Gilchrist County
Board of County Commissioners

Audit Report

September 30, 2015

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September 30, 2015

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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, 2015, 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, 2015, 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.

Change in Accounting Principle

As discussed in Note 13 to the financial statements, the County restated the beginning net position of the governmental activities to implement the provisions of GASB No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pensions Transactions for Contributions Made Subsequent to Measurement Date.* Our opinions are not modified with respect to this matter.

Emphasis of Matter

As discussed in Note 13 to the financial statements, the County restated the beginning net position of the governmental activities to correct previously reported net capital assets. 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 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 information listed in the table of contents as supplementary information, including the Schedule of Expenditures of Federal Awards and State Financial Assistance, which is required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and Chapter 10.550, Rules of the Auditor General, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2016, 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 30, 2016

Management's Discussion and Analysis
September 30, 2015

This Management Discussion and Analysis provides an objective and easily readable analysis of the County's financial activities for fiscal year ending September 30, 2015. The analysis provides summary financial information for the County and should be read in conjunction with the county's financial statements.

FINANCIAL HIGHLIGHTS

- GASB's new pension standards were implemented and as a result the County reported a net pension liability of $6.2 million at September 30, 2015.
- Gilchrist County's assets and deferred outflows exceeded total liabilities and deferred inflows by $29,633,126 *(net position)*. Of this amount ($201,462) is unrestricted net position while $27,757,369 was net investment in capital assets. The remaining $2,077,219 is restricted net position.
- The County's total net position decreased approximately $6.7 million from the previous year.
- At September 30, 2015, the unassigned fund balance for the General Fund was $4,795,838 or 38.5% of expenditures and transfers out.
- At September 30, 2015, the County's governmental funds reported a combined fund balance of $8,287,137.

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 deferred outflows and liabilities and deferred inflows 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, Transportation Trust 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, the OPEB schedules of funding progress and the pension plans' schedules of proportionate share of liability 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 and deferred outflows exceeded liabilities and deferred inflows by $29,633,126 and $36,367,551 at the close of the fiscal years ending September 30, 2015 and 2014, respectively.

Gilchrist County
Net Position, End of Year

	2015	2014
	Governmental Activities	
Current and other assets	**$ 9,731,236**	$ 10,474,921
Capital assets, net	**29,388,581**	29,463,383
Total assets	**39,119,817**	39,938,304
Deferred outflows	**3,104,480**	-
Other liabilities	**738,683**	1,261,418
Long-term liabilities	**8,920,099**	2,309,335
Total liabilities	**9,658,782**	3,570,753
Deferred inflows	**2,932,389**	-
Net position:		
Net investment in capital assets	**27,757,369**	28,283,335
Restricted	**2,077,219**	2,557,514
Unrestricted	**(201,462)**	5,526,702
Total net position	**$ 29,633,126**	$ 36,367,551

The largest portion of the County's net position (94%) 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

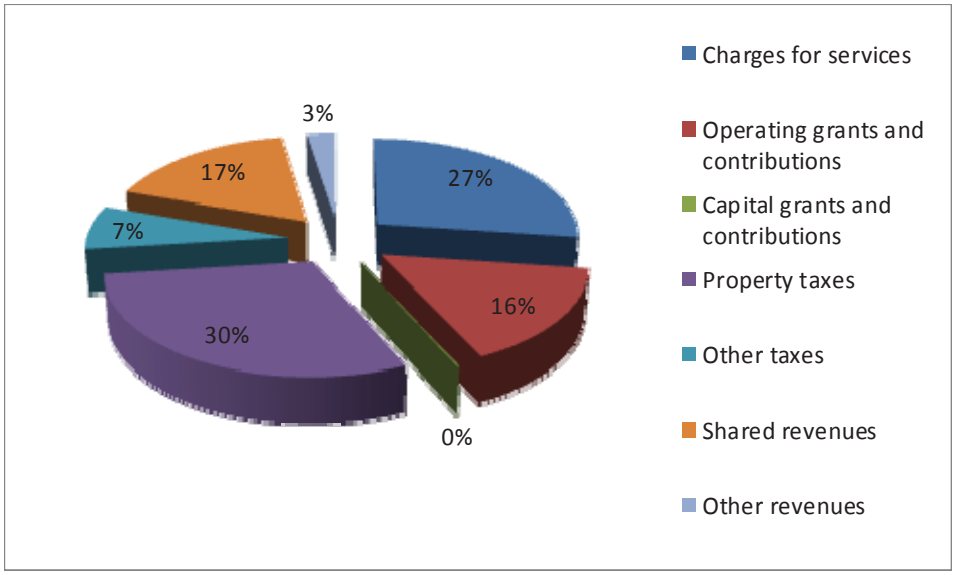
The following schedule provides a summary of the changes in net position.

Gilchrist County
Changes in Net Position

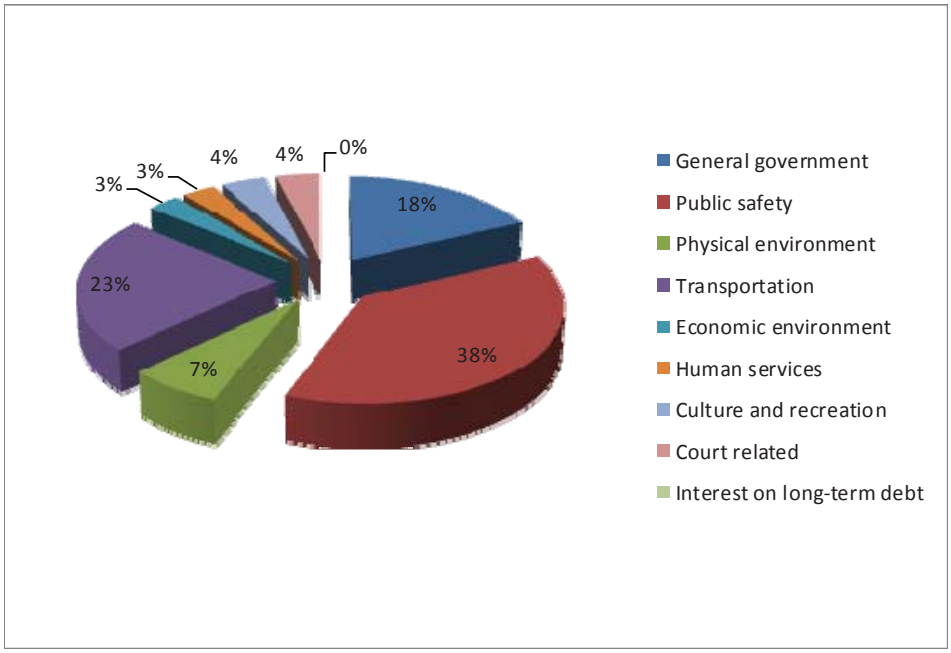
	2015	2014
	Governmental Activities	
Program revenues:		
Charges for services	$ **5,020,026**	$ 3,671,495
Operating grants and contributions	**3,052,377**	3,346,596
Capital grants and contributions	**23,918**	-
General revenues:		
Property taxes	**5,493,096**	5,290,668
Other taxes	**1,327,335**	1,223,141
Shared revenues	**3,175,625**	3,026,125
Other revenues	**464,545**	294,928
Total revenues	**18,556,922**	16,852,953
Expenses:		
General government	**4,681,057**	3,441,689
Public safety	**7,338,491**	7,207,108
Physical environment	**1,023,437**	1,236,967
Transportation	**3,702,282**	4,394,721
Economic environment	**489,885**	480,424
Human services	**633,609**	629,550
Culture and recreation	**511,775**	649,744
Court related	**776,563**	741,913
Interest on long-term debt	**35,513**	49,659
Total expenses	**19,192,612**	18,831,775
Change in net position	**(635,690)**	(1,978,822)
Net position - beginning of year, as restated	**30,268,816**	38,346,373
Net position - end of year	$ **29,633,126**	$ 36,367,551

Fiscal Year Ended September, 2015

Revenue – Governmental Activities



Expenses – Governmental Activities



Governmental activities expenses exceeded revenues by $635,690.

Property tax revenues increased by 4% from fiscal year 2014.

Operating grants and contributions totaled $3,052,377 in fiscal year 2015.

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 $8,287,137 a decrease of $416,273. Components of this change include an increase of $183,318 in the General Fund, a decrease of $19,151 in the EMS Fund, an increase of $10,422 in the Transportation Trust Fund and a decrease of $590,862 in the nonmajor governmental funds.

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

The General Fund is the chief operating fund of the County. At the end of fiscal year 2015, the unassigned fund balance of the General Fund was $4,795,838, which is approximately 38.5% of the expenditures and transfers for fiscal year 2015.

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 $337,311 at year-end. This was a decrease of $19,151 from prior year.

The Transportation Trust Fund accounts for the maintenance of roads, bridges and rights-of-ways and is primarily funded by gas taxes. Total fund balance at year-end was $274,604 a slight increase from the 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, 2015

	Governmental Activities
Land	$ 1,287,411
Buildings, net	8,424,820
Infrastructure, net	14,720,300
Improvements, net	1,458,920
Equipment, net	3,372,207
Construction in progress	124,923
Total	$ 29,388,581

The County's total investment in capital assets for its governmental activities as of September 30, 2015, was $29,388,581 (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

At September 30, 2015, the County's outstanding long-term debt was $8,920,099.

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 8.5 went unchanged.
- The unemployment rate for the County increased from 6.5% in 2014 to 5.2% in 2015.
- Taxable property values used in preparing the 2015 budget increased by 1.3% 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

Statement of Net Position
September 30, 2015

	Governmental Activities
Assets	
Cash and equivalents	$ 5,409,430
Investments	2,980,746
Due from other governments	981,458
Receivables	337,799
Inventory	21,803
Capital assets:	
Non-depreciable	1,412,334
Depreciable, net	27,976,247
Total assets	39,119,817
Deferred outflows of resources	
Pension related	3,104,480
Liabilities	
Accounts payable and accrued liabilities	738,683
Noncurrent liabilities:	
Due within one year	1,039,112
Due in more than one year	7,880,987
Total liabilities	9,658,782
Deferred inflows of resources	
Pension related	2,932,389
Net position	
Net investment in capital assets	27,757,369
Restricted:	
Public safety	896,477
Physical environment	309,272
Transportation	299,687
Economic environment	34,734
Court related	426,210
Other	110,839
Unrestricted	(201,462)
Total net position	$ 29,633,126

See accompanying notes.

Statement of Activities
Year ended September 30, 2015

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Governmental activities:					
General government	$ 4,681,057	$ 1,548,147	$ -	$ -	$ (3,132,910)
Public safety	7,338,491	2,110,360	179,994	23,918	(5,024,219)
Physical environment	1,023,437	684,229	90,909	-	(248,299)
Transportation	3,702,282	15,702	2,031,974	-	(1,654,606)
Economic environment	489,885	7,855	-	-	(482,030)
Human services	633,609	45,634	-	-	(587,975)
Culture and recreation	511,775	336,617	366,241	-	191,083
Court related	776,563	271,482	383,259	-	(121,822)
Interest on long-term debt	35,513	-	-	-	(35,513)
Total	$ 19,192,612	$ 5,020,026	$ 3,052,377	$ 23,918	(11,096,291)
General revenues:					
Property taxes					5,493,096
Sales taxes					783,688
Gas taxes					417,326
Tourist development tax					35,663
Communication service tax					90,658
Shared revenues					3,175,625
Investment earnings					52,186
Miscellaneous					412,359
Total general revenues					10,460,601
Change in net position					(635,690)
Net position - beginning of year, as restated					30,268,816
Net position - end of year					$ 29,633,126

See accompanying notes.

Balance Sheet – Governmental Funds
September 30, 2015

	General Fund	EMS Fund	Transportation Trust Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and equivalents	$ 2,552,437	$ 298,505	$ 230,176	$ 2,020,717	$ 5,101,835
Investments	2,478,916	72,548	12,663	416,619	2,980,746
Receivables	44,037	287,370	-	610	332,017
Due from other funds	14,630	30	-	15,142	29,802
Due from other governments	843,256	406	93,642	44,154	981,458
Inventory	21,803	-	-	-	21,803
Total assets	$ 5,955,079	$ 658,859	$ 336,481	$ 2,497,242	$ 9,447,661
Liabilities					
Accounts payable and accrued liabilities	$ 437,925	$ 32,440	$ 58,957	$ 119,171	$ 648,493
Due to other funds	15,172	2,435	2,920	9,275	29,802
Total liabilities	453,097	34,875	61,877	128,446	678,295
Deferred inflows					
Unavailable revenue	186,299	286,673	-	9,257	482,229
Fund balances					
Nonspendable	21,803	-	-	-	21,803
Restricted	-	-	8,394	1,958,395	1,966,789
Assigned	498,042	337,311	266,210	401,144	1,502,707
Unassigned	4,795,838	-	-	-	4,795,838
Total fund balances	5,315,683	337,311	274,604	2,359,539	8,287,137
Total liabilities, deferred inflows and fund balances	$ 5,955,079	$ 658,859	$ 336,481	$ 2,497,242	$ 9,447,661

See accompanying notes.

Reconciliation of the Balance Sheet to the Statement of Net Position
Governmental Funds
September 30, 2015

Fund balances - total governmental funds	$ 8,287,137
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	29,388,581
Deferred outflows and inflows accociated with with pensions are not reported in the governmental funds.	
Deferred outflows	3,104,480
Deferred inflows	(2,932,389)
Long-term liabilities are not reported in the governmental funds.	
Bonds payable	(129,845)
Notes payable	(1,457,424)
Capital lease	(43,944)
Landfill postclosure care	(39,025)
Compensated absences	(627,300)
Net OPEB liability	(438,481)
Net pension liability	(6,184,080)
Deferred inflows for earned but unavailable revenue are reported in the governmental funds but not in the statement of net position.	482,229
The assets and liabilities of the internal service fund are reported with governmental activities.	223,187
Net position of governmental activities	$ 29,633,126

See accompanying notes.

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year ended September 30, 2015

	General Fund	EMS Fund	Transportation Trust Fund	Other Govern-mental Funds	Total Govern-mental Funds
Revenues					
Taxes	$ 5,767,977	$ 635,128	$ 414,932	$ -	$ 6,818,037
Licenses, permits and special assessments	172,658	-	16,772	1,181,923	1,371,353
Intergovernmental	4,954,763	66,612	632,167	485,699	6,139,241
Charges for services	962,369	986,047	4,030	441,090	2,393,536
Fines and forfeitures	-	-	-	21,839	21,839
Miscellaneous	416,267	2,558	542	50,849	470,216
Total revenues	12,274,034	1,690,345	1,068,443	2,181,400	17,214,222
Expenditures					
Current:					
General government	3,389,395	-	-	52,431	3,441,826
Public safety	4,886,754	1,858,546	892	837,086	7,583,278
Physical environment	278,916	-	-	935,133	1,214,049
Transportation	1,618,481	-	1,503,715	-	3,122,196
Economic environment	77,794	-	-	380,590	458,384
Human services	612,377	-	-	-	612,377
Culture and recreation	804,432	-	-	-	804,432
Court related	299,145	-	-	510,460	809,605
Capital outlay	-	-	-	-	-
Debt service:			-		
Principal retirement	53,146	104,819	163,641	88,095	409,701
Interest and fiscal charges	5,768	3,754	15,790	10,201	35,513
Total expenditures	12,026,208	1,967,119	1,684,038	2,813,996	18,491,361
Excess of revenues over (under) expenditures	247,826	(276,774)	(615,595)	(632,596)	(1,277,139)
Other financing sources (uses)					
Debt issued	181,000	257,623	198,906	223,337	860,866
Transfers in	181,603	-	427,111	-	608,714
Transfers out	(427,111)	-	-	(181,603)	(608,714)
Total other financing sources (uses)	(64,508)	257,623	626,017	41,734	860,866
Net change in fund balances	183,318	(19,151)	10,422	(590,862)	(416,273)
Fund balances - beginning of year	5,132,365	356,462	264,182	2,950,401	8,703,410
Fund balances - end of year	$ 5,315,683	$ 337,311	$ 274,604	$ 2,359,539	$ 8,287,137

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, 2015

Net change in fund balances - total governmental funds	$ (416,273)
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	1,943,592
Current year depreciation expense	(2,260,714)
Loss on asset disposal	(45,013)
The timing of revenue recognition sometimes differs between governmental funds and the statement of activities.	107,471
The issuance of long-term debt provides current financial resources for governmental funds, but does not effect net position of governmental activities.	
Notes payable and Capital leases	(860,866)
Repayment of debt is an expenditure in the governmental funds, but the repayment does not effect net position of governmental activities.	
Principal payments	409,701
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	22,800
Landfill postclosure care	(1,676)
Net OPEB liability	3,357
The change in net pension liability and deferred outflows and inflows are reported in the statement of activities, but not in the governmental funds.	
Change in net pension liability	(2,362,629)
Change in deferred outflows related to pensions	1,794,693
Change in deferred inflows related to pensions	719,747
Deferred outflow for contributionssubsequent to the measurement date	222,268
Internal service fund is used to charge the cost of risk management to individual funds. The net revenue is reported with governmental activities.	87,852
Change in net position of governmental activities	$ (635,690)

See accompanying notes.

