Gilchrist County
Board of County Commissioners

Audit Report

September 30, 2016

Table of Contents
September 30, 2016

REPORT

Independent Auditor's Report 1

Management's Discussion and Analysis 4

BASIC FINANCIAL STATEMENTS

Government-wide Financial Statements:

Statement of Net Position 12

Statement of Activities 13

Governmental Fund Financial Statements:

Balance Sheet 14

Reconciliation of the Balance Sheet to the Statement of Net Position 15

Statement of Revenues, Expenditures and Changes in Fund Balances 16

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities 17

Proprietary Fund Financial Statements:

Statement of Net Position 18

Statement of Revenues, Expenses and Changes in Fund Net Position 19

Statement of Cash Flows 20

Fiduciary Fund Statements:

Statement of Fiduciary Net Position 21

Notes to Financial Statements 22

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund 46

Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – EMS Fund 47

Other Postemployment Benefits:

Schedule of Funding Progress 48

Pension Plans:

Schedules of Proportionate Share of Net Pension Liability 49

Schedules of Employer Contributions 50

Table of Contents
September 30, 2016

SUPPLEMENTARY INFORMATION

Combining Balance Sheet – Nonmajor Governmental Funds 51

Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds 55

Combining Statement of Fiduciary Net Position 59

Schedule of Expenditures of State Financial Assistance 60

ADDITIONAL ELEMENTS REQUIRED BY THE RULES OF THE AUDITOR GENERAL

Management Letter 61

Independent Accountant's Report on Compliance with Section 218.415, Florida Statutes 63

Independent Accountant's Report on Compliance with Sections 365.172(10) and 365.173(2)(d), Florida Statutes 64

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* 65

Independent Auditor's Report on Compliance for Each Major State Project and on Internal Control Over Compliance Required by Chapter 10.550, Rules of the Auditor General 67

Schedule of Findings and Questioned Costs 69

Management's Response to Auditor's Findings --

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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, 2016, 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, 2016, 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.

Emphasis of Matter

As discussed in Note 14 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 State Financial Assistance, which is required by Chapter 10.550, Rules of the Auditor General, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2017, 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, 2017

Management's Discussion and Analysis
September 30, 2016

This Management Discussion and Analysis provides an objective and easily readable analysis of the County's financial activities for fiscal year ending September 30, 2016. The analysis provides summary financial information for the County and should be read in conjunction with the county's financial statements.

FINANCIAL HIGHLIGHTS

- Gilchrist County's assets and deferred outflows exceeded total liabilities and deferred inflows by $29,092,751 *(net position)*. Of this amount, $521,820 is unrestricted net position while $26,465,280 was net investment in capital assets. The remaining $2,105,651 is restricted net position.
- The County's total net position decreased approximately $277 thousand from the previous year.
- At September 30, 2016, the unassigned fund balance for the General Fund was $5,765,229 or 41.0% of expenditures and transfers out.
- At September 30, 2016, the County's governmental funds reported a combined fund balance of $9,051,271.

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 of spendable resources available at the end of the fiscal year. Such information may be used in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental 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 schedule of expenditures of 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 $29,092,751 and $29,369,410 at the close of the fiscal years ending September 30, 2016 and 2015, respectively.

Gilchrist County
Net Position, End of Year

	2016	(restated) 2015
	Governmental Activities	
Current and other assets	**$ 11,227,050**	$ 9,731,236
Capital assets, net	**28,070,770**	29,124,865
Total assets	**39,297,820**	38,856,101
Deferred outflows	**6,004,758**	3,104,480
Other liabilities	**991,471**	738,683
Long-term liabilities	**13,017,209**	8,920,099
Total liabilities	**14,008,680**	9,658,782
Deferred inflows	**2,201,147**	2,932,389
Net position:		
Net investment in capital assets	**26,465,280**	27,493,653
Restricted	**2,105,651**	2,077,219
Unrestricted	**521,820**	(201,462)
Total net position	**$ 29,092,751**	$ 29,369,410

The largest portion of the County's net position (91%) 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

	2016	(restated) 2015
	Governmental Activities	
Program revenues:		
Charges for services	**$ 4,013,373**	$ 5,020,026
Operating grants and contributions	**4,865,302**	3,052,377
Capital grants and contributions	**475,000**	23,918
General revenues:		
Property taxes	**6,168,110**	5,493,096
Other taxes	**1,432,629**	1,327,335
Shared revenues	**3,299,960**	3,175,625
Other revenues	**530,079**	464,545
Total revenues	**20,784,453**	18,556,922
Expenses:		
General government	**3,892,497**	4,681,057
Public safety	**7,314,879**	7,338,491
Physical environment	**1,114,816**	1,023,437
Transportation	**6,150,023**	3,702,282
Economic environment	**449,763**	489,885
Human services	**634,136**	633,609
Culture and recreation	**600,492**	511,775
Court related	**858,089**	776,563
Interest on long-term debt	**46,417**	35,513
Total expenses	**21,061,112**	19,192,612
Change in net position	**(276,659)**	(635,690)
Net position - beginning of year, as restated	**29,369,410**	30,005,100
Net position - end of year	**$ 29,092,751**	$ 29,369,410

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 $9,051,271 an increase of $764,134. Components of this change include an increase of $707,297 in the General Fund, an increase of $288,220 in the EMS Fund, a decrease of $414,296 in the Capital Projects Fund and an increase of $182,913 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) Capital Projects Fund.

The General Fund is the chief operating fund of the County. At the end of fiscal year 2016, the unassigned fund balance of the General Fund was $5,765,229, which is approximately 41.0% of the expenditures and transfers for fiscal year 2016.

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 $625,531 at year-end. This was an increase of $288,220 from prior year.

The Capital Projects Fund accounts for the purchase or construction of general capital assets. Total fund balance at year-end was negative in the amount of $26,527, a significant decrease 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, 2016

	Governmental Activities
Land	$ 1,293,695
Buildings, net	8,216,096
Infrastructure, net	12,735,848
Improvements, net	2,389,689
Equipment, net	2,861,171
Construction in Progress	574,271
Total	$ 28,070,770

The County's total investment in capital assets for its governmental activities as of September 30, 2016, was $28,070,770 (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 6 of the accompanying financial statements.

Long-Term Debt

At September 30, 2016, the County's outstanding long-term debt was $13,017,209.

Additional information on the County's long-term obligations can be found in Note 7 of the accompanying financial statements.

NEXT YEAR'S BUDGET AND SIGNIFICANT FINANCIAL CONDITIONS

- The millage rate increased to 9.5 mills for fiscal year 2017.
- The unemployment rate for the County decreased from 5.2% in 2015 to 5.1% in 2016.

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, 2016

	Governmental Activities
Assets	
Cash and equivalents	$ 6,544,494
Investments	3,010,454
Due from other governments	1,196,312
Receivables	414,788
Inventory	25,167
Prepaids	35,835
Capital assets:	
Non-depreciable	1,867,966
Depreciable, net	26,202,804
Total assets	39,297,820
Deferred outflows of resources	
Pension related	6,004,758
Liabilities	
Accounts payable and accrued liabilities	991,471
Noncurrent liabilities:	
Due within one year	837,375
Due in more than one year	12,179,834
Total liabilities	14,008,680
Deferred inflows of resources	
Pension related	2,201,147
Net position	
Net investment in capital assets	26,465,280
Restricted:	
Public safety	839,886
Physical environment	350,039
Transportation	175,991
Economic environment	83,895
Court related	524,860
Other	130,980
Unrestricted	521,820
Total net position	$ 29,092,751

See accompanying notes.

Statement of Activities
Year ended September 30, 2016

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	$ 3,892,497	$ 366,344	$ -	$ -	$ (3,526,153)
Public safety	7,314,879	2,145,162	148,256	-	(5,021,461)
Physical environment	1,114,816	686,081	90,909	-	(337,826)
Transportation	6,150,023	40,653	3,845,757	-	(2,263,613)
Economic environment	449,763	7,866	350,000	-	(91,897)
Human services	634,136	46,766	-	-	(587,370)
Culture and recreation	600,492	428,819	42,978	475,000	346,305
Court related	858,089	291,682	387,402	-	(179,005)
Interest on long-term debt	46,417	-	-	-	(46,417)
Total	$ 21,061,112	$ 4,013,373	$ 4,865,302	$ 475,000	(11,707,437)
General revenues:					
Property taxes					6,168,110
Sales taxes					822,838
Gas taxes					483,995
Tourist development tax					42,997
Communication service tax					82,799
Shared revenues					3,299,960
Investment earnings					63,520
Miscellaneous					466,559
Total general revenues					11,430,778
Change in net position					(276,659)
Net position - beginning of year, as restated					29,369,410
Net position - end of year					$ 29,092,751

See accompanying notes.

Balance Sheet – Governmental Funds
September 30, 2016

	General Fund	EMS Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and equivalents	$ 3,777,792	$ 497,846	$ 8,226	$ 2,054,953	$ 6,338,817
Investments	2,504,220	73,200	34,901	398,133	3,010,454
Receivables	52,496	338,880	-	307	391,683
Due from other funds	34,351	254	-	7,055	41,660
Due from other governments	871,783	523	175,000	149,006	1,196,312
Inventory	25,167	-	-	-	25,167
Prepaids	-	-	-	35,835	35,835
Total assets	$ 7,265,809	$ 910,703	$ 218,127	$ 2,645,289	$ 11,039,928
Liabilities					
Accounts payable and accrued liabilities	$ 715,485	$ 31,513	$ 69,654	$ 174,820	$ 991,472
Due to other funds	7,309	2,364	-	31,987	41,660
Total liabilities	722,794	33,877	69,654	206,807	1,033,132
Deferred inflows					
Unavailable revenue	520,035	251,295	175,000	9,195	955,525
Fund balances					
Nonspendable	25,167	-	-	35,835	61,002
Restricted	96,713	-	-	2,017,779	2,114,492
Assigned	135,871	625,531	-	375,673	1,137,075
Unassigned	5,765,229	-	(26,527)	-	5,738,702
Total fund balances	6,022,980	625,531	(26,527)	2,429,287	9,051,271
Total liabilities, deferred inflows and fund balances	$ 7,265,809	$ 910,703	$ 218,127	$ 2,645,289	$ 11,039,928

See accompanying notes.

