

**TAYLOR COUNTY,
FLORIDA**

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended September 30, 2016

TAYLOR COUNTY, FLORIDA
ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended September 30, 2016
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INTRODUCTORY SECTION

TAYLOR COUNTY, FLORIDA
LIST OF PRINCIPAL OFFICIALS

Board of County Commissioners

District I	Malcolm Page
District II	Jim Moody
District III	Jody DeVane
District IV	Pam Feagle
District V	Patricia Patterson

Clerk of Circuit Court	Annie Mae Murphy
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Property Appraiser	Bruce Ratliff
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Sheriff	L.E. "Bummy" Williams
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Supervisor of Elections	Dana Southerland
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Tax Collector	Mark Wiggins
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COUNTY-WIDE FINANCIAL REPORT



Powell & Jones
Certified Public Accountants

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Marian Jones Powell, CPA

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INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

To the Board of County Commissioners
and Constitutional Officers
Taylor County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Taylor County, Florida, as of and for the fiscal year ended September 30, 2016, which collectively comprise Taylor County, Florida'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 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 under 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 governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Taylor County, Florida as of September 30, 2016, and the respective changes in financial position and cash flows, where applicable, for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 11 through 17, the budgetary comparison information on pages 70 through 78 and the pension schedules on pages 79 through 80 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.

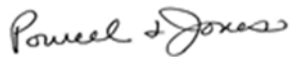
Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Taylor County, Florida's financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance is presented for purposes of additional analysis as required by *10.550 Rules of the State of Florida, Office of the Auditor General*; and by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the financial statements. The Schedule of Expenditures of Federal Awards and State Financial Assistance is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

The combining financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining financial statements are 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 February 21, 2017, on our consideration of Taylor County, Florida'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 Taylor County, Florida's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Powell & Jones".

POWELL & JONES
Certified Public Accountants
February 21, 2017

TAYLOR COUNTY, FLORIDA
Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2016

Taylor County, Florida's (County) management's discussion and analysis presents an overview of the County's financial activities for the fiscal year ended September 30, 2016. The analysis provides summary financial information for the County and should be read in conjunction with the County's financial statements.

The County has implemented Governmental Accounting Standards County (GASB) Statement 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. This statement requires governmental entities to report finances in accordance with specific guidelines. Among those guidelines are the components of this section dealing with management's discussion and analysis.

Its intent is to provide a brief, objective, and easily readable analysis of the County's financial performance for the year and its financial position at fiscal year end September 30, 2016.

One of the key changes in financial presentation is the requirement to capitalize infrastructure assets and record depreciation. Consequently, significant changes have resulted in the reporting of fixed assets, long term liabilities, and fund balances.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements consist of 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The **Government-wide financial statements** present an overall picture of the County's financial position and results of operations. The **Fund financial statements** present financial information for the County's major funds. The **Notes to the financial statements** provide additional information concerning the County's finances that are not disclosed in the government-wide or fund financial statements.

Government-wide financial statements

The government-wide financial statements consist of the **statement of net position** and the **statement of activities**, and are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business. Emphasis is placed on the net position of governmental activities and business-type activities and the change in net position. Governmental activities are primarily supported by property taxes, sales and use taxes, federal and state grants, and state shared revenues. Business-type activities are supported by charges to the users of those activities.

The **statement of net position** presents information on all assets and liabilities of the County, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating. Net position is reported in three categories: 1) invested in capital assets, net of related debt, 2) restricted, and 3) unrestricted. Assets, liabilities, and net position are reported for all Governmental Activities separate from those of business-type activities.

The **statement of activities** presents information on all revenues and expenses of the County and the change in net position. Expenses are reported by major function and program revenues relating to those functions are reported, providing the net cost of all functions provided by the County. To assist in understanding the County's operations, expenses have been reported as governmental activities or

business-type activities. Governmental activities financed by the County include public safety, physical environment, transportation, economic environment, human services, culture and recreation, and general government services. Business-type activities financed by user charges include the airport fuel operation.

Fund financial statements

A fund is a separate accounting entity with a self-balancing set of accounts, and is used to maintain control over resources that have been segregated for specific activities or objectives in accordance with special regulations, restrictions, or limitations. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental fund financial statements provide information on the current assets and liabilities of the funds, changes in current financial resources (revenues and expenditures), and current available resources.

Proprietary fund financial statements provide information on all assets and liabilities of the fund, changes in the economic resources (revenues and expenses), and total economic resources.

