account for the County's retained risk management activities. Changes in the fund's claims liability were:

	Beginning of Year Liability	Claims Incurred	Claims Paid	End of Year Liability
2013-2014	\$ -	\$551,799	\$450,383	\$ 101,416

NOTE 11 – FUTURE COMMITMENTS AND CONTINGENCIES

The County is sometimes involved in litigation arising from the normal operations of a local government. It is the opinion of management that such litigation will not have a material financial impact on the financial statements of the County.

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

The County is party to an agreement for the extraction of limestone from a privately owned mine. The agreement requires the County to perform reclamation of the mine upon termination. The costs of reclamation cannot be estimated and no liability for the reclamation has been accrued in the financial statements.

NOTE 12 – FUTURE ACCOUNTING PRONOUNCEMENTS

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

- Accounting and financial reporting for pensions;
- Mergers, acquisitions and transfers of operations; and
- Fair value measurement and application.

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

Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund Balances
 Budget and Actual – General Fund
 Year ended September 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 5,516,222	\$ 5,516,222	\$5,484,916	\$ (31,306)
Licenses, permits and special assessments	164,500	129,500	147,562	18,062
Intergovernmental	7,489,348	8,782,836	5,243,087	(3,539,749)
Charges for services	887,828	913,751	798,462	(115,289)
Fines and forfeitures	500	500	271	(229)
Miscellaneous	31,398	177,821	213,394	35,573
Total revenues	14,089,796	15,520,630	11,887,692	(3,632,938)
Expenditures				
Current:				
General government	3,735,018	3,753,244	3,355,054	398,190
Public safety	4,535,211	4,752,134	4,650,687	101,447
Physical environment	313,166	313,166	304,988	8,178
Transportation	4,257,205	5,473,521	1,759,962	3,713,559
Economic environment	158,839	159,237	58,846	100,391
Human services	669,011	677,629	603,678	73,951
Culture and recreation	911,478	916,478	702,737	213,741
Court related	258,863	258,863	242,711	16,152
Reserve for contingencies	522,534	452,579	-	452,579
Debt service:				
Principal retirement	58,829	58,829	50,871	7,958
Interest and fiscal charges	-	-	7,958	(7,958)
Total expenditures	15,420,154	16,815,680	11,737,492	5,078,188
Excess of revenues over (under) expenditures	(1,330,358)	(1,295,050)	150,200	1,445,250
Other financing sources (uses)				
Debt issued	30,000	-	-	-
Transfers in	-	-	56,044	56,044
Transfers out	(740,458)	(745,766)	(730,376)	15,390
Total other financing sources (uses)	(710,458)	(745,766)	(674,332)	71,434
Net change in fund balances	(2,040,816)	(2,040,816)	(524,132)	1,516,684
Fund balances - beginning of year	2,495,350	2,495,350	5,656,497	3,161,147
Fund balances - end of year	\$ 454,534	\$ 454,534	\$5,132,365	\$4,677,831

Notes to Budgetary Comparison Schedule

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

Schedule of Revenues, Expenditures and Changes in Fund Balances
 Budget and Actual – EMS Fund
 Year ended September 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 639,232	\$ 639,232	\$ 624,946	\$ (14,286)
Intergovernmental	71,500	71,500	65,679	(5,821)
Charges for services	914,812	914,812	937,894	23,082
Miscellaneous	1,000	1,000	10,593	9,593
Total revenues	1,626,544	1,626,544	1,639,112	12,568
Expenditures				
Current:				
Public safety	1,697,877	1,695,477	1,530,094	165,383
Reserve for contingencies	45,675	45,675	-	45,675
Debt service:				
Principal retirement	106,230	108,630	102,344	6,286
Interest and fiscal charges	-	-	6,229	(6,229)
Total expenditures	1,849,782	1,849,782	1,638,667	211,115
Excess of revenues over (under) expenditures	(223,238)	(223,238)	445	223,683
Other financing sources (uses)				
Debt issued	150,000	150,000	-	(150,000)
Transfers out	(256,060)	(256,060)	(256,060)	-
Total other financing sources (uses)	(106,060)	(106,060)	(256,060)	(150,000)
Net change in fund balances	(329,298)	(329,298)	(255,615)	73,683
Fund balances - beginning of year	411,298	411,298	612,077	200,779
Fund balances - end of year	\$ 82,000	\$ 82,000	\$ 356,462	\$ 274,462

Note to Budgetary Comparison Schedule

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

Schedule of Revenues, Expenditures and Changes in Fund Balances
 Budget and Actual – Clerk's Fine and Forfeiture Fund
 Year ended September 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 367,389	\$ 367,389	\$ 249,752	\$ (117,637)
Charges for services	163,886	163,886	183,186	19,300
Miscellaneous	264	264	217	(47)
Total revenues	531,539	531,539	433,155	(98,384)
Expenditures				
Current:				
Court related	542,539	542,539	444,155	98,384
Excess of revenues over (under) expenditures	(11,000)	(11,000)	(11,000)	-
Fund balances - beginning of year	11,000	11,000	11,000	-
Fund balances - end of year	\$ -	\$ -	\$ -	\$ -

Note to Budgetary Comparison Schedule

Pursuant to Section 28.36, Florida Statutes, the budget is subject to the General Appropriations Act of the Florida Legislature through September 30, 2014, and is prepared on a basis that does not differ materially from generally accepted accounting principles. The State of Florida releases this appropriation on a monthly basis. The fund is the legal level of control.

Required Supplementary Information
Other Postemployment Benefits
September 30, 2014

Schedule of Funding Process

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as % of Covered Payroll (B-A)/C
10/1/2009	\$ -	\$ 891,882	\$ 891,882	0%	\$ 5,243,400	17%
10/1/2011	-	737,000	737,000	0%	5,364,600	14%
10/1/2013	-	611,000	611,000	0%	5,190,600	12%

Schedule of Employer Contributions

Year Ended	Required Employer Contributions	Actual Employer Contributions	Percentage Contributed
9/30/2014	\$ 78,439	\$ 7,934	10%
9/30/2013	103,210	121,854	118%
9/30/2012	104,830	4,590	4%

Notes:

1. See Note 8 to the financial statements for detailed information on the County's OPEB Plan.

Supplementary Information

Combining Balance Sheet – Nonmajor Governmental Funds
September 30, 2014

	Special Revenue Funds						
	State Law Enforcement Trust	Fire District Trust	Court Facilities Trust	Law Library	Transportation Trust	Transportation Projects / Impact Fee	State Attorney/ Public Defender
Assets							
Cash and equivalents	\$ 15,359	\$ 172,855	\$ 44,355	\$ 13,864	\$ 190,826	\$ 180,528	\$ 108,256
Investments	-	228,653	73,100	-	12,310	-	-
Receivables	-	-	-	-	40	-	-
Due from other funds	-	949	1,529	203	-	-	1,043
Due from other governments	-	225	-	-	99,283	-	-
Total assets	\$ 15,359	\$ 402,682	\$ 118,984	\$ 14,067	\$ 302,459	\$ 180,528	\$ 109,299
Liabilities							
Accounts payable and accrued liabilities	\$ -	\$ 42,245	\$ 1,225	\$ -	\$ 35,310	\$ -	\$ 2,142
Due to other funds	-	225	14	14,067	2,967	-	34
Total liabilities	-	42,470	1,239	14,067	38,277	-	2,176
Deferred inflows							
Unavailable revenue	-	-	-	-	-	-	-
Fund balances							
Restricted	15,359	360,212	117,745	-	14,902	180,528	107,123
Assigned	-	-	-	-	249,280	-	-
Total fund balances	15,359	360,212	117,745	-	264,182	180,528	107,123
Total liabilities, deferred inflows and fund balances	\$ 15,359	\$ 402,682	\$ 118,984	\$ 14,067	\$ 302,459	\$ 180,528	\$ 109,299

(Continued)

Combining Balance Sheet – Nonmajor Governmental Funds
September 30, 2014

	Special Revenue Funds					
	SHIP	E911	Capital Traffic Surcharge	Solid Waste	Law Enforce- ment Education	Otter Springs Park
Assets						
Cash and equivalents	\$ 404,707	\$ 497,409	\$ 49,500	\$ 119,293	\$ 6,891	\$ -
Investments	-	151,099	2,043	272,169	-	-
Receivables	-	-	-	219	-	-
Due from other funds	-	-	690	1,011	159	-
Due from other governments	-	36,605	-	2,603	-	-
Total assets	\$ 404,707	\$ 685,113	\$ 52,233	\$ 395,295	\$ 7,050	\$ -
Liabilities						
Accounts payable and accrued liabilities	\$ 9,511	\$ 1,130	\$ -	\$ 63,995	\$ -	\$ -
Due to other funds	-	146	15	1,101	3	-
Total liabilities	9,511	1,276	15	65,096	3	-
Deferred inflows						
Unavailable revenue	-	18,262	-	-	-	-
Fund balances						
Restricted	395,196	665,575	52,218	330,199	7,047	-
Assigned	-	-	-	-	-	-
Total fund balances	395,196	665,575	52,218	330,199	7,047	-
Total liabilities, deferred inflows and fund balances	\$ 404,707	\$ 685,113	\$ 52,233	\$ 395,295	\$ 7,050	\$ -

(Continued)