Reconciliation of the Balance Sheet to the Statement of Net Position
Governmental Funds
September 30, 2016

Fund balances - total governmental funds	$ 9,051,271
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	28,070,770
Deferred outflows and inflows accociated with with pensions are not reported in the governmental funds.	
Deferred outflows	6,004,758
Deferred inflows	(2,201,147)
Long-term liabilities are not reported in the governmental funds.	
Bonds payable	(115,824)
Notes payable	(1,213,385)
Capital lease	(276,281)
Landfill postclosure care	(39,377)
Compensated absences	(546,248)
Net OPEB liability	(486,022)
Net pension liability	(10,340,072)
Deferred inflows for earned but unavailable revenue are reported in the governmental funds but not in the statement of net position.	955,526
The assets and liabilities of the internal service fund are reported with governmental activities.	228,782
Net position of governmental activities	$ 29,092,751

See accompanying notes.

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year ended September 30, 2016

	General Fund	EMS Fund	Capital Projects Fund	Other Govern-mental Funds	Total Govern-mental Funds
Revenues					
Taxes	$ 6,470,383	$ 646,361	$ -	$ 481,151	$ 7,597,895
Licenses, permits and special assessments	231,703	-	-	1,202,866	1,434,569
Intergovernmental	6,283,417	63,900	300,000	1,499,851	8,147,168
Charges for services	1,037,514	1,029,601	-	461,145	2,528,260
Fines and forfeitures	95	-	-	38,650	38,745
Miscellaneous	376,031	20,531	724	140,541	537,827
Total revenues	14,399,143	1,760,393	300,724	3,824,204	20,284,464
Expenditures					
Current:					
General government	3,518,792	-	-	57,119	3,575,911
Public safety	4,609,927	1,673,189	-	649,159	6,932,275
Physical environment	310,984	-	-	709,760	1,020,744
Transportation	3,514,640	-	-	1,531,865	5,046,505
Economic environment	84,787	-	-	322,140	406,927
Human services	616,278	-	-	-	616,278
Culture and recreation	518,999	-	-	-	518,999
Court related	289,534	-	-	525,547	815,081
Capital outlay	-	-	515,020	450	515,470
Debt service:					
Principal retirement	65,150	116,784	-	300,239	482,173
Interest and fiscal charges	6,900	6,365	-	33,152	46,417
Total expenditures	13,535,991	1,796,338	515,020	4,129,431	19,976,780
Excess of revenues over (under) expenditures	863,152	(35,945)	(214,296)	(305,227)	307,684
Other financing sources (uses)					
Debt issued	242,585	124,165	-	89,700	456,450
Transfers in	135,392	200,000	-	552,832	888,224
Transfers out	(533,832)	-	(200,000)	(154,392)	(888,224)
Total other financing sources (uses)	(155,855)	324,165	(200,000)	488,140	456,450
Net change in fund balances	707,297	288,220	(414,296)	182,913	764,134
Fund balances - beginning of year	5,315,683	337,311	387,769	2,246,374	8,287,137
Fund balances - end of year	$ 6,022,980	$ 625,531	$ (26,527)	$ 2,429,287	$ 9,051,271

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, 2016

Net change in fund balances - total governmental funds	$ 764,134
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	1,354,892
Current year depreciation expense	(2,408,987)
The timing of revenue recognition sometimes differs between governmental funds and the statement of activities.	473,297
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	(456,450)
Repayment of debt is an expenditure in the governmental funds, but the repayment does not effect net position of governmental activities.	
Principal payments	482,173
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	81,052
Landfill postclosure care	(352)
Net OPEB obligation	(47,541)
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	(4,155,992)
Change in deferred outflows related to pensions	2,638,506
Change in deferred inflows related to pensions	731,242
Deferred outflow for contributions subsequent to the measurement date	261,772
Internal service fund is used to charge the cost of risk management to individual funds. The net revenue is reported with governmental activities.	5,595
Change in net position of governmental activities	$ (276,659)

See accompanying notes.

Statement of Net Position – Proprietary Funds
September 30, 2016

	Governmental Activities
	Internal Service Fund
Current assets	
Cash and equivalents	$ 205,677
Accounts receivable	23,105
Total assets	228,782
Current liabilities	
Accounts payable and accrued liabilities	-
Net position	
Unrestricted	$ 228,782

See accompanying notes.

Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
September 30, 2016

	Governmental Activities Internal Service Fund
Operating revenues	
Charges for insurance	$ 23,105
Operating expenses	
Claims expense	12,649
Professional services and administration	8,448
Total operating expenses	21,097
Operating income	2,008
Nonoperating revenues	
Interest revenue	3,587
Change in net position	5,595
Net position - beginning of year	223,187
Net position - end of year	$ 228,782

See accompanying notes.

Statement of Cash Flows – Proprietary Funds
Year ended September 30, 2016

	Governmental Activities Internal Service Fund
Cash flows from operating activities	
Cash received for premiums	$ 5,701
Cash paid on insurance claims	(102,758)
Cash paid for professional services and administration	(8,448)
Net cash provided (used) by operating activities	(105,505)
Cash flows from investing activities	
Interest received	3,587
Net change in cash and equivalents	(101,918)
Cash and equivalents - beginning of year	307,595
Cash and equivalents - end of year	$ 205,677
Reconciliation of operating income to net cash provided (used) by operating activities	
Operating income (loss)	$ 2,008
Change in assets and liabilities:	
Accounts receivable	(17,323)
Accounts payable and accrued liabilities	(90,190)
Net cash provided (used) by operating activities	$ (105,505)

See accompanying notes.

Gilchrist County, Florida

Statement of Fiduciary Net Position
September 30, 2016

	Agency Funds
Assets	
Cash and equivalents	$ 656,658
Receivables	6,490
Total assets	663,148
Liabilities	
Assets held for others	663,148
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.

Capital Projects Fund – This fund (Capital Projects Fund) is used to account for and report major capital expenditures. Sources are from financing, grants or transfers from other funds.

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 $226,000. The allowance represents approximately 40% of gross ambulance service accounts receivable at September 30, 2016. 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 (Florida PRIME)	$	186,135
FLGIT		2,824,319
Total investments	$	3,010,454

The Local Government Surplus Funds Trust Fund (Florida PRIME) is administered by the Florida State Board of Administration ("SBA"), who provides regulatory oversight. Florida PRIME is an external investment pool that meets all of the necessary criteria to elect to measure all of the investments in Florida PRIME at amortized cost. Therefore, the County's investment in Florida PRIME is reported at amortized cost. The fair value of the position in the pool is equal to the value of the pool shares.

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 Short-term Bond 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, 2016.

Interest Rate Risk – The risk that changes in interest rates will adversely affect the fair value of an investment. At September 30, 2016, the dollar weighted average days to maturity of the SBA was 49.5 days and the average maturity of FLGIT was 1.61 years.

NOTE 4 – FAIR VALUE MEASUREMENTS

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The County has the following recurring fair value measurements as of September 30, 2016:

- Investment pools organized pursuant to Florida Statutes 163.01 – Valued at the daily closing price as reported by the fund.

The following table summarizes the County's assets for which fair values are determined on a recurring basis:

Investment Measured at Fair Value	Fair Value	Quoted Prices in Active Markets For Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
FLGIT	$ 2,824,319	$ -	$ -	$ -
Total investments	$ 2,824,319	$ -	$ -	$ -

The County's investment in FLGIT is not categorized in the fair value hierarchy because investments in external investment pools are not required to be categorized.

NOTE 5 – FUND BALANCE CLASSIFICATIONS

Fund balance is *restricted* for the following purposes:

	General Fund	Other Governmental Funds
Public safety	$ -	$ 839,886
Transportation	-	184,832
Physical environment	-	350,039
Economic environment	-	83,895
Court related	76,662	448,198
Capital outlay	20,051	110,929
Total restricted fund balance	$ 96,713	$ 2,017,779

Fund balance is *assigned* for the following purposes:

	General Fund	EMS Fund	Other Governmental Funds	Total
Public safety	$ -	$ 625,531	$ 15,696	$ 641,227
Transportation	-	-	359,977	359,977
Subsequent year's expenditures	135,871	-	-	135,871
Total assigned fund balance	$ 135,871	$ 625,531	$ 375,673	$ 1,137,075

NOTE 6 – CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets follows:

	October 1, 2015 (Restated)	Additions	Deductions	September 30, 2016
Capital assets not being depreciated:				
Land	$ 1,279,411	$ 14,284	$ -	$ 1,293,695
Construction in progress	124,923	574,271	124,923	574,271
Total capital assets not being depreciated	1,404,334	588,555	124,923	1,867,966
Capital assets being depreciated:				
Buildings	11,920,118	-	-	11,920,118
Improvements	3,031,641	18,888	-	3,050,529
Infrastructure	20,721,399	85,268	-	20,806,667
Equipment	12,123,491	787,104	70,556	12,840,039
Total capital assets being depreciated	47,796,649	891,260	70,556	48,617,353
Less accumulated depreciation for:				
Buildings	3,434,891	269,131	-	3,704,022
Improvements	528,522	132,318	-	660,840
Infrastructure	7,045,297	1,025,522	-	8,070,819
Equipment	9,067,408	982,016	70,556	9,978,868
Total accumulated depreciation	20,076,118	2,408,987	70,556	22,414,549
Total capital assets being depreciated, net	27,720,531	(1,517,727)	-	26,202,804
Total capital assets, net	$ 29,124,865	$ (929,172)	$ 124,923	$ 28,070,770

NOTE 6 – CHANGES IN CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions as follows:

General government	$ 210,111
Public safety	664,127
Physical environment	90,673
Transportation	1,317,195
Economic environment	41,903
Human services	13,095
Culture/recreation	71,883
Total depreciation expense	$ 2,408,987

NOTE 7 – LONG-TERM LIABILITIES

At September 30, 2016, the County's long-term liabilities consisted of:

Special assessment bonds, series 2008	$ 115,824
Notes payable	1,213,385
Landfill postclosure care	39,377
Capital lease	276,281
Compensated absences	546,248
Net OPEB obligation	486,022
Net pension liability	10,340,072
Total long-term liabilities	$ 13,017,209

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 $151,230. Assessments totaling $20,002 were recognized during 2016.	$ 115,824

NOTE 7 – LONG-TERM LIABILITIES (CONTINUED)

Year Ending September 30,	Principal	Interest	Total
2017	$ 8,841	$ 5,801	$ 14,642
2018	9,289	5,359	14,648
2019	9,760	4,894	14,654
2020	10,239	4,407	14,646
2021	10,773	3,895	14,668
2022 - 2026	62,624	10,826	73,450
2027	4,298	224	4,522
Total	$ 115,824	$ 35,406	$ 151,230

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
2017	$ 414,349	$ 30,169	$ 444,518
2018	260,877	19,203	280,080
2019	242,606	12,927	255,533
2020	132,632	7,707	140,339
2021	24,560	4,634	29,194
2022 - 2026	86,481	13,093	99,574
2027 - 2031	24,372	6,183	30,555
2032 - 2036	27,508	2,473	29,981
Total	$ 1,213,385	$ 96,389	$ 1,309,774

NOTE 7 – LONG-TERM LIABILITIES (CONTINUED)

Capital lease

At September 30, 2016, the County had outstanding capital leases for equipment with interest ranging from 2.8% to 4.7%.