Fund financial statements include a **balance sheet** and a **statement of revenues, expenditures, and changes in fund balances** for all governmental funds. A **statement of revenues, expenditures, and changes in fund balances - budget and actual**, is provided for the County's general fund and major special revenue, capital projects, and debt service funds. For the proprietary fund, which includes business-type activities, specifically the Airport Enterprise fund, a **statement of net position**; a **statement of revenues, expenses, and changes in fund net position**; and a **statement of cash flows** are presented. A combined statement of fiduciary net position is presented for the County's agency funds.

Fund financial statements provide more detailed information about the County's activities. Individual funds are established by the County to track revenues that are restricted to certain uses, comply with legal requirements, or account for the use of state and federal grants.

The *government-wide financial statements* and the *fund financial statements* provide different pictures of the County. The government-wide financial statements provide an overall picture of the County's financial standing, split between governmental activities and business-type activities. These statements are comparable to private-sector companies and give a good understanding of the County's overall financial health and how the County paid for the various activities, or functions, provided by the County. All assets of the County, including buildings, land, roads, and bridges are reported in the **statement of net position**. All liabilities, including principal outstanding on bonds, landfill closure liabilities, and future employee benefits obligated but not paid by the County are included. The **statement of activities** includes depreciation on all long lived assets of the County, but transactions between the different functions of the County have been eliminated in order to avoid "doubling up" the revenues and expenses.

The *fund financial statements* provide a picture of the major funds of the County and a column for all non-major funds. In the case of governmental activities, outlays for long lived assets are reported as expenditures, and long-term liabilities are not included in the fund financial statements. To provide a link from the *fund financial statements* to the *government-wide financial statements*, a reconciliation is provided from the fund financial statements to the *government wide financial statements*.

Notes to the financial statements

The **Notes to the financial statements** provide additional detail concerning the financial activities and financial balances of the County. Additional information about the accounting practices of the County, investments of the County, long-term debt, and pension plan are some of the items included in the notes to the financial statements.

FINANCIAL HIGHLIGHTS

Total assets of the County exceeded total liabilities by \$93,002,518 (net position). Unrestricted net position for governmental activities was \$6,095,975 and for business-type activities was \$141,753. Governmental Activities restricted net position was \$4,755,144, and was \$-0- for Business-type Activities.

Total net position decreased by \$(1,993,184). Of that amount, \$(1,978,728) is attributable to Governmental Activities and \$(14,457) is attributable to Business-type Activities. This decrease is due to a decrease in capital grant revenue and the implementation of GASB 68, which requires employers participating in cost-sharing defined benefit pension plans to report their proportionate share of the total net pension liability and deferred inflow/outflows of resources for the plan on their government-wide statements.

Governmental Activities revenues increased \$3,853,043 to \$27,662,495. This 16% net increase in revenue was primarily attributable to an increase in grant revenue from the prior year. Governmental Activities expenses increased by \$3,109,707 to \$29,641,031. This increase in expenses of 11.7% was primarily due to inflation and budgetary fiscal management.

Business-type activities operating revenues decreased 9% to \$151,450, while business-type expenses increased 36% to \$166,099. The fund experienced a net loss of \$(14,457).

FINANCIAL ANALYSIS OF THE COUNTY

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At September 30, 2016, the assets of the County exceed liabilities by \$93,002,518.

The following schedule provides a summary of the assets, liabilities, and net position of the County.

September 30, 2016 and 2015

	Governmental Activities	Business-type Activities	Total Government 2016	2015
Assets				
Current assets	\$ 18,739,276	\$ 157,938	\$ 18,897,214	\$ 20,147,584
Restricted assets	3,019,462	-	3,019,462	312,771
Non-current assets	87,597,060	67,235	87,664,295	89,857,324
Total assets	109,355,798	225,173	109,580,971	110,317,679
Deferred Outflows of Resources	8,542,364	7,079	8,549,443	2,464,850
Liabilities				
Current liabilities (payable from current assets)	4,125,577	9,441	4,135,018	1,793,640
Current liabilities (payable from restricted assets)	2,982,000	-	2,982,000	1,154,265
Noncurrent liabilities	14,889,388	11,396	14,900,784	12,521,302
Total liabilities	21,996,965	20,837	22,017,802	15,469,207
Deferred Inflows of Resources	3,107,667	2,427	3,110,094	2,317,620
Net Position				
Net position invested in capital assets, net of related debt	81,942,411	67,235	82,009,646	84,136,680
Net position, restricted	4,755,144	-	4,755,144	4,570,213
Net position, unrestricted	6,095,975	141,753	6,237,728	6,288,809
Total Net Position	<u>\$ 92,793,530</u>	<u>\$ 208,988</u>	<u>\$ 93,002,518</u>	<u>\$ 94,995,702</u>

88% of the County's net position reflects its investment in capital assets (land, buildings 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 5% of the County's net position represents resources that are dedicated or subject to restrictions on how they may be used. The remaining balance of unrestricted net position \$6,237,728 may be used to meet the government's ongoing obligations to citizens and creditors.