Combining Balance Sheet – Nonmajor Governmental Funds
September 30, 2014

	Special Revenue Funds				
	Public Records Modern- ization	Clerk's Title IV-D Services	Inmate Welfare Fund	Volun- teers Fund	Federal Law Enforce- ment Trust
Assets					
Cash and equivalents	\$ 99,983	\$ 64,031	\$ 17,832	\$ 4,652	\$ 17,106
Investments	-	-	-	-	-
Receivables	-	-	-	-	-
Due from other funds	2,814	-	3,960	-	-
Due from other governments	-	12,351	-	-	-
Total assets	\$ 102,797	\$ 76,382	\$ 21,792	\$ 4,652	\$ 17,106
Liabilities					
Accounts payable and accrued liabilities	\$ -	\$ 162	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-
Total liabilities	-	162	-	-	-
Deferred inflows					
Unavailable revenue	-	-	-	-	-
Fund balances					
Restricted	102,797	76,220	-	4,652	17,106
Assigned	-	-	21,792	-	-
Total fund balances	102,797	76,220	21,792	4,652	17,106
Total liabilities, deferred inflows and fund balances	\$ 102,797	\$ 76,382	\$ 21,792	\$ 4,652	\$ 17,106

(Continued)

Combining Balance Sheet – Nonmajor Governmental Funds
September 30, 2014

	Capital Projects Funds		Totals
	Capital Projects Fund	Capital Impact Fees	
Assets			
Cash and equivalents	\$ 352,406	\$ 110,635	\$ 2,470,488
Investments	33,591	-	772,965
Receivables	-	-	259
Due from other funds	-	-	12,358
Due from other governments	-	-	151,067
Total assets	\$ 385,997	\$ 110,635	\$ 3,407,137
Liabilities			
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 155,720
Due to other funds	-	-	18,572
Total liabilities	-	-	174,292
Deferred inflows			
Unavailable revenue	-	-	18,262
Fund balances			
Restricted	-	110,635	2,557,514
Assigned	385,997	-	657,069
Total fund balances	385,997	110,635	3,214,583
Total liabilities, deferred inflows and fund balances	\$ 385,997	\$ 110,635	\$ 3,407,137

(Concluded)

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year ended September 30, 2014

Special Revenue Funds							
	State Law Enforce- ment Trust	Fire District Trust	Court Facilities Trust	Law Library	Transportation Trust	Transportation Projects / Impact Fee	State Attorney/ Public Defender
Revenues							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 403,947	\$ -	\$ -
Licenses, permits and special assessments	-	579,127	-	-	16,872	-	-
Intergovernmental	-	813	-	-	609,549	-	-
Charges for services	-	2,240	15,048	2,667	4,190	-	12,412
Fines and forfeitures	6,653	-	-	-	-	-	-
Miscellaneous	17	1,366	239	11	36,488	298	98
Total revenues	6,670	583,546	15,287	2,678	1,071,046	298	12,510
Expenditures							
Current:							
General government	-	-	-	-	15,000	-	-
Public safety	-	762,100	-	-	1,194	-	-
Physical environment	-	-	-	-	-	-	-
Transportation	-	-	-	-	1,462,548	-	-
Economic environment	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Court related	-	-	12,661	-	-	-	6,163
Capital outlay	-	-	-	-	-	-	-
Debt service:							
Principal retirement	-	30,649	-	-	194,320	-	-
Interest and fiscal charges	-	3,950	-	-	28,882	-	-
Total expenditures	-	796,699	12,661	-	1,701,944	-	6,163
Excess of revenues over (under) expenditures	6,670	(213,153)	2,626	2,678	(630,898)	298	6,347
Other financing sources (uses)							
Debt issued	-	200,000	-	-	-	-	-
Transfers in	-	-	-	-	730,376	-	-
Transfers out	-	(20,000)	-	(14,064)	-	-	-
Total other financing sources (uses)	-	180,000	-	(14,064)	730,376	-	-
Net change in fund balances	6,670	(33,153)	2,626	(11,386)	99,478	298	6,347
Fund balances – beginning of year	8,689	393,365	115,119	11,386	164,704	180,230	100,776
Fund balances – end of year	\$ 15,359	\$ 360,212	\$ 117,745	\$ -	\$ 264,182	\$ 180,528	\$ 107,123

(Continued)

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Governmental Funds
 Year ended September 30, 2014

	Special Revenue Funds					
	SHIP	E911	Capital Traffic Surcharge	Solid Waste	Law Enforce- ment Education	Otter Springs Park
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, permits and special assessments	-	-	-	591,355	-	-
Intergovernmental	350,000	36,206	-	92,824	-	17,944
Charges for services	-	82,386	7,002	84,868	-	76,543
Fines and forfeitures	-	-	-	-	1,564	-
Miscellaneous	10,286	686	46	3,846	10	238
Total revenues	360,286	119,278	7,048	772,893	1,574	94,725
Expenditures						
Current:						
General government	-	-	-	-	-	-
Public safety	-	79,660	-	-	7,351	-
Physical environment	-	-	-	881,417	-	-
Transportation	-	-	-	-	-	-
Economic environment	390,233	-	-	-	-	-
Culture and recreation	-	-	-	-	-	121,824
Court related	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service:						
Principal retirement	-	-	-	26,560	-	20,112
Interest and fiscal charges	-	-	-	2,112	-	528
Total expenditures	390,233	79,660	-	910,089	7,351	142,464
Excess of revenues over (under) expenditures	(29,947)	39,618	7,048	(137,196)	(5,777)	(47,739)
Other financing sources (uses)						
Debt issued	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	(41,980)
Total other financing sources (uses)	-	-	-	-	-	(41,980)
Net change in fund balances	(29,947)	39,618	7,048	(137,196)	(5,777)	(89,719)
Fund balances – beginning of year	425,143	625,957	45,170	467,395	12,824	89,719
Fund balances – end of year	\$ 395,196	\$ 665,575	\$ 52,218	\$ 330,199	\$ 7,047	\$ -

(Continued)

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Governmental Funds
 Year ended September 30, 2014

	Special Revenue Funds				
	Public Records Modern- ization	Clerk's Title IV-D Services	Inmate Welfare Fund	Volun- teers Fund	Federal Law Enforce- ment Trust
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, permits and special assessments	-	-	-	-	-
Intergovernmental	-	72,612	-	-	-
Charges for services	23,804	-	-	-	-
Fines and forfeitures	9,519	-	-	-	-
Miscellaneous	145	-	14,920	7,515	-
Total revenues	33,468	72,612	14,920	7,515	-
Expenditures					
Current:					
General government	8,268	42,792	-	-	-
Public safety	-	-	19,300	6,060	9,625
Physical environment	-	-	-	-	-
Transportation	-	-	-	-	-
Economic environment	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Court related	18,952	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	27,220	42,792	19,300	6,060	9,625
Excess of revenues over (under) expenditures	6,248	29,820	(4,380)	1,455	(9,625)
Other financing sources (uses)					
Debt issued	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net change in fund balances	6,248	29,820	(4,380)	1,455	(9,625)
Fund balances – beginning of year	96,549	46,400	26,172	3,197	26,731
Fund balances – end of year	\$ 102,797	\$ 76,220	\$ 21,792	\$ 4,652	\$ 17,106

(Continued)

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year ended September 30, 2014

	Capital Projects Funds		Totals
	Capital Projects Fund	Capital Impact Fees	
Revenues			
Taxes	\$ -	\$ -	\$ 403,947
Licenses, permits and special assessments	-	-	1,187,354
Intergovernmental	-	-	1,179,948
Charges for services	-	-	311,160
Fines and forfeitures	-	-	17,736
Miscellaneous	241	259	76,709
Total revenues	241	259	3,176,854
Expenditures			
Current:			
General government	-	-	66,060
Public safety	-	-	885,290
Physical environment	-	-	881,417
Transportation	-	-	1,462,548
Economic environment	-	-	390,233
Culture and recreation	-	-	121,824
Court related	-	-	37,776
Capital outlay	183,286	-	183,286
Debt service:			
Principal retirement	-	-	271,641
Interest and fiscal charges	-	-	35,472
Total expenditures	183,286	-	4,335,547
Excess of revenues over (under) expenditures	(183,045)	259	(1,158,693)
Other financing sources (uses)			
Debt issued	-	-	200,000
Transfers in	389,500	-	1,119,876
Transfers out	-	(113,440)	(189,484)
Total other financing sources (uses)	389,500	(113,440)	1,130,392
Net change in fund balances	206,455	(113,181)	(28,301)
Fund balances – beginning of year	179,542	223,816	3,242,884
Fund balances – end of year	\$ 385,997	\$ 110,635	\$ 3,214,583

(Concluded)

Combining Statement of Fiduciary Net Position
September 30, 2014

	Agency Funds			Totals
	Tax Collector	Clerk of Court	Sheriff	
Assets				
Cash and equivalents	\$ 417,181	\$ 2,036,809	\$ 154,033	\$ 2,608,023
Receivables	-	1,008	-	1,008
Total assets	417,181	2,037,817	154,033	2,609,031
Liabilities				
Assets held for others	417,181	2,037,817	154,033	2,609,031
Net position	\$ -	\$ -	\$ -	\$ -

Schedule of Expenditures of Federal Awards and State Financial Assistance
Year ended September 30, 2014

Federal Awards	CFDA Number	Contract/Grant Number	Expenditures	Program Total
Department of Housing and Urban Development				
Passed through State Department of Community Affairs: Community Development Block Grant	14.228	11-DB-C5-03-31-01-PS16	\$ 92,866	
Department of the Interior				
Passed through Florida Fish and Wildlife Conservation Commission: Shingle Landing Boat Ramp Renovations	15.605	10242	79,939	
Department of Justice				
Passed through State Department of Law Enforcement: Video Camera Upgrade	16.738	2014-JAGC-GILC-1-E5-243	33,740	
Passed through State Office of Attorney General: Victims of Crime Act (VOCA) - Victim Assistance Grant	16.575	V13016	15,000	
Direct:				
State Criminal Alien Assistance Program	16.606	2012-AP-BX0681	1,482	
Equitable Sharing Program	16.922	N/A	9,625	
Department of Health and Human Services				
Passed through State Department of Revenue: Child Support Enforcement Title IV-D	93.563	CD 321	72,612	
Department of Homeland Security				
Passed through State Department of Community Affairs - Division of Emergency Management:				
Emergency Management Performance Grants	97.042	14-FG-1M-03-31-01-088	31,401	
Emergency Management Performance Grants	97.042	15-FG-4D-03-31-01-088	10,397	\$ 41,798
Homeland Security Grant Program - Table Top Exercises	97.067	12-DS-20-03-31-01-360	5,000	
Domestic Security Grant	97.067	13-DS-97-04-25-01-365	8,390	13,390
Severe Repetitive Loss Program	97.110	12SL-5E-03-31-01-295	7,483	
Total expenditures of federal awards			\$ 367,935	