Statement of Net Position – Proprietary Funds
September 30, 2015

	Governmental Activities
	Internal Service Fund
Current assets	
Cash and equivalents	$ 307,595
Accounts receivable	5,782
Total assets	313,377
Current liabilities	
Accounts payable and accrued liabilities	90,190
Net position	
Unrestricted	$ 223,187

See accompanying notes.

Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
Year ended September 30, 2015

	Governmental Activities Internal Service Fund
Operating revenues	
Charges for insurance	$ 1,220,220
Operating expenses	
Claims expense	762,991
Professional services and administration	384,386
Total operating expenses	1,147,377
Operating income	72,843
Nonoperating revenues	
Interest revenue	15,009
Change in net position	87,852
Net position - beginning of year	135,335
Net position - end of year	$ 223,187

See accompanying notes.

Statement of Cash Flows – Proprietary Funds
Year ended September 30, 2015

	Governmental Activities Internal Service Fund
Cash flows from operating activities	
Cash received for premiums	$ 1,215,409
Cash paid on insurance claims	(774,254)
Cash paid for professional services and administration	(384,386)
Net cash provided (used) by operating activities	56,769
Cash flows from noncapital financing activities	
Interfund loan	(100,000)
Cash flows from investing activities	
Interest received	15,009
Net change in cash and equivalents	(28,222)
Cash and equivalents - beginning of year	335,817
Cash and equivalents - end of year	$ 307,595
Reconciliation of operating income to net cash provided (used) by operating activities	
Operating income (loss)	$ 72,843
Change in assets and liabilities:	
Due from other funds	40,895
Accounts receivable	(4,811)
Accounts payable and accrued liabilities	(11,263)
Unearned revenue	(40,895)
Net cash provided (used) by operating activities	$ 56,769

See accompanying notes.

Statement of Fiduciary Net Position
September 30, 2015

	Agency Funds
Assets	
Cash and equivalents	$ 652,877
Receivables	1,011
Total assets	653,888
Liabilities	
Assets held for others	653,888
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.

Transportation Trust Fund – This fund (Transportation Trust Fund) is used to account for and report the operations of the Road and Bridge Department. Revenues are primarily from gas taxes.

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 is reported at fair value.

Receivables

Accounts receivable of the EMS Fund are reported net of an allowance for uncollectable accounts of approximately $191,000. The allowance represents approximately 40% of gross ambulance service accounts receivable at September 30, 2015. The County considers all other receivables to be fully collectible.

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 $634,000 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.

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Pensions

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

Deferred Outflows/Inflows of Resources

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

A *deferred inflow of resources* is an acquisition of net assets that 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	$	185,128
FLGIT		2,795,618
Total investments	$	2,980,746

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; the County's investment in FLGIT is in the Day-To-Day Fund.

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.

NOTE 3 – INVESTMENTS (CONTINUED)

Credit Risk – The risk that an issuer or other counterparty to an investment will not fulfill its obligations. Both investment pools are rated AAAm by Standard and Poor's at September 30, 2015.

Interest Rate Risk – The risk that changes in interest rates will adversely affect the fair value of an investment. At September 30, 2015, the dollar weighted average days to maturity of the SBA was 29 days and 40.56 days for the FLGIT.

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

NOTE 4 – FUND BALANCE CLASSIFICATIONS

Fund balance is *restricted* for the following purposes:

	Transportation Trust Fund	Other Governmental Funds
Public safety	$ -	$ 896,480
Transportation	8,394	180,861
Physical environment	-	309,271
Economic environment	-	34,734
Court related	-	426,210
Capital outlay	-	110,839
Total restricted fund balance	$ 8,394	$ 1,958,395

Fund balance is *assigned* for the following purposes:

	General Fund	EMS Fund	Transportation Trust Fund	Other Governmental Funds	Total
Public safety	$ -	$ 337,311	$ -	$ 13,375	$ 350,686
Transportation	-	-	266,210	-	266,210
Capital outlay	-	-	-	387,769	387,769
Subsequent year's expenditures	498,042	-	-	-	498,042
Total assigned fund balance	$ 498,042	$ 337,311	$ 266,210	$ 401,144	$ 1,502,707

NOTE 5 – CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets follows:

	October 1, 2014 (Restated)	Additions	Deductions	September 30, 2015
Capital assets not being depreciated:				
Land	$ 1,273,538	$ 13,873	$ -	$ 1,287,411
Construction in progress	345,824	130,636	351,537	124,923
Total capital assets not being depreciated	1,619,362	144,509	351,537	1,412,334
Capital assets being depreciated:				
Buildings	12,106,619	4,187	-	12,110,806
Improvements	1,963,783	-	-	1,963,783
Infrastructure	20,721,399	1,067,858	-	21,789,257
Equipment	12,088,132	1,078,575	961,585	12,205,122
Total capital assets being depreciated	46,879,933	2,150,620	961,585	48,068,968
Less accumulated depreciation for:				
Buildings	3,455,522	230,464	-	3,685,986
Improvements	419,792	85,071	-	504,863
Infrastructure	6,020,249	1,048,708	-	7,068,957
Equipment	8,853,016	896,471	916,572	8,832,915
Total accumulated depreciation	18,748,579	2,260,714	916,572	20,092,721
Total capital assets being depreciated, net	28,131,354	(110,094)	45,013	27,976,247
Total capital assets, net	$ 29,750,716	$ 34,415	$ 396,550	$ 29,388,581

NOTE 5 – CHANGES IN CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions as follows:

General government	$ 177,111
Public safety	544,619
Physical environment	90,476
Transportation	1,317,895
Economic environment	31,592
Human services	29,104
Culture/recreation	69,917
Total depreciation expense	$ 2,260,714

NOTE 6 – LONG-TERM LIABILITIES

At September 30, 2015, the County's long-term liabilities consisted of:

Special assessment bonds, series 2008	$ 129,845
Notes payable	1,457,424
Landfill postclosure care	39,025
Capital lease	43,944
Compensated absences	627,300
Net OPEB obligation	438,481
Net pension liability	6,184,080
Total long-term liabilities	$ 8,920,099

Bonds Payable

Debt service requirements are as follows:

$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 $174,733. Assessments totaling $14,402 were recognized during 2015.	$ 129,845

NOTE 6 – LONG-TERM LIABILITIES (CONTINUED)

Year Ending September 30,	Principal	Interest	Total
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	10,239	4,678	14,917
2021 - 2025	59,601	15,166	74,767
2026 - 2027	23,721	1,682	25,403
Total	$ 129,845	$ 44,888	$ 174,733

Notes Payable

The County is obligated under various long-term note agreements at interest rates ranging from approximately 2.0% to 4.9%.

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

35% Transportation Trust Fund resources, 21% EMS Fund fees, 12% Solid Waste Fund fees, 15% Fire Districts Fund resources, and 17% 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
2016	$ 458,270	$ 37,685	$ 495,955
2017	381,069	24,831	405,900
2018	226,692	14,768	241,460
2019	207,706	9,208	216,914
2020	97,002	4,717	101,719
2021 - 2025	86,685	6,109	92,794
Total	$ 1,457,424	$ 97,318	$ 1,554,742

NOTE 6 – LONG-TERM LIABILITIES (CONTINUED)

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 $39,025 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 approximately $80,600 for that requirement.

Changes in Long-Term Liabilities

	Balance October 1, 2014	Additions	Deductions	Balance September 30, 2015	Due Within One Year
Bonds payable	$ 137,854	$ -	$ 8,009	$ 129,845	$ 8,394
Notes payable	1,042,194	805,866	390,636	1,457,424	458,270
Landfill postclosure care	37,349	1,676	-	39,025	-
Capital lease	-	55,000	11,056	43,944	10,248
Compensated absences	650,100	535,200	558,000	627,300	483,900
Net OPEB obligation	441,838	-	3,357	438,481	-
Net pension liability	3,821,451	2,362,629	-	6,184,080	78,300
Totals	$ 6,130,786	$ 3,760,371	$ 971,058	$ 8,920,099	$1,039,112

NOTE 7 – STATE OF FLORIDA PENSION PLANS

Defined Benefit Plans

The Office participates in two defined benefit pension plans that are administered by the State of Florida, Department of Management Services, Division of Retirement. The plans provide retirement, disability or death benefits to retirees or their designated beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The State of Florida issues a publicly available financial report that includes financial statements and required supplementary information for the plans. That report may be obtained by writing to the Division of Retirement, PO Box 9000, Tallahassee, Florida, 32315-9000 or by calling (844) 377-1888.

NOTE 7 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

The Florida Retirement System (FRS) Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan with a Deferred Retirement Option Program (DROP) available for eligible employees. The FRS was established and is administered in accordance with Chapter 121, Florida Statutes. Retirees receive a lifetime pension benefit with joint and survivor payment options. FRS membership is compulsory for employees filling regularly established positions in a state agency, county agency, state university, state college, or district school board, unless restricted from FRS membership under Sections 121.053 or 121.122, Florida Statutes, or allowed to participate in a defined contribution plan in lieu of FRS membership. Participation by cities, municipalities, special districts, charter schools and metropolitan planning organizations is optional.

The Retiree Health Insurance Subsidy (HIS) Program is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with Section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. To be eligible to receive a HIS benefit, a retiree under a state administered retirement system must provide proof of eligible health insurance coverage, which can include Medicare.

Benefits Provided

Benefits under the FRS Pension Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement plan and/or class to which the member belonged when the service credit was earned.

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

Contributions

The contribution requirements of plan members and the Office are established and may be amended by the Florida Legislature. Employees are required to contribute 3.00% of their salary to the FRS. The Office's contribution rates as of September 30, 2015, were as follows:

NOTE 7 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

	FRS	HIS
Regular class	5.60%	1.66%
Special risk class	20.38%	1.66%
Senior management service class	19.77%	1.66%
Elected officials	40.61%	1.66%
DROP from FRS	11.22%	1.66%

The Office's contributions for the year ended September 30, 2015, were $765,613 to the FRS and $86,178 to the HIS.

Pension Liabilities and Pension Expense

In its financial statements for the year ended September 30, 2015, the Office reported a liability for its proportionate shares of the net pension liabilities. The net pension liabilities were measured as of June 30, 2015, and the total pension liabilities used to calculate the net pension liability were determined by an actuarial valuation dated July 1, 2015. The Office's proportions of the net pension liabilities were based on the Office's share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

	FRS	HIS
Net pension liability	$ 4,051,945	$ 2,132,135
Proportion at:		
Current measurement date	0.0314%	0.0209%
Prior measurement date	0.0304%	0.0211%
Pension expense (benefit)	$ 319,464	$ 158,245

Deferred Outflows/Inflows of Resources Related to Pensions

At September 30, 2015, the Office reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

NOTE 7 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

	FRS		HIS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 427,765	$ 96,100	$ -	$ -
Changes of assumptions	268,941	-	167,743	-
Net difference between projected and actual earnings on pension plan investments	1,427,207	2,394,744	1,154	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	553,598	400,813	35,802	40,732
Employer contributions subsequent to the measurement date	195,750	-	26,518	-
Total	$ 2,873,261	$ 2,891,657	$ 231,217	$ 40,732

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year end will be recognized as a reduction of the net pension liability in the reporting period ending September 30, 2016. Other pension-related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ending September 30,	FRS	HIS
2016	$ (99,735)	$ 26,549
2017	(99,735)	26,549
2018	(99,735)	26,549
2019	(99,735)	26,547
2020	142,149	26,260
Thereafter	42,645	31,513
Total	$ (214,146)	$ 163,967

Actuarial Assumptions

The total pension liability for each of the defined benefit plans, measured as of June 30, 2015, was determined by an actuarial valuation dated July 1, 2015, using the individual entry age normal actuarial cost method and the following significant actuarial assumptions:

	FRS	HIS
Inflation	2.60%	2.60%
Salary increases	3.25%	3.25%
Investment rate of return	7.65%	N/A
Discount rate	7.65%	3.80%

NOTE 7 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

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

For both plans, the actuarial assumptions used in the valuation dated July 1, 2015 were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013.

The following changes in key actuarial assumptions occurred in 2015:

FRS: No changes in key actuarial assumptions.

HIS: The municipal bond index rate and the discount rate used to determine the total pension liability decreased from 4.29% to 3.80%.

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

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return
Cash	1%	3.2%	3.1%
Fixed income	18%	4.8%	4.7%
Global equity	53%	8.5%	7.2%
Real estate (property)	10%	6.8%	6.2%
Private equity	6%	11.9%	8.2%
Strategic investments	12%	6.7%	6.1%
	100%		

NOTE 7 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

Discount Rate

The discount rate used to measure the total pension liability for the FRS Pension Plan was 7.65%. FRS' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Because the HIS Program is essentially funded on a pay-as-you-go basis, a municipal bond rate of 3.80% was used to determine the total pension liability for the program. The Bond Buyer General Obligation Bond 20-Bond Municipal Bond Index was used as the applicable municipal bond index.

Sensitivity Analysis

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

	FRS			HIS		
	1% Decrease (6.65%)	Current Discount Rate (7.65%)	1% Increase (8.65%)	1% Decrease (2.80%)	Current Discount Rate (3.80%)	1% Increase (4.80%)
Employer's proportionate share of the net pension liability	$ 10,499,507	$4,051,945	$ (1,313,485)	$ 2,429,467	$ 2,132,135	$ 1,884,203

Pension Plans' Fiduciary Net Position

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

Defined Contribution Plan

Pursuant to Chapter 121, Florida Statutes, the Florida Legislature created the Florida Retirement Investment Plan ("FRS Investment Plan"), a defined contribution pension plan qualified under Section 401(a) of the Internal Revenue Code. The FRS Investment Plan is an alternative available to members of the Florida Retirement System in lieu of the defined benefit plan. There is a uniform contribution rate covering both the defined benefit and defined contribution plans, depending on membership class. Required employer contributions made to the plan during the year ended September 30, 2015, totaled $168,514.

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.

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.