The following schedule provides a summary of the changes in net position. The decrease in net position is due primarily to prudent budget administration.

Changes in Net Position
Fiscal Years Ended September 30, 2016 and 2015

	Governmental Activities	Business-type Activities	Total Government 2016	2015
Revenues:				
Program Revenues				
Charges for services	\$ 3,761,493	\$ 151,244	\$ 3,912,737	\$ 3,719,369
Operating grants/contributions	2,389,381	-	2,389,381	1,242,471
Capital grants/contributions	2,506,677	-	2,506,677	788,196
General Revenues				
Property taxes	10,713,971	-	10,713,971	10,242,543
Sales and use taxes	3,338,792	-	3,338,792	3,277,283
Franchise fees	14,772	-	14,772	13,630
Communications surtax	95,993	-	95,993	113,024
State shared revenues	4,248,654	-	4,248,654	4,173,032
Other	592,762	206	592,968	406,093
Total revenues	27,662,495	151,450	27,813,945	23,975,641
Expenses:				
General government	5,780,697	-	5,780,697	5,014,703
Public safety	9,139,505	-	9,139,505	8,120,216
Physical environment	1,462,245	-	1,462,245	1,773,816
Transportation	7,333,999	166,099	7,500,098	7,403,415
Economic environment	1,617,700	-	1,617,700	836,853
Human services	1,446,537	-	1,446,537	1,294,747
Culture/recreation	1,962,983	-	1,962,983	900,876
Court-related	847,038	-	847,038	771,931
Interest on long-term debt	50,327	-	50,327	536,962
Total expenses and transfers	29,641,031	166,099	29,807,130	26,653,519
Transfers in (out)	(192)	192	-	-
Increase (decrease) in net position	(1,978,728)	(14,457)	(1,993,185)	(2,677,878)
Beginning net position	94,772,258	223,445	94,995,703	105,501,927
Ending net position	\$ 92,793,530	\$ 208,988	\$ 93,002,518	\$ 94,995,702

Property taxes provide 38.7% of the revenues for Governmental Activities, while state shared revenues provide 15.35%, and sales and use taxes provide 12%. Most of the Governmental Activities resources are spent for Public Safety (31%), General Government (19.5%), Human Services (5%), Transportation (24.7%), and Physical Environment (4.92%).

FUND FINANCIAL INFORMATION

Governmental Funds

General Fund

The County's General Fund is the main operating fund of the County. It is used to account for all financial resources that are not restricted by State or Federal laws, County ordinances or other externally imposed requirements. As of September 30, 2016, total assets were \$10,200,303 and total liabilities were \$1,073,046. The ending fund balance was \$9,127,257. \$1,422,378 of the ending fund balance is assigned or restricted for specific identified purposes. \$7,704,879 is reflected as unassigned in the financial statements, but is included in the budget for the next fiscal year to fund reserves and various capital projects.

As of September 30, 2016, total revenue, \$13,758,340 exceeded total expenditures of \$6,199,583, by \$7,558,757. In addition, \$8,355,503 was also transferred to constitutional officers to fund their budgets and to other funds for operational costs. Total transfers in from other funds was \$26,851. The net decrease in the fund balance in the General Fund was, \$769,895.

During the fiscal year, the County amended and increased the General Fund budget by \$914,499. The County budgeted ad valorem taxes at 95% of the total tax levy, as allowed by State law; actual collections were 97%.

Other Governmental Funds

Financial highlights of selected other County funds follow:

The *Hospital Sales Tax Revenue Fund* accounts for the local one-cent discretionary small county sales surtax. County voters approved the one-cent sales tax in October 1999, for a period of 30 years, beginning January 1, 2000. The proceeds from the sales tax are used to pay the principal and interest payments on the Sales Tax Revenue Bonds, that were issued to provide funds to acquire, construct, and equip a hospital facility located in the County. The sales tax generated \$2,321,253 in the 2016 fiscal year, reflecting a 2% increase from the prior fiscal year's \$2,270,676.