Schedule of Expenditures of Federal Awards and State Financial Assistance
Year ended September 30, 2014

State Financial Assistance	CSFA Number	Contract/Grant Number	Expenditures	Project Total
Executive Office of the Governor				
Emergency Management Preparedness and Assistance Base Grant	31.063	14-BG-83-03-31-01-021	\$ 78,522	
Emergency Management Preparedness and Assistance Base Grant	31.063	15-BG-83-03-31-01-021	20,744	\$ 99,266
Hazardous Materials	31.067	14-CP-11-03-31-01-285	1,520	
Department of Environmental Protection				
Small County Consolidated Grants	37.012	410SC	90,909	
Division of State, Secretary of State				
State Aid to Libraries	45.030	14-ST-89	46,010	
Florida Housing Finance Corporation				
State Housing Initiatives Partnership	52.901	--	390,223	
Department of Transportation				
Small County Outreach Program (CR 341)	55.009	424336-1-58-01	1,021,120	
Small County Outreach Program (CR 307A)	55.009	424336-2-58-01	19,783	
Small County Outreach Program (SW 100th Street)	55.009	433025-1-58-01	21,936	1,062,839
Small County Road Assistance Program (SE 90th Avenue)	55.016	430733-1-58-01	604,031	
Department of Management Services				
E-911 Rural County Grant Program - Maintenance	72.001	13-4-8	38,049	
E-911 Rural County Grant Program	72.001	13-5-36	9,200	47,249
Fish and Wildlife Conservation Commission				
Florida Boating Improvement Program	77.006	12255	146,133	
Total expenditures of state financial assistance			\$ 2,488,180	

NOTE 1 - BASIS OF PRESENTATION

Expenditures generally represent allowable costs, determined in accordance with generally accepted accounting principles, using the modified accrual basis.

NOTE 2 - SUBRECIPIENTS

The County did not provide federal or state awards to subrecipients.

Additional Elements Required by the
Rules of the Auditor General

MANAGEMENT LETTER

The Honorable County Commissioners
Gilchrist County, Florida

We have audited the financial statements of Gilchrist County, Florida (the "County") as of and for the year ended September 30, 2014, and have issued our report thereon dated June 08, 2015.

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

Prior Audit Findings

The Rules of the Auditor General require that we comment as to whether or not corrective actions have been taken to address findings and recommendations made in the preceding audit. If audit findings in the preceding audit report are uncorrected, we are required to identify those findings that were also included in the second preceding audit report. These requirements of the Rules of the Auditor General are addressed in the Schedule of Findings and Questioned Costs that accompanies this letter.

Financial Condition

As required by the Rules of the Auditor General, the scope of our audit included a review of the provisions of Section 218.503, Florida Statutes, "Determination of Financial Emergency." In connection with our audit, we determined that the County has not met one or more of the conditions described in Section 218.503(1), Florida Statutes.

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

Annual Financial Report

As required by the Rules of the Auditor General, we determined that the annual financial report for the County for the fiscal year ended September 30, 2014, filed with the Department of Financial Services pursuant to Section 218.32, Florida Statutes, is in substantial agreement with the audit report for the fiscal year ended September 30, 2014.

Other Matters

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

This management letter is intended solely for the information and use of the County and its management, and oversight agencies, and is not intended to be and should not be used by anyone other than these specified parties.

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

Carly Riggs & Ingram, L.L.C.

Gainesville, Florida
June 08, 2015

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

The Honorable County Commissioners
Gilchrist County, Florida

We have examined Gilchrist County Florida's (the "County") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2014. 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 and, accordingly, included 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 examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the County's compliance with specified requirements.

In our opinion, the County complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2014.

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

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

Gainesville Florida
June 08, 2015

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

The Honorable County Commissioners
Gilchrist County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Gilchrist County, Florida (the “County”), as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the County’s basic financial statements and have issued our report thereon dated June 08, 2015.

Internal Control over Financial Reporting

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2014-001 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 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*.

We also noted other matters that we have reported in separately-issued reports for the County's constitutional officers.

The County's Response to Finding

The County's response to the finding identified in our audit is described in the accompanying letter of response. 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.

Carly Riggs & Ingram, L.L.C.

Gainesville, Florida
June 08, 2015

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

The Honorable County Commissioners
Gilchrist County, Florida

Report on Compliance for Each Major State Project

We have audited the compliance of Gilchrist County, Florida (the "County") with the types of compliance requirements described in the Department of Financial Services' State Projects Compliance Supplement, that could have a direct and material effect on each of its major state projects for the year ended September 30, 2014. The County's major state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state projects.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550 Rules of the Auditor General. Those standards and Chapter 10.550 Rules of the Auditor General, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state project occurred. An audit includes examining, on 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 of the major state projects. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each of the Major State Projects

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state projects for the year ended September 30, 2014.

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 of its major state projects to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state project and to test and report on internal control over compliance in accordance with Chapter 10.550, Rules of Auditor General, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

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

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

Car, Riggs & Ingram, L.L.C.

Gainesville, Florida
June 08, 2015

Gilchrist County Board of County Commissioners

Schedule of Findings and Questioned Costs
Year ended September 30, 2014

PART I – SUMMARY OF AUDITOR’S RESULTS

- (i) The independent auditor’s report on the financial statements expressed an unmodified opinion.
- (ii) The audit disclosed a material weakness in internal control over financial reporting. No significant deficiencies were reported.
- (iii) The audit did not disclose any noncompliance considered material to the financial statements.
- (iv) The audit did not report significant deficiencies or material weaknesses in internal control over the major state projects.
- (v) The report on compliance with requirements applicable to the major state projects expressed an unmodified opinion.
- (vi) The audit did not disclose findings relative to the major state projects.
- (vii) The County's major state projects were:

<u>State Projects</u>	<u>CSFA Number</u>
Small County Outreach Program	55.009
Small County Road Assistance Program	55.016

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

PART II – FINANCIAL STATEMENT FINDINGS

2014-001 (Reported in previous audit reports as items 2013-001 and 12-2.)

Condition – As part of the audit process, it was necessary for us to assist with the preparation of your financial statements and we proposed material adjustments to the County’s financial statements. Our proposed adjustments were accepted by management, enabling the financial statements to be fairly presented in conformity with generally accepted accounting principles.

Recommendation – We recommend that you consider and evaluate the costs and benefits of improving internal controls relative to the financial reporting process.

PART III – FINDINGS AND QUESTIONED COSTS – FEDERAL PROGRAM

Not applicable. The County was not required to have an audit under the provisions of OMB Circular A-133.

PART IV – FINDINGS AND QUESTIONED COSTS – STATE PROJECTS

None noted.

Gilchrist County Board of County Commissioners

P.O. Box 37

112 South Main Street

Trenton, FL 32693

Phone: 352-463-4605 Fax: 352-463-4050

District I
Sharon A. Langford

District II
D. Ray Harrison, Jr.

District III
Todd Gray

District IV
Marion Poitevint

District V
Kenrick Thomas

David "Duke" Lang, Jr.
County Attorney
352-463-7800

Bobby Crosby
County Administrator
352-463-3198

Todd Newton
Clerk of Court
325-463-3170

June 8, 2015

Office of the Auditor General
Local Government Audits/342
Claude Pepper Building, Room 401
111 West Madison Street
Tallahassee, Florida 32302-1450

Re: 2013-2014 Annual Audit for Gilchrist County Board of County Commissioners

In response to the findings in the current 2013-2014 audit, the following information is provided.

Findings: 2014-001 (Reported in previous audit reports as items 2013-001 and 12-2.)

Condition- As part of the audit process, it was necessary for us to assist with the preparation of your financial statements and we proposed material adjustments to the County's financial statements. Our proposed adjustments were accepted by management, enabling the financial statements to be fairly presented in conformity with generally accepted accounting principles.

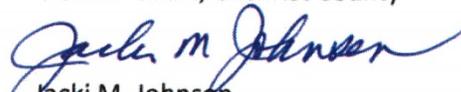
Recommendation- We recommend that you consider and evaluate the costs and benefits of improving internal controls relative to the financial reporting process.

*Response-*The County has recently hired a CPA, with governmental accounting experience, who will be preparing the financial statements for next fiscal year.

If additional information is needed, please advise.

Respectfully,

Todd Newton
Clerk of Court, Gilchrist County


Jacki M. Johnson
Finance Director



**Gilchrist County
Clerk of the Circuit Court**

Audit Report

September 30, 2014

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Gilchrist County Clerk of the Circuit Court

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September 30, 2014

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INDEPENDENT AUDITOR'S REPORT

The Honorable Todd Newton
Clerk of the Circuit Court
Gilchrist County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the office of the Gilchrist County Clerk of the Circuit Court (the "Office") as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the Office's special purpose financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the Office as of September 30, 2014, and the respective changes in financial position, where applicable, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

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

Other Matters

Required Supplementary Information

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

Other Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 13, 2015, on our consideration of the Office's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to 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.

Carly Riggs & Ingram, L.L.C.