NOTE 8 – OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

Annual required contribution	$ 78,440
Interest on net OPEB obligation	19,880
Adjustments to ARC	(23,250)
Annual OPEB cost (expense)	75,070
Contributions made	(78,427)
Decrease in net OPEB obligation	(3,357)
Net OPEB obligation - beginning of year	441,838
Net OPEB obligation - end of year	$ 438,481

Trend Information:

Year Ended	Annual OPEB Cost	Actual Employer Contribution	Percentage Contributed	Net OPEB Obligation
9/30/2015	$ 75,070	$ 78,427	104%	$ 438,481
9/30/2014	232,616	7,934	3%	441,838
9/30/2013	103,210	121,854	118%	217,156

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.

NOTE 8 – OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

Actuarial cost method	Projected Unit Credit: Open period
Amortization period	20 year paydown with 4% salary scale
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 2015 fiscal year were 104% 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 $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, 2015, interfund balances consisted of:

	Due To			
Due From	General	EMS Fund	Nonmajor Governmental	Total
General fund	$ -	$ 30	$ 15,142	$ 15,172
EMS fund	2,435	-	-	2,435
Transportation Trust Fund	2,920	-	-	2,920
Nonmajor governmental	9,275	-	-	9,275
Totals	$ 14,630	$ 30	$ 15,142	$ 29,802

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

NOTE 9 – INTERFUND BALANCES/TRANSFERS (CONTINUED)

Interfund transfers are summarized below:

	Transfers Out		
Transfers In	General fund	Nonmajor Governmental	Total
General fund	$ -	$ 181,603	$ 181,603
Transportation Trust fund	427,111	-	427,111
Totals	$ 427,111	$ 181,603	$ 608,714

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:

NOTE 10 – RISK MANAGEMENT (CONTINUED)

	Beginning of Year Liability	Claims Incurred	Claims Paid	End of Year Liability
2014-2015	$ 101,416	$ 762,991	$ 774,298	$ 90,109
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 2016. The statements address:

- Fair value measurement and application; and
- GAAP hierarchy.

The County is currently evaluating the effects that these statements will have on its financial statements for 2016.

NOTE 13 – RESTATEMENT

The County restated the beginning net position of the governmental activities to implement the provisions of GASB Statement No. 68 and GASB Statement No. 71, and to correct the beginning net book value of capital assets.

	Governmental Activities
Net position - beginning of year, as previously reported	$ 36,367,551
Net pension liability	(3,821,451)
Deferred outflows other than employer contributions subsequent to measurement date	872,280
Deferred outflows - employer contributions subsequent to measurement date	215,239
Deferred inflows	(3,652,136)
Capital assets	287,333
Net position - beginning of year, as restated	$ 30,268,816

Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – General Fund
Year ended September 30, 2015

	Budgeted Amounts		Actual	Variance with Final
	Original	Final	Amounts	Budget
Revenues				
Taxes	$ 5,808,360	$ 5,808,360	$ 5,767,977	$ (40,383)
Licenses, permits and special assessments	144,400	144,400	172,658	28,258
Intergovernmental	8,010,333	9,375,943	4,954,763	(4,421,180)
Charges for services	736,807	736,807	962,369	225,562
Fines and forfeitures	500	500	-	(500)
Miscellaneous	169,923	372,888	416,267	43,379
Total revenues	14,870,323	16,438,898	12,274,034	(4,164,864)
Expenditures				
Current:				
General government	1,755,493	1,748,893	3,389,395	(1,640,502)
Public safety	992,362	1,247,041	4,886,754	(3,639,713)
Physical environment	334,158	346,466	278,916	67,550
Transportation	4,770,654	6,098,937	1,618,481	4,480,456
Economic environment	155,128	154,891	77,794	77,097
Human services	650,178	650,178	612,377	37,801
Culture and recreation	767,646	970,611	804,432	166,179
Court related	209,628	209,628	299,145	(89,517)
Reserve for contingencies	500,000	500,000	-	500,000
Debt service:				
Principal retirement	58,829	58,829	53,146	5,683
Interest and fiscal charges	-	-	5,768	(5,768)
Total expenditures	10,194,076	11,985,474	12,026,208	(40,734)
Excess of revenues over (under) expenditures	4,676,247	4,453,424	247,826	(4,205,598)
Other financing sources (uses)				
Debt issued	-	181,317	181,000	(317)
Transfers in	87,812	154,337	181,603	27,266
Transfers out	(6,156,054)	(6,181,073)	(427,111)	5,753,962
Total other financing sources (uses)	(6,068,242)	(5,845,419)	(64,508)	5,780,911
Net change in fund balances	(1,391,995)	(1,391,995)	183,318	1,575,313
Fund balances - beginning of year	3,556,079	3,556,079	5,132,365	1,576,286
Fund balances - end of year	$ 2,164,084	$ 2,164,084	$ 5,315,683	$ 3,151,599

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, 2015

	Budgeted Amounts		Actual	Variance with Final
	Original	Final	Amounts	Budget
Revenues				
Taxes	$ 653,596	$ 653,596	$ 635,128	$ (18,468)
Intergovernmental	70,926	72,530	66,612	(5,918)
Charges for services	951,097	951,097	986,047	34,950
Miscellaneous	1,089	1,089	2,558	1,469
Total revenues	1,676,708	1,678,312	1,690,345	12,033
Expenditures				
Current:				
Public safety	1,970,708	1,972,312	1,858,546	113,766
Reserve for contingencies	6,400	6,400	-	6,400
Debt service:				
Principal retirement	108,573	108,573	104,819	3,754
Interest and fiscal charges	-	-	3,754	(3,754)
Total expenditures	2,085,681	2,087,285	1,967,119	120,166
Excess of revenues over (under) expenditures	(408,973)	(408,973)	(276,774)	132,199
Other financing sources (uses)				
Debt issued	301,000	301,000	257,623	(43,377)
Net change in fund balances	(107,973)	(107,973)	(19,151)	88,822
Fund balances - beginning of year	545,516	545,516	356,462	(189,054)
Fund balances - end of year	$ 437,543	$ 437,543	$ 337,311	$ (100,232)

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 – Transportation Trust Fund
Year ended September 30, 2015

	Budgeted Amounts		Actual	Variance with Final
	Original	Final	Amounts	Budget
Revenues				
Taxes	$ 385,811	$ 385,811	$ 414,932	$ 29,121
Licenses, permits and special assessments	17,180	17,180	16,772	(408)
Intergovernmental	610,571	610,571	632,167	21,596
Charges for services	50,200	50,200	4,030	(46,170)
Miscellaneous	-	-	542	542
Total revenues	1,063,762	1,063,762	1,068,443	4,681
Expenditures				
Current:				
Public safety	892	892	892	-
Transportation	1,716,233	1,716,233	1,503,715	212,518
Debt service:				
Principal retirement	179,437	179,437	163,641	15,796
Interest and fiscal charges	-	-	15,790	(15,790)
Total expenditures	1,896,562	1,896,562	1,684,038	212,524
Excess of revenues under expenditures	(832,800)	(832,800)	(615,595)	217,205
Other financing sources				
Debt issued	200,000	200,000	198,906	(1,094)
Transfers in	427,111	427,111	427,111	-
Total other financing sources	627,111	627,111	626,017	(1,094)
Net change in fund balances	(205,689)	(205,689)	10,422	216,111
Fund balances - beginning of year	250,480	250,480	264,182	13,702
Fund balances - end of year	$ 44,791	$ 44,791	$ 274,604	$ 229,813

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.

Required Supplementary Information
Other Postemployment Benefits
September 30, 2015

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%	$ 5,143,000	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%

Notes:

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

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

Florida Retirement System		2015
Employer's proportion of the net pension liability (asset)		0.0314%
Employer's proportionate share of the net pension liability (asset)	$	4,051,945
Employer's covered-employee payroll (2)	$	6,277,264
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll		64.55%
Plan fiduciary net position as a percentage of the total pension liability		92.00%

Health Insurance Subsidy Program		2015
Employer's proportion of the net pension liability (asset)		0.0209%
Employer's proportionate share of the net pension liability (asset)	$	2,132,135
Employer's covered-employee payroll (2)	$	6,277,264
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll		33.97%
Plan fiduciary net position as a percentage of the total pension liability		0.50%

Notes to schedules:

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

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

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

Schedules of Employer Contributions
Last 10 Fiscal Years

Florida Retirement System	2015
Contractually required contribution	$ 765,613
Contributions in relation to the contractually required contribution	765,613
Contribution deficiency (excess)	$ -
Employer's covered-employee payroll (1)	$ 6,257,901
Contributions as a percentage of covered-employee payroll	12.23%

Health Insurance Subsidy Program	2015
Contractually required contribution	$ 86,178
Contributions in relation to the contractually required contribution	86,178
Contribution deficiency (excess)	$ -
Employer's covered-employee payroll (1)	$ 6,257,901
Contributions as a percentage of covered-employee payroll	1.38%

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

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

Supplementary Information

Combining Balance Sheet – Nonmajor Governmental Funds
September 30, 2015

	Special Revenue Funds				
	State Law Enforcement Trust	Fire District Trust	Court Facilities Trust	Transportation Projects / Impact Fee	State Attorney/ Public Defender
Assets					
Cash and equivalents	$ 10,727	$ 287,251	$ 96,578	$ 180,861	$ 119,974
Investments	-	79,680	34,191	-	-
Receivables	-	-	-	-	-
Due from other funds	-	2,555	1,140	-	1,122
Due from other governments	-	203	-	-	-
Total assets	$ 10,727	$ 369,689	$ 131,909	$ 180,861	$ 121,096
Liabilities					
Accounts payable and accrued liabilities	$ -	$ 26,835	$ -	$ -	$ 40
Due to other funds	-	206	13	-	20
Total liabilities	-	27,041	13	-	60
Deferred inflows					
Unavailable revenue	-	-	-	-	-
Fund balances					
Restricted	10,727	342,648	131,896	180,861	121,036
Assigned	-	-	-	-	-
Total fund balances	10,727	342,648	131,896	180,861	121,036
Total liabilities, deferred inflows and fund balances	$ 10,727	$ 369,689	$ 131,909	$ 180,861	$ 121,096

(Continued)

Combining Balance Sheet – Nonmajor Governmental Funds
September 30, 2015

	Special Revenue Funds					
	SHIP	E911	Capital Traffic Surcharge	Solid Waste	Law Enforce-ment Education	Clerk's Fine and Forfeiture Park
Assets						
Cash and equivalents	$ 34,734	$ 436,165	$ 42,928	$ 84,588	$ 5,609	$ 66,827
Investments	-	22,769	2,204	243,063	-	-
Receivables	-	-	-	610	-	-
Due from other funds	-	-	613	2,927	116	-
Due from other governments	-	28,327	-	2,262	-	-
Total assets	$ 34,734	$ 487,261	$ 45,745	$ 333,450	$ 5,725	$ 66,827
Liabilities						
Accounts payable and accrued liabilities	$ -	$ 1,909	$ -	$ 23,093	$ -	$ 66,827
Due to other funds	-	74	8	1,086	2	-
Total liabilities	-	1,983	8	24,179	2	66,827
Deferred inflows						
Unavailable revenue	-	9,257	-	-	-	-
Fund balances						
Restricted	34,734	476,021	45,737	309,271	5,723	-
Assigned	-	-	-	-	-	-
Total fund balances	34,734	476,021	45,737	309,271	5,723	-
Total liabilities, deferred inflows and fund balances	$ 34,734	$ 487,261	$ 45,745	$ 333,450	$ 5,725	$ 66,827

(Continued)

Combining Balance Sheet – Nonmajor Governmental Funds
September 30, 2015

	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	$ 110,180	$ 55,091	$ 9,684	$ 3,025	$ 12,599
Investments	-	-	-	-	-
Receivables	-	-	-	-	-
Due from other funds	2,978	-	3,691	-	-
Due from other governments	-	13,362	-	-	-
Total assets	$ 113,158	$ 68,453	$ 13,375	$ 3,025	$ 12,599
Liabilities					
Accounts payable and accrued liabilities	$ -	$ 467	$ -	$ -	$ -
Due to other funds	-	7,866	-	-	-
Total liabilities	-	8,333	-	-	-
Deferred inflows					
Unavailable revenue	-	-	-	-	-
Fund balances					
Restricted	113,158	60,120	-	3,025	12,599
Assigned	-	-	13,375	-	-
Total fund balances	113,158	60,120	13,375	3,025	12,599
Total liabilities, deferred inflows and fund balances	$ 113,158	$ 68,453	$ 13,375	$ 3,025	$ 12,599

(Continued)

Combining Balance Sheet – Nonmajor Governmental Funds
September 30, 2015

	Capital Projects Funds		
	Capital Projects Fund	Capital Impact Fees	Totals
Assets			
Cash and equivalents	$ 353,057	$ 110,839	$ 2,020,717
Investments	34,712	-	416,619
Receivables	-	-	610
Due from other funds	-	-	15,142
Due from other governments	-	-	44,154
Total assets	$ 387,769	$ 110,839	$ 2,497,242
Liabilities			
Accounts payable and accrued liabilities	$ -	$ -	$ 119,171
Due to other funds	-	-	9,275
Total liabilities	-	-	128,446
Deferred inflows			
Unavailable revenue	-	-	9,257
Fund balances			
Restricted	-	110,839	1,958,395
Assigned	387,769	-	401,144
Total fund balances	387,769	110,839	2,359,539
Total liabilities, deferred inflows and fund balances	$ 387,769	$ 110,839	$ 2,497,242

(Concluded)

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year ended September 30, 2015

	Special Revenue Funds				
	State Law Enforce-ment Trust	Fire District Trust	Court Facilities Trust	Transportation Projects / Impact Fee	State Attorney/ Public Defender
Revenues					
Licenses, permits and special assessments	$ -	$ 583,847	$ -	$ -	$ -
Intergovernmental	-	9,540	-	-	-
Charges for services	-	3,735	12,350	-	14,078
Fines and forfeitures	11,580	-	-	-	-
Miscellaneous	34	1,521	1,801	333	120
Total revenues	11,614	598,643	14,151	333	14,198
Expenditures					
Current:					
General government	-	-	-	-	-
Public safety	16,246	558,409	-	-	-
Physical environment	-	-	-	-	-
Transportation	-	-	-	-	-
Economic environment	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Court related	-	-	-	-	285
Debt service:					
Principal retirement	-	49,444	-	-	-
Interest and fiscal charges	-	8,354	-	-	-
Total expenditures	16,246	616,207	-	-	285
Excess of revenues over (under) expenditures	(4,632)	(17,564)	14,151	333	13,913
Other financing sources (uses)					
Debt issued	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net change in fund balances	(4,632)	(17,564)	14,151	333	13,913
Fund balances – beginning of year	15,359	360,212	117,745	180,528	107,123
Fund balances – end of year	$ 10,727	$ 342,648	$ 131,896	$ 180,861	$ 121,036

(Continued)

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year ended September 30, 2015

	Special Revenue Funds					
	SHIP	E911	Capital Traffic Surcharge	Solid Waste	Law Enforce-ment Education	Clerk's Fine and Forfeiture Fund
Revenues						
Licenses, permits and special assessments	$ -	$ -	$ -	$ 598,076	$ -	$ -
Intergovernmental	-	-	-	92,900	-	301,365
Charges for services	-	110,832	5,598	81,908	-	185,649
Fines and forfeitures	-	-	-	-	1,316	-
Miscellaneous	20,128	2,251	215	1,188	6	4,162
Total revenues	20,128	113,083	5,813	774,072	1,322	491,176
Expenditures						
Current:						
General government	-	-	-	-	-	-
Public safety	-	173,300	55,000	-	2,646	-
Physical environment	-	-	-	935,133	-	-
Transportation	-	-	-	-	-	-
Economic environment	380,590	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Court related	-	-	-	-	-	491,176
Debt service:						
Principal retirement	-	-	11,056	27,595	-	-
Interest and fiscal charges	-	-	1,238	609	-	-
Total expenditures	380,590	173,300	67,294	963,337	2,646	491,176
Excess of revenues over (under) expenditures	(360,462)	(60,217)	(61,481)	(189,265)	(1,324)	-
Other financing sources (uses)						
Debt issued	-	-	55,000	168,337	-	-
Transfers out	-	(129,337)	-	-	-	-
Total other financing sources (uses)	-	(129,337)	55,000	168,337	-	-
Net change in fund balances	(360,462)	(189,554)	(6,481)	(20,928)	(1,324)	-
Fund balances – beginning of year	395,196	665,575	52,218	330,199	7,047	-
Fund balances – end of year	$ 34,734	$ 476,021	$ 45,737	$ 309,271	$ 5,723	$ -