The *Municipal Services Taxing Unit (MSTU) Fund* is used to account for the provision of fire services, building and planning services, animal control and code enforcement. The primary source of funds, 80%, is ad valorem taxes. 71% of the total expenditures incurred in the MSTU fund are for fire services provided in the unincorporated area of the County.

The *Road and Bridge (Transportation) Fund* accounts for motor fuel taxes designated for the annual maintenance of roads, bridges, right-of-way, drainage systems, etc. The County has the legal authority to levy ad valorem taxes for the Transportation Fund, but has elected not to do so. As of September 30, 2016, expenditures exceeded revenue by \$567,190. Operational costs of the County Road Department increased by \$98,356 while capital expenditures decreased by \$27,480. Gas tax revenue increased at a rate of 1%. Secondary road paving funds are utilized for funding shortfalls in the road and bridge operations fund. \$383,593 was transferred in the 2016 fiscal year which would otherwise been available for road paving or other purposes.

The *Secondary Road Projects (Paving) Fund* accounts for the use of gas taxes restricted for transportation improvements, such as roads, bridges, and right-of-way acquisition. This gas tax revenue increased by 3.8% (\$35,069). \$57,181 was expended for road paving projects in 2016 as compared to no expenditures in 2015. \$321,437 was also transferred to the Road and Bridge Fund and \$101,460 to the MSBU Fund.

This fund had a fund balance of \$2,007,475 at the end of the 2016 fiscal year. These funds have been committed for on-going road-paving projects.

The *Sheriff General Fund* is the operating fund of the Sheriff, a constitutional officer. The primary source of funds are transfers from the Board of County Commissioners General Fund. Expenditures represent 23.2% of total expenditures of the governmental activities. Expenditures total \$6,208,728 for the year. By law this fund has no ending fund balance.

Proprietary Fund

The *Airport Enterprise Fund* is used to account for the revenues, expenses, assets, and liabilities associated with the County operated aviation fuel sales at the County airport facility. This is operated like a business, where the rates established by the County should generate sufficient funds to pay the costs of current operations and provide for the accumulation of funding for capital asset acquisition. Total assets as of September 30, 2016, were \$225,173 total liabilities were \$9,441, and net position was \$208,988. Operating revenue was \$151,450. Operating expenses were \$166,099. Net operating loss was \$(14,457).

CAPITAL ASSETS ACTIVITY

The County's capital assets for its governmental and business-type activities as of September 30, 2016, is \$87,664,285 (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment, infrastructure, and construction in progress, net of depreciation.

Capital Assets

	Beginning Balance	Additions	Reclassifications Deletions	Ending Balance
<i>Governmental Activities</i>				
Capital assets				
Land and improvements	\$ 23,362,021	\$ -	\$ (48,467)	\$ 23,313,554
Construction in progress	2,494,852	2,372,018	(152,303)	4,714,567
Infrastructure	87,635,278	972,633	(24,075)	88,583,836
Buildings	27,948,594	150,725	24,673	28,123,992
Equipment	16,069,782	1,592,463	(491,385)	17,170,860
Sheriff equipment	2,581,404	184,901	(358,524)	2,407,781
Total capital assets	<u>160,091,931</u>	<u>5,272,740</u>	<u>(1,050,081)</u>	<u>164,314,590</u>
Less accumulated depreciation				
Board of County Commissioners	(68,630,555)	(7,093,410)	589,429	(75,134,536)
Sheriff	(1,665,646)	(239,683)	322,333	(1,582,994)
Total accumulated depreciation	<u>(70,296,201)</u>	<u>(7,333,093)</u>	<u>911,762</u>	<u>(76,717,530)</u>
Governmental activities capital assets, net	<u>\$ 89,795,730</u>	<u>\$ (2,060,353)</u>	<u>\$ (138,319)</u>	<u>\$ 87,597,060</u>
<i>Business type activities:</i>				
Equipment	\$ 123,984	\$ 5,673	\$ -	\$ 129,657
Less accumulated depreciation	<u>(62,390)</u>	<u>(32)</u>	<u>-</u>	<u>(62,422)</u>
Business activities capital assets, net	<u>\$ 61,594</u>	<u>\$ 5,641</u>	<u>\$ -</u>	<u>\$ 67,235</u>

The decrease of \$(2,193,029) from the prior year is primarily attributable to infrastructure depreciation.