Gainesville, Florida
February 13, 2015

Gilchrist County Clerk of the Circuit Court

Balance Sheet – Governmental Funds
September 30, 2014

	General Fund	Records Modernization Trust Fund	Fine and Forfeiture Fund	Title IV D Fund	Total Governmental Funds
Assets					
Cash and equivalents	\$ 67,168	\$ 99,983	\$ 154,933	\$ 64,031	\$ 386,115
Due from other funds	464	2,814	-	-	3,278
Due from other county agencies	645	-	-	-	645
Due from other governments	-	-	-	12,351	12,351
Total assets	\$ 68,277	\$ 102,797	\$ 154,933	\$ 76,382	\$ 402,389
Liabilities and fund balances					
Liabilities:					
Accounts payable and accrued liabilities	\$ 15,405	\$ -	\$ 154,933	\$ 162	\$ 170,500
Due to other county agencies	52,872	-	-	-	52,872
Total liabilities	68,277	-	154,933	162	223,372
Fund balances:					
Restricted	-	102,797	-	76,220	179,017
Total liabilities and fund balances	\$ 68,277	\$ 102,797	\$ 154,933	\$ 76,382	\$ 402,389

See accompanying notes.

Gilchrist County Clerk of the Circuit Court

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year ended September 30, 2014

	General Fund	Records Modernization Trust Fund	Fine and Forfeiture Fund	Title IV D Fund	Total Governmental Funds
Revenues					
Intergovernmental revenues	\$ -	\$ -	\$ 367,389	\$ 72,612	\$ 440,001
Charges for services	123,043	23,804	183,186	-	330,033
Fines and forfeitures	-	9,519	-	-	9,519
Miscellaneous revenue	3,464	145	217	-	3,826
Total revenues	126,507	33,468	550,792	72,612	783,379
Expenditures					
Current:					
General government services	441,307	8,268	-	42,792	492,367
Court related	-	18,952	444,155	-	463,107
Total expenditures	441,307	27,220	444,155	42,792	955,474
Excess of revenues over (under) expenditures	(314,800)	6,248	106,637	29,820	(172,095)
Other financing sources (uses)					
Appropriations from board of county commissioners	367,200	-	-	-	367,200
Reversion to board of county commissioners	(52,400)	-	-	-	(52,400)
Reversion to clerks of court operations corporation	-	-	(117,637)	-	(117,637)
Total other financing sources (uses)	314,800	-	(117,637)	-	197,163
Net change in fund balances	-	6,248	(11,000)	29,820	25,068
Fund balances – beginning of year	-	96,549	11,000	46,400	153,949
Fund balances – end of year	\$ -	\$ 102,797	\$ -	\$ 76,220	\$ 179,017

See accompanying notes.

Gilchrist County Clerk of the Circuit Court

Statement of Fiduciary Net Position
September 30, 2014

	Agency Funds
<hr/>	
Assets	
Cash and equivalents	\$ 2,045,485
Receivables	1,008
<hr/>	
Total assets	2,046,493
<hr/>	
Liabilities	
Due to other funds	3,278
Due to other county agencies	5,398
Assets held for others	2,037,817
<hr/>	
Total liabilities	2,046,493
<hr/>	
Net position	\$ -
<hr/>	

See accompanying notes.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

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

Basis of Presentation

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

Fund Accounting

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

The Office reports the following major governmental funds:

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

Records Modernization Trust – This fund is used to account for fees collected and associated expenditures related to the upgrade and modernization of the official records of the County, court-related technology, and court-related program enhancements

Fine and Forfeiture Fund – This fund is used to account for court-related activities funded by general appropriations from the State and court-related fees.

Title IV D Fund – This fund is used to account for the expenditures associated with administering Title IV D cases and associated federal reimbursement.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Office also reports the following fiduciary funds:

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

Fund Balance

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

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

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

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

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

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

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

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

Measurement Focus/Basis of Accounting

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

other financing uses) in net current assets and, accordingly, are said to present a summary of sources and uses of "available spendable resources" during a period.

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

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets.

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

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

Capital Assets and Long-Term Liabilities

Capital assets used by the Office are recorded and accounted for by the Gilchrist County Board of County Commissioners.

Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by noncurrent 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.

Cash and Equivalents

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

Use of Estimates

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

Gilchrist County Clerk of the Circuit Court

Notes to Financial Statements

NOTE 2 – FUND BALANCE CLASSIFICATIONS

Balances of reported fund balance at September 30, 2014, are as follows:

	Records Modernization Fund	Title IV D Fund	Total
Restricted for:			
Court operations	\$ 37,490	\$ -	\$ 37,490
Court technology	48,917	-	48,917
Records modernization	16,390	-	16,390
Title IV D	-	76,220	76,220
Total fund balances	\$ 102,797	\$ 76,220	\$ 179,017

NOTE 3 – CHANGES IN LONG-TERM LIABILITIES

A summary of changes in long-term liabilities follows:

	Balance October 1, 2013	Additions	Deductions	Balance September 30, 2014	Due Within One Year
Compensated absences	\$ 54,000	\$ 51,000	\$ 58,000	\$ 47,000	\$ 18,000

NOTE 4 – PENSION PLAN

Plan Description. The Office contributes to the Florida Retirement System (the "System"), a cost-sharing multiple-employer defined benefit pension plan administered by the State of Florida, Department of Management Services, Division of Retirement. The System provides retirement, disability or death benefits to retirees or their designated beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Florida Retirement System, PO Box 9000, Tallahassee, Florida, 32315-9000, or by calling (850) 488-6491.

Funding Policy. The Office is required to contribute at an actuarially determined rate. The employer contribution rates at September 30, 2014, were as follows: Regular Employees 7.37%; Special Risk Employees 19.82%; Senior Management 21.14%; Elected Officials 43.24%; DROP 12.28%. Employees are required to contribute 3%. The contribution requirements of plan members and the Office are established and may be amended by the Florida Legislature. The Office's contributions to the System for the years ended September 30, 2014, 2013 and 2012 were approximately \$77,000, \$46,000, and \$37,000, respectively, equal to the required contributions for each year.

Gilchrist County Clerk of the Circuit Court

Notes to Financial Statements

NOTE 5 – INTERFUND BALANCES

At September 30, 2014, interfund balances consisted of:

	Due from Other Funds	Due to Other Funds
General fund	\$ 464	\$ -
Records modernization trust	2,814	-
Agency funds:		
Domestic relations	-	464
General trust	-	2,814
Totals	\$ 3,278	\$ 3,278

Required Supplementary Information

Gilchrist County Clerk of the Circuit Court

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – General Fund
Year ended September 30, 2014

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Charges for services	\$ 120,195	\$ 120,195	\$ 123,043	\$ 2,848
Miscellaneous revenue	7,500	7,500	3,464	(4,036)
Total revenues	127,695	127,695	126,507	(1,188)
Expenditures				
Current:				
General government services	485,025	485,025	441,307	43,718
Reserve for contingencies	9,870	9,870	-	9,870
Total expenditures	494,895	494,895	441,307	53,588
Excess of revenues over (under) expenditures	(367,200)	(367,200)	(314,800)	52,400
Other financing sources (uses)				
Appropriation from board of county commissioners	367,200	367,200	367,200	-
Reversion to board of county commissioners	-	-	(52,400)	(52,400)
Total other financing sources (uses)	367,200	367,200	314,800	(52,400)
Net change in fund balances	-	-	-	-
Fund balances - beginning of year	-	-	-	-
Fund balances - end of year	\$ -	\$ -	\$ -	\$ -

Notes to Schedule:

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

Gilchrist County Clerk of the Circuit Court

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Records Modernization Trust Fund
Year ended September 30, 2014

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Charges for services	\$ 24,200	\$ 24,200	\$ 23,804	\$ (396)
Fines and forfeitures	6,500	6,500	9,519	3,019
Miscellaneous revenue	400	400	145	(255)
Total revenues	31,100	31,100	33,468	2,368
Expenditures				
Current:				
General government	34,352	34,352	8,268	26,084
Court related	93,297	93,297	18,952	74,345
Total expenditures	127,649	127,649	27,220	100,429
Excess of revenues over (under) expenditures	(96,549)	(96,549)	6,248	102,797
Fund balances - beginning of year	96,549	96,549	96,549	-
Fund balances - end of year	\$ -	\$ -	\$ 102,797	\$ 102,797

Notes to Schedule:

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

Gilchrist County Clerk of the Circuit Court

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Fine and Forfeiture Fund
Year ended September 30, 2014

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Intergovernmental revenues	\$ 367,389	\$ 367,389	367,389	\$ -
Charges for services	163,886	163,886	183,186	19,300
Miscellaneous revenue	264	264	217	(47)
Total revenues	531,539	531,539	550,792	19,253
Expenditures				
Current:				
Court related	542,539	542,539	444,155	98,384
Excess of revenues over (under) expenditures	(11,000)	(11,000)	106,637	117,637
Other financing uses				
Reversion to clerk of court operations corporation	-	-	(117,637)	(117,637)
Net change in fund balances	(11,000)	(11,000)	(11,000)	-
Fund balances - beginning of year	11,000	11,000	11,000	-
Fund balances - end of year	\$ -	\$ -	\$ -	\$ -

Notes to Schedule:

Pursuant to Section 28.36, Florida Statutes, the budget is subject to the General Appropriations Act of the Florida Legislature through September 30, 2014, and is prepared on a basis that does not differ materially from generally accepted accounting principles. The State of Florida releases this appropriation on a monthly basis. The fund is the legal level of control.