(Continued)

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year ended September 30, 2015

	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					
Licenses, permits and special assessments	$ -	$ -	$ -	$ -	$ -
Intergovernmental	-	81,894	-	-	-
Charges for services	26,940	-	-	-	-
Fines and forfeitures	8,943	-	-	-	-
Miscellaneous	180	-	12,480	4,454	-
Total revenues	36,063	81,894	12,480	4,454	-
Expenditures					
Current:					
General government	6,703	45,728	-	-	-
Public safety	-	-	20,897	6,081	4,507
Physical environment	-	-	-	-	-
Transportation	-	-	-	-	-
Economic environment	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Court related	18,999	-	-	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	25,702	45,728	20,897	6,081	4,507
Excess of revenues over (under) expenditures	10,361	36,166	(8,417)	(1,627)	(4,507)
Other financing sources (uses)					
Debt issued	-	-	-	-	-
Transfers out	-	(52,266)	-	-	-
Total other financing sources (uses)	-	(52,266)	-	-	-
Net change in fund balances	10,361	(16,100)	(8,417)	(1,627)	(4,507)
Fund balances – beginning of year	102,797	76,220	21,792	4,652	17,106
Fund balances – end of year	$ 113,158	$ 60,120	$ 13,375	$ 3,025	$ 12,599

(Continued)

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year ended September 30, 2015

	Capital Projects Funds		
	Capital Projects Fund	Capital Impact Fees	Totals
Revenues			
Licenses, permits and special assessments	$ -	$ -	$ 1,181,923
Intergovernmental	-	-	485,699
Charges for services	-	-	441,090
Fines and forfeitures	-	-	21,839
Miscellaneous	1,772	204	50,849
Total revenues	1,772	204	2,181,400
Expenditures			
Current:			
General government	-	-	52,431
Public safety	-	-	837,086
Physical environment	-	-	935,133
Transportation	-	-	-
Economic environment	-	-	380,590
Culture and recreation	-	-	-
Court related	-	-	510,460
Debt service:			
Principal retirement	-	-	88,095
Interest and fiscal charges	-	-	10,201
Total expenditures	-	-	2,813,996
Excess of revenues over (under) expenditures	1,772	204	(632,596)
Other financing sources (uses)			
Debt issued	-	-	223,337
Transfers out	-	-	(181,603)
Total other financing sources (uses)	-	-	41,734
Net change in fund balances	1,772	204	(590,862)
Fund balances – beginning of year	385,997	110,635	2,950,401
Fund balances – end of year	$ 387,769	$ 110,839	$ 2,359,539

(Concluded)

Combining Statement of Fiduciary Net Position
September 30, 2015

	Agency Funds			
	Tax Collector	Clerk of Court	Sheriff	Totals
Assets				
Cash and equivalents	$ 387,345	$ 248,220	$ 17,312	$ 652,877
Receivables	103	908	-	1,011
Total assets	387,448	249,128	17,312	653,888
Liabilities				
Assets held for others	387,448	249,128	17,312	653,888
Net position	$ -	$ -	$ -	$ -

Schedule of Expenditures of Federal Awards and State Financial Assistance
Year ended September 30, 2015

Federal Awards	CFDA Number	Contract/Grant Number	Expenditures	Program Total
Department of Agriculture				
Florida Department of Agriculture and Consumer Services				
Cooperative Forestry Assistance	10.664	N/A	$ 8,686	
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	579,041	
Department of the Interior				
Passed through Florida Fish and Wildlife Conservation Commission:				
Shingle Landing Boat Ramp Renovations	15.605	12255	176,474	
Department of Justice				
Passed through State Department of Law Enforcement:				
Video Camera Upgrade	16.738	2015-JAGC-GILC-1-R3-037	23,918	
Explorer Program	16.738	2015-JADG-GILC-1-R1-103	1,095	$ 25,013
Direct:				
State Criminal Alien Assistance Program	16.606	2014-AP-BX0681	2,431	
Equitable Sharing Program	16.922	N/A	4,524	
Department of Health and Human Services				
Passed through State Department of Revenue:				
Child Support Enforcement Title IV-D	93.563	CD 321	81,894	
Department of Homeland Security				
Passed through State Department of Community Affairs - Division of Emergency Management:				
Emergency Management Performance Grants	97.042	15-FG-4D-03-31-01-088	8,620	
Emergency Management Performance Grants	97.042	16-FG-5A-03-31-01-87	32,675	41,295
Total expenditures of federal awards			$ 919,358	

Schedule of Expenditures of Federal Awards and State Financial Assistance
Year ended September 30, 2015

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	15-BG-83-03-31-01-021	$ 85,062	
Emergency Management Preparedness and Assistance Base Grant	31.063	16-BG-83-03-31-01-021	10,148	$ 95,210
Hazardous Materials	31.067	16-CP-11-03-31-01-143	1,661	
Department of Environmental Protection				
Small County Consolidated Grants	37.012	510SC	90,909	
Division of State, Secretary of State				
State Aid to Libraries	45.030	15-ST-89	62,700	
Florida Housing Finance Corporation				
State Housing Initiatives Partnership	52.901	N/A	380,590	
Department of Transportation				
Small County Outreach Program (CR 342 to 340)	55.009	424336-1-58-01	15,685	
Small County Outreach Program (CR SR26 to CR334)	55.009	430695-1-58-01	23,093	
Small County Outreach Program (CR 341 to CR 307)	55.009	430694-1-58-01	33,992	
Small County Road Assistance Program (Rock Bluff Bridge)	55.009	433055-1-58-01	130,636	
Small County Ourtreach Program (SW 100th Street)	55.009	433025-1-58-01	786,908	990,314
Small County Road Assistance Program (SE 90th Avenue)	55.016	430733-1-58-01	45,235	
Department of Health				
County Grant Award	64.005	C3021	1,604	
Department of Management Services				
E-911 Rural County Grant Program	72.001	14-4-10	36,206	36,206
Total expenditures of state financial assistance			$ 1,704,429	

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

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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, 2015, and have issued our report thereon dated June 30, 2016.

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, 2015, 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, 2015.

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.

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

Gainesville, Florida
June 30, 2016

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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, 2015. 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, 2015.

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 30, 2016

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

The Honorable County Commissioners
Gilchrist County, Florida

We have examined Gilchrist County, Florida's (the "County") compliance with the requirements of Section 365.172(10), Florida Statutes, *Authorized Expenditures of E911 Fee*, and Section 365.173(2)(d), Florida Statutes, *Distribution and Use of (E911) Funds,* during the year ended September 30, 2015. 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, 2015.

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 30, 2016

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

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, 2015, 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 30, 2016. Our report on the financial statements emphasized that the County implemented the provisions of GASB 68 and 71, and also emphasized that the County restated certain beginning balances to properly report the County's capital net assets.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant

deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as findings 2015-001 and 2015-002 that we consider to be significant deficiencies.

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 Findings

The County's response to the findings 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.

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

Gainesville, Florida
June 30, 2016

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133 AND CHAPTER 10.550, RULES OF THE AUDITOR GENERAL

The Honorable County Commissioners
Gilchrist, Florida

Report on Compliance for Each Major Federal Program and State Project

We have audited the compliance of Gilchrist County, Florida (the "County") with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the requirements described in the Department of Financial Services' State Projects Compliance Supplement that could have a direct and material effect on the County's major federal program and each major state project for the year ended September 30, 2015. The County's major federal program and state projects are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs and state projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.550, Rules of the Auditor General. Those standards, OMB Circular A-133 and Chapter 10.550, Rules of the Auditor General require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state project occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program and each major state project. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program and State Project

In our opinion, 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 its major federal program and each of its major state projects for the year ended September 30, 2015.

Report on Internal Control over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program and state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and each major state project and to test and report on internal control over compliance in accordance with OMB Circular A-133 and Chapter 10.550, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and Chapter 10.550, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

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

Gainesville, Florida
June 30, 2016

Schedule of Findings and Questioned Costs
Year ended September 30, 2015

PART I – SUMMARY OF AUDITOR'S RESULTS

(i) The independent auditor's report on the financial statements expressed an unmodified opinion.

(ii) The audit reported significant deficiencies in internal control over financial reporting that were not considered to be material weaknesses.

(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 federal program or major state projects.

(v) The report on compliance with requirements applicable to the major federal program and each major state project expressed an unmodified opinion.

(vi) The audit did not disclose findings relative to the major federal program or the major state projects.

(vii) The County's major program/projects were:

Federal Program	CDFA Number
Community Development Block Grants	14.228
State Projects	**CFSA Number**
State Housing Initiatives Partnership	52.901
Small County Outreach Program	55.009

(viii) A threshold of $300,000 was used to distinguish between Type A and Type B programs as those terms are defined in OMB Circular A-133 for federal programs, and $300,000 was used for state projects.

(ix) The County did not qualify as a low-risk auditee as that term is defined in OMB Circular A-133.

PART II – FINANCIAL STATEMENT FINDINGS

2015-001 (Reported in previous audit reports as items 2014-001 and 2013-001.)

Condition – As part of the audit process, 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.

2015-002 *Condition* – Currently, the County's policies and procedures allow account payables checks to be returned to the department heads, who also have approval process responsibilities for distribution to vendors or suppliers. Although we did not note any instances of fictitious invoices or vendors during our audit, we believe the practice warrants management's attention.

Recommendation – Internal control procedures can be strengthened by requiring that all checks be mailed directly to vendors whenever possible, once issued, and that checks are not returned to any individual who has invoice approval responsibility.

PART III – FINDINGS AND QUESTIONED COSTS – FEDERAL PROGRAM

None noted

PART IV – FINDINGS AND QUESTIONED COSTS – STATE PROJECTS

None noted.

Summary Schedule of Prior Audit Findings
(Relative to Federal Awards and State Projects)

There were no findings relative to Federal Awards and State Projects in the prior year.

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Sharon A. Langford	D. Ray Harrison, Jr.	Todd Gray	Marion Poitevint	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 30, 2016

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

RE: 2014-2015 Annual Audit for Gilchrist County Board of County Commissioners

In response to the findings in the current 2014-2015 audit, the following information is provided.

Findings:

2015-001 *Condition* – As part of the audit process, 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 hired a CPA with governmental experience and will strengthen the controls in the reporting area of the County, eliminating the need to prepare material adjustments.

2015-002 *Condition* – Currently, the County's policies and procedures allow account payables checks to be returned to the department heads, who also have approval process responsibilities for distribution to vendors or suppliers. Although we did not note any instances of fictitious invoices during our audit, we believe the practice warrants management's attention.

Recommendation – Internal control procedures can be strengthened by requiring that all checks be mailed directly to vendors whenever possible, once issued, and that checks are not returned to any individual who has invoice approval responsibility.

Response – Our internal control procedures in ordinary circumstances include a non-finance person accept the signed checks and prepare them for mailing, which is performed by a separate clerk. However, in this instance, the check was for the purchase of a capital asset with design specifications. The department head wanted to inspect the item prior to taking delivery to insure the item was built accordingly. Upon determining the item was built according to the specifications, the manager took delivery and rendered payment.

If additional information is needed, please contact us.

Respectfully,

Todd Newton
Clerk of Court, Gilchrist County

Richard A. Romans
Finance Director

Gilchrist County
Clerk of the Circuit Court

Audit Report

September 30, 2015

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September 30, 2015

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

CRI CARR RIGGS & INGRAM
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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, 2015, 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, 2015, 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 Matters

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.

We also draw attention to Note 3 to the financial statements, which indicates that the Office disclosed a net pension liability as a result of implementing GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. 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 and pension trend 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 June 27, 2016, 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
June 27, 2016

Balance Sheet – Governmental Funds
September 30, 2015

	General Fund	Records Modernization Trust Fund	Fine and Forfeiture Fund	Title IV D Fund	Total Governmental Funds
Assets					
Cash and equivalents	$ 55,756	$ 110,180	$ 66,827	$ 55,091	$ 287,854
Due from other funds	475	2,978	-	-	3,453
Due from other county agencies	351	-	-	-	351
Due from other governments	-	-	-	13,362	13,362
Total assets	$ 56,582	$ 113,158	$ 66,827	$ 68,453	$ 305,020
Liabilities and fund balances					
Liabilities:					
Accounts payable and accrued liabilities	$ 16,794	$ -	$ 66,827	$ 467	$ 84,088
Due to other county agencies	39,788	-	-	7,866	47,654
Total liabilities	56,582	-	66,827	8,333	131,742
Fund balances:					
Restricted	-	113,158	-	60,120	173,278
Total liabilities and fund balances	$ 56,582	$ 113,158	$ 66,827	$ 68,453	$ 305,020

See accompanying notes.

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year ended September 30, 2015

	General Fund	Records Modernization Trust Fund	Fine and Forfeiture Fund	Title IV D Fund	Total Governmental Funds
Revenues					
Intergovernmental revenues	$ -	$ -	$ 301,365	$ 81,894	$ 383,259
Charges for services	113,898	26,940	185,649	-	326,487
Fines and forfeitures	-	8,943	-	-	8,943
Miscellaneous revenue	5,065	180	4,162	-	9,407
Total revenues	118,963	36,063	491,176	81,894	728,096
Expenditures					
Current:					
General government services	490,775	6,703	-	45,728	543,206
Court related	-	18,999	476,815	-	495,814
Total expenditures	490,775	25,702	476,815	45,728	1,039,020
Excess of revenues over (under) expenditures	(371,812)	10,361	14,361	36,166	(310,924)
Other financing sources (uses)					
Appropriations from board of county commissioners	367,200	-	-	-	367,200
Transfers In	44,400	-	-	-	44,400
Transfers Out	-	-	-	(44,400)	(44,400)
Reversion to board of county commissioners	(39,788)	-	-	(7,866)	(47,654)
Reversion to clerks of court operations corporation	-	-	(14,361)	-	(14,361)
Total other financing sources (uses)	371,812	-	(14,361)	(52,266)	305,185
Net change in fund balances	-	10,361	-	(16,100)	(5,739)
Fund balances – beginning of year	-	102,797	-	76,220	179,017
Fund balances – end of year	$ -	$ 113,158	$ -	$ 60,120	$ 173,278

See accompanying notes.

Statement of Fiduciary Net Position
September 30, 2015

	Agency Funds
Assets	
Cash and equivalents	$ 256,305
Receivables	908
Total assets	257,213
Liabilities	
Due to other funds	3,453
Due to other county agencies	4,632
Assets held for others	249,128
Total liabilities	257,213
Net position	$ -

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 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Pensions

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

Deferred Outflows/Inflows of Resources

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

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

NOTE 2 – FUND BALANCE CLASSIFICATIONS

Balances of reported fund balance at September 30, 2015, are as follows:

	Records Modernization Fund	Title IV D Fund	Total
Restricted for:			
Court operations	$ 46,492	$ -	$ 46,492
Court technology	49,958	-	49,958
Records modernization	16,708	-	16,708
Title IV D	-	60,120	60,120
Total fund balances	$ 113,158	$ 60,120	$ 173,278

NOTE 3 – CHANGES IN LONG-TERM LIABILITIES

A summary of changes in long-term liabilities follows:

	Balance October 1, 2014	Additions	Deductions	Balance September 30, 2015	Due Within One Year
Compensated absences	$ 47,000	$ 59,000	$ 67,000	$ 39,000	$ 17,000
Net pension liability	357,084	276,550	-	633,634	8,100
Total	$ 404,084	$ 335,550	$ 67,000	$ 672,634	$ 25,100

NOTE 4 – STATE OF FLORIDA PENSION PLANS

Defined Benefit Plans

The Office participates in two defined benefit pension plans that are administered by the State of Florida, Department of Management Services, Division of Retirement. The plans provide retirement, disability or death benefits to retirees or their designated beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The State of Florida issues a publicly available financial report that includes financial statements and required supplementary information for the plans. That report may be obtained by writing to the Division of Retirement, PO Box 9000, Tallahassee, Florida, 32315-9000 or by calling (844) 377-1888.