DEBT MANAGEMENT

On July 11, 2000, the County issued \$17,205,000 of revenue bonds to acquire, construct, and equip a hospital facility located in the County. The Series 2000 Bonds and the interest thereon are payable solely from and secured by a pledge of the proceeds derived by the County from the levy and collection of the one-cent discretionary small county sales surtax. On May 5, 2005, the County advance refunded these

bonds with an equivalent refunding, in order to reduce the debt service payments over the next 25 years to obtain economic gain. In August, 2016, the County fully repaid these bonds through issuance of a bank loan in the amount of \$5,586,000 and utilization of cash reserves. The new loan is repayable over five years.

The County also owed \$68,649 on capital leases for outdoor sports and park capital improvements.

OTHER FINANCIAL INFORMATION

Economic Factors and Next Year's Budget

- The unemployment rate for the County for 2016 was 5.8%. This represents a decrease from the prior fiscal year of 0.4%.
- The per capita income for the County in 2016 was \$18,649, 32% less than the statewide average of \$27,697.
- The County-wide ad valorem tax millage rate for the County remained at 7.0113 for 2016. Due to an increase in property values county-wide, this created a revenue increase of \$471,428. As a fiscally constrained county, Taylor County received a distribution of \$488,293 from the State to help offset this reduction in property tax revenue. It is hopeful that the "offset" will continue in the future.

REQUEST FOR INFORMATION

This financial report is designed to present users with a general overview of the County's finances and to demonstrate the County's accountability. Questions concerning this report or requests for additional information should be addressed to the County Finance Director, 108 N. Jefferson Street, Suite 102, Perry, Florida, 32347, or by calling 850-838-3506, extension 122.

BASIC FINANCIAL STATEMENTS

TAYLOR COUNTY, FLORIDA
STATEMENT OF NET POSITION
September 30, 2016

	Governmental Activities	Business - type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 5,484,056	\$ 125,026	\$ 5,609,082
Accounts receivable - net	119,534	-	119,534
Internal balances	(192)	192	-
Due from agency funds	89,346	-	89,346
Due from other governmental units	2,818,297	-	2,818,297
Inventories	210,527	32,720	243,247
Investments	10,017,708	-	10,017,708
Total current assets	<u>18,739,276</u>	<u>157,938</u>	<u>18,897,214</u>
Restricted cash	<u>3,019,462</u>	<u>-</u>	<u>3,019,462</u>
Noncurrent assets:			
Capital assets - net	<u>87,597,060</u>	<u>67,235</u>	<u>87,664,295</u>
Total assets	<u>109,355,798</u>	<u>225,173</u>	<u>109,580,971</u>
DEFERRED OUTFLOWS OF RESOURCES			
Share of pension plan deferred outflows	<u>8,542,364</u>	<u>7,079</u>	<u>8,549,443</u>
LIABILITIES			
Current liabilities (payable from current assets):			
Accounts payable	1,440,766	9,228	1,449,994
Accrued wages	72,186	-	72,186
Due to other governmental units	297	-	297
Unearned revenues	245,735	-	245,735
Accrued compensated absences	162,144	-	162,144
Capital leases - current portion	68,649	-	68,649
Pension liability	2,046,411	-	2,046,411
Other current liabilities	89,389	213	89,602
Total current liabilities (payable from current assets)	<u>4,125,577</u>	<u>9,441</u>	<u>4,135,018</u>
Current liabilities (payable from restricted assets)			
Bonds payable - current portion	<u>2,982,000</u>	<u>-</u>	<u>2,982,000</u>
Total current liabilities (payable from restricted assets)	<u>2,982,000</u>	<u>-</u>	<u>2,982,000</u>
Noncurrent liabilities			
Bonds payable	2,604,000	-	2,604,000
Accrued compensated absences	579,623	-	579,623
Pension plan liability	11,705,765	11,396	11,717,161
Total long-term liabilities	<u>14,889,388</u>	<u>11,396</u>	<u>14,900,784</u>
Total liabilities	<u>21,996,965</u>	<u>20,837</u>	<u>22,017,802</u>
(Continued)			

TAYLOR COUNTY, FLORIDA

STATEMENT OF NET POSITION

September 30, 2016

	<u>Governmental Activities</u>	<u>Business - type Activities</u>	<u>Total</u>
DEFERRED INFLOWS OF RESOURCES			
Payments in lieu of taxes	\$ 178,467	\$ -	\$ 178,467
Share of pension plan deferred inflows	2,929,200	2,427	2,931,627
	<u>3,107,667</u>	<u>2,427</u>	<u>3,110,094</u>
NET POSITION			
Invested in capital assets, net of related debt	81,942,411	67,235	82,009,646
Restricted	4,755,144	-	4,755,144
Unrestricted	6,095,975	141,753	6,237,728
Total net position	<u>\$ 92,793,530</u>	<u>\$ 208,988</u>	<u>\$ 93,002,518</u>

See notes to financial statements.