Future lease payments, together with the present value of the minimum lease payments are summarized in the following tabulation:

Year Ending September 30,	Principal	Interest	Total
2017	$ 89,285	$ 7,999	$ 97,284
2018	92,064	5,219	97,283
2019	94,932	2,349	97,281
Total	$ 276,281	$ 15,567	$ 291,848

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 $39,377 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 $80,989 for that requirement.

Changes in Long-Term Liabilities

	Balance October 1, 2015	Additions	Deductions	Balance September 30, 2016	Due Within One Year
Bonds payable	$ 129,845	$ -	$ 14,021	$ 115,824	$ 8,841
Notes payable	1,457,424	213,865	457,904	1,213,385	414,349
Landfill postclosure care	39,025	352	-	39,377	-
Capital lease	43,944	242,585	10,248	276,281	89,285
Compensated absences	627,300	381,248	462,300	546,248	257,300
Net OPEB obligation	438,481	66,322	18,781	486,022	-
Net pension liability	6,184,080	4,155,992	-	10,340,072	67,600
Total	$ 8,920,099	$ 5,060,364	$ 963,254	$ 13,017,209	$ 837,375

NOTE 8 – STATE OF FLORIDA PENSION PLANS

Defined Benefit Plans

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

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.

NOTE 8 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

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 County are established and may be amended by the Florida Legislature. Employees are required to contribute 3.00% of their salary to the FRS. The County's contribution rates as of September 30, 2016, were as follows:

	FRS	HIS
Regular class	5.86%	1.66%
Special risk class	20.91%	1.66%
Senior management service class	20.11%	1.66%
Elected officials	40.81%	1.66%
DROP from FRS	11.33%	1.66%

The County's contributions for the year ended September 30, 2016, were $810,666 to the FRS and $104,227 to the HIS.

Pension Liabilities and Pension Expense

In its financial statements for the year ended September 30, 2016, the County reported a liability for its proportionate shares of the net pension liabilities. The net pension liabilities were measured as of June 30, 2016, and the total pension liabilities used to calculate the net pension liability were determined by an actuarial valuation dated July 1, 2016. The County's proportions of the net pension liabilities were based on the County's share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

NOTE 8 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

	FRS	HIS
Net pension liability	$ 7,996,789	$ 2,343,283
Proportion at:		
Current measurement date	0.0317%	0.0201%
Prior measurement date	0.0314%	0.0209%
Pension expense (benefit)	$ 1,255,710	$ 183,659

Deferred Outflows/Inflows of Resources Related to Pensions

At September 30, 2016, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	FRS		HIS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 612,296	$ 74,456	$ -	$ 5,337
Changes of assumptions	483,782	-	367,721	-
Net difference between projected and actual earnings on pension plan investments	3,678,819	1,611,746	1,185	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	567,769	409,142	31,413	100,466
Employer contributions subsequent to the measurement date	234,085	-	27,688	-
Total	$ 5,576,751	$ 2,095,344	$ 428,007	$ 105,803

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
2017	$ 468,786	$ 54,404
2018	468,786	54,404
2019	1,271,847	54,404
2020	866,807	54,404
2021	137,571	42,522
Thereafter	33,525	34,378
Total	$ 3,247,322	$ 294,516

NOTE 8 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

Actuarial Assumptions

The total pension liability for each of the defined benefit plans, measured as of June 30, 2016, was determined by an actuarial valuation dated July 1, 2016, 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	7.60%	N/A
Discount rate	7.60%	2.85%

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, 2016 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 2016:

FRS: The long-term expected rate of return and the discount rate used to determine the total pension liability decreased from 7.65% to 7.60%.

HIS: The municipal bond index rate and the discount rate used to determine the total pension liability decreased from 3.80% to 2.85%.

The long-term expected investment rate of return was not based on historical returns, but instead was based on a forward-looking capital market economic model. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. For the FRS Pension Plan, the table below summarizes the consulting actuary's assumptions based on the long-term target asset allocation. The reduced investment return assumption of 7.60 percent, which was adopted by the Florida Retirement System Actuarial Assumption Conference, conflicts with the consulting actuary's judgment of a reasonable assumption as defined by Actuarial Standards of Practice No. 27.

NOTE 8 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return
Cash	1%	3.0%	3.0%
Fixed income	18%	4.7%	4.6%
Global equity	53%	8.1%	6.8%
Real estate (property)	10%	6.4%	5.8%
Private equity	6%	11.5%	7.8%
Strategic investments	12%	6.1%	5.6%
	100%		

Discount Rate

The discount rate used to measure the total pension liability for the FRS Pension Plan was 7.60%. 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 2.85% was used to determine the total pension liability for the program. The Bond Buyer General Obligation Bond 20-Bond Municipal Bond Index was used as the applicable municipal bond index.

Sensitivity Analysis

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

	FRS			HIS		
	1% Decrease (6.60%)	Current Discount Rate (7.60%)	1% Increase (8.60%)	1% Decrease (1.85%)	Current Discount Rate (2.85%)	1% Increase (3.85%)
Employer's proportionate share of the net pension liability	$ 14,722,628	$ 7,996,789	$ 2,398,414	$ 2,688,278	$ 2,343,283	$ 2,056,956

NOTE 8 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

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, 2016, totaled $188,279.

NOTE 9 – 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, 2015, 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. Beginning in fiscal 2016, retirees pay 100% of the premium, 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

NOTE 9 – OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

County's annual OPEB Plan cost for the year, the amount actually contributed by the employer, and the changes in the net OPEB obligation.

Annual required contribution	$ 14,041
Interest on net OPEB obligation	19,803
Adjustments to ARC	32,478
Annual OPEB cost (expense)	66,322
Contributions made	(18,781)
Increase in net OPEB obligation	47,541
Net OPEB obligation - beginning of year	438,481
Net OPEB obligation - end of year	$ 486,022

Trend Information:

Year Ended	Annual OPEB Cost	Actual Employer Contribution	Percentage Contributed	Net OPEB Obligation
9/30/2016	$ 66,322	$ 18,781	28%	$ 486,022
9/30/2015	75,070	78,427	104%	438,481
9/30/2014	232,616	7,934	3%	441,838

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 9 – 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	4.00%
Projected annual salaries increase	N/A
Inflation rate	N/A
Mortality	1983 Group Annuity Mortality Table
Healthcare cost trend rate	5.5% 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 2016 fiscal year were 28% of the annual OPEB cost. As of the actuarial valuation report dated October 1, 2015, the actuarial value of assets was $0, the actuarial accrued liability for benefits was $222,154, the unfunded actuarial accrued liability (UAAL) was also $222,154, the funded ratio was 0%, the covered payroll was $6,290,300, and the UAAL as a percentage of covered payroll was 4%.

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 10 – INTERFUND BALANCES/TRANSFERS

At September 30, 2016, interfund balances consisted of:

	Due To			
Due From	General	EMS Fund	Nonmajor Governmental	Total
General fund	$ -	$ 254	$ 7,055	$ 7,309
EMS fund	2,364	-	-	2,364
Nonmajor governmental	31,987	-	-	31,987
Total	$ 34,351	$ 254	$ 7,055	$ 41,660

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

NOTE 10 – INTERFUND BALANCES/TRANSFERS (CONTINUED)

Interfund transfers are summarized below:

	Transfers Out				
Transfers In	General fund	EMS	Capital Projects Fund	Nonmajor Governmental	Total
General fund	$ -	$ -	$ -	$ 135,392	$ 135,392
EMS	-	-	200,000	-	200,000
Nonmajor Governmental	533,832	-	-	19,000	552,832
Total	$ 533,832	$ -	$ 200,000	$ 154,392	$ 888,224

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

NOTE 11 – 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.

For its health insurance, the County joined the Public Risk Management of Florida Insurance Trust (the "Trust"), a public entity risk pool currently operating as a common risk management and insurance program for several member govnernmental entities. The County pays an annual premium to the Trust for its coverage. The premiums are designed to fund the liability risks assumed by the Trust and are based on certain actual exposures of each member. Contributions also cover excess of loss reinsurance premiums.

Self Insurance

For health insurance, the County was previously self-insured but the change was made to move to the risk pool described above, effective October 1, 2015. An Internal Service Fund was used to account for the County's risk management activities under the previous insurance arrangement. Changes in the fund's claims liabilities were:

NOTE 11 – RISK MANAGEMENT (CONTINUED)

	Beginning of Year Liability	Claims Incurred	Claims Paid	End of Year Liability
2015-2016	$ 90,109	$ 12,649	$ 102,758	$ -
2014-2015	101,416	762,991	774,298	90,109

NOTE 12 – 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 13 – FUTURE ACCOUNTING PRONOUNCEMENTS

The Governmental Accounting Standards Board has issued statements that will become effective in 2017. The statements address:

- Certain pension issues;
- Other postemployment benefit (OPEB) plans;
- Tax Abatement disclosures; and
- Blending certain component units.

The County is currently evaluating the effects that these statements will have on its financial statements for 2017.

NOTE 14 – RESTATEMENT

The County restated the beginning net position of the governmental activities to correct the beginning net book value of capital assets.