NOTE 4 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

The Florida Retirement System (FRS) Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan with a Deferred Retirement Option Program (DROP) available for eligible employees. The FRS was established and is administered in accordance with Chapter 121, Florida Statutes. Retirees receive a lifetime pension benefit with joint and survivor payment options. FRS membership is compulsory for employees filling regularly established positions in a state agency, county agency, state university, state college, or district school board, unless restricted from FRS membership under Sections 121.053 or 121.122, Florida Statutes, or allowed to participate in a defined contribution plan in lieu of FRS membership. Participation by cities, municipalities, special districts, charter schools and metropolitan planning organizations is optional.

The Retiree Health Insurance Subsidy (HIS) Program is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with Section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. To be eligible to receive a HIS benefit, a retiree under a state-administered retirement system must provide proof of eligible health insurance coverage, which can include Medicare.

Benefits Provided

Benefits under the FRS Pension Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement plan and/or class to which the member belonged when the service credit was earned.

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

Contributions

The contribution requirements of plan members and the Office are established and may be amended by the Florida Legislature. Employees are required to contribute 3.00% of their salary to the FRS. The Office's contribution rates as of September 30, 2015, were as follows:

NOTE 4 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

	FRS	HIS
Regular class	5.60%	1.66%
Special risk class	20.38%	1.66%
Senior management service class	19.77%	1.66%
Elected officials	40.61%	1.66%
DROP from FRS	11.22%	1.66%

The Office's contributions for the year ended September 30, 2015, were $80,257 to the FRS and $9,338 to the HIS.

Pension Liabilities and Pension Expense

In its financial statements for the year ended September 30, 2015, the Office reported a liability for its proportionate shares of the net pension liabilities. The net pension liabilities were measured as of June 30, 2015, and the total pension liabilities used to calculate the net pension liability were determined by an actuarial valuation dated July 1, 2015. The Office's proportions of the net pension liabilities were based on the Office's share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

	FRS	HIS
Net pension liability	$ 414,134	$ 219,500
Proportion at:		
Current measurement date	0.0032%	0.0022%
Prior measurement date	0.0028%	0.0020%
Pension expense (benefit)	$ 69,113	$ 17,287

Deferred Outflows/Inflows of Resources Related to Pensions

At September 30, 2015, the Office reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

NOTE 4 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

	FRS		HIS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 43,720	$ 9,822	$ -	$ -
Changes of assumptions	27,487	-	17,269	-
Net difference between projected and actual earnings on pension plan investments	145,870	244,758	119	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	180,705	-	10,869	4,257
Employer contributions subsequent to the measurement date	22,278	-	3,144	-
Total	$ 420,060	$ 254,580	$ 31,401	$ 4,257

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year end will be recognized as a reduction of the net pension liability in the reporting period ending September 30, 2016. Other pension-related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ending September 30,	FRS	HIS
2016	$ 20,955	$ 3,881
2017	20,955	3,881
2018	20,955	3,881
2019	20,955	3,880
2020	45,677	3,851
Thereafter	13,705	4,626
Total	$ 143,202	$ 24,000

Actuarial Assumptions

The total pension liability for each of the defined benefit plans, measured as of June 30, 2015, was determined by an actuarial valuation dated July 1, 2015, using the individual entry age normal actuarial cost method and the following significant actuarial assumptions:

	FRS	HIS
Inflation	2.60%	2.60%
Salary increases	3.25%	3.25%
Investment rate of return	7.65%	N/A
Discount rate	7.65%	3.80%

NOTE 4 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

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

For both plans, the actuarial assumptions used in the valuation dated July 1, 2015 were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013.

The following changes in key actuarial assumptions occurred in 2015:

FRS: No changes in key actuarial assumptions.

HIS: The municipal bond index rate and the discount rate used to determine the total pension liability decreased from 4.29% to 3.80%.

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

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return
Cash	1%	3.2%	3.1%
Fixed income	18%	4.8%	4.7%
Global equity	53%	8.5%	7.2%
Real estate (property)	10%	6.8%	6.2%
Private equity	6%	11.9%	8.2%
Strategic investments	12%	6.7%	6.1%
	100%		

NOTE 4 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

Discount Rate

The discount rate used to measure the total pension liability for the FRS Pension Plan was 7.65%. FRS' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Because the HIS Program is essentially funded on a pay-as-you-go basis, a municipal bond rate of 3.80% was used to determine the total pension liability for the program. The Bond Buyer General Obligation Bond 20-Bond Municipal Bond Index was used as the applicable municipal bond index.

Sensitivity Analysis

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

	FRS			HIS		
	1% Decrease (6.65%)	Current Discount Rate (7.65%)	1% Increase (8.65%)	1% Decrease (2.80%)	Current Discount Rate (3.80%)	1% Increase (4.80%)
Employer's proportionate share of the net pension liability	$ 1,073,116	$414,134	$ (134,246)	$ 250,111	$219,500	$ 193,976

Pension Plans' Fiduciary Net Position

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

NOTE 4 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

Defined Contribution Plan

Pursuant to Chapter 121, Florida Statutes, the Florida Legislature created the Florida Retirement Investment Plan ("FRS Investment Plan"), a defined contribution pension plan qualified under Section 401(a) of the Internal Revenue Code. The FRS Investment Plan is an alternative available to members of the Florida Retirement System in lieu of the defined benefit plan. There is a uniform contribution rate covering both the defined benefit and defined contribution plans, depending on membership class. Required employer contributions made to the plan during the year ended September 30, 2015, totaled $6,055.

NOTE 5 – INTERFUND BALANCES

At September 30, 2015, interfund balances consisted of:

	Due from Other Funds	Due to Other Funds
General fund	$ 475	$ -
Records modernization trust	2,978	-
Agency funds:		
Domestic relations	-	475
General trust	-	2,978
Totals	$ 3,453	$ 3,453

Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – General Fund
Year ended September 30, 2015

	Budgeted Amounts			Variance With Final
	Original	Final	Actual	Budget
Revenues				
Charges for services	$ 122,320	$ 122,320	$ 113,898	$ (8,422)
Miscellaneous revenue	2,670	2,670	5,065	2,395
Total revenues	124,990	124,990	118,963	(6,027)
Expenditures				
Current:				
General government services	523,720	531,920	490,775	41,145
Reserve for contingencies	12,870	4,670	-	4,670
Total expenditures	536,590	536,590	490,775	45,815
Excess of revenues over (under) expenditures	(411,600)	(411,600)	(371,812)	39,788
Other financing sources (uses)				
Appropriation from board of county commissioners	367,200	367,200	367,200	-
Transfers in	44,400	44,400	44,400	-
Reversion to board of county commissioners	-	-	(39,788)	(39,788)
Total other financing sources (uses)	411,600	411,600	371,812	(39,788)
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.

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Records Modernization Trust Fund
Year ended September 30, 2015

	Budgeted Amounts			Variance With Final
	Original	Final	Actual	Budget
Revenues				
Charges for services	$ 21,400	$ 21,400	$ 26,940	$ 5,540
Fines and forfeitures	8,500	8,500	8,943	443
Miscellaneous revenue	300	300	180	(120)
Total revenues	30,200	30,200	36,063	5,863
Expenditures				
Current:				
General government	32,700	32,700	6,703	25,997
Court related	103,500	103,500	18,999	84,501
Total expenditures	136,200	136,200	25,702	110,498
Excess of revenues over (under) expenditures	(106,000)	(106,000)	10,361	116,361
Fund balances - beginning of year	106,000	106,000	102,797	(3,203)
Fund balances - end of year	$ -	$ -	$ 113,158	$ 113,158

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.

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Fine and Forfeiture Fund
Year ended September 30, 2015

	Budgeted Amounts			Variance With Final
	Original	Final	Actual	Budget
Revenues				
Intergovernmental revenues	$ 390,607	$ 342,983	$ 301,365	$ (41,618)
Charges for services	168,900	184,891	185,649	758
Miscellaneous revenue	200	4,150	4,162	12
Total revenues	559,707	532,024	491,176	(40,848)
Expenditures				
Current:				
Court related	559,707	532,024	476,815	55,209
Excess of revenues over (under) expenditures	-	-	14,361	14,361
Other financing uses				
Reversion to clerk of court operations corporation	-	-	(14,361)	(14,361)
Net change in fund balances	-	-	-	-
Fund balances - beginning of year	-	-	-	-
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, 2015, 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.

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Title IV D Fund
Year ended September 30, 2015

	Budgeted Amounts			Variance With Final
	Original	Final	Actual	Budget
Revenues				
Intergovernmental revenues	$ 70,000	$ 70,000	$ 81,894	$ 11,894
Expenditures				
Current:				
General government	104,100	104,100	45,728	58,372
Excess of revenues over (under) expenditures	(34,100)	(34,100)	36,166	70,266
Other financing sources (uses)				
Transfers out	(44,400)	(44,400)	(44,400)	-
Reversion to board of county commissioners	-	-	(7,866)	(7,866)
Total other financing sources (uses)	(44,400)	(44,400)	(52,266)	(7,866)
Net change in fund balances	(78,500)	(78,500)	(16,100)	62,400
Fund balances - beginning of year	78,500	78,500	76,220	(2,280)
Fund balances - end of year	$ -	$ -	$ 60,120	$ 60,120

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

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

Florida Retirement System		2015
Employer's proportion of the net pension liability (asset)		0.0032%
Employer's proportionate share of the net pension liability (asset)	$	414,134
Employer's covered-employee payroll (2)	$	584,994
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll		70.79%
Plan fiduciary net position as a percentage of the total pension liability		92.00%

Health Insurance Subsidy Program		2015
Employer's proportion of the net pension liability (asset)		0.0022%
Employer's proportionate share of the net pension liability (asset)	$	219,500
Employer's covered-employee payroll (2)	$	584,994
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll		37.52%
Plan fiduciary net position as a percentage of the total pension liability		0.50%

Notes to schedules:

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

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

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

Schedules of Employer Contributions
Last 10 Fiscal Years

Florida Retirement System		2015
Contractually required contribution	$	80,257
Contributions in relation to the contractually required contribution		80,257
Contribution deficiency (excess)	$	-
Employer's covered-employee payroll (1)	$	598,425
Contributions as a percentage of covered-employee payroll		13.41%

Health Insurance Subsidy Program		2015
Contractually required contribution	$	9,338
Contributions in relation to the contractually required contribution		9,338
Contribution deficiency (excess)	$	-
Employer's covered-employee payroll (1)	$	598,425
Contributions as a percentage of covered-employee payroll		1.56%

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

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

Supplementary Information

Gilchrist County Clerk of the Circuit Court

Combining Statement of Fiduciary Net Position
Agency Funds
September 30, 2015

	Domestic Relations Fund	Registry of the Court	General Trust Fund	Total Agency Funds
Assets				
Cash and equivalents	$ 634	$ 17,590	$ 238,081	$ 256,305
Receivables	-	-	908	908
Total assets	634	17,590	238,989	257,213
Liabilities				
Due to other funds	475	-	2,978	3,453
Due to other county agencies	-	-	4,632	4,632
Deposits	159	17,590	231,379	249,128
Total liabilities	634	17,590	238,989	257,213
Net position	$ -	$ -	$ -	$ -

Additional Elements Required by the Rules of the Auditor General

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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, 2015, and have issued our report thereon dated June 27, 2016. 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
June 27, 2016

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

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, 2015, and the related notes to the financial statements, which collectively comprise the Office's special purpose financial statements, and have issued our report thereon dated June 27, 2016.

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.

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

Gainesville, Florida
June 27, 2016

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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, 2015. 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, 2015.

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 27, 2016

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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, 2015. 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, 2015. However, we did note an immaterial instance of noncompliance that is included in the accompanying schedule of findings as item 2015-001.

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 27, 2016

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INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 61.181, FLORIDA STATUTES

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

We have examined the office of the Gilchrist County Clerk of the Circuit Court's compliance with the requirements of Section 61.181, Florida Statutes, *Depository for Alimony Transactions, Support, Maintenance, and Support Payments; Fees,* during the year ended September 30, 2015. 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, 2015.

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 27, 2016

Schedule of Findings

2015-001

Condition – Section 28.35(2)(d), Florida Statutes, requires the Florida Clerks of Court Operations Corporation to develop workload measures and workload performance standards and for the Clerks of Courts to report on such measures. We noted that the Office did not meet the workload performance standard for collections in Juvenile Delinquency as defined by the membership of the Florida Clerks of Court Operations Corporation.

Recommendation – The Office should continue to pursue collection efforts in order to comply with the established workload performance standards.

Office of Clerk
Of the Circuit Court

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Todd Newton
Clerk

CLERK OF THE CIRCUIT COURT
COUNTY COURT
BOARD OF COUNTY COMMISSIONERS

June 27, 2016

State of Florida
Sherrill F. Norman, CPA
Auditor General
Tallahassee, FL 32399

Dear Madam,

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, 2015.

I have reviewed the auditor's comments relating to our office and concur with the finding of the audit.

2015-001 Finding:

The Collection performance standard was not met for Juvenile Delinquency for the fiscal year ending September 30th, 2015.

Corrective Action:

The Clerk's office continues to attempt to meet all performance standards established by the Florida Statues. We are in the process of examining new methods for increasing compliance. Currently we offer several payment options and payment plans to assist in our collection effort. When these are not utilized, we refer the unpaid fines over to a collection agency.

Sincerely,

Todd Newton

Todd Newton
Clerk of Circuit Court

Gilchrist County Sheriff

Audit Report

September 30, 2015

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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, 2015, 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, 2015, 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 Matters

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.

We also draw attention to Note 3 to the financial statements, which indicates that the Office disclosed a net pension liability as a result of implementing GASB Statement No. 68*, Accounting and Financial Reporting for Pensions* and GASB Statement No. 71*, Pension Transition for Contributions Made Subsequent to the Measurement Date*. 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 and pension trend 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 June 14, 2016, 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
June 14, 2016

Balance Sheet – Governmental Funds
September 30, 2015

	General Fund	Other Govern-mental Funds	Total Govern-mental Funds
Assets			
Cash and equivalents	$ 209,255	$ 25,308	$ 234,563
Due from other funds	-	3,691	3,691
Total assets	$ 209,255	$ 28,999	$ 238,254
Liabilities and fund balances			
Liabilities:			
Accounts payable and accrued liabilities	$ 197,939	$ -	$ 197,939
Due to other county agencies	11,316	-	11,316
Total liabilities	209,255	-	209,255
Fund balances:			
Restricted:			
Charitable purposes	-	3,025	3,025
Federal shared funds	-	12,599	12,599
Assigned:			
Inmate benefits	-	13,375	13,375
Total fund balances	-	28,999	28,999
Total liabilities and fund balances	$ 209,255	$ 28,999	$ 238,254

See accompanying notes.