TAYLOR COUNTY, FLORIDA

STATEMENT OF ACTIVITIES For the Fiscal Year Ended September 30, 2016

Functions/Programs	Expenses	Program Services			Net (Expenses) Revenues and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business Type Activities	Total
Governmental Activities							
General government	\$ 5,780,697	\$ 1,207,974	\$ 9,990	\$ 7,212	\$ (4,555,521)	\$ -	\$ (4,555,521)
Public safety	9,139,505	500,257	480,235	-	(8,159,013)	-	(8,159,013)
Physical environment	1,462,245	1,204,824	210,709	-	(46,712)	-	(46,712)
Transportation	7,333,999	109,028	471,575	2,330,729	(4,422,667)	-	(4,422,667)
Economic environment	1,617,700	-	988,901	-	(628,799)	-	(628,799)
Human services	1,446,537	21,105	37,743	158,096	(1,229,593)	-	(1,229,593)
Culture/recreation	1,962,983	165,648	109,417	10,640	(1,677,278)	-	(1,677,278)
Court-related	847,038	552,657	80,811	-	(213,570)	-	(213,570)
Interest on long-term debt	50,327	-	-	-	(50,327)	-	(50,327)
Total governmental activities	29,641,031	3,761,493	2,389,381	2,506,677	(20,983,480)	-	(20,983,480)
Business - type activities							
Transportation							
Airport	166,099	151,244	-	-	-	(14,855)	(14,855)
Total government	\$ 29,807,130	\$ 3,912,737	\$ 2,389,381	\$ 2,506,677	(20,983,480)	(14,855)	(20,998,335)
General revenues							
Ad valorem taxes					10,713,971	-	10,713,971
Sales and use taxes					3,338,792	-	3,338,792
Communications service tax					95,993	-	95,993
Franchise fees					14,772	-	14,772
Federal and state shared revenue					4,248,654	-	4,248,654
Payments in lieu of taxes					59,618	-	59,618
Interest					69,545	206	69,751
Miscellaneous					463,599	-	463,599
Transfers in (out)					(192)	192	-
Total general revenue and transfers					19,004,752	398	19,005,150
Change in net position					(1,978,728)	(14,457)	(1,993,185)
Net position beginning of year					94,772,258	223,445	94,995,703
Net position end of year					\$ 92,793,530	\$ 208,988	\$ 93,002,518

See notes to financial statements.