Gilchrist County Clerk of the Circuit Court

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Title IV D Fund
Year ended September 30, 2014

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Intergovernmental revenues	\$ 70,000	\$ 70,000	\$ 72,612	\$ 2,612
Expenditures				
Current:				
General government	116,400	116,400	42,792	73,608
Excess of revenues over (under) expenditures	(46,400)	(46,400)	29,820	76,220
Fund balances - beginning of year	46,400	46,400	46,400	-
Fund balances - end of year	\$ -	\$ -	\$ 76,220	\$ 76,220

Notes to Schedule:

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

Supplementary Information

Gilchrist County Clerk of the Circuit Court
Combining Statement of Fiduciary Net Position
Agency Funds
September 30, 2014

	Domestic Relations Fund	Registry of the Court	General Trust Fund	Total Agency Funds
Assets				
Cash and equivalents	\$ 982	\$ 1,824,398	\$ 220,105	\$ 2,045,485
Receivables	-	-	1,008	1,008
Total assets	982	1,824,398	221,113	2,046,493
Liabilities				
Due to other funds	464	-	2,814	3,278
Due to other county agencies	-	-	5,398	5,398
Deposits	518	1,824,398	212,901	2,037,817
Total liabilities	982	1,824,398	221,113	2,046,493
Net position	\$ -	\$ -	\$ -	\$ -

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



Carr, Riggs & Ingram, LLC
4010 N.W. 25th Place
Gainesville, Florida 32606
P.O. Box 13494
Gainesville, Florida 32604

(352) 372-6300
(352) 375-1583 (fax)
www.cricpa.com

MANAGEMENT LETTER

The Honorable Todd Newton
Clerk of the Circuit Court
Gilchrist County, Florida

We have audited the financial statements of the office of the Gilchrist County Clerk of the Circuit Court (the "Office"), as of and for the year ended September 30, 2014, and have issued our report thereon dated February 13, 2015. That report should be considered in conjunction with this management letter.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida and require that certain items be addressed in this letter.

Prior Audit Findings

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

Other Matters

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

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

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

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

Gainesville, Florida
February 13, 2015

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

The Honorable Todd Newton
Clerk of the Circuit Court
Gilchrist County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of each major fund and the aggregate remaining fund information of the office of the Gilchrist County Clerk of the Circuit Court (the “Office”), as of and for the year ended September 30, 2014, 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 February 13, 2015.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Carri Riggs & Ingram, L.L.C.

Gainesville, Florida
February 13, 2015

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

The Honorable Todd Newton
Clerk of the Circuit Court
Gilchrist County, Florida

We have examined the office of the Gilchrist County Clerk of the Circuit Court's (the "Office") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2014. 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 and, accordingly, included examining, on a test basis, evidence about Office's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Office's compliance with specified requirements.

In our opinion, the Office complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2014.

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

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

Gainesville, Florida
February 13, 2015

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTIONS 28.35 AND 28.36, FLORIDA STATUTES

The Honorable Todd Newton
Clerk of the Circuit Court
Gilchrist County, Florida

We have examined the office of the Gilchrist County Clerk of the Circuit Court's compliance with the requirements of Section 28.35, Florida Statutes, *Florida Clerks of Court Operations Corporation*, and Section 28.36, Florida Statutes, *Budget Procedure*, during the year ended September 30, 2014. 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 and, accordingly, included examining, on a test basis, evidence about the Office's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Office's compliance with specified requirements.

In our opinion, the Office complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2014.

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

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

Gainesville, Florida
February 13, 2015



Todd Newton
Clerk

Office of Clerk Of the Circuit Court

P.O. BOX 37, TRENTON, FLORIDA 32693
(352)463-3170 or 1-800-267-3182
Fax: (352)463-3166

CLERK OF THE CIRCUIT COURT
COUNTY COURT
BOARD OF COUNTY COMMISSIONERS

February 13, 2015

State of Florida
David W. Martin, CPA
Auditor General
Tallahassee, FL 32399

Dear Sir,

This letter is in response to the Independent Auditors' management letter to the Clerk of the Circuit Court of Gilchrist County for the fiscal year ending September 30th, 2014.

I have reviewed the auditor's comments relating to our office and am very pleased with the results of the audit. I am delighted that the auditors have found no significant findings.

Sincerely,

Todd Newton
Clerk of Circuit Court

Vision Statement

Our vision for Gilchrist County in 2020 is rural communities working in harmony to provide opportunities for all its citizens through balanced growth and enhanced education, while preserving our proud heritage, natural resources and agriculture.

Gilchrist County Sheriff

Audit Report

September 30, 2014

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INDEPENDENT AUDITOR'S REPORT

The Honorable Robert D. Schultz, III
Sheriff
Gilchrist County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the major fund and the aggregate remaining fund information of the office of the Gilchrist County Sheriff (the "Office") as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the Office's special purpose financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the major fund and the aggregate remaining fund information of the Office as of September 30, 2014, and the respective changes in financial position, where applicable, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

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

Other Matters

Required Supplementary Information

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

Other Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 06, 2015, on our consideration of the Office's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to 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.

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

Gainesville, Florida
March 06, 2015

Gilchrist County Sheriff

Balance Sheet – Governmental Funds
September 30, 2014

	General Fund	Other Govern- mental Funds	Total Govern- mental Funds
Assets			
Cash and equivalents	\$ 251,218	\$ 39,590	\$ 290,808
Due from other funds	-	3,960	3,960
Total assets	\$ 251,218	\$ 43,550	\$ 294,768
Liabilities and fund balances			
Liabilities:			
Accounts payable and accrued liabilities	\$ 187,175	\$ -	\$ 187,175
Due to other county agencies	64,043	-	64,043
Total liabilities	251,218	-	251,218
Fund balances:			
Restricted:			
Charitable purposes	-	4,652	4,652
Federal shared funds	-	17,106	17,106
Assigned:			
Inmate benefits	-	21,792	21,792
Total fund balances	-	43,550	43,550
Total liabilities and fund balances	\$ 251,218	\$ 43,550	\$ 294,768

See accompanying notes.

Gilchrist County Sheriff

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year ended September 30, 2014

	General Fund	Other Govern- mental Funds	Total Govern- mental Funds
Revenues			
Miscellaneous revenue	\$ 5,635	\$ 22,435	\$ 28,070
Expenditures			
Current:			
Public safety	3,694,197	34,985	3,729,182
Court related	242,711	-	242,711
Total expenditures	3,936,908	34,985	3,971,893
Excess of revenues over (under) expenditures	(3,931,273)	(12,550)	(3,943,823)
Other financing sources (uses)			
Appropriation from board of county commissioners	3,982,944	-	3,982,944
Reversion to board of county commissioners	(55,349)	-	(55,349)
Total other financing sources (uses)	3,927,595	-	3,927,595
Net change in fund balances	(3,678)	(12,550)	(16,228)
Fund balances - beginning of year	3,678	56,100	59,778
Fund balances - end of year	\$ -	\$ 43,550	\$ 43,550

See accompanying notes.

Gilchrist County Sheriff

Statement of Fiduciary Net Position
September 30, 2014

	Agency Funds
<hr/>	
Assets	
Cash and equivalents	\$ 159,359
Accounts receivable	9,725
<hr/>	
Total assets	169,084
<hr/>	
Liabilities	
Assets held for others	154,033
Due to other funds	3,960
Due to other county agencies	11,091
<hr/>	
Total liabilities	169,084
<hr/>	
Net position	\$ -

See accompanying notes.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

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

Basis of Presentation

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

Fund Accounting

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

The Office reports the following major governmental fund:

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

The Office also reports the following fiduciary funds:

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance

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

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

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

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

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

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

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

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

Measurement Focus/Basis of Accounting

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

Cash and Equivalents

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

Capital Assets and Long-Term Liabilities

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

The Office defines capital assets as assets with an initial individual cost of more than \$1,000 and an estimated useful life in excess of one year. Capital assets are valued at historical cost or estimated historical cost. Donated fixed assets are valued at their estimated fair value on the date donated. Depreciation has been provided using the straight-line method over the following estimated useful lives:

Automotive equipment	5 years
Other equipment	5-15 years

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.

Notes to Financial Statements

NOTE 2 – CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets follows:

	Balance October 1, 2013	Additions	Deductions	Balance September 30, 2014
Tangible personal property	\$ 2,127,131	\$ 203,959	\$ 48,537	\$ 2,282,553
Less accumulated depreciation	1,797,800	173,394	48,537	1,922,657
Total capital assets, net	\$ 329,331	\$ 30,565	\$ -	\$ 359,896

Depreciation expense of \$173,394 applies to the public safety function.

NOTE 3 – CHANGES IN LONG-TERM DEBT

A summary of changes in long-term debt follows:

	Balance October 1, 2013	Additions	Deductions	Balance September 30, 2014	Due Within One Year
Compensated absences	\$276,000	\$141,000	\$147,000	\$ 270,000	\$140,000

NOTE 4 – PENSION PLAN

Plan Description. The Office contributes to the Florida Retirement System ("System"), a cost-sharing multiple-employer defined benefit pension plan administered by the State of Florida, Department of Management Services, Division of Retirement. The System provides retirement, disability or death benefits to retirees or their designated beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Florida Retirement System, PO Box 9000, Tallahassee, Florida 32315-9000, or by calling (850) 488-6491.

Funding Policy. The Office is required to contribute at an actuarially determined rate. The employer contribution rates at September 30, 2014, were as follows: Regular Employees 7.37%; Special Risk Employees 19.82%; Senior Management 21.14%; Elected Officials 43.24%; DROP 12.28%. Employees are required to contribute 3%. The contribution requirements of plan members and the Office are established and may be amended by the Florida Legislature. The Office's contributions to the System for the years ended September 30, 2014, 2013 and 2012 were approximately \$322,000, \$252,000, and \$215,000, respectively, equal to the required contributions for each year.

Notes to Financial Statements

NOTE 5 – INTERFUND BALANCES

The following interfund balances arose during the normal course of operations of the Office.

	Due from Other Funds	Due to Other Funds
Nonmajor Governmental Inmate Welfare Fund	\$ 3,960	\$ -
Agency Funds Inmate Trust Fund	-	3,960
Total	3,960	3,960

NOTE 6 – CONTINGENCIES

The Office is sometimes a party to lawsuits and claims arising out of the normal conduct of its activities. While the results of lawsuits or other proceedings against the Office cannot be predicted with certainty, management does not expect that these matters will have a material adverse effect on the financial condition of the Office.

Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – General Fund
Year ended September 30, 2014

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Miscellaneous revenue	\$ -	\$ 10,954	\$ 5,635	\$ (5,319)
Expenditures				
Current:				
Public safety	3,570,273	3,735,035	3,694,197	40,838
Court related	258,863	258,863	242,711	16,152
Total expenditures	3,829,136	3,993,898	3,936,908	56,990
Excess of revenues over (under) expenditures	(3,829,136)	(3,982,944)	(3,931,273)	51,671
Other financing sources (uses)				
Appropriation from board of county commissioners	3,829,136	3,982,944	3,982,944	-
Reversion to board of county commissioners	-	-	(55,349)	(55,349)
Total other financing sources (uses)	3,829,136	3,982,944	3,927,595	(55,349)
Net change in fund balances	-	-	(3,678)	(3,678)
Fund balances - beginning of year	-	-	3,678	3,678
Fund balances - end of year	\$ -	\$ -	\$ -	\$ -

Note to Schedule:

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

Supplementary Information

Combining Balance Sheet – Nonmajor Governmental Funds
September 30, 2014

	Volunteers	FLETF Fund	Inmate Welfare Fund	Total Nonmajor Governmental Funds
Assets				
Cash and equivalents	\$ 4,652	\$ 17,106	\$ 17,832	\$ 39,590
Due from other funds	-	-	3,960	3,960
Total assets	\$ 4,652	\$ 17,106	\$ 21,792	\$ 43,550
Liabilities				
	\$ -	\$ -	\$ -	\$ -
Fund balances				
Restricted:				
Charitable purposes	4,652	-	-	4,652
Federal shared funds	-	17,106	-	17,106
Assigned:				
Inmate benefits	-	-	21,792	21,792
Total fund balances	4,652	17,106	21,792	43,550
Total liabilities and fund balances	\$ 4,652	\$ 17,106	\$ 21,792	\$ 43,550

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
Year ended September 30, 2014

	Volunteers	FLETF Fund	Inmate Welfare Fund	Total Nonmajor Governmental Funds
Revenues				
Miscellaneous revenue	\$ 7,515	\$ -	\$ 14,920	\$ 22,435
Expenditures				
Current:				
Public safety	6,060	9,625	19,300	34,985
Excess of revenues over (under) expenditures	1,455	(9,625)	(4,380)	(12,550)
Fund balances - beginning of year	3,197	26,731	26,172	56,100
Fund balances - end of year	\$ 4,652	\$ 17,106	\$ 21,792	\$ 43,550

Gilchrist County Sheriff

Combining Statement of Fiduciary Net Position
 Agency Funds
 September 30, 2014

	Inmate Trust Fund	Bonds and Fines Fund	Individual and Suspense Fund	Total Agency Funds
Assets				
Cash and equivalents	\$ 20,993	\$ 137,000	\$ 1,366	\$ 159,359
Accounts receivable	-	-	9,725	9,725
Total assets	20,993	137,000	11,091	169,084
Liabilities				
Assets held for others	17,033	137,000	-	154,033
Due to other funds	3,960	-	-	3,960
Due to other county agencies	-	-	11,091	11,091
Total liabilities	20,993	137,000	11,091	169,084
Net position	\$ -	\$ -	\$ -	\$ -

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

MANAGEMENT LETTER

The Honorable Robert D. Schultz, III
Sheriff
Gilchrist County, Florida

We have audited the financial statements of the office of the Gilchrist County Sheriff (the "Office"), as of and for the year ended September 30, 2014, and have issued our report thereon dated March 06, 2015. That report should be considered in conjunction with this management letter.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida and require that certain items be addressed in this letter.

Prior Audit Findings

The Rules of the Auditor General require that we comment as to whether or not corrective actions have been taken to address findings and recommendations made in the preceding audit. If the audit findings in the preceding audit are uncorrected, we are required to identify those findings that were also included in the second preceding audit report. These requirements of the Rules of the Auditor General are addressed in the schedule of findings that accompanies this letter.

Other Matters

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

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

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

Carr, Riggs & Ingram, LLC

Gainesville, Florida
March 06, 2015

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

The Honorable Robert D. Schultz, III
Sheriff
Gilchrist County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the major fund and the aggregate remaining fund information of the office of the Gilchrist County Sheriff (the "Office"), as of and for the year ended September 30, 2014, 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 March 06, 2015.

Internal Control Over Financial Reporting

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings as items 2014-001 and 2014-003 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompany schedule of findings as item 2014-002 to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Office's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings as item 2014-004.

The Office's Response to Findings

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

Purpose of this Report

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

Carly Riggs & Ingram, L.L.C.

Gainesville, Florida
March 06, 2015

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

The Honorable Robert D. Schultz, III
Sheriff
Gilchrist County, Florida

We have examined the office of the Gilchrist County Sheriff's (the "Office") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2014. 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 and, accordingly, included examining, on a test basis, evidence about the Office's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Office's compliance with specified requirements.

In our opinion, the Office complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2014.

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

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

Gainesville, Florida
March 06, 2015

Schedule of Findings

2014-001 (Reported in previous audit reports as items 2013-001 and 12-2)

Finding – Because of a limited number of available personnel, it is not always possible to adequately segregate certain incompatible duties so that no one employee has access to both physical assets and the related accounting records, or to all phases of a transaction.

Recommendation – Whenever possible, duties should be segregated so that no one employee has access to both physical assets and the related accounting records, or to all phases of a transaction.

2014-002 (Reported in previous audit reports as items 2013-002 and 12-4)

Finding – The Office did not perform an annual physical inventory of its tangible personal property during the year.

Recommendation – The Office should conduct an annual inventory of its tangible personal property annually pursuant to the rules of the Department of Financial Services.

2014-003 **Finding** – The bank account of the Inmate Trust Fund was not reconciled to the accounting records in a timely manner. In addition, amounts collected in the Inmate Trust Fund were not remitted to the Board of County Commissioners and Inmate Welfare Fund on a regular basis.

Recommendation – The bank account should be reconciled to the accounting records promptly each month upon receipt of the bank statement. Amounts collected on behalf of the Board of County Commissioners and Inmate Welfare Fund should be remitted monthly.

2014-004 **Finding** – The Office was required to return \$28,277 to the State of Florida Office of the Attorney General, (the “grantor”), that had been provided as funding under the Victims of Crime Act federal program. The return of these funds resulted from monitoring visits conducted by the grantor which revealed that the Office did not maintain adequate case logs and files to demonstrate that victim services were provided.

Recommendation – We recommend that the Office monitor the compliance requirements of its various grants to ensure that all terms of grant agreements are satisfied.



**Gilchrist County Sheriff's Office
Sheriff Robert D. Schultz, III
9239 South US Highway 129
Trenton, FL 32693**

March 6, 2015

David W. Martin, CPA
State of Florida Auditor General
Claude Pepper Building
111 West Madison Street
Tallahassee, FL 32399-1450

RE: Written Explanation or Rebuttal
Gilchrist County Sheriff's Office Audit Report Ending Sept. 30, 2014

To Whom It May Concern:

Please accept this letter of written explanation regarding the schedule of findings. I have been informed of our Auditor's findings and the recommendations that they have outlined in their annual audit report.

My staff and I have met with the Auditors regarding the below findings. I will take the appropriate steps to change the procedures to resolve these findings:

- | | |
|----------|--|
| 2014-001 | I have taken steps to improve the segregation of duties when possible. With our limited staff this is not always feasible. |
| 2014-002 | I have take steps to implement a plan to perform an annual physical inventory of our tangible personal property. |
| 2014-003 | I spoken with my staff and I am taken steps to insure that the Inmate Trust Fund account will be reconciled to date and maintained monthly and amounts collected will be remitted to the BOCC and the Inmate Welfare fund on a regular basis. |
| 2014-004 | In 2013 I took office as a newly elected Sheriff. Within a couple of months of taking office I asked that an internal audit be performed on the Victims of Crime Grant. This Grant is not fully funded and the County has to meet a percentage of the salary. I discovered the terms and conditions of the Grant were not being met due to low statistics of victim of crime cases. We discussed the issue with the Attorney General's office and the decision was made to dissolve the position. The AG's office penalized us \$28,277 for the months we received the money and the goal was not met. |

I appreciate the manner in which the auditors conducted the audit and feel that they were helpful, courteous and professional.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert D. Schultz, III".

Robert D. Schultz, III
Sheriff

Gilchrist County Tax Collector

Audit Report

September 30, 2014

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INDEPENDENT AUDITOR'S REPORT

The Honorable Barbara Merritt
Tax Collector
Gilchrist County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the major fund and the aggregate remaining fund information of the office of the Gilchrist County Tax Collector (the "Office") as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the Office's special purpose financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the major fund and the aggregate remaining fund information of the Office as of September 30, 2014, and the respective changes in financial position, where applicable, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

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

Other Matters

Required Supplementary Information

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

Other Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 23, 2015, on our consideration of the Office's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to 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.

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

Gainesville, Florida
January 23, 2015

Gilchrist County Tax Collector

Balance Sheet – Governmental Funds
September 30, 2014

	General Fund
<hr/>	
Assets	
Cash and equivalents	\$ 2,278
<hr/>	
Liabilities and fund balance	
Liabilities:	
Due to other county agencies	\$ 2,278
Fund balance	-
<hr/>	
Total liabilities and fund balance	\$ 2,278
<hr/>	

See accompanying notes.

Gilchrist County Tax Collector

Statement of Revenues, Expenditures and Changes in Fund Balance
 Governmental Funds
 Year ended September 30, 2014

	General Fund
Revenues	
Miscellaneous revenue	\$ 70
Expenditures	
Current:	
General government services	520,117
Excess of revenues under expenditures	(520,047)
Other financing sources (uses)	
Appropriation from board of county commissioners	522,325
Reversion to board of county commissioners	(2,278)
Total other financing sources (uses)	520,047
Net change in fund balance	-
Fund balance – October 1, 2013	-
Fund balance – September 30, 2014	\$ -

See accompanying notes.