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year ended September 30, 2015

	General Fund	Other Govern-mental Funds	Total Govern-mental Funds
Revenues			
Miscellaneous revenue	$ -	$ 16,934	$ 16,934
Expenditures			
Current:			
Public safety	3,739,638	31,485	3,771,123
Court related	218,667	-	218,667
Total expenditures	3,958,305	31,485	3,989,790
Excess of revenues over (under) expenditures	(3,958,305)	(14,551)	(3,972,856)
Other financing sources (uses)			
Appropriation from board of county commissioners	3,969,580	-	3,969,580
Reversion to board of county commissioners	(11,275)	-	(11,275)
Total other financing sources (uses)	3,958,305	-	3,958,305
Net change in fund balances	-	(14,551)	(14,551)
Fund balances - beginning of year	-	43,550	43,550
Fund balances - end of year	$ -	$ 28,999	$ 28,999

See accompanying notes.

Statement of Fiduciary Net Position
September 30, 2015

	Agency Funds
Assets	
Cash and equivalents	$ 22,944
Accounts receivable	332
Total assets	23,276
Liabilities	
Assets held for others	17,312
Due to other funds	3,691
Due to other county agencies	2,273
Total liabilities	23,276
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 governmental 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

Deferred Outflows/Inflows of Resources

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pensions

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

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 CAPITAL ASSETS

A summary of changes in capital assets follows:

	Balance October 1, 2014	Additions	Deductions	Balance September 30, 2015
Tangible personal property	$ 2,282,553	$ 116,098	$ 959,240	$ 1,439,411
Less accumulated depreciation	1,922,657	141,361	914,227	1,149,791
Total capital assets, net	$ 359,896	$ (25,263)	$ 45,013	$ 289,620

Depreciation expense of $141,361 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, 2014	Additions	Deductions	Balance September 30, 2015	Due Within One Year
Compensated absences	$ 270,000	$ 146,000	$ 164,000	$ 252,000	$ 153,000
Net pension liability	1,320,679	785,425	-	2,106,104	25,700
Total	$ 1,590,679	$ 931,425	$ 164,000	$ 2,358,104	$ 178,700

NOTE 3 – CHANGES IN LONG-TERM DEBT (CONTINUED)

During 2015, the Office implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date.* As a result, a net pension liability is disclosed in the tabulation of changes in long-term liabilities presented above.

NOTE 4 – STATE OF FLORIDA PENSION PLANS

Defined Benefit Plans

The Office participates in two defined benefit pension plans that are administered by the State of Florida, Department of Management Services, Division of Retirement. The plans provide retirement, disability or death benefits to retirees or their designated beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The State of Florida issues a publicly available financial report that includes financial statements and required supplementary information for the plans. That report may be obtained by writing to the Division of Retirement, PO Box 9000, Tallahassee, Florida, 32315-9000 or by calling (844) 377-1888.

The Florida Retirement System (FRS) Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan with a Deferred Retirement Option Program (DROP) available for eligible employees. The FRS was established and is administered in accordance with Chapter 121, Florida Statutes. Retirees receive a lifetime pension benefit with joint and survivor payment options. FRS membership is compulsory for employees filling regularly established positions in a state agency, county agency, state university, state college, or district school board, unless restricted from FRS membership under Sections 121.053 or 121.122, Florida Statutes, or allowed to participate in a defined contribution plan in lieu of FRS membership. Participation by cities, municipalities, special districts, charter schools and metropolitan planning organizations is optional.

The Retiree Health Insurance Subsidy (HIS) Program is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with Section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. To be eligible to receive a HIS benefit, a retiree under a state administered retirement system must provide proof of eligible health insurance coverage, which can include Medicare.

Benefits Provided

Benefits under the FRS Pension Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement plan and/or class to which the member belonged when the service credit was earned.

NOTE 4 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

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

Contributions

The contribution requirements of plan members and the Office are established and may be amended by the Florida Legislature. Employees are required to contribute 3.00% of their salary to the FRS. The Office's contribution rates as of September 30, 2015, were as follows:

	FRS	HIS
Regular class	5.60%	1.66%
Special risk class	20.38%	1.66%
Senior management service class	19.77%	1.66%
Elected officials	40.61%	1.66%
DROP from FRS	11.22%	1.66%

The Office's contributions for the year ended September 30, 2015, were $271,401 to the FRS and $28,470 to the HIS.

Pension Liabilities and Pension Expense

In its financial statements for the year ended September 30, 2015, the Office reported a liability for its proportionate shares of the net pension liabilities. The net pension liabilities were measured as of June 30, 2015, and the total pension liabilities used to calculate the net pension liability were determined by an actuarial valuation dated July 1, 2015. The Office's proportions of the net pension liabilities were based on the Office's share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

	FRS	HIS
Net pension liability	$ 1,406,868	$ 699,236
Proportion at:		
Current measurement date	0.0109%	0.0069%
Prior measurement date	0.0111%	0.0068%
Pension expense (benefit)	$ 35,750	$ 56,632

NOTE 4 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

Deferred Outflows/Inflows of Resources Related to Pensions

At September 30, 2015, the Office reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	FRS		HIS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 148,524	$ 33,367	$ -	$ -
Changes of assumptions	93,379	-	55,012	-
Net difference between projected and actual earnings on pension plan investments	495,538	831,475	379	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	285,120	23,682	-
Employer contributions subsequent to the measurement date	69,622	-	8,289	-
Total	$ 807,063	$ 1,149,962	$ 87,362	$ -

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year end will be recognized as a reduction of the net pension liability in the reporting period ending September 30, 2016. Other pension-related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ending September 30,	FRS	HIS
2016	$ (98,435)	$ 12,788
2017	(98,435)	12,788
2018	(98,435)	12,788
2019	(98,434)	12,787
2020	(14,448)	12,693
Thereafter	(4,334)	15,229
Total	$ (412,521)	$ 79,073

Actuarial Assumptions

The total pension liability for each of the defined benefit plans, measured as of June 30, 2015, was determined by an actuarial valuation dated July 1, 2015, using the individual entry age normal actuarial cost method and the following significant actuarial assumptions:

	FRS	HIS
Inflation	2.60%	2.60%
Salary increases	3.25%	3.25%
Investment rate of return	7.65%	N/A
Discount rate	7.65%	3.80%

NOTE 4 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

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

For both plans, the actuarial assumptions used in the valuation dated July 1, 2015 were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013.

The following changes in key actuarial assumptions occurred in 2015:

FRS: No changes in key actuarial assumptions.

HIS: The municipal bond index rate and the discount rate used to determine the total pension liability decreased from 4.29% to 3.80%.

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

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return
Cash	1%	3.2%	3.1%
Fixed income	18%	4.8%	4.7%
Global equity	53%	8.5%	7.2%
Real estate (property)	10%	6.8%	6.2%
Private equity	6%	11.9%	8.2%
Strategic investments	12%	6.7%	6.1%
	100%		

NOTE 4 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

Discount Rate

The discount rate used to measure the total pension liability for the FRS Pension Plan was 7.65%. FRS' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Because the HIS Program is essentially funded on a pay-as-you-go basis, a municipal bond rate of 3.80% was used to determine the total pension liability for the program. The Bond Buyer General Obligation Bond 20-Bond Municipal Bond Index was used as the applicable municipal bond index.

Sensitivity Analysis

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

	FRS			HIS		
	1% Decrease (6.65%)	Current Discount Rate (7.65%)	1% Increase (8.65%)	1% Decrease (2.80%)	Current Discount Rate (3.80%)	1% Increase (4.80%)
Employer's proportionate share of the net pension liability	$ 3,645,514	$ 1,406,868	$ (456,053)	$ 796,747	$ 699,236	$ 617,926

Pension Plans' Fiduciary Net Position

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

Defined Contribution Plan

Pursuant to Chapter 121, Florida Statutes, the Florida Legislature created the Florida Retirement Investment Plan ("FRS Investment Plan"), a defined contribution pension plan qualified under Section 401(a) of the Internal Revenue Code. The FRS Investment Plan is an alternative available to members of the Florida Retirement System in lieu of the defined benefit plan. There is a uniform contribution rate covering both the defined benefit and defined contribution plans, depending on membership class. Required employer contributions made to the plan during the year ended September 30, 2015, totaled $76,347.

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	$ 3,691	$ -
Agency funds		
Inmate trust fund	-	3,691
Total	$ 3,691	$ 3,691

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, 2015

	Budgeted Amounts			Variance With Final
	Original	Final	Actual	Budget
Revenues				
Miscellaneous revenue	$ -	$ -	$ -	$ -
Expenditures				
Current:				
Public safety	3,648,028	3,727,174	3,739,638	(12,464)
Court related	242,406	242,406	218,667	23,739
Reserve for contingencies	10,000	-	-	-
Total expenditures	3,900,434	3,969,580	3,958,305	11,275
Excess of revenues over (under) expenditures	(3,900,434)	(3,969,580)	(3,958,305)	11,275
Other financing sources (uses)				
Appropriation from board of county commissioners	3,900,434	3,969,580	3,969,580	-
Reversion to board of county commissioners	-	-	(11,275)	(11,275)
Total other financing sources (uses)	3,900,434	3,969,580	3,958,305	(11,275)
Net change in fund balances	-	-	-	-
Fund balances - beginning of year	-	-	-	-
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.

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

Florida Retirement System		2015
Employer's proportion of the net pension liability (asset)		0.0109%
Employer's proportionate share of the net pension liability (asset)	$	1,406,868
Employer's covered-employee payroll (2)	$	2,084,788
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll		67.48%
Plan fiduciary net position as a percentage of the total pension liability		92.00%

Health Insurance Subsidy Program		2015
Employer's proportion of the net pension liability (asset)		0.0069%
Employer's proportionate share of the net pension liability (asset)	$	699,236
Employer's covered-employee payroll (2)	$	2,084,788
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll		33.54%
Plan fiduciary net position as a percentage of the total pension liability		0.50%

Notes to schedules:

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

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

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

Schedules of Employer Contributions
Last 10 Fiscal Years

Florida Retirement System	2015
Contractually required contribution	$ 271,401
Contributions in relation to the contractually required contribution	271,401
Contribution deficiency (excess)	$ -
Employer's covered-employee payroll (1)	$ 2,108,182
Contributions as a percentage of covered-employee payroll	12.87%

Health Insurance Subsidy Program	2015
Contractually required contribution	$ 28,470
Contributions in relation to the contractually required contribution	28,470
Contribution deficiency (excess)	$ -
Employer's covered-employee payroll (1)	$ 2,108,182
Contributions as a percentage of covered-employee payroll	1.35%

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

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

Supplementary Information

Combining Balance Sheet – Nonmajor Governmental Funds
September 30, 2015

	Volunteers	FLETF Fund	Inmate Welfare Fund	Total Nonmajor Governmental Funds
Assets				
Cash and equivalents	$ 3,025	$ 12,599	$ 9,684	$ 25,308
Due from other funds	-	-	3,691	3,691
Total assets	$ 3,025	$ 12,599	$ 13,375	$ 28,999
Liabilities	$ -	$ -	$ -	$ -
Fund balances				
Restricted:				
Charitable purposes	3,025	-	-	3,025
Federal shared funds	-	12,599	-	12,599
Assigned:				
Inmate benefits	-	-	13,375	13,375
Total fund balances	3,025	12,599	13,375	28,999
Total liabilities and fund balances	$ 3,025	$ 12,599	$ 13,375	$ 28,999

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year ended September 30, 2015

	Volunteers	FLETF Fund	Inmate Welfare Fund	Total Nonmajor Governmental Funds
Revenues				
Miscellaneous revenue	$ 4,454	$ -	$ 12,480	$ 16,934
Expenditures				
Current:				
Public safety	6,081	4,507	20,897	31,485
Excess of revenues over (under) expenditures	(1,627)	(4,507)	(8,417)	(14,551)
Fund balances - beginning of year	4,652	17,106	21,792	43,550
Fund balances - end of year	$ 3,025	$ 12,599	$ 13,375	$ 28,999

Combining Statement of Fiduciary Net Position
Agency Funds
September 30, 2015

	Inmate Trust Fund	Bonds and Fines Fund	Individual and Suspense Fund	Total Agency Funds
Assets				
Cash and equivalents	$ 18,890	$ 2,500	$ 1,554	$ 22,944
Accounts receivable	332	-	-	332
Total assets	19,222	2,500	1,554	23,276
Liabilities				
Assets held for others	14,312	2,500	500	17,312
Due to other funds	3,691	-	-	3,691
Due to other county agencies	1,219	-	1,054	2,273
Total liabilities	19,222	2,500	1,554	23,276
Net position	$ -	$ -	$ -	$ -

Additional Elements Required by the Rules of the Auditor General

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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, 2015, and have issued our report thereon dated June 14, 2016. 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, L.L.C.

Gainesville, Florida
June 14, 2016

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

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, 2015, and the related notes to the financial statements, which collectively comprise the Office's special purpose financial statements, and have issued our report thereon dated June 14, 2016.

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 audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Office's internal control. Accordingly, we do not express an opinion on the effectiveness of the Office's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section, and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings as items 2015-001 through 2015-003 that we consider to be material weaknesses.

Compliance and Other Matters

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

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.

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

Gainesville, Florida
June 14, 2016

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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, 2015. 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, 2015.

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 14, 2016

Schedule of Findings

2015-001 (Reported in previous audit reports as items 2014-001 and 2013-002.)

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.

2015-002 (Reported in previous audit reports as items 2014-002 and 2013-004.)

Finding – The Office did not perform an annual physical inventory of its tangible personal property during the year. However, an inventory was performed subsequent to September 30, 2015 and this finding is expected to be cured in fiscal year 2016.

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

2015-003 (Reported in previous audit report as items 2014-003.)

Finding – The bank account of the Inmate Trust Fund was not reconciled to the accounting records in a timely manner.

Recommendation – The bank account should be reconciled to the accounting records promptly each month upon receipt of the bank statement.

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

June 14, 2016

Sherrill F. Norman
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, 2015

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:

2015-001	I have taken steps to improve the segregation of duties when possible. With our limited staff this is not always feasible.
2015-002	An Inventory of Tangible Personal Property has been completed and a copy sent to our Auditors. We will continue to complete an annual inventory of our Tangible Personal Property.
2014-003	The Inmate Trust Fund has been reconciled and is in balance. A copy has been sent to our Auditors. The responsibility of monthly reconciliation will be shared between our Fiscal Department and Jail Commander to ensure accuracy.

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

Sincerely,

Robert D. Schultz, III
Sheriff

Gilchrist County Tax Collector

Audit Report

September 30, 2015

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

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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, 2015, 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, 2015, 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 Matters

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.

We also draw attention to Note 2 to the financial statements, which indicates that the Office disclosed a net pension liability as a result of implementing GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. 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 and pension trend 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 June 06, 2016, 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
June 06, 2016

Balance Sheet – Governmental Funds
September 30, 2015

	General Fund
Assets	
Cash and equivalents	$ 1,706
Liabilities and fund balance	
Liabilities:	
Due to other county agencies	$ 1,706
Fund balance	-
Total liabilities and fund balance	$ 1,706

See accompanying notes.

Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
Year ended September 30, 2015

	General Fund
Revenues	
Miscellaneous revenue	$ 68
Expenditures	
Current:	
General government services	517,937
Excess of revenues under expenditures	(517,869)
Other financing sources (uses)	
Appropriation from board of county commissioners	519,575
Reversion to board of county commissioners	(1,706)
Total other financing sources (uses)	517,869
Net change in fund balance	-
Fund balance – October 1, 2014	-
Fund balance – September 30, 2015	$ -

See accompanying notes.

Statement of Fiduciary Net Position
September 30, 2015

	Agency Funds
Assets	
Cash and equivalents	$ 402,934
Accounts receivable	103
Total assets	403,037
Liabilities	
Assets held for others	387,448
Due to other county agencies	15,589
Total liabilities	403,037
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 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.