**TAYLOR COUNTY, FLORIDA
GOVERNMENTAL FUNDS
BALANCE SHEET
September 30, 2016**

	Special Revenue							Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
	General	Road and Bridge	Municipal Services Taxing Unit	Hospital Sales Tax	Solid Waste	Sheriff Operating	Tax Collector Operating	Hospital	Secondary Road Projects		
ASSETS											
Cash	\$ 2,057,170	\$ 185,867	\$ 642,689	\$ 193,382	\$ 499,341	\$ 104,174	41,783	\$ -	\$ 48,853	\$ 1,710,797	\$ 5,484,056
Accounts receivable	2,766	-	10	-	1,350	26,324	-	-	-	89,084	119,534
Due from other funds	1,483,456	406,133	84,382	1,897,737	17,117	-	-	-	57,005	101,384	4,047,214
Due from other governmental units	617,360	144,290	34,253	237,120	8,567	-	-	-	80,454	1,696,253	2,818,297
Inventories	-	210,527	-	-	-	-	-	-	-	-	210,527
Investments	6,039,551	166,184	740,708	72,280	132,443	-	-	-	2,155,212	711,330	10,017,708
Cash with fiscal agent	-	-	-	-	-	-	-	3,019,462	-	-	3,019,462
Total assets	\$ 10,200,303	\$ 1,113,001	\$ 1,502,042	\$ 2,400,519	\$ 658,818	\$ 130,498	\$ 41,783	\$ 3,019,462	\$ 2,341,524	\$ 4,308,848	\$ 25,716,798
LIABILITIES AND FUND BALANCES											
LIABILITIES											
Accounts payable	\$ 738,836	\$ 52,039	37,250	\$ 23,199	\$ 75,127	\$ -	\$ -	\$ -	\$ 12,612	\$ 501,703	\$ 1,440,766
Accrued wages	28,262	17,557	17,561	-	7,629	-	-	-	-	1,177	72,186
Accrued compensated absences	16,272	28,001	9,170	-	6,414	-	-	-	-	-	59,857
Accrued payroll liabilities	87,289	-	-	-	-	-	-	-	-	-	87,289
Due to other funds	181,392	18,111	35,342	-	5,934	130,498	39,883	1,897,737	321,437	1,327,726	3,958,060
Due to other governmental units	-	-	297	-	-	-	-	-	-	-	297
Unearned revenues	20,995	-	37,000	-	-	-	-	-	-	187,740	245,735
Other current liabilities	-	-	-	-	-	-	1,900	-	-	200	2,100
Total liabilities	1,073,046	115,708	136,620	23,199	95,104	130,498	41,783	1,897,737	334,049	2,018,546	5,866,290
FUND BALANCES											
Nonspendable	-	210,527	-	-	-	-	-	-	-	-	210,527
Restricted	694,980	786,766	-	-	-	-	-	-	2,007,475	1,265,923	4,755,144
Assigned	727,398	-	1,365,422	2,377,320	563,714	-	-	1,121,725	-	1,024,379	7,179,958
Unassigned	7,704,879	-	-	-	-	-	-	-	-	-	7,704,879
Total fund balances	9,127,257	997,293	1,365,422	2,377,320	563,714	-	-	1,121,725	2,007,475	2,290,302	19,850,508
Total liabilities and fund balances	\$ 10,200,303	\$ 1,113,001	\$ 1,502,042	\$ 2,400,519	\$ 658,818	\$ 130,498	\$ 41,783	\$ 3,019,462	\$ 2,341,524	\$ 4,308,848	

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

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

87,597,060

Long-term liabilities, including a note payable of (\$5,586,000), capital leases and notes payable of (\$69,649), compensated absences of (\$681,910), and pension liability of (\$13,752,176)

are not due and payable in the current period and therefore are not reported

(20,088,735)

Deferred outflows (inflows) of resources

5,434,697

Net position of governmental activities

\$ 92,793,530

See notes to financial statements.