	Governmental Activities
Net position - beginning of year, as previously reported	$ 29,633,126
Capital assets	(263,716)
Net position - beginning of year, as restated	$ 29,369,410

Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – General Fund
Year ended September 30, 2016

	Budgeted Amounts		Actual	Variance with Final
	Original	Final	Amounts	Budget
Revenues				
Taxes	$ 6,554,684	$ 6,554,684	$ 6,470,383	$ (84,301)
Licenses, permits and special assessments	145,400	145,400	231,703	86,303
Intergovernmental	7,524,544	11,324,187	6,283,417	(5,040,770)
Charges for services	866,909	891,874	1,037,514	145,640
Fines and forfeitures	500	500	95	(405)
Miscellaneous	168,421	177,421	376,031	198,610
Total revenues	15,260,458	19,094,066	14,399,143	(4,694,923)
Expenditures				
Current:				
General government	3,771,600	3,793,687	3,518,792	274,895
Public safety	4,431,495	4,728,317	4,609,927	118,390
Physical environment	308,425	308,425	310,984	(2,559)
Transportation	4,232,950	8,032,593	3,514,640	4,517,953
Economic environment	159,153	159,153	84,787	74,366
Human services	629,998	629,998	616,278	13,720
Culture and recreation	629,376	629,376	518,999	110,377
Court related	238,542	238,542	289,534	(50,992)
Reserve for contingencies	265,000	241,366	-	241,366
Debt service:				
Principal retirement	65,150	65,150	65,150	-
Interest and fiscal charges	6,900	6,900	6,900	-
Total expenditures	14,738,589	18,833,507	13,535,991	5,297,516
Excess of revenues over (under) expenditures	521,869	260,559	863,152	602,593
Other financing sources (uses)				
Debt issued	-	242,585	242,585	-
Transfers in	101,532	107,532	135,392	27,860
Transfers out	(586,868)	(573,160)	(533,832)	39,328
Total other financing sources (uses)	(485,336)	(223,043)	(155,855)	67,188
Net change in fund balances	36,533	37,516	707,297	669,781
Fund balances - beginning of year	(36,533)	(37,516)	5,315,683	5,353,199
Fund balances - end of year	$ -	$ -	$ 6,022,980	$ 6,022,980

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, 2016

	Budgeted Amounts		Actual	Variance with Final
	Original	Final	Amounts	Budget
Revenues				
Taxes	$ 664,078	$ 664,078	$ 646,361	$ (17,717)
Intergovernmental	72,558	72,558	63,900	(8,658)
Charges for services	957,000	957,000	1,029,601	72,601
Miscellaneous	990	990	20,531	19,541
Total revenues	1,694,626	1,694,626	1,760,393	65,767
Expenditures				
Current:				
Public safety	1,886,646	1,886,646	1,673,189	213,457
Reserve for contingencies	22,666	22,666	-	22,666
Debt service:				
Principal retirement	116,784	116,784	116,784	-
Interest and fiscal charges	6,365	6,365	6,365	-
Total expenditures	2,032,461	2,032,461	1,796,338	236,123
Excess of revenues over (under) expenditures	(337,835)	(337,835)	(35,945)	301,890
Other financing sources (uses)				
Debt issued	150,000	150,000	124,165	(25,835)
Transfers in	200,000	200,000	200,000	-
Total other financing sources (uses)	350,000	350,000	324,165	(25,835)
Net change in fund balances	12,165	12,165	288,220	276,055
Fund balances - beginning of year	12,165	12,165	337,311	325,146
Fund balances - end of year	$ 24,330	$ 24,330	$ 625,531	$ 601,201

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.

Required Supplementary Information
Other Postemployment Benefits
September 30, 2016

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
10/1/2011	$ -	$ 737,000	$ 737,000	0%	$ 5,364,600	14%
10/1/2013	-	611,000	611,000	0%	5,190,600	12%
10/1/2015	-	222,154	222,154	0%	6,290,300	4%

Notes:
1. See Note 9 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	2016	2015
Employer's proportion of the net pension liability (asset)	0.0317%	0.0314%
Employer's proportionate share of the net pension liability (asset)	$ 7,996,789	$ 4,051,945
Employer's covered-employee payroll (2)	$ 6,178,688	$ 6,277,264
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	129.43%	64.55%
Plan fiduciary net position as a percentage of the total pension liability	84.88%	92.00%

Health Insurance Subsidy Program	2016	2015
Employer's proportion of the net pension liability (asset)	0.0201%	0.0209%
Employer's proportionate share of the net pension liability (asset)	$ 2,343,283	$ 2,132,135
Employer's covered-employee payroll (2)	$ 6,178,688	$ 6,277,264
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	37.93%	33.97%
Plan fiduciary net position as a percentage of the total pension liability	0.97%	0.50%

Notes to schedules:

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

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

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

Schedules of Employer Contributions
Last 10 Fiscal Years

Florida Retirement System	2016	2015
Contractually required contribution	$ 810,666	$ 765,613
Contributions in relation to the contractually required contribution	810,666	765,613
Contribution deficiency (excess)	$ -	$ -
Employer's covered-employee payroll (1)	$ 6,268,104	$ 6,257,901
Contributions as a percentage of covered-employee payroll	12.93%	12.23%

Health Insurance Subsidy Program	2016	2015
Contractually required contribution	$ 104,227	$ 86,178
Contributions in relation to the contractually required contribution	104,227	86,178
Contribution deficiency (excess)	$ -	$ -
Employer's covered-employee payroll (1)	$ 6,268,104	$ 6,257,901
Contributions as a percentage of covered-employee payroll	1.66%	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, 2016

	Special Revenue Funds					
	State Law Enforcement Trust	Fire District Trust	Court Facilities Trust	Transportation Trust	Transportation Projects / Impact Fee	State Attorney/ Public Defender
Assets						
Cash and equivalents	$ 11,867	$ 312,581	$ 112,339	$ 298,844	$ 175,991	$ 132,157
Investments	-	80,370	34,485	12,732	-	-
Receivables	-	-	-	-	-	-
Due from other funds	-	793	1,655	-	-	-
Due from other governments	-	213	-	95,666	-	-
Prepaids	-	-	-	35,835	-	-
Total assets	$ 11,867	$ 393,957	$ 148,479	$ 443,077	$ 175,991	$ 132,157
Liabilities						
Accounts payable and accrued liabilities	$ -	$ 25,556	$ 32	$ 35,535	$ -	$ 33
Due to other funds	-	163	-	2,889	-	-
Total liabilities	-	25,719	32	38,424	-	33
Deferred inflows						
Unavailable revenue	-	-	-	-	-	-
Fund balances						
Nonspendable	-	-	-	35,835	-	-
Restricted	11,867	368,238	148,447	8,841	175,991	132,124
Assigned	-	-	-	359,977	-	-
Total fund balances	11,867	368,238	148,447	404,653	175,991	132,124
Total liabilities, deferred inflows and fund balances	$ 11,867	$ 393,957	$ 148,479	$ 443,077	$ 175,991	$ 132,157

(Continued)

Combining Balance Sheet – Nonmajor Governmental Funds
September 30, 2016

	Special Revenue Funds					
	SHIP	E911	Capital Traffic Surcharge	Solid Waste	Law Enforce-ment Education	Clerk's Fine and Forfeiture Fund
Assets						
Cash and equivalents	$ 109,964	$ 370,317	$ 23,753	$ 125,316	$ 5,029	$ 80,384
Investments	-	22,892	2,216	245,438	-	-
Receivables	-	-	-	307	-	-
Due from other funds	-	-	737	616	157	-
Due from other governments	-	27,690	-	8,323	-	-
Prepaids	-	-	-	-	-	-
Total assets	$ 109,964	$ 420,899	$ 26,706	$ 380,000	$ 5,186	$ 80,384
Liabilities						
Accounts payable and accrued liabilities	$ 26,069	$ 1,455	$ 4	$ 28,886	$ 1	$ 57,231
Due to other funds	-	-	-	1,075	-	-
Total liabilities	26,069	1,455	4	29,961	1	57,231
Deferred inflows						
Unavailable revenue	-	9,195	-	-	-	-
Fund balances						
Nonspendable	-	-	-	-	-	-
Restricted	83,895	410,249	26,702	350,039	5,185	23,153
Assigned	-	-	-	-	-	-
Total fund balances	83,895	410,249	26,702	350,039	5,185	23,153
Total liabilities, deferred inflows and fund balances	$ 109,964	$ 420,899	$ 26,706	$ 380,000	$ 5,186	$ 80,384

(Continued)

Combining Balance Sheet – Nonmajor Governmental Funds
September 30, 2016

	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	$ 82,157	$ 69,984	$ 15,696	$ 5,046	$ 12,599
Investments	-	-	-	-	-
Receivables	-	-	-	-	-
Due from other funds	3,097	-	-	-	-
Due from other governments	-	17,114	-	-	-
Prepaids	-	-	-	-	-
Total assets	$ 85,254	$ 87,098	$ 15,696	$ 5,046	$ 12,599
Liabilities					
Accounts payable and accrued liabilities	$ -	$ 18	$ -	$ -	$ -
Due to other funds	-	27,860	-	-	-
Total liabilities	-	27,878	-	-	-
Deferred inflows					
Unavailable revenue	-	-	-	-	-
Fund balances					
Nonspendable	-	-	-	-	-
Restricted	85,254	59,220	-	5,046	12,599
Assigned	-	-	15,696	-	-
Total fund balances	85,254	59,220	15,696	5,046	12,599
Total liabilities, deferred inflows and fund balances	$ 85,254	$ 87,098	$ 15,696	$ 5,046	$ 12,599

(Continued)

Combining Balance Sheet – Nonmajor Governmental Funds
September 30, 2016

	Capital Projects Fund	
	Capital Impact Fees	Totals
Assets		
Cash and equivalents	$ 110,929	$ 2,054,953
Investments	-	398,133
Receivables	-	307
Due from other funds	-	7,055
Due from other governments	-	149,006
Prepaids	-	35,835
Total assets	$ 110,929	$ 2,645,289
Liabilities		
Accounts payable and accrued liabilities	$ -	$ 174,820
Due to other funds	-	31,987
Total liabilities	-	206,807
Deferred inflows		
Unavailable revenue	-	9,195
Fund balances		
Nonspendable	-	35,835
Restricted	110,929	2,017,779
Assigned	-	375,673
Total fund balances	110,929	2,429,287
Total liabilities, deferred inflows and fund balances	$ 110,929	$ 2,645,289

(Concluded)

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year ended September 30, 2016

	Special Revenue Funds					
	State Law Enforce-ment Trust	Fire District Trust	Court Facilities Trust	Transportation Trust	Transportation Projects / Impact Fee	State Attorney/ Public Defender
Revenues						
Taxes	$ -	$ -	$ -	$ 481,151	$ -	$ -
Licenses, permits and special assessments	-	583,863	-	23,782	-	-
Intergovernmental	-	965	-	659,260	-	-
Charges for services	-	4,647	15,972	6,224	-	13,624
Fines and forfeitures	27,200	-	-	-	-	-
Miscellaneous	135	2,034	579	89,900	863	346
Total revenues	27,335	591,509	16,551	1,260,317	863	13,970
Expenditures						
Current:						
General government	-	-	-	-	-	-
Public safety	26,195	508,402	-	-	-	-
Physical environment	-	-	-	-	-	-
Transportation	-	-	-	1,526,132	5,733	-
Economic environment	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Court related	-	-	-	-	-	2,882
Capital Outlay	-	-	-	-	-	-
Debt service:						
Principal retirement	-	51,046	-	206,720	-	-
Interest and fiscal charges	-	6,471	-	20,948	-	-
Total expenditures	26,195	565,919	-	1,753,800	5,733	2,882
Excess of revenues over (under) expenditures	1,140	25,590	16,551	(493,483)	(4,870)	11,088
Other financing sources (uses)						
Debt issued	-	-	-	89,700	-	-
Transfers in	-	-	-	533,832	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	623,532	-	-
Net change in fund balances	1,140	25,590	16,551	130,049	(4,870)	11,088
Fund balances – beginning of year	10,727	342,648	131,896	274,604	180,861	121,036
Fund balances – end of year	$ 11,867	$ 368,238	$ 148,447	$ 404,653	$ 175,991	$ 132,124