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

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

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

Measurement Focus/Basis of Accounting

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

Deferred Outflows/Inflows of Resources

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pensions

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

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, 2014	Additions	Deductions	Balance September 30, 2015	Due Within One Year
Compensated absences	$ 17,100	$ 15,200	$ 14,200	$ 18,100	$ 6,200
Net pension liability	186,290	82,982	-	269,273	4,000
Total	$ 203,390	$ 98,182	$ 14,200	$ 287,373	$ 10,200

During 2015, the Office implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. As a result, a net pension liability is disclosed in the tabulation of changes in long-term liabilities presented above.

NOTE 3 – STATE OF FLORIDA PENSION PLANS

Defined Benefit Plans

The Office participates in two defined benefit pension plans that are administered by the State of Florida, Department of Management Services, Division of Retirement. The plans provide retirement, disability or death benefits to retirees or their designated beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The State of Florida issues a publicly available financial report that includes financial statements and required supplementary information for the plans. That report may be obtained by writing to the Division of Retirement, PO Box 9000, Tallahassee, Florida, 32315-9000 or by calling (844) 377-1888.

The Florida Retirement System (FRS) Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan with a Deferred Retirement Option Program (DROP) available for eligible employees. The FRS was established and is administered in accordance with Chapter 121, Florida Statutes. Retirees receive a lifetime pension benefit with joint and survivor payment options. FRS membership is compulsory for employees filling regularly established positions in a state agency, county agency, state university, state college, or district school board, unless restricted from FRS membership under Sections 121.053 or 121.122, Florida Statutes, or allowed to participate in a defined contribution plan in lieu of FRS membership. Participation by cities, municipalities, special districts, charter schools and metropolitan planning organizations is optional.

The Retiree Health Insurance Subsidy (HIS) Program is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with Section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. To be eligible to receive a HIS benefit, a retiree under a state administered retirement system must provide proof of eligible health insurance coverage, which can include Medicare.

Benefits Provided

Benefits under the FRS Pension Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement plan and/or class to which the member belonged when the service credit was earned.

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

NOTE 3 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

Contributions

The contribution requirements of plan members and the Office are established and may be amended by the Florida Legislature. Employees are required to contribute 3.00% of their salary to the FRS. The Office's contribution rates as of September 30, 2015, were as follows:

	FRS	HIS
Regular class	5.60%	1.66%
Special risk class	20.38%	1.66%
Senior management service class	19.77%	1.66%
Elected officials	40.61%	1.66%
DROP from FRS	11.22%	1.66%

The Office's contributions for the year ended September 30, 2015, were $29,588 to the FRS and $4,275 to the HIS.

Pension Liabilities and Pension Expense

In its financial statements for the year ended September 30, 2015, the Office reported a liability for its proportionate shares of the net pension liabilities. The net pension liabilities were measured as of June 30, 2015, and the total pension liabilities used to calculate the net pension liability were determined by an actuarial valuation dated July 1, 2015. The Office's proportions of the net pension liabilities were based on the Office's share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

	FRS	HIS
Net pension liability	$ 161,216	$ 108,056
Proportion at:		
Current measurement date	0.0012%	0.0011%
Prior measurement date	0.0014%	0.0011%
Pension expense (benefit)	$ 19,007	$ 7,908

Deferred Outflows/Inflows of Resources Related to Pensions

At September 30, 2015, the Office reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

NOTE 3 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

	FRS		HIS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 17,020	$ 3,824	$ -	$ -
Changes of assumptions	10,700	-	8,501	-
Net difference between projected and actual earnings on pension plan investments	56,785	95,281	58	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	49,592	21,474	14	898
Employer contributions subsequent to the measurement date	7,152	-	1,280	-
Total	$ 141,249	$ 120,579	$ 9,853	$ 898

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year end will be recognized as a reduction of the net pension liability in the reporting period ending September 30, 2016. Other pension-related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ending September 30,	FRS	HIS
2016	$ 190	$ 1,243
2017	190	1,243
2018	190	1,243
2019	190	1,240
2020	9,814	1,228
Thereafter	2,944	1,478
Total	$ 13,518	$ 7,675

Actuarial Assumptions

The total pension liability for each of the defined benefit plans, measured as of June 30, 2015, was determined by an actuarial valuation dated July 1, 2015, using the individual entry age normal actuarial cost method and the following significant actuarial assumptions:

	FRS	HIS
Inflation	2.60%	2.60%
Salary increases	3.25%	3.25%
Investment rate of return	7.65%	N/A
Discount rate	7.65%	3.80%

NOTE 3 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

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

For both plans, the actuarial assumptions used in the valuation dated July 1, 2015 were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013.

The following changes in key actuarial assumptions occurred in 2015:

FRS: No changes in key actuarial assumptions.

HIS: The municipal bond index rate and the discount rate used to determine the total pension liability decreased from 4.29% to 3.80%.

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

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return
Cash	1%	3.2%	3.1%
Fixed income	18%	4.8%	4.7%
Global equity	53%	8.5%	7.2%
Real estate (property)	10%	6.8%	6.2%
Private equity	6%	11.9%	8.2%
Strategic investments	12%	6.7%	6.1%
	100%		

Discount Rate

The discount rate used to measure the total pension liability for the FRS Pension Plan was 7.65%. FRS' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

NOTE 3 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

Because the HIS Program is essentially funded on a pay-as-you-go basis, a municipal bond rate of 3.80% was used to determine the total pension liability for the program. The Bond Buyer General Obligation Bond 20-Bond Municipal Bond Index was used as the applicable municipal bond index.

Sensitivity Analysis

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

	FRS			HIS		
	1% Decrease (6.65%)	Current Discount Rate (7.65%)	1% Increase (8.65%)	1% Decrease (2.80%)	Current Discount Rate (3.80%)	1% Increase (4.80%)
Employer's proportionate share of the net pension liability	$ 417,747	$ 161,216	$ (52,260)	$ 123,125	$ 108,056	$ 95,491

Pension Plans' Fiduciary Net Position

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

Defined Contribution Plan

Pursuant to Chapter 121, Florida Statutes, the Florida Legislature created the Florida Retirement Investment Plan ("FRS Investment Plan"), a defined contribution pension plan qualified under Section 401(a) of the Internal Revenue Code. The FRS Investment Plan is an alternative available to members of the Florida Retirement System in lieu of the defined benefit plan. There is a uniform contribution rate covering both the defined benefit and defined contribution plans, depending on membership class. Required employer contributions made to the plan during the year ended September 30, 2015, totaled $1,909.

Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – General Fund
Year ended September 30, 2015

	Budgeted Amounts			Variance With Final
	Original	Final	Actual	Budget
Revenues				
Miscellaneous revenue	$ -	$ -	$ 68	$ 68
Expenditures				
Current:				
General government services	519,575	519,575	517,937	1,638
Excess of revenues over (under) expenditures	(519,575)	(519,575)	(517,869)	1,706
Other financing sources (uses)				
Appropriation from board of county commissioners	519,575	519,575	519,575	-
Reversion to board of county commissioners	-	-	(1,706)	(1,706)
Total other financing sources (uses)	519,575	519,575	517,869	(1,706)
Net change in fund balances	-	-	-	-
Fund balances - October 1, 2014	-	-	-	-
Fund balances - September 30, 2015	$ -	$ -	$ -	$ -

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.

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

Florida Retirement System		2015
Employer's proportion of the net pension liability (asset)		0.0012%
Employer's proportionate share of the net pension liability (asset)	$	161,216
Employer's covered-employee payroll (2)	$	319,288
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll		50.49%
Plan fiduciary net position as a percentage of the total pension liability		92.00%

Health Insurance Subsidy Program		2015
Employer's proportion of the net pension liability (asset)		0.0011%
Employer's proportionate share of the net pension liability (asset)	$	108,056
Employer's covered-employee payroll (2)	$	319,288
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll		33.84%
Plan fiduciary net position as a percentage of the total pension liability		0.50%

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

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

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

Schedules of Employer Contributions
Last 10 Fiscal Years

Florida Retirement System		2015
Contractually required contribution	$	29,588
Contributions in relation to the contractually required contribution		29,588
Contribution deficiency (excess)	$	-
Employer's covered-employee payroll (1)	$	314,805
Contributions as a percentage of covered-employee payroll		9.40%

Health Insurance Subsidy Program		2015
Contractually required contribution	$	4,275
Contributions in relation to the contractually required contribution		4,275
Contribution deficiency (excess)	$	-
Employer's covered-employee payroll (1)	$	314,805
Contributions as a percentage of covered-employee payroll		1.36%

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

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

Supplementary Information

Combining Statement of Fiduciary Net Position
Agency Funds
September 30, 2015

	Tag Fund	Trust Fund	Tax Fund	Total
Assets				
Cash and equivalents	$ 40,019	$ 23,765	$ 339,150	$ 402,934
Accounts receivable	103	-	-	103
Total assets	40,122	23,765	339,150	403,037
Liabilities				
Assets held for others	31,709	23,765	331,974	387,448
Due to other county agencies	8,413	-	7,176	15,589
Total liabilities	40,122	23,765	339,150	403,037
Net position	$ -	$ -	$ -	$ -

Additional Elements Required by the Rules of the Auditor General

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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, 2015, and have issued our report thereon dated June 06, 2016. 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
June 06, 2016

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

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, 2015, and the related notes to the financial statements, which collectively comprise the Office's special purpose financial statements, and have issued our report thereon dated June 06, 2016.

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.

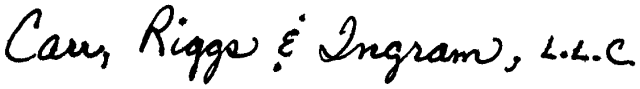
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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



Gainesville, Florida
June 06, 2016

CRI CARR RIGGS & INGRAM
CPAs and Advisors

Carr, Riggs & Ingram, LLC
4010 N.W. 25th Place
Gainesville, Florida 32606
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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, 2015. 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, 2015.

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 06, 2016

Barbara Merritt, Tax Collector

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

June 06, 2016

Sherrill F. Norman
Auditor General's Office
111 West Madison St
Tallahassee FL 32399-1450

RE: 2015 Tax Collector Audit

Dear Auditors:

I have reviewed the Audit from Carr, Riggs & Ingram, LLC for the year ending September 2015. 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, 2015

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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, 2015, 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, 2015, 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 Matters

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.

We also draw attention to Note 2 to the financial statements, which indicates that the Office disclosed a net pension liability as a result of implementing GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. 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 and pension trend 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 June 08, 2016 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
June 08, 2016

Balance Sheet – Governmental Funds
September 30, 2015

	General Fund
Assets	
Cash and equivalents	$ 23,154
Liabilities and fund balance	
Liabilities:	
Accounts payable and accrued liabilities	$ 511
Due to other county agencies	22,643
Total liabilities	23,154
Fund balance	-
Total liabilities and fund balance	$ 23,154

See accompanying notes.

Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
Year ended September 30, 2015

	General Fund
Revenues	
Charges for services	$ 21,922
Miscellaneous	184
Total revenues	22,106
Expenditures	
Current:	
General government services	609,350
Excess of revenues under expenditures	(587,244)
Other financing sources (uses)	
Appropriation from board of county commissioners	609,887
Reversion to board of county commissioners	(22,643)
Total other financing sources (uses)	587,244
Net change in fund balance	-
Fund balance - beginning of year	-
Fund balance - end of year	$ -

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.

Fund Balance

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

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

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

Measurement Focus/Basis of Accounting

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Capital Assets and Long-Term Liabilities

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.

Deferred Outflows/Inflows of Resources

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

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

Pensions

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2014	Additions	Deductions	Balance September 30, 2015	Due Within One Year
Compensated absences	$ 12,600	$ 20,100	$ 17,300	$ 15,400	$ 10,900
Net pension liability	241,572	209,188	-	450,760	4,200
Total	$ 254,172	$ 229,288	$ 17,300	$ 466,160	$ 15,100

During 2015, the Office implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date.* As a result, a net pension liability is disclosed in the tabulation of changes in long-term liabilities presented above.

NOTE 3 – STATE OF FLORIDA PENSION PLANS

Defined Benefit Plans

The Office participates in two defined benefit pension plans that are administered by the State of Florida, Department of Management Services, Division of Retirement. The plans provide retirement, disability or death benefits to retirees or their designated beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The State of Florida issues a publicly available financial report that includes financial statements and required supplementary information for the plans. That report may be obtained by writing to the Division of Retirement, PO Box 9000, Tallahassee, Florida, 32315-9000 or by calling (844) 377-1888.

The Florida Retirement System (FRS) Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan with a Deferred Retirement Option Program (DROP) available for eligible employees. The FRS was established and is administered in accordance with Chapter 121, Florida Statutes. Retirees receive a lifetime pension benefit with joint and survivor payment options. FRS membership is compulsory for employees filling regularly established positions in a state agency, county agency, state

NOTE 3 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

university, state college, or district school board, unless restricted from FRS membership under Sections 121.053 or 121.122, Florida Statutes, or allowed to participate in a defined contribution plan in lieu of FRS membership. Participation by cities, municipalities, special districts, charter schools and metropolitan planning organizations is optional.

The Retiree Health Insurance Subsidy (HIS) Program is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with Section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. To be eligible to receive a HIS benefit, a retiree under a state administered retirement system must provide proof of eligible health insurance coverage, which can include Medicare.

Benefits Provided

Benefits under the FRS Pension Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement plan and/or class to which the member belonged when the service credit was earned.

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

Contributions

The contribution requirements of plan members and the Office are established and may be amended by the Florida Legislature. Employees are required to contribute 3.00% of their salary to the FRS. The Office's contribution rates as of September 30, 2015, were as follows:

	FRS	HIS
Regular class	5.60%	1.66%
Special risk class	20.38%	1.66%
Senior management service class	19.77%	1.66%
Elected officials	40.61%	1.66%
DROP from FRS	11.22%	1.66%

The Office's contributions for the year ended September 30, 2015, were $62,885 to the FRS and $4,584 to the HIS.

NOTE 3 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

Pension Liabilities and Pension Expense

In its financial statements for the year ended September 30, 2015, the Office reported a liability for its proportionate shares of the net pension liabilities. The net pension liabilities were measured as of June 30, 2015, and the total pension liabilities used to calculate the net pension liability were determined by an actuarial valuation dated July 1, 2015. The Office's proportions of the net pension liabilities were based on the Office's share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

	FRS	HIS
Net pension liability	$ 336,627	$ 114,132
Proportion at:		
Current measurement date	0.0026%	0.0011%
Prior measurement date	0.0022%	0.0011%
Pension expense (benefit)	$ 57,516	$ 8,423

Deferred Outflows/Inflows of Resources Related to Pensions

At September 30, 2015, the Office reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	FRS		HIS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 35,538	$ 7,984	$ -	$ -
Changes of assumptions	22,343	-	8,979	-
Net difference between projected and actual earnings on pension plan investments	118,569	198,950	62	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	152,918	-	-	458
Employer contributions subsequent to the measurement date	15,149	-	1,363	-
Total	$ 344,517	$ 206,934	$ 10,404	$ 458

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year end will be recognized as a reduction of the net pension liability in the reporting period ending September 30, 2016. Other pension-related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

NOTE 3 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

Year ending September 30,	FRS	HIS
2016	$ 18,171	$ 1,389
2017	18,171	1,389
2018	18,171	1,389
2019	18,173	1,389
2020	38,268	1,376
Thereafter	11,480	1,651
Total	$ 122,434	$ 8,583

Actuarial Assumptions

The total pension liability for each of the defined benefit plans, measured as of June 30, 2015, was determined by an actuarial valuation dated July 1, 2015, using the individual entry age normal actuarial cost method and the following significant actuarial assumptions:

	FRS	HIS
Inflation	2.60%	2.60%
Salary increases	3.25%	3.25%
Investment rate of return	7.65%	N/A
Discount rate	7.65%	3.80%

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

For both plans, the actuarial assumptions used in the valuation dated July 1, 2015 were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013.