Gilchrist County Tax Collector

Statement of Fiduciary Net Position
September 30, 2014

	Agency Funds
<hr/>	
Assets	
Cash and equivalents	\$ 429,360
<hr/>	
Liabilities	
Assets held for others	417,181
Due to other county agencies	12,179
<hr/>	
Total liabilities	429,360
<hr/>	
Net position	\$ -

See accompanying notes.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

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

Basis of Presentation

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

Fund Accounting

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

The Office reports the following major governmental fund:

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

The Office also reports the following fiduciary funds:

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance

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

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

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

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

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

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

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

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

Measurement Focus/Basis of Accounting

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

Cash and Equivalents

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

Capital Assets and Long-Term Liabilities

Capital assets used by the Office are recorded and accounted for by the Gilchrist County Board of County Commissioners.

Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by noncurrent 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 government-wide financial statements of the County.

Use of Estimates

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

NOTE 2 – CHANGES IN LONG-TERM DEBT

A summary of changes in long-term debt follows:

	Balance October 1, 2013	Additions	Deductions	Balance September 30 2014	Due Within One Year
Compensated absences	\$ 19,600	\$ 12,200	\$ 14,700	\$ 17,100	\$ 6,100

NOTE 3 – PENSION PLAN

Plan Description. The Office contributes to the Florida Retirement System (the “System”), a cost-sharing multiple-employer defined benefit pension plan administered by the State of Florida, Department of Management Services, Division of Retirement. The System provides retirement, disability or death benefits to retirees or their designated beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Division of Retirement, PO Box 9000, Tallahassee, Florida, 32315-9000, or by calling (850) 488-6491.

Funding Policy. The Office is required to contribute at an actuarially determined rate. The employer contribution rates at September 30, 2014 were as follows: Regular Employees 7.37%; Special Risk Employees 19.82%; Senior Management 21.14%; Elected Officials 43.24%; DROP 12.28%. Employees are required to contribute 3%. The contribution requirements of plan members and the Office are established and may be amended by the Florida Legislature. The Office's contributions to the System for the years ended September 30, 2014, 2013 and 2012 were approximately \$35,900, \$22,800, and \$14,900, respectively, equal to the required contributions for each year.

Required Supplementary Information

Gilchrist County Tax Collector

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – General Fund
Year ended September 30, 2014

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Miscellaneous revenue	\$ -	\$ -	\$ 70	\$ 70
Expenditures				
Current:				
General government services	518,325	522,325	520,117	2,208
Excess of revenues over (under) expenditures				
	(518,325)	(522,325)	(520,047)	2,278
Other financing sources (uses)				
Appropriation from board of county commissioners	518,325	522,325	522,325	-
Reversion to board of county commissioners	-	-	(2,278)	(2,278)
Total other financing sources (uses)	518,325	522,325	520,047	(2,278)
Net change in fund balances	-	-	-	-
Fund balances - October 1, 2013	-	-	-	-
Fund balances - September 30, 2014	\$ -	\$ -	\$ -	\$ -

Notes to Schedule:

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

Supplementary Information

Gilchrist County Tax Collector

Combining Statement of Fiduciary Net Position
 Agency Funds
 September 30, 2014

	Tag Fund	Trust Fund	Tax Fund	Total
Assets				
Cash and equivalents	\$ 34,892	\$ 21,847	\$ 372,621	\$ 429,360
Liabilities				
Assets held for others	34,797	21,847	360,537	417,181
Due to other county agencies	95	-	12,084	12,179
Total liabilities	34,892	21,847	372,621	429,360
Net position	\$ -	\$ -	\$ -	\$ -

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



MANAGEMENT LETTER

The Honorable Barbara Merritt
Tax Collector
Gilchrist County, Florida

We have audited the financial statements of the office of the Gilchrist County Tax Collector (the "Office"), as of and for the year ended September 30, 2014, and have issued our report thereon dated January 23, 2015. That report should be considered in conjunction with this management letter.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida and require that certain items be addressed in this letter.

Prior Audit Findings

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

Other Matters

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

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

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

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

Gainesville, Florida
January 23, 2015

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

The Honorable Barbara Merritt
Tax Collector
Gilchrist County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the major fund and the aggregate remaining fund information of the office of the Gilchrist County Tax Collector (the “Office”), as of and for the year ended September 30, 2014, 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 January 23, 2015.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Carly Riggs & Ingram, L.L.C.

Gainesville, Florida
January 23, 2015

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

The Honorable Barbara Merritt
Tax Collector
Gilchrist County, Florida

We have examined the office of the Gilchrist County Tax Collector's (the "Office") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2014. 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 and, accordingly, included examining, on a test basis, evidence about the Office's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Office's compliance with specified requirements.

In our opinion, the Office complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2014.

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

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

Gainesville, Florida
January 23, 2015



Barbara Merritt, Tax Collector

P.O. Box 194 • 112 South Main St. • Trenton, Florida 32693
(352) 463-3178 • (352) 463-3177 Fax

January 23, 2015

David W. Martin, CPA
Auditor General's Office
111 West Madison St
Tallahassee FL 32399-1450

RE: 2014 Tax Collector Audit

Dear Auditors:

I have reviewed the Audit from Carr, Riggs & Ingram, LLC for the year ending September 2014. We at the Tax Collector's office are proud of the fact that no deficiencies were found in this audit. I would like to thank the Auditors for the manner in which they conducted the audit.

Please feel free to contact me if you have any questions.

Sincerely,

Barbara Merritt
Tax Collector
Gilchrist County

BJM/pcp

Gilchrist County
Property Appraiser

Audit Report

September 30, 2014

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Carr, Riggs & Ingram, LLC
4010 N.W. 25th Place
Gainesville, Florida 32606
P.O. Box 13494
Gainesville, Florida 32604

(352) 372-6300
(352) 375-1583 (fax)
www.cricpa.com

INDEPENDENT AUDITOR'S REPORT

The Honorable Damon Leggett
Property Appraiser
Gilchrist County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the office of the Gilchrist County Property Appraiser (the "Office") as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the Office's special purpose financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Office as of September 30, 2014, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

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

Other Matters*Required Supplementary Information*

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2014, on our consideration of the Office's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to 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.

Cary Riggs & Ingram, L.L.C.

Gainesville, Florida
December 30, 2014

Gilchrist County Property Appraiser

Balance Sheet – Governmental Funds
September 30, 2014

	General Fund
<hr/>	
Assets	
Cash and equivalents	\$ 39,890
<hr/>	
Liabilities and fund balance	
Liabilities:	
Accounts payable and accrued liabilities	\$ 870
Due to other county agencies	39,020
<hr/>	
Total liabilities	39,890
Fund balance	-
<hr/>	
Total liabilities and fund balance	\$ 39,890
<hr/>	

See accompanying notes.

Gilchrist County Property Appraiser

Statement of Revenues, Expenditures and Changes in Fund Balance
 Governmental Funds
 Year ended September 30, 2014

	General Fund
<hr/>	
Revenues	
Charges for services	\$ 20,087
Miscellaneous	346
<hr/>	
Total revenues	20,433
Expenditures	
Current:	
General government services	572,250
<hr/>	
Excess of revenues under expenditures	(551,817)
<hr/>	
Other financing sources (uses)	
Appropriation from board of county commissioners	590,837
Reversion to board of county commissioners	(39,020)
<hr/>	
Total other financing sources (uses)	551,817
<hr/>	
Net change in fund balance	-
<hr/>	
Fund balance - beginning of year	-
<hr/>	
Fund balance - end of year	\$ -
<hr/> <hr/>	

See accompanying notes.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

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

Basis of Presentation

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

Fund Accounting

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

The Office reports the following major governmental fund:

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance

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

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

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

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

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

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

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

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

Measurement Focus/Basis of Accounting

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets.

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

Capital Assets and Long-Term Liabilities

Capital assets used by the Office are recorded and accounted for by the Gilchrist County Board of County Commissioners.

Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by noncurrent 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 government-wide financial statements of the County.

Cash and Equivalents

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

Use of Estimates

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

NOTE 2 – CHANGES IN LONG-TERM LIABILITIES

A summary of changes in long-term liabilities follows:

	Balance October 1, 2013	Additions	Deductions	Balance September 30, 2014	Due Within One Year
Compensated absences	\$ 10,100	\$ 17,600	\$ 15,100	\$ 12,600	\$ 9,700

NOTE 3 – PENSION PLAN

Plan Description. The Office contributes to the Florida Retirement System ("System"), a cost-sharing multiple-employer defined benefit pension plan administered by the State of Florida, Department of Management Services, Division of Retirement. The System provides retirement, disability or death benefits to retirees or their designated beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Division of Retirement, PO Box 9000, Tallahassee, Florida, 32315-9000, or by calling (850) 488-6491.

Funding Policy. The Office is required to contribute at an actuarially determined rate. The employer contribution rates at September 30, 2014, were as follows: Regular Employees 7.37%; Special Risk Employees 19.82%; Senior Management 21.14%; Elected Officials 43.24%; DROP 12.28%. Employees are required to contribute 3%. The contribution requirements of plan members and the Office are established and may be amended by the Florida Legislature. The Office's contributions to the System for the years ended September 30, 2014, 2013 and 2012 were \$58,000, \$30,000, and \$22,000, respectively, equal to the required contributions for each year.