(Continued)

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year ended September 30, 2016

	Special Revenue Funds					
	SHIP	E911	Capital Traffic Surcharge	Solid Waste	Law Enforce-ment Education	Clerk's Fine and Forfeiture Fund
Revenues						
Taxes	$ -	$ -	$ -	$ -	$ -	$ -
Licenses, permits and special assessments	-	-	-	595,221	-	-
Intergovernmental	350,000	-	-	102,224	-	295,603
Charges for services	-	109,528	8,290	85,879	-	188,696
Fines and forfeitures	-	-	-	-	1,704	-
Miscellaneous	21,301	1,296	104	3,116	15	1,169
Total revenues	371,301	110,824	8,394	786,440	1,719	485,468
Expenditures						
Current:						
General government	-	-	-	-	-	-
Public safety	-	82,784	15,135	-	2,257	-
Physical environment	-	-	-	709,760	-	-
Transportation	-	-	-	-	-	-
Economic environment	322,140	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Court related	-	-	-	-	-	481,315
Capital Outlay	-	-	-	-	-	-
Debt service:						
Principal retirement	-	-	10,248	32,225	-	-
Interest and fiscal charges	-	-	2,046	3,687	-	-
Total expenditures	322,140	82,784	27,429	745,672	2,257	481,315
Excess of revenues over (under) expenditures	49,161	28,040	(19,035)	40,768	(538)	4,153
Other financing sources (uses)						
Debt issued	-	-	-	-	-	-
Transfers in	-	-	-	-	-	19,000
Transfers out	-	(93,812)	-	-	-	-
Total other financing sources (uses)	-	(93,812)	-	-	-	19,000
Net change in fund balances	49,161	(65,772)	(19,035)	40,768	(538)	23,153
Fund balances – beginning of year	34,734	476,021	45,737	309,271	5,723	-
Fund balances – end of year	$ 83,895	$ 410,249	$ 26,702	$ 350,039	$ 5,185	$ 23,153

(Continued)

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year ended September 30, 2016

	Special Revenue Funds				
	Public Records Modern-ization	Clerk's Title IV-D Services	Inmate Welfare Fund	Volun-teers Fund	Federal Law Enforce-ment Trust
Revenues					
Taxes	$ -	$ -	$ -	$ -	$ -
Licenses, permits and special assessments	-	-	-	-	-
Intergovernmental	-	91,799	-	-	-
Charges for services	28,285	-	-	-	-
Fines and forfeitures	9,746	-	-	-	-
Miscellaneous	415	-	13,022	5,706	-
Total revenues	38,446	91,799	13,022	5,706	-
Expenditures					
Current:					
General government	6,000	51,119	-	-	-
Public safety	-	-	10,701	3,685	-
Physical environment	-	-	-	-	-
Transportation	-	-	-	-	-
Economic environment	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Court related	41,350	-	-	-	-
Capital Outlay	-	-	-	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	47,350	51,119	10,701	3,685	-
Excess of revenues over (under) expenditures	(8,904)	40,680	2,321	2,021	-
Other financing sources (uses)					
Debt issued	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	(19,000)	(41,580)	-	-	-
Total other financing sources (uses)	(19,000)	(41,580)	-	-	-
Net change in fund balances	(27,904)	(900)	2,321	2,021	-
Fund balances – beginning of year	113,158	60,120	13,375	3,025	12,599
Fund balances – end of year	$ 85,254	$ 59,220	$ 15,696	$ 5,046	$ 12,599

(Continued)

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year ended September 30, 2016

	Capital Projects Fund	
	Capital Impact Fees	Totals
Revenues		
Taxes	$ -	$ 481,151
Licenses, permits and special assessments	-	1,202,866
Intergovernmental	-	1,499,851
Charges for services	-	461,145
Fines and forfeitures	-	38,650
Miscellaneous	540	140,541
Total revenues	540	3,824,204
Expenditures		
Current:		
General government	-	57,119
Public safety	-	649,159
Physical environment	-	709,760
Transportation	-	1,531,865
Economic environment	-	322,140
Culture and recreation	-	-
Court related	-	525,547
Capital Outlay	450	450
Debt service:		
Principal retirement	-	300,239
Interest and fiscal charges	-	33,152
Total expenditures	450	4,129,431
Excess of revenues over (under) expenditures	90	(305,227)
Other financing sources (uses)		
Debt issued	-	89,700
Transfers in	-	552,832
Transfers out	-	(154,392)
Total other financing sources (uses)	-	488,140
Net change in fund balances	90	182,913
Fund balances – beginning of year	110,839	2,246,374
Fund balances – end of year	$ 110,929	$ 2,429,287

(Concluded)

Combining Statement of Fiduciary Net Position
September 30, 2016

	Agency Funds			
	Tax Collector	Clerk of Court	Sheriff	Totals
Assets				
Cash and equivalents	$ 398,130	$ 245,148	$ 13,380	$ 656,658
Receivables	5,276	1,214	-	6,490
Total assets	403,406	246,362	13,380	663,148
Liabilities				
Assets held for others	403,406	246,362	13,380	663,148
Net position	$ -	$ -	$ -	$ -

Schedule of Expenditures of State Financial Assistance
Year ended September 30, 2016

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	16-BG-83-03-31-01-021	$ 90,104	
Emergency Management Preparedness and Assistance Base Grant	31.063	17-BG-83-03-31-01-027	4,693	$ 94,797
Hazardous Materials	31.067	16-CP-11-03-31-01-143	1,389	
Department of Environmental Protection				
Small County Consolidated Grants	37.012	SC610	90,909	
Division of State, Secretary of State				
Public Library Construction Program	45.020	15-PLC-03	475,000	
State Aid to Libraries	45.030	15-ST-89	42,378	
Florida Housing Finance Corporation				
State Housing Initiatives Partnership	40.901	N/A	322,140	
Department of Transportation				
Small County Outreach Program (Rock Bluff Bridge)	55.009	433055-1-58-01	1,412,443	
Small County Outreach Program (CR 340 and CR232)	55.009	437568-1-54-01	197,736	
Small County Outreach Program (CR 341)	55.009	433029-1-54-01	188,352	
Small County Road Assistance Program (CR334)	55.009	430694-1-58-01	1,086,731	
Small County Road Assistance Program (CR334A)	55.009	430695-1-58-01	538,389	
Small County Ourtreach Program (Santa Fe Park Loop)	55.009	433533-1-54,58-01	10,000	
Small County Ourtreach Program (SW 10th Street)	55.009	432776-1-54-01	70,528	3,504,179
Total expenditures of state financial assistance			$ 4,530,792	

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 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, 2016, and have issued our report thereon dated June 30, 2017.

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. The County has no unresolved prior audit findings or recommendations.

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, 2016, 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, 2016.

Other Matters

The Rules of the Auditor General stipulate that we, in this management letter, make any recommendations to improve financial management. In that regard, we did identify a condition regarding minuntes of Board meetings, which is discussed in the accompanying Schedule of Findings and Questioned Costs as item 2016-001.

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, 2017

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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, 2016. Management of the County is responsible for the County's compliance with those requirements. Our responsibility is to express an opinion on the County's compliance with the specified requirements based on our examination.

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

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

In our opinion, the County complied, in all material respects, with the aforementioned requirements during the year ended September 30, 2016.

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, 2017

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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, 2016. Management of the County is responsible for the County's compliance with the specified requirements. Our responsibility is to express an opinion on the County's compliance with the specified requirements based on our examination.

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

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

In our opinion, the County complied, in all material respects, with the aforementioned requirements during the year ended September 30, 2016.

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, 2017

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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, 2016, 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, 2017. Our report on the financial statements emphasized that the County restated the beginning net position of the governmental activities to correct previously reported net capital 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. 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 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 did note other matters that we have reported in separately-issued reports for the County's constitutional officers.

The County's Response to Finding

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

Purpose of this Report

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

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

Gainesville, Florida
June 30, 2017

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

The Honorable County Commissioners
Gilchrist, Florida

Report on Compliance for Each Major State Project

We have audited the compliance of Gilchrist County, Florida (the "County") with the types of compliance requirements described in the Department of Financial Services' State Projects Compliance Supplement that could have a direct and material effect on each major state project for the year ended September 30, 2016. The County's major state projects are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major State Project

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state projects for the year ended September 30, 2016.

Report on Internal Control over Compliance

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

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

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

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

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

Gainesville, Florida
June 30, 2017

Schedule of Findings and Questioned Costs
Year ended September 30, 2016

PART I – SUMMARY OF AUDITOR'S RESULTS

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

(ii) The audit did not report significant deficiencies or material weaknesses in internal control.

(iii) The audit did not disclose any noncompliance considered material to the financial statements.

(iv) The audit did not report significant deficiencies or material weaknesses in internal control over the major state projects.

(v) The report on compliance with requirements applicable to the major state projects expressed an unmodified opinion.

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

(vii) The County's major projects were:

State Projects	CFSA Number
Public Library Construction Program	45.020
Small County Outreach Program	55.009

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

PART II – FINANCIAL STATEMENT FINDINGS

2016-001 *Criteria* – Management is responsible for maintaining transparency for members of the public.

Condition – Throughout the audit we noted that the minutes of Board meetings, which were available on the County's website, were approximately six months in arrears.

Cause – Minutes were not uploaded to the County's website on a timely basis.

Effect – Members of the public could not obtain access to minutes of recent Board meetings through the County's website on a timely basis.

Recommendation – We recommend that the County upload Board meeting minutes on a more timely basis.

PART III – FINDINGS AND QUESTIONED COSTS – STATE PROJECTS

None noted.

PART IV – SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

There are no unresolved prior audit findings.

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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, 2017

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

RE: 2015-2016 Annual Audit for Gilchrist County Board of County Commissioners

In response to the findings in the current 2015-2016 audit, the following information is provided.