The following changes in key actuarial assumptions occurred in 2015:

FRS: No changes in key actuarial assumptions.

HIS: The municipal bond index rate and the discount rate used to determine the total pension liability decreased from 4.29% to 3.80%.

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

NOTE 3 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return
Cash	1%	3.2%	3.1%
Fixed income	18%	4.8%	4.7%
Global equity	53%	8.5%	7.2%
Real estate (property)	10%	6.8%	6.2%
Private equity	6%	11.9%	8.2%
Strategic investments	12%	6.7%	6.1%
	100%		

Discount Rate

The discount rate used to measure the total pension liability for the FRS Pension Plan was 7.65%. FRS' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Because the HIS Program is essentially funded on a pay-as-you-go basis, a municipal bond rate of 3.80% was used to determine the total pension liability for the program. The Bond Buyer General Obligation Bond 20-Bond Municipal Bond Index was used as the applicable municipal bond index.

Sensitivity Analysis

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

NOTE 3 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

	FRS			HIS		
	1% Decrease (6.65%)	Current Discount Rate (7.65%)	1% Increase (8.65%)	1% Decrease (2.80%)	Current Discount Rate (3.80%)	1% Increase (4.80%)
Employer's proportionate share of the net pension liability	$ 872,277	$ 336,627	$ (109,122)	$ 130,048	$ 114,132	$ 100,861

Pension Plans' Fiduciary Net Position

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

Defined Contribution Plan

Pursuant to Chapter 121, Florida Statutes, the Florida Legislature created the Florida Retirement Investment Plan ("FRS Investment Plan"), a defined contribution pension plan qualified under Section 401(a) of the Internal Revenue Code. The FRS Investment Plan is an alternative available to members of the Florida Retirement System in lieu of the defined benefit plan. There is a uniform contribution rate covering both the defined benefit and defined contribution plans, depending on membership class. The Office did not have any employees participating in the FRS Investment Plan during the year ended September 30, 2015.

Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – General Fund
Year ended September 30, 2015

	Budgeted Amounts			Variance With Final
	Original	Final	Actual	Budget
Revenues				
Charges for services	$ 13,770	$ 13,909	$ 21,922	$ 8,013
Miscellaneous	-	-	184	184
Total revenues	13,770	13,909	22,106	8,197
Expenditures				
Current:				
General government services	605,075	622,896	609,350	13,546
Reserve for contingencies	12,500	900	-	900
Total expenditures	617,575	623,796	609,350	14,446
Excess of revenues over (under) expenditures	(603,805)	(609,887)	(587,244)	22,643
Other financing sources (uses)				
Appropriation from board of county commissioners	603,805	609,887	609,887	-
Reversion to board of county commissioners	-	-	(22,643)	(22,643)
Total other financing sources (uses)	603,805	609,887	587,244	(22,643)
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.

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

Florida Retirement System		2015
Employer's proportion of the net pension liability (asset)		0.0026%
Employer's proportionate share of the net pension liability (asset)	$	336,627
Employer's covered-employee payroll (2)	$	339,521
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll		99.15%
Plan fiduciary net position as a percentage of the total pension liability		92.00%

Health Insurance Subsidy Program		2015
Employer's proportion of the net pension liability (asset)		0.0011%
Employer's proportionate share of the net pension liability (asset)	$	114,132
Employer's covered-employee payroll (2)	$	339,521
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll		33.62%
Plan fiduciary net position as a percentage of the total pension liability		0.50%

Notes to schedules:

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

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

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

Schedules of Employer Contributions
Last 10 Fiscal Years

Florida Retirement System		2015
Contractually required contribution	$	62,885
Contributions in relation to the contractually required contribution		62,885
Contribution deficiency (excess)	$	-
Employer's covered-employee payroll (1)	$	337,749
Contributions as a percentage of covered-employee payroll		18.62%

Health Insurance Subsidy Program		2015
Contractually required contribution	$	4,584
Contributions in relation to the contractually required contribution		4,584
Contribution deficiency (excess)	$	-
Employer's covered-employee payroll (1)	$	337,749
Contributions as a percentage of covered-employee payroll		1.36%

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

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

Additional Elements Required by the Rules of the Auditor General

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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, 2015, and have issued our report thereon dated June 08, 2016. 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
June 08, 2016

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

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, 2015, and the related notes to the financial statements, which collectively comprise the Office's special purpose financial statements, and have issued our report thereon dated June 08, 2016.

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
June 08, 2016

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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, 2015. 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, 2015.

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, 2016

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

June 6, 2016

Sherrill F. Norman
State of Florida 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, 2015.

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

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, 2015

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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, 2015, 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, 2015, 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 Matters

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.

We also draw attention to Note 2 to the financial statements, which indicates that the Office disclosed a net pension liability as a result of implementing GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. 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 and pension trend 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 June 06, 2016, 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
June 06, 2016

Gilchrist County Supervisor of Elections

Balance Sheet – Governmental Funds
September 30, 2015

	General Fund
Assets	
Cash and equivalents	$ 26,953
Liabilities and fund balance	
Liabilities:	
Accounts payable and accrued liabilities	$ 57
Due to other county agencies	26,896
Total liabilities	26,953
Fund balance	-
Total liabilites and fund balance	$ 26,953

See accompanying notes.

Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
Year ended September 30, 2015

	General Fund
Revenues	
Charges for services	$ 29
Miscellaneous	79
Total revenues	108
Expenditures	
Current:	
General government services	264,813
Excess of revenues under expenditures	(264,705)
Other financing sources (uses)	
Appropriation from board of county commissioners	291,567
Reversion to board of county commissioners	(26,862)
Total other financing sources (uses)	264,705
Net change in fund balance	-
Fund balance - beginning of year	-
Fund balance - end of year	$ -

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 has no nonmajor funds.

The Office reports the following major governmental fund:

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

Fund Balance

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

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

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

Measurement Focus/Basis of Accounting

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Capital Assets and Long-Term Liabilities

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.

Deferred Outflows/Inflows of Resources

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

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

Pensions

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2014	Additions	Deductions	Balance September 30, 2015	Due Within One Year
Compensated absences	$ 2,400	$ 5,900	$ 6,500	$ 1,800	$ 1,800
Net pension liability	121,134	134,778	-	255,912	1,700
Total	$ 123,534	$ 140,678	$ 6,500	$ 257,712	$ 3,500

During 2015, the Office implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date.* As a result, a net pension liability is disclosed in the tabulation of changes in long-term liabilities presented above.

NOTE 3 – STATE OF FLORIDA PENSION PLANS

Defined Benefit Plans

The Office participates in two defined benefit pension plans that are administered by the State of Florida, Department of Management Services, Division of Retirement. The plans provide retirement, disability or death benefits to retirees or their designated beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The State of Florida issues a publicly available financial report that includes financial statements and required supplementary information for the plans. That report may be obtained by writing to the Division of Retirement, PO Box 9000, Tallahassee, Florida, 32315-9000 or by calling (844) 377-1888.

The Florida Retirement System (FRS) Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan with a Deferred Retirement Option Program (DROP) available for eligible employees. The FRS was established and is administered in accordance with Chapter 121, Florida Statutes. Retirees receive a lifetime pension benefit with joint and survivor payment options. FRS membership is compulsory for employees filling regularly established positions in a state agency, county agency, state university, state college, or district school board, unless restricted from FRS membership under Sections 121.053 or 121.122, Florida Statutes, or allowed to participate in a defined contribution plan in lieu of

NOTE 3 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

FRS membership. Participation by cities, municipalities, special districts, charter schools and metropolitan planning organizations is optional.

The Retiree Health Insurance Subsidy (HIS) Program is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with Section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. To be eligible to receive a HIS benefit, a retiree under a state administered retirement system must provide proof of eligible health insurance coverage, which can include Medicare.

Benefits Provided

Benefits under the FRS Pension Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement plan and/or class to which the member belonged when the service credit was earned.

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

Contributions

The contribution requirements of plan members and the Office are established and may be amended by the Florida Legislature. Employees are required to contribute 3.00% of their salary to the FRS. The Office's contribution rates as of September 30, 2015, were as follows:

	FRS	HIS
Regular class	5.60%	1.66%
Special risk class	20.38%	1.66%
Senior management service class	19.77%	1.66%
Elected officials	40.61%	1.66%
DROP from FRS	11.22%	1.66%

The Office's contributions for the year ended September 30, 2015, were $38,938 to the FRS and $1,891 to the HIS.

NOTE 3 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

Pension Liabilities and Pension Expense

In its financial statements for the year ended September 30, 2015, the Office reported a liability for its proportionate shares of the net pension liabilities. The net pension liabilities were measured as of June 30, 2015, and the total pension liabilities used to calculate the net pension liability were determined by an actuarial valuation dated July 1, 2015. The Office's proportions of the net pension liabilities were based on the Office's share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

	FRS	HIS
Net pension liability	$ 208,616	$ 47,296
Proportion at:		
Current measurement date	0.0016%	0.0005%
Prior measurement date	0.0013%	0.0004%
Pension expense (benefit)	$ 43,595	$ 3,629

Deferred Outflows/Inflows of Resources Related to Pensions

At September 30, 2015, the Office reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	FRS		HIS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 22,024	$ 4,948	$ -	$ -
Changes of assumptions	13,847	-	3,721	-
Net difference between projected and actual earnings on pension plan investments	73,480	123,294	26	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	131,147	-	1,238	488
Employer contributions subsequent to the measurement date	9,444	-	568	-
Total	$ 249,942	$ 128,242	$ 5,553	$ 488

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year end will be recognized as a reduction of the net pension liability in the reporting period ending September 30, 2016. Other pension-related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

NOTE 3 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

Year ending September 30,	FRS	HIS
2016	$ 18,125	$ 727
2017	18,125	727
2018	18,125	727
2019	18,127	727
2020	30,579	723
Thereafter	9,175	866
Total	$ 112,256	$ 4,497

Actuarial Assumptions

The total pension liability for each of the defined benefit plans, measured as of June 30, 2015, was determined by an actuarial valuation dated July 1, 2015, using the individual entry age normal actuarial cost method and the following significant actuarial assumptions:

	FRS	HIS
Inflation	2.60%	2.60%
Salary increases	3.25%	3.25%
Investment rate of return	7.65%	N/A
Discount rate	7.65%	3.80%

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

For both plans, the actuarial assumptions used in the valuation dated July 1, 2015 were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013.

The following changes in key actuarial assumptions occurred in 2015:

FRS: No changes in key actuarial assumptions.

HIS: The municipal bond index rate and the discount rate used to determine the total pension liability decreased from 4.29% to 3.80%.

NOTE 3 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

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

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return
Cash	1%	3.2%	3.1%
Fixed income	18%	4.8%	4.7%
Global equity	53%	8.5%	7.2%
Real estate (property)	10%	6.8%	6.2%
Private equity	6%	11.9%	8.2%
Strategic investments	12%	6.7%	6.1%
	100%		

Discount Rate

The discount rate used to measure the total pension liability for the FRS Pension Plan was 7.65%. FRS' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Because the HIS Program is essentially funded on a pay-as-you-go basis, a municipal bond rate of 3.80% was used to determine the total pension liability for the program. The Bond Buyer General Obligation Bond 20-Bond Municipal Bond Index was used as the applicable municipal bond index.

Sensitivity Analysis

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

NOTE 3 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

	FRS	FRS		HIS	HIS	
	1% Decrease (6.65%)	Current Discount Rate (7.65%)	1% Increase (8.65%)	1% Decrease (2.80%)	Current Discount Rate (3.80%)	1% Increase (4.80%)
Employer's proportionate share of the net pension liability	$ 540,571	$ 208,616	$ (67,625)	$ 53,892	$ 47,296	$ 41,796

Pension Plans' Fiduciary Net Position

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

Defined Contribution Plan

Pursuant to Chapter 121, Florida Statutes, the Florida Legislature created the Florida Retirement Investment Plan ("FRS Investment Plan"), a defined contribution pension plan qualified under Section 401(a) of the Internal Revenue Code. The FRS Investment Plan is an alternative available to members of the Florida Retirement System in lieu of the defined benefit plan. There is a uniform contribution rate covering both the defined benefit and defined contribution plans, depending on membership class. Required employer contributions made to the plan during the year ended September 30, 2015, totaled $8,520.

Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – General Fund
September 30, 2015

	Budgeted Amounts			Variance With Final
	Original	Final	Actual	Budget
Revenues				
Charges for services	$ -	$ -	$ 29	$ 29
Miscellaneous	-	-	79	79
Total revenues	-	-	108	108
Expenditures				
Current:				
General government services	291,546	291,546	264,813	26,733
Excess of revenues over (under) expenditures	(291,546)	(291,546)	(264,705)	26,841
Other financing sources (uses)				
Appropriation from board of county commissioners	291,546	291,546	291,567	21
Reversion to board of county commissioners	-	-	(26,862)	(26,862)
Total other financing sources (uses)	291,546	291,546	264,705	(26,841)
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.

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

Florida Retirement System		2015
Employer's proportion of the net pension liability (asset)		0.0016%
Employer's proportionate share of the net pension liability (asset)	$	208,616
Employer's covered-employee payroll (2)	$	140,702
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll		148.27%
Plan fiduciary net position as a percentage of the total pension liability		92.00%

Health Insurance Subsidy Program		2015
Employer's proportion of the net pension liability (asset)		0.0005%
Employer's proportionate share of the net pension liability (asset)	$	47,296
Employer's covered-employee payroll (2)	$	140,702
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll		33.61%
Plan fiduciary net position as a percentage of the total pension liability		0.50%

Notes to schedules:

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

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

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

Schedules of Employer Contributions
Last 10 Fiscal Years

Florida Retirement System		2015
Contractually required contribution	$	38,938
Contributions in relation to the contractually required contribution		38,938
Contribution deficiency (excess)	$	-
Employer's covered-employee payroll (1)	$	139,218
Contributions as a percentage of covered-employee payroll		27.97%

Health Insurance Subsidy Program		2015
Contractually required contribution	$	1,891
Contributions in relation to the contractually required contribution		1,891
Contribution deficiency (excess)	$	-
Employer's covered-employee payroll (1)	$	139,218
Contributions as a percentage of covered-employee payroll		1.36%

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

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

Additional Elements Required by the Rules of the Auditor General

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CPAs and Advisors

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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, 2015, and have issued our report thereon dated June 06, 2016. 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
June 06, 2016

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

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, 2015, and the related notes to the financial statements, which collectively comprise the Office's special purpose financial statements, and have issued our report thereon dated June 06, 2016.

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
June 06, 2016

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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, 2015. 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, 2015.

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 06, 2016

Connie Sanchez
Gilchrist County
Supervisor of Elections

June 6, 2016

Auditor General State of Florida
Sherrill F. Norman, CPA
Tallahassee, Florida 32399-1450

RE: Gilchrist County Supervisor of Election 2014-15 Audit Report

Dear Ms. Norman,

I have reviewed Carr, Riggs and Ingram auditor's report relating to the office of Supervisor of Elections, Gilchrist County, Florida for the fiscal year ending September 30, 2016.

We were pleased that our bookkeeping met the standards required for county government and sincerely appreciate the professional and courteous manner in which our audit was conducted.

Respectfully,

Connie D. Sanchez

Connie D. Sanchez
Supervisor of Elections

CDS:

Copy: File
Carr, Riggs and Ingram
Board of County Commissioners

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