Required Supplementary Information

Gilchrist County Property Appraiser

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – General Fund
Year ended September 30, 2014

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Charges for services	\$ 13,066	\$ 13,248	\$ 20,087	\$ 6,839
Miscellaneous	-	-	346	346
Total revenues	13,066	13,248	20,433	7,185
Expenditures				
Current:				
General government services	583,268	594,185	572,250	21,935
Reserve for contingencies	12,500	9,900	-	9,900
Total expenditures	595,768	604,085	572,250	31,835
Excess of revenues over (under) expenditures	(582,702)	(590,837)	(551,817)	39,020
Other financing sources (uses)				
Appropriation from board of county commissioners	582,702	590,837	590,837	-
Reversion to board of county commissioners	-	-	(39,020)	(39,020)
Total other financing sources (uses)	582,702	590,837	551,817	(39,020)
Net change in fund balances	-	-	-	-
Fund balances - beginning of year	-	-	-	-
Fund balances - end of year	\$ -	\$ -	\$ -	\$ -

Notes to Schedule:

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

Additional Elements Required by the
Rules of the Auditor General

MANAGEMENT LETTER

The Honorable Damon Leggett
Property Appraiser
Gilchrist County, Florida

We have audited the financial statements of the office of the Gilchrist County Property Appraiser (the "Office"), as of and for the year ended September 30, 2014, and have issued our report thereon dated December 30, 2014. That report should be considered in conjunction with this management letter.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida and require that certain items be addressed in this letter.

Prior Audit Findings

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

Other Matters

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

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

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

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

Gainesville, Florida
December 30, 2014

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

The Honorable Damon Leggett
Property Appraiser
Gilchrist County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the office of the Gilchrist County Property Appraiser (the “Office”), as of and for the year ended September 30, 2014, 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 December 30, 2014.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

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

Gainesville, Florida
December 30, 2014



Carr, Riggs & Ingram, LLC
4010 N.W. 25th Place
Gainesville, Florida 32606
P.O. Box 13494
Gainesville, Florida 32604

(352) 372-6300
(352) 375-1583 (fax)
www.cricpa.com

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

The Honorable Damon Leggett
Property Appraiser
Gilchrist County, Florida

We have examined the office of the Gilchrist County Property Appraiser's (the "Office") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2014. 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 and, accordingly, included examining, on a test basis, evidence about the Office's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Office's compliance with specified requirements.

In our opinion, the Office complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2014.

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

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

Gainesville, Florida
December 30, 2014



Damon C. Leggett, C.F.A.

Gilchrist County Property Appraiser

112 South Main Street, Suite 138 • Trenton, Florida 32693 • Phone: 352-463-3190 • 1-800-219-3208 • Fax: 352-463-3193

December 30, 2014

State of Florida
David W. Martin, CPA
Auditor General
Tallahassee, FL 32399

Dear Sir,

I have reviewed the auditor's comments relating to this office for the fiscal year ending September 30, 2014.

I am very pleased with the results of this audit and am proud of the fact that I have conducted the affairs of the Property Appraiser's Office in such a manner that I have received such a favorable audit. As always we are open to suggestions from the auditors and make every effort to comply with their recommendations so we can get such favorable audits.

I appreciate the manner in which the auditors conducted the audit and feel that they did the work in a professional and courteous manner.

Sincerely,

Damon C. Leggett
Property Appraiser

Copy: File

Board of Gilchrist County Commissioners
Robert Beauchamp, C.P.A.



**Gilchrist County
Supervisor of Elections**

Audit Report

September 30, 2014

Gilchrist County Supervisor of Elections

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September 30, 2014

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INDEPENDENT AUDITOR'S REPORT

The Honorable Connie Sanchez
Supervisor of Elections
Gilchrist County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the office of the Gilchrist County Supervisor of Elections (the "Office") as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the Office's special purpose financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Office as of September 30, 2014, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

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

Other Matters***Required Supplementary Information***

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2014, on our consideration of the Office's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to 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.

Carly Riggs & Ingram, L.L.C.

Gainesville, Florida
December 11, 2014

Gilchrist County Supervisor of Elections

Balance Sheet – Governmental Funds
September 30, 2014

	General Fund
<hr/>	
Assets	
Cash and equivalents	\$ 17,874
<hr/>	
Liabilities and fund balance	
Liabilities:	
Due to other county agencies	\$ 17,874
Fund balance	-
<hr/>	
Total liabilities and fund balance	\$ 17,874
<hr/>	

See accompanying notes.

Gilchrist County Supervisor of Elections

Statement of Revenues, Expenditures and Changes in Fund Balance
 Governmental Funds
 Year ended September 30, 2014

	General Fund
<hr/>	
Revenues	
Charges for services	\$ 587
Miscellaneous	139
<hr/>	
Total revenues	726
Expenditures	
Current:	
General government services	294,751
<hr/>	
Excess of revenues under expenditures	(294,025)
<hr/>	
Other financing sources (uses)	
Appropriation from board of county commissioners	311,042
Reversion to board of county commissioners	(17,017)
<hr/>	
Total other financing sources (uses)	294,025
<hr/>	
Net change in fund balance	-
Fund balance - beginning of year	-
<hr/>	
Fund balance - end of year	\$ -
<hr/> <hr/>	

See accompanying notes.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

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

Basis of Presentation

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

Fund Accounting

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

The Office reports the following major governmental fund:

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance

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

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

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

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

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

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

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

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

Measurement Focus/Basis of Accounting

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Capital Assets and Long-Term Liabilities

Capital assets used by the Office are recorded and accounted for by the Gilchrist County Board of County Commissioners.

Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by noncurrent 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 government-wide financial statements of the County.

Cash and Equivalents

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

Use of Estimates

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

Gilchrist County Supervisor of Elections

Notes to Financial Statements

NOTE 2 – CHANGES IN LONG-TERM LIABILITIES

A summary of changes in long-term liabilities follows:

	Balance October 1, 2013	Additions	Deductions	Balance September 30, 2014	Due Within One Year
<u>Compensated absences</u>	<u>\$ 2,000</u>	<u>\$ 5,600</u>	<u>\$ 5,200</u>	<u>\$ 2,400</u>	<u>\$ 2,400</u>

NOTE 3 – PENSION PLAN

Plan Description. The Office contributes to the Florida Retirement System ("System"), a cost-sharing multiple-employer defined benefit pension plan administered by the State of Florida, Department of Management Services, Division of Retirement. The System provides retirement, disability or death benefits to retirees or their designated beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Florida Retirement System, PO Box 9000, Tallahassee, Florida, 32315-9000, or by calling (850) 488-6491.

Funding Policy. The Office is required to contribute at an actuarially determined rate. The employer contribution rates at September 30, 2014, were as follows: Regular Employees 7.37%; Special Risk Employees 19.82%; Senior Management 21.14%; Elected Officials 43.24%; DROP 12.28%. Employees are required to contribute 3%. The contribution requirements of plan members and the Office are established and may be amended by the Florida Legislature. The Office's contributions to the System for the years ended September 30, 2014, 2013 and 2012 were approximately \$36,000, \$16,000, and \$11,000, respectively, equal to the required contributions for each year.

Required Supplementary Information

Gilchrist County Supervisor of Elections

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – General Fund
Year ended September 30, 2014

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Charges for services	\$ -	\$ -	\$ 587	\$ 587
Miscellaneous	-	-	139	139
<hr/>				
Total revenues	-	-	726	726
Expenditures				
Current:				
General government services	280,965	311,042	294,751	16,291
<hr/>				
Excess of revenues over (under) expenditures	(280,965)	(311,042)	(294,025)	17,017
<hr/>				
Other financing sources (uses)				
Appropriation from board of county commissioners	280,965	311,042	311,042	-
Reversion to board of county commissioners	-	-	(17,017)	(17,017)
<hr/>				
Total other financing sources (uses)	280,965	311,042	294,025	(17,017)
<hr/>				
Net change in fund balances	-	-	-	-
<hr/>				
Fund balances - beginning of year	-	-	-	-
<hr/>				
Fund balances - end of year	\$ -	\$ -	\$ -	\$ -

Notes to Schedule:

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

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

MANAGEMENT LETTER

The Honorable Connie Sanchez
Supervisor of Elections
Gilchrist County, Florida

We have audited the financial statements of the office of the Gilchrist County Supervisor of Elections (the "Office"), as of and for the year ended September 30, 2014, and have issued our report thereon dated December 11, 2014. That report should be considered in conjunction with this management letter.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida and require that certain items be addressed in this letter.

Prior Audit Findings

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

Other Matters

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

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

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

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

Gainesville, Florida
December 11, 2014

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

The Honorable Connie Sanchez
Supervisor of Elections
Gilchrist County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the office of the Gilchrist County Supervisor of Elections (the "Office"), as of and for the year ended September 30, 2014, 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 December 11, 2014.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

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

Gainesville, Florida
December 11, 2014

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

The Honorable Connie Sanchez
Supervisor of Elections
Gilchrist County, Florida

We have examined the office of the Gilchrist County Supervisor of Elections' (the "Office") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2014. 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 and, accordingly, included examining, on a test basis, evidence about the Office's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Office's compliance with specified requirements.

In our opinion, the Office complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2014.

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

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

Gainesville, Florida
December 11, 2014



Connie Sanchez
Gilchrist County
Supervisor of Elections

December 11, 2014

Auditor General State of Florida
David Martin, CPA
Tallahassee, Florida 32399-1450

RE: Gilchrist County Supervisor of Elections 2013-14 audit report

Dear Mr. Martin,

I have reviewed the auditor's comments relating to this office for the fiscal year ending September 30, 2014.

I am very pleased with the results of this audit and am proud of the fact that I have conducted the affairs of the Supervisor of Elections Office in such a manner that I have received such a favorable audit. As always we are open to suggestions from the auditors and make every effort to comply with their recommendations so we can get such a favorable audits.

I appreciate the manner in which the auditors conducted the audit and feel that they did the work in a professional and courteous manner.

Sincerely,

Connie D. Sanchez

The Honorable Connie Douglas Sanchez,
Gilchrist County Supervisor of Elections

Copy:File

Board of Gilchrist County Commissioners
Robert Beauchamp. C.P.A