Findings:

2016-001

Criteria – Management is responsible for maintaining transparency for members of the public.

Condition – Throughout the audit we noted that the minutes of Board meetings, which were available on the County's website, were approximately six months in arrears.

Cause – Minutes were not uploaded to the County's website on a timely basis.

Effect – Members of the public could not obtain access to minutes of recent Board meetings through the County's website on a timely basis.

Recommendation – We recommend that the County upload Board meeting minutes on a more timely basis.

Response – The County strives to meet its obligation for public transparency. We will implement procedures to ensure that minutes are available to the public on the website in an efficient and more timely manner.

If additional information is needed, please contact us.

Respectfully,

Todd Newton

Todd Newton
Clerk of Court, Gilchrist County

Richard A. Romans

Richard A. Romans
Finance Director

Gilchrist County
Clerk of the Circuit Court

Audit Report

September 30, 2016

Table of Contents
September 30, 2016

REPORT
Independent Auditor's Report 1

SPECIAL PURPOSE FINANCIAL STATEMENTS
Governmental Funds:

Balance Sheet 4

Statement of Revenues, Expenditures and Changes in Fund Balances 5

Fiduciary Funds:

Statement of Fiduciary Net Position 6

Notes to Financial Statements 7

REQUIRED SUPPLEMENTARY INFORMATION
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund 11

Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Records Modernization Trust Fund 12

Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Fine and Forfeiture Fund 13

Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Title IV D 14

SUPPLEMENTARY INFORMATION
Combining Statement of Fiduciary Net Position – Agency Funds 15

ADDITIONAL ELEMENTS REQUIRED BY THE RULES OF THE AUDITOR GENERAL
Management Letter 16

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* 17

Independent Accountant's Report on Compliance with Section 218.415, Florida Statutes 19

Table of Contents
September 30, 2016

Independent Accountant's Report on Compliance with Sections 28.35 and 28.36, Florida Statutes 20

Independent Accountant's Report on Compliance with Section 61.181, Florida Statutes 21

Schedule of Findings 22

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

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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, 2016, 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, 2016, and the respective changes in financial position, where applicable, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

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

Other Matters

Required Supplementary Information

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

Other Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 27, 2017, 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
April 27, 2017

Balance Sheet – Governmental Funds
September 30, 2016

	General Fund	Records Modernization Trust Fund	Fine and Forfeiture Fund	Title IV D Fund	Total Governmental Funds
Assets					
Cash and equivalents	$ 71,210	$ 82,157	$ 80,384	$ 69,984	$ 303,735
Due from other funds	390	3,097	-	-	3,487
Due from other governments	-	-	-	17,114	17,114
Total assets	$ 71,600	$ 85,254	$ 80,384	$ 87,098	$ 324,336
Liabilities and fund balances					
Liabilities:					
Accounts payable and accrued liabilities	$ 19,106	$ -	$ 57,231	$ 18	$ 76,355
Due to other county agencies	52,494	-	-	27,860	80,354
Total liabilities	71,600	-	57,231	27,878	156,709
Fund balances:					
Restricted	-	85,254	23,153	59,220	167,627
Total liabilities and fund balances	$ 71,600	$ 85,254	$ 80,384	$ 87,098	$ 324,336

See accompanying notes.

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year ended September 30, 2016

	General Fund	Records Modernization Trust Fund	Fine and Forfeiture Fund	Title IV D Fund	Total Governmental Funds
Revenues					
Intergovernmental revenues	$ -	$ -	$ 295,603	$ 91,799	$ 387,402
Charges for services	119,728	28,285	188,696	-	336,709
Fines and forfeitures	-	9,746	-	-	9,746
Miscellaneous revenue	14,842	415	1,169	-	16,426
Total revenues	134,570	38,446	485,468	91,799	750,283
Expenditures					
Current:					
General government services	423,476	6,000	-	51,119	480,595
Court related	-	41,350	454,237	-	495,587
Total expenditures	423,476	47,350	454,237	51,119	976,182
Excess of revenues over (under) expenditures	(288,906)	(8,904)	31,231	40,680	(225,899)
Other financing sources (uses)					
Appropriations from board of county commissioners	327,680	-	-	-	327,680
Transfers In	13,720	-	19,000	-	32,720
Transfers Out	-	(19,000)	-	(13,720)	(32,720)
Reversion to board of county commissioners	(52,494)	-	-	(27,860)	(80,354)
Reversion to clerks of court operations corporation	-	-	(27,078)	-	(27,078)
Total other financing sources (uses)	288,906	(19,000)	(8,078)	(41,580)	220,248
Net change in fund balances	-	(27,904)	23,153	(900)	(5,651)
Fund balances – beginning of year	-	113,158	-	60,120	173,278
Fund balances – end of year	$ -	$ 85,254	$ 23,153	$ 59,220	$ 167,627

See accompanying notes.

Statement of Fiduciary Net Position
September 30, 2016

	Agency Funds
Assets	
Cash and equivalents	$ 254,888
Receivables	1,214
Total assets	256,102
Liabilities	
Due to other funds	3,487
Due to other county agencies	6,253
Assets held for others	246,362
Total liabilities	256,102
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

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

Cash and Equivalents

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

Use of Estimates

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

NOTE 2 –FUND BALANCE CLASSIFICATIONS

Balances of reported fund balance at September 30, 2016, are as follows:

	Records Modernization Fund	Fine and Forfeiture Fund	Title IV D Fund	Total
Restricted for:				
Court operations	$ 14,847	$ 23,153	$ -	$ 38,000
Court technology	52,311	-	-	52,311
Records modernization	18,096	-	-	18,096
Title IV D	-	-	59,220	59,220
Total fund balances	$ 85,254	$ 23,153	$ 59,220	$167,627

NOTE 3 – INTERFUND BALANCES

At September 30, 2016, interfund balances consisted of:

	Due from Other Funds	Due to Other Funds
General fund	$ 390	$ -
Records modernization trust	3,097	-
Agency funds:		
Domestic relations	-	390
General trust	-	3,097
Totals	$ 3,487	$ 3,487

Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – General Fund
Year ended September 30, 2016

	Budgeted Amounts			Variance With Final
	Original	Final	Actual	Budget
Revenues				
Charges for services	$ 112,410	$ 112,410	$ 119,728	$ 7,318
Miscellaneous revenue	4,195	4,195	14,842	10,647
Total revenues	116,605	116,605	134,570	17,965
Expenditures				
Current:				
General government services	458,005	458,005	423,476	34,529
Total expenditures	458,005	458,005	423,476	34,529
Excess of revenues over (under) expenditures	(341,400)	(341,400)	(288,906)	52,494
Other financing sources (uses)				
Appropriation from board of county commissioners	327,680	327,680	327,680	-
Transfers in	13,720	13,720	13,720	-
Reversion to board of county commissioners	-	-	(52,494)	(52,494)
Total other financing sources (uses)	341,400	341,400	288,906	(52,494)
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, 2016

	Budgeted Amounts			Variance With Final
	Original	Final	Actual	Budget
Revenues				
Charges for services	$ 27,100	$ 27,100	$ 28,285	$ 1,185
Fines and forfeitures	9,000	9,000	9,746	746
Miscellaneous revenue	300	300	415	115
Total revenues	36,400	36,400	38,446	2,046
Expenditures				
Current:				
General government	34,100	34,100	6,000	28,100
Court related	117,800	98,800	41,350	57,450
Total expenditures	151,900	132,900	47,350	85,550
Excess of revenues over (under) expenditures	(115,500)	(96,500)	(8,904)	87,596
Other financing sources (uses)				
Transfers out	-	(19,000)	(19,000)	-
Net change in fund balances	(115,500)	(115,500)	(27,904)	87,596
Fund balances - beginning of year	115,500	115,500	113,158	(2,342)
Fund balances - end of year	$ -	$ -	$ 85,254	$ 85,254

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, 2016

	Budgeted Amounts			Variance With Final
	Original	Final	Actual	Budget
Revenues				
Intergovernmental revenues	$ 308,022	$ 308,022	$ 295,603	$ (12,419)
Charges for services	184,680	184,680	188,696	4,016
Miscellaneous revenue	4,320	4,320	1,169	(3,151)
Total revenues	497,022	497,022	485,468	(11,554)
Expenditures				
Current:				
Court related	541,022	541,022	454,237	86,785
Excess of revenues over (under) expenditures	(44,000)	(44,000)	31,231	75,231
Other financing sources (uses)				
Transfers in	44,000	44,000	19,000	(25,000)
Reversion to clerk of court operations corporation	-	-	(27,078)	(27,078)
Total other financing sources (uses)	44,000	44,000	(8,078)	(52,078)
Net change in fund balances	-	-	23,153	23,153
Fund balances - beginning of year	-	-	-	-
Fund balances - end of year	$ -	$ -	$ 23,153	$ 23,153

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, 2016, 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, 2016

	Budgeted Amounts			Variance With Final
	Original	Final	Actual	Budget
Revenues				
Intergovernmental revenues	$ 82,000	$ 82,000	$ 91,799	$ 9,799
Expenditures				
Current:				
General government	71,000	71,000	51,119	19,881
Excess of revenues over (under) expenditures	11,000	11,000	40,680	29,680
Other financing sources (uses)				
Transfers out	(13,720)	(13,720)	(13,720)	-
Reversion to board of county commissioners	-	-	(27,860)	(27,860)
Total other financing sources (uses)	(13,720)	(13,720)	(41,580)	(27,860)
Net change in fund balances	(2,720)	(2,720)	(900)	1,820
Fund balances - beginning of year	60,120	60,120	60,120	-
Fund balances - end of year	$ 57,400	$ 57,400	$ 59,220	$ 1,820

Notes to Schedule:

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

Supplementary Information

Gilchrist County Clerk of the Circuit Court

Combining Statement of Fiduciary Net Position
Agency Funds
September 30, 2016

	Domestic Relations Fund	Registry of the Court	General Trust Fund	Total Agency Funds
Assets				
Cash and equivalents	$ 569	$ 17,775	$ 236,544	$ 254,888
Receivables	-	-	1,214	1,214
Total assets	569	17,775	237,758	256,102
Liabilities				
Due to other funds	390	-	3,097	3,487
Due to other county agencies	-	-	6,253	6,253
Deposits	179	17,775	228,408	246,362
Total liabilities	569	17,775	237,758	256,102
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, 2016, and have issued our report thereon dated April 27, 2017. 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
April 27, 2017

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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, 2016, 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 April 27, 2017.

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
April 27, 2017

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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, 2016. 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, 2016.

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
April 27, 2017

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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, 2016. 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, 2016. However, we did note an immaterial instance of noncompliance that is included in the accompanying schedule of findings as item 2016-001.

The Office's response to item 2016-001 is described in its accompanying letter of response. The Office's response was not subjected to the examination procedures applied in the examination of compliance with Sections 28.35 and 28.36, Florida Statutes, and, accordingly, we express no opinion on it.

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
April 27, 2017

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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, 2016. 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, 2016.

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
April 27, 2017

Schedule of Findings

(Similar finding reported in previous audit report as item 2015-001.)

2016-001 *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. Furthermore, the Office did not meet the timeliness standard in Juvenile Dependency as defined by the membership of the Florida Clerks of Court Operations.

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

April 27, 2017

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, 2016.

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

2016-001 Finding: (Similar finding reported in previous audit report as item 2015-001)

The Collection performance standard for Juvenile Delinquency and timeliness standard for Juvenile Dependency were not met for the fiscal year ending September 30, 2016

Correction Action:

The Clerk's office continues to attempt to meet all performance standards established by the Florida Statutes. We are in the process of examining new methods for increasing compliance.

When considering Juvenile Delinquency cases a contributing factor is the low number of cases. In the quarters in question, the total assessment was less than $2,000. Additionally, when there are only a few cases and if one defendant does not pay, then the office may become noncompliant for collections.

The timeliness of filing Juvenile Dependency cases was due to having four cases during the period and one experienced a technical issue in the E-portal and the other was due to an office error.

The office will continue to monitor the processes and will strive to make improvements resulting in meeting established performance standards. However, with increasing budget constraints, timeliness and collections could continue to effect the office's success in meeting performance standards.

Sincerely,

Todd Newton

Todd Newton
Clerk of Circuit Court

Vision Statement

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

Gilchrist County Sheriff

Audit Report

September 30, 2016

Table of Contents
September 30, 2016

REPORT
Independent Auditor's Report 1

SPECIAL PURPOSE FINANCIAL STATEMENTS
Governmental Funds:

Balance Sheet 4

Statement of Revenues, Expenditures and Changes in Fund Balances 5

Fiduciary Funds:

Statement of Fiduciary Net Position 6

Notes to Financial Statements 7

REQUIRED SUPPLEMENTARY INFORMATION
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund 11

SUPPLEMENTARY INFORMATION
Combining Balance Sheet – Nonmajor Governmental Funds 12

Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds 13

Combining Statement of Fiduciary Net Position – Agency Funds 14

ADDITIONAL ELEMENTS REQUIRED BY THE RULES OF THE AUDITOR GENERAL
Management Letter 15

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* 16

Independent Accountant's Report on Compliance with Section 218.415, Florida Statutes 18

Schedule of Findings 19

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

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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, 2016, 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, 2016, and the respective changes in financial position, where applicable, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

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

Other Matters

Required Supplementary Information

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

Other Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2017, 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 28, 2017

Balance Sheet – Governmental Funds
September 30, 2016

	General Fund	Other Govern-mental Funds	Total Govern-mental Funds
Assets			
Cash and equivalents	$ 289,360	$ 33,082	$ 322,442
Due from other agencies	14,000	$ -	-
Due from other funds	-	259	259
Total assets	$ 303,360	$ 33,341	$ 336,701
Liabilities and fund balances			
Liabilities:			
Accounts payable and accrued liabilities	$ 216,942	$ -	$ 216,942
Due to other county agencies	86,418	-	86,418
Total liabilities	303,360	-	303,360
Fund balances:			
Restricted:			
Charitable purposes	-	5,046	5,046
Federal shared funds	-	12,599	12,599
Assigned:			
Inmate benefits	-	15,696	15,696
Total fund balances	-	33,341	33,341
Total liabilities and fund balances	$ 303,360	$ 33,341	$ 336,701

See accompanying notes.

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year ended September 30, 2016

	General Fund	Other Govern-mental Funds	Total Govern-mental Funds
Revenues			
Miscellaneous revenue	$ 5	$ 18,728	$ 18,733
Expenditures			
Current:			
Public safety	3,776,973	14,386	3,791,359
Court related	216,136	-	216,136
Total expenditures	3,993,109	14,386	4,007,495
Excess of revenues over (under) expenditures	(3,993,104)	4,342	(3,988,762)
Other financing sources (uses)			
Appropriation from board of county commissioners	3,824,281	-	3,824,281
Issuance of capital lease	242,585	-	242,585
Reversion to board of county commissioners	(73,762)	-	(73,762)
Total other financing sources (uses)	3,993,104	-	3,993,104
Net change in fund balances	-	4,342	4,342
Fund balances - beginning of year	-	28,999	28,999
Fund balances - end of year	$ -	$ 33,341	$ 33,341

See accompanying notes.

Statement of Fiduciary Net Position
September 30, 2016

	Agency Funds
Assets	
Cash and equivalents	$ 28,276
Liabilities	
Assets held for others	13,380
Due to other funds	259
Due to other county agencies	14,637
Total liabilities	28,276
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.

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 – 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	$ 259	$ -
Agency funds		
Inmate trust fund	-	259
Total	$ 259	$ 259

NOTE 3 – 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, 2016

	Budgeted Amounts			Variance With Final
	Original	Final	Actual	Budget
Revenues				
Miscellaneous revenue	$ -	$ -	$ 5	$ 5
Expenditures				
Current:				
Public safety	3,526,502	3,823,324	3,776,973	46,351
Court related	238,542	238,542	216,136	22,406
Reserve for contingencies	5,000	5,000	-	5,000
Total expenditures	3,770,044	4,066,866	3,993,109	73,757
Excess of revenues over (under) expenditures	(3,770,044)	(4,066,866)	(3,993,104)	73,762
Other financing sources (uses)				
Appropriation from board of county commissioners	3,770,044	3,824,281	3,824,281	-
Issuance of capital lease	-	242,585	242,585	-
Reversion to board of county commissioners	-	-	(73,762)	(73,762)
Total other financing sources (uses)	3,770,044	4,066,866	3,993,104	(73,762)
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.

Supplementary Information

Combining Balance Sheet – Nonmajor Governmental Funds
September 30, 2016

	Volunteers	FLETF Fund	Inmate Welfare Fund	Total Nonmajor Governmental Funds
Assets				
Cash and equivalents	$ 5,046	$ 12,599	$ 15,437	$ 33,082
Due from other funds	-	-	259	259
Total assets	$ 5,046	$ 12,599	$ 15,696	$ 33,341
Liabilities	$ -	$ -	$ -	$ -
Fund balances				
Restricted:				
Charitable purposes	5,046	-	-	5,046
Federal shared funds	-	12,599	-	12,599
Assigned:				
Inmate benefits	-	-	15,696	15,696
Total fund balances	5,046	12,599	15,696	33,341
Total liabilities and fund balances	$ 5,046	$ 12,599	$ 15,696	$ 33,341

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year ended September 30, 2016

	Volunteers	FLETF Fund	Inmate Welfare Fund	Total Nonmajor Governmental Funds
Revenues				
Miscellaneous revenue	$ 5,706	$ -	$ 13,022	$ 18,728
Expenditures				
Current:				
Public safety	3,685	-	10,701	14,386
Excess of revenues over (under) expenditures	2,021	-	2,321	4,342
Fund balances - beginning of year	3,025	12,599	13,375	28,999
Fund balances - end of year	$ 5,046	$ 12,599	$ 15,696	$ 33,341

Combining Statement of Fiduciary Net Position
Agency Funds
September 30, 2016

	Inmate Trust Fund	Individual and Suspense Fund	Total Agency Funds
Assets			
Cash and equivalents	$ 15,068	$ 13,208	$ 28,276
Liabilities			
Assets held for others	12,880	500	13,380
Due to other funds	259	-	259
Due to other county agencies	1,929	12,708	14,637
Total liabilities	15,068	13,208	28,276
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, 2016, and have issued our report thereon dated June 28, 2017. 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. Management has corrected prior year findings 2015-002 and 2015-003.

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 28, 2017

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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, 2016, 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 28, 2017.

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 2016-001 and 2016-002 that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Office's financial statements are free 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 28, 2017

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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 period October 1, 2015, to September 30, 2016. Management is responsible for the Office's compliance with the specified requirements. Our responsibility is to express an opinion on the Office's compliance with the specified requirements based on our examination.

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

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

In our opinion, the Office complied, in all material respects, with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies,* during the period October 1, 2015 to September 30, 2016.

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 28, 2017

Schedule of Findings

2016-001 (Reported in previous audit reports as items 2015-001 and 2014-001.)

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.

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

June 28, 2017

Sherrill F. Norman, CPA,
State of Florida Auditor General's Office
Claude Pepper Building
111 West Madison St
Tallahassee, Fl 32399-1450

RE: Written Explanation or Rebuttal
Gilchrist County Sheriff's Office Audit Report Ending Sept. 30, 2016

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 recommendations that they have outlined in their annual 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:

2016-001 I have taken steps to improve the segregation of duties when possible. With our limited staff this is not always feasible.

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

RDS/jp

Gilchrist County Tax Collector

Audit Report

September 30, 2016

Table of Contents
September 30, 2016

REPORT
Independent Auditor's Report 1

SPECIAL PURPOSE FINANCIAL STATEMENTS
Governmental Funds:

Balance Sheet 3

Statement of Revenues, Expenditures and Changes in Fund Balance 4

Fiduciary Funds:

Statement of Fiduciary Net Position 5

Notes to Financial Statements 6

REQUIRED SUPPLEMENTARY INFORMATION
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund 9

SUPPLEMENTARY INFORMATION
Combining Statement of Fiduciary Net Position – Agency Funds 10

ADDITIONAL ELEMENTS REQUIRED BY THE RULES OF THE AUDITOR GENERAL
Management Letter 11

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* 12

Independent Accountant's Report on Compliance with Section 218.415, Florida Statutes 14

Schedule of Findings 15

Elected Official's Response to Auditor's Comments 16

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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, 2016, 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, 2016, and the respective changes in financial position, where applicable, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

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

Other Matters

Required Supplementary Information

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

Other Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 9, 2017, on our consideration of the Office's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Office's internal control over financial reporting and compliance.

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

Gainesville, Florida
March 9, 2017

Gilchrist County Tax Collector

Balance Sheet – Governmental Funds
September 30, 2016

	General Fund
Assets	
Cash and equivalents	$ 9,508
Liabilities and fund balance	
Liabilities:	
Due to other county agencies	$ 9,508
Fund balance	-
Total liabilities and fund balance	$ 9,508

See accompanying notes.

Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
Year ended September 30, 2016

	General Fund
Revenues	
Miscellaneous revenue	$ 235
Expenditures	
Current:	
General government services	495,502
Excess of revenues under expenditures	(495,267)
Other financing sources (uses)	
Appropriation from board of county commissioners	504,775
Reversion to board of county commissioners	(9,508)
Total other financing sources (uses)	495,267
Net change in fund balance	-
Fund balance – October 1, 2015	-
Fund balance – September 30, 2016	$ -

See accompanying notes.

Gilchrist County Tax Collector

Statement of Fiduciary Net Position
September 30, 2016

	Agency Funds
Assets	
Cash and equivalents	$ 411,977
Accounts receivable	5,276
Total assets	417,253
Liabilities	
Assets held for others	403,406
Due to other county agencies	13,847
Total liabilities	417,253
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 (the "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.

Use of Estimates

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

Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – General Fund
Year ended September 30, 2016

	Budgeted Amounts			Variance With Final
	Original	Final	Actual	Budget
Revenues				
Miscellaneous revenue	$ -	$ -	$ 235	$ 235
Expenditures				
Current:				
General government services	504,775	504,775	495,502	9,273
Excess of revenues over (under) expenditures	(504,775)	(504,775)	(495,267)	9,508
Other financing sources (uses)				
Appropriation from board of county commissioners	504,775	504,775	504,775	-
Reversion to board of county commissioners	-	-	(9,508)	(9,508)
Total other financing sources (uses)	504,775	504,775	495,267	(9,508)
Net change in fund balances	-	-	-	-
Fund balances - October 1, 2015	-	-	-	-
Fund balances - September 30, 2016	$ -	$ -	$ -	$ -

Notes to Schedule:

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

Supplementary Information

Combining Statement of Fiduciary Net Position
Agency Funds
September 30, 2016

	Tag Fund	Trust Fund	Tax Fund	Total
Assets				
Cash and equivalents	$ 33,124	$ 37,487	$ 341,366	$ 411,977
Accounts receivable	5,276	-	-	5,276
Total assets	38,400	37,487	341,366	417,253
Liabilities				
Assets held for others	31,088	37,487	334,831	403,406
Due to other county agencies	7,312	-	6,535	13,847
Total liabilities	38,400	37,487	341,366	417,253
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, 2016, and have issued our report thereon dated March 9, 2017. 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
March 9, 2017

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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, 2016, and the related notes to the financial statements, which collectively comprise the Office's special purpose financial statements, and have issued our report thereon dated March 9, 2017.

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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards,* and which is described in the accompanying schedule of findings as item 2016-001.

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
March 9, 2017

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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, 2016. 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, 2016.

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

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

Gainesville, Florida
March 9, 2017

Schedule of Findings

2016 – 001

Condition – During the fiscal year, the Office authorized and paid a bonus to its employees pursuant to its adopted policy. However, we noted that the policy does not conform to the requirements of Section 215.425(3), Florida Statues. Section 215.425(3), Florida Statutes requires that "Any policy, ordinance, rule or resolution designed to implement a bonus scheme must: (a) base the award of the bonus on work performance; (b) describe the performance standards and evaluation process by which a bonus will be awarded; (c) notify all employees of the policy, ordinance, rule or resolution before the beginning of the evaluation period on which a bonus will be based; and (d) consider all employees for bonus."

Recommendation – The bonus policy should be revised to comply with the requirements of Section 215.425(3), Florida Statues.

Barbara Merritt, Tax Collector

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

March 9, 2017

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

RE: 2016 Tax Collector Audit

Dear Auditors:

I have reviewed the audit from Carr, Riggs & Ingram, LLC for the year ending September 2016. We at the Tax Collector's office recognize that the schedule of findings item 2016-001 could cause an issue so therefore we have put a policy in place that complies with Florida Statues Section 215.425(3). 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, 2016

Gilchrist County Property Appraiser

Table of Contents
September 30, 2016

REPORTS
Independent Auditor's Report 1

SPECIAL PURPOSE FINANCIAL STATEMENTS
Governmental Funds:

Balance Sheet 3

Statement of Revenues, Expenditures and Changes in Fund Balance 4

Notes to Financial Statements 5

REQUIRED SUPPLEMENTARY INFORMATION
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund 8

ADDITIONAL ELEMENTS REQUIRED BY THE RULES OF THE AUDITOR GENERAL
Management Letter 9

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

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

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

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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, 2016, 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, 2016, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America

Emphasis of Matter

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

Other Matters

Required Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 26, 2017 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
January 26, 2017

Balance Sheet – Governmental Funds
September 30, 2016

	General Fund
Assets	
Cash and equivalents	$ 36,478
Liabilities and fund balance	
Liabilities:	
Accounts payable and accrued liabilities	$ 10,957
Due to other county agencies	25,521
Total liabilities	36,478
Fund balance	-
Total liabilities and fund balance	$ 36,478

See accompanying notes.

Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
Year ended September 30, 2016

	General Fund
Revenues	
Charges for services	$ 20,019
Miscellaneous	167
Total revenues	20,186
Expenditures	
Current:	
General government services	583,171
Excess of revenues under expenditures	(562,985)
Other financing sources (uses)	
Appropriation from board of county commissioners	588,506
Reversion to board of county commissioners	(25,521)
Total other financing sources (uses)	562,985
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.

Use of Estimates

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

Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – General Fund
Year ended September 30, 2016

	Budgeted Amounts			Variance With Final
	Original	Final	Actual	Budget
Revenues				
Charges for services	$ 13,600	$ 13,565	$ 20,019	$ 6,454
Miscellaneous	-	-	167	167
Total revenues	13,600	13,565	20,186	6,621
Expenditures				
Current:				
General government services	593,618	602,071	583,171	18,900
Reserve for contingencies	10,000	-	-	-
Total expenditures	603,618	602,071	583,171	18,900
Excess of revenues over (under) expenditures	(590,018)	(588,506)	(562,985)	25,521
Other financing sources (uses)				
Appropriation from board of county commissioners	590,018	588,506	588,506	-
Reversion to board of county commissioners	-	-	(25,521)	(25,521)
Total other financing sources (uses)	590,018	588,506	562,985	(25,521)
Net change in fund balances	-	-	-	-
Fund balances - beginning of year	-	-	-	-
Fund balances - end of year	$ -	$ -	$ -	$ -

Notes to Schedule:

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

Additional Elements Required by the Rules of the Auditor General

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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, 2016, and have issued our report thereon dated January 26, 2017. That report should be considered in conjunction with this management letter.

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

Prior Audit Findings

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

Other Matters

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

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

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

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

Gainesville, Florida
January 26, 2017

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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, 2016, and the related notes to the financial statements, which collectively comprise the Office's special purpose financial statements, and have issued our report thereon dated January 26, 2017.

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
January 26, 2017

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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, 2016. 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, 2016.

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

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

Gainesville, Florida
January 26, 2017

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

January 17, 2017

Sherrill F. Norman, CPA,
State of Florida Auditor General
Claude Pepper Bldg
111 W. Madison St.
Tallahassee, FL 32399

Dear Sir:

I have reviewed the auditor's comments relating to this office for the fiscal year ending September 30, 2016.

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 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
Gilchrist County Property Appraiser

Copy: File
Board of Gilchrist County Commissioners
Robert J. Beauchamp, CPA

Gilchrist County
Supervisor of Elections

Audit Report

September 30, 2016

Table of Contents
September 30, 2016

REPORT
Independent Auditor's Report 1

SPECIAL PURPOSE FINANCIAL STATEMENTS
Governmental Funds:

Balance Sheet 3

Statement of Revenues, Expenditures and Changes in Fund Balance 4

Notes to Financial Statements 5

REQUIRED SUPPLEMENTARY INFORMATION
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund 8

ADDITIONAL ELEMENTS REQUIRED BY THE RULES OF THE AUDITOR GENERAL
Management Letter 9

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

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

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

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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, 2016, 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, 2016, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

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

Other Matters

Required Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 26, 2017, 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
January 26, 2017

Gilchrist County Supervisor of Elections

Balance Sheet – Governmental Funds
September 30, 2016

	General Fund
Assets	
Cash and equivalents	$ 22,851
Liabilities and fund balance	
Liabilities:	
Accounts payable and accrued liabilities	$ 6,742
Due to other county agencies	5,267
Total liabilities	12,009
Restricted for voting system grant	10,842
Total liabilites and fund balance	$ 22,851

See accompanying notes.

Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
Year ended September 30, 2016

	General Fund
Revenues	
Charges for services	$ 85
Miscellaneous	11,412
Total revenues	11,497
Expenditures	
Current:	
General government services	297,658
Excess of revenues under expenditures	(286,161)
Other financing sources (uses)	
Appropriation from board of county commissioners	302,270
Reversion to board of county commissioners	(5,267)
Total other financing sources (uses)	297,003
Net change in fund balance	10,842
Fund balance - beginning of year	-
Fund balance - end of year	$ 10,842

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.

Use of Estimates

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

Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – General Fund
September 30,2016

	Budgeted Amounts			Variance With Final
	Original	Final	Actual	Budget
Revenues				
Charges for services	$ -	$ -	$ 85	$ 85
Miscellaneous	-	-	11,412	11,412
Total revenues	-	-	11,497	11,497
Expenditures				
Current:				
General government services	288,636	302,270	297,658	4,612
Excess of revenues over (under) expenditures	(288,636)	(302,270)	(286,161)	16,109
Other financing sources (uses)				
Appropriation from board of county commissioners	288,636	302,270	302,270	-
Reversion to board of county commissioners	-	-	(5,267)	(5,267)
Total other financing sources (uses)	288,636	302,270	297,003	(5,267)
Net change in fund balances	-	-	10,842	10,842
Fund balances - beginning of year	-	-	-	-
Fund balances - end of year	$ -	$ -	$ 10,842	$ 10,842

Notes to Schedule:

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

Additional Elements Required by the Rules of the Auditor General

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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, 2016, and have issued our report thereon dated January 26, 2017. That report should be considered in conjunction with this management letter.

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

Prior Audit Findings

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

Other Matters

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

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

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

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

Gainesville, Florida
January 26, 2017

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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, 2016, and the related notes to the financial statements, which collectively comprise the Office's special purpose financial statements, and have issued our report thereon dated January 26, 2017.

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
January 26, 2017

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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, 2016. 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, 2016.

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

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

Gainesville, Florida
January 26, 2017

Connie Sanchez
Gilchrist County
Supervisor of Elections

January 26, 2016

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

RE: Gilchrist County Supervisor of Election 2015-16 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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