**TAYLOR COUNTY, FLORIDA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the Fiscal Year Ended September 30, 2016**

	Special Revenue						Debt Service		Capital Projects	Other Governmental Funds	Total Governmental Funds
	General	Road and Bridge	Municipal Services Taxing Unit	Hospital Sales Tax	Solid Waste	Sheriff Operating	Tax Collector Operating	Hospital	Secondary Road Projects		
REVENUES											
Taxes	\$ 9,563,507	\$ 778,250	\$ 1,246,457	\$ 2,321,253	\$ 14,772	\$ -	\$ -	\$ -	\$ -	\$ 239,289	\$ 14,163,528
Licenses and permits	-	165	173,988	-	-	-	-	-	-	-	174,153
Intergovernmental	3,394,787	797,157	80,131	-	10,712	10,006	-	-	952,284	3,894,342	9,139,419
Charges for services	304,932	-	7,468	-	-	30,206	803,621	-	-	687,425	1,833,652
Fines and forfeitures	20,880	-	-	-	-	-	-	-	-	158,052	178,932
Miscellaneous	305,914	23,797	41,818	158,096	144,303	21,565	-	-	-	127,149	822,642
Special assessments	125,738	-	-	-	1,037,858	-	-	-	-	54,328	1,217,924
Interest	42,582	1,381	5,239	3,924	1,777	-	1,089	1,538	10,131	1,884	69,545
Total revenues	13,758,340	1,600,750	1,555,101	2,483,273	1,209,422	61,777	804,710	1,538	962,415	5,162,469	27,599,795
EXPENDITURES											
Current expenditures											
General government	1,747,209	-	179,349	2,500	-	-	1,013,690	-	-	2,023,222	4,965,970
Public safety	1,120,614	-	1,020,253	-	-	6,024,360	-	-	-	64,248	8,229,475
Physical environment	196,858	-	-	-	1,076,261	-	-	-	-	98,350	1,371,469
Transportation	-	1,990,920	-	-	-	-	-	-	-	81,280	2,072,200
Economic environment	518,242	-	-	-	-	-	-	-	-	1,095,628	1,613,870
Human services	570,936	-	189,855	25,655	-	-	-	-	-	-	786,446
Culture / recreation	1,537,153	-	-	-	-	-	-	-	-	7,482	1,544,635
Court-related	122,348	-	-	-	-	-	-	-	-	671,323	793,671
Capital outlay											
General government	5,297	-	3,036	-	-	-	24,811	-	-	35,748	68,892
Public safety	7,694	-	69,987	-	-	184,368	-	-	-	34,167	296,216
Physical environment	35,000	-	-	-	-	-	-	-	-	60,795	95,795
Transportation	65,066	177,020	-	-	-	-	-	-	57,181	3,158,984	3,458,251
Economic environment	24,119	-	-	-	-	-	-	-	-	78,293	102,412
Human services	-	-	80,612	974,842	-	-	-	-	-	-	1,055,454
Culture / recreation	171,405	-	-	-	-	-	-	-	-	-	171,405
Court-related	6,231	-	-	-	-	-	-	-	-	-	6,231
Debt service											
Principal	65,995	-	-	-	-	-	-	-	-	-	65,995
Interest	5,416	-	-	-	-	-	-	44,911	-	-	50,327
Total expenditures	6,199,583	2,167,940	1,543,092	1,002,997	1,076,261	6,208,728	1,038,501	44,911	57,181	7,409,520	26,748,714
Excess of revenues over (under) expenditures	7,558,757	(567,190)	12,009	1,480,276	133,161	(6,146,951)	(233,791)	(43,373)	905,234	(2,247,051)	851,081
OTHER FINANCING SOURCES (USES)											
Interfund transfers in	26,851	383,593	84,342	-	17,117	6,146,951	273,674	1,164,338	-	2,032,681	10,129,547
Interfund transfers out	(8,355,503)	-	(56,409)	(1,164,338)	(89,359)	-	(39,883)	-	(422,897)	(1,350)	(10,129,739)
Total other financing sources (uses)	(8,328,652)	383,593	27,933	(1,164,338)	(72,242)	6,146,951	233,791	1,164,338	(422,897)	2,031,331	(192)
Net change in fund balances	(769,895)	(183,597)	39,942	315,938	60,919	-	-	1,120,965	482,337	(215,720)	850,889
Fund balances beginning of year	9,897,152	1,180,890	1,325,480	2,061,382	502,795	-	-	760	1,525,138	2,506,022	18,999,619
Fund balances end of year	\$ 9,127,257	\$ 997,293	\$ 1,365,422	\$ 2,377,320	\$ 563,714	\$ -	\$ -	\$ 1,121,725	\$ 2,007,475	\$ 2,290,302	\$ 19,850,508

See notes to financial statements.

TAYLOR COUNTY, FLORIDA

**RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended September 30, 2016**

Net change in fund balances - total governmental funds	\$	850,889
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlay as expenditures.

However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Capital outlay	\$ 5,254,658	
Donations and reclassifications	18,084	
Less current year depreciation	<u>(7,333,093)</u>	(2,060,351)

The net effect of dispositions of fixed assets		(138,319)
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Repayments of debt principal are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Payments for capital leases and notes	<u>65,995</u>	65,995
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Some revenues (expenses) reported in the statement of activities do not provide (require) the use of current financial resources, therefore, are not reported as revenues (expenditures) in governmental funds.

Net change in deferred inflow payment in lieu of taxes	44,616	
Net change in compensated absences	(18,120)	
Net change in landfill postclosure liability	72,265	
Net change in pension liability	<u>(795,703)</u>	<u>(696,942)</u>

Change in net position of governmental activities	\$	<u>(1,978,728)</u>
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See notes to financial statements.

TAYLOR COUNTY, FLORIDA

STATEMENT OF NET POSITION

PROPRIETARY FUND

September 30, 2016

	Airport Enterprise
ASSETS	
Current assets:	
Cash	\$ 125,026
Due from other funds	192
Inventories	32,720
Total current assets	<u>157,938</u>
Fixed assets:	
Equipment	129,657
Less: accumulated depreciation	<u>(62,422)</u>
Total fixed assets	<u>67,235</u>
Total assets	<u>225,173</u>
DEFERRED OUTFLOWS OF RESOURCES	
Share of pension plan deferred outflows	<u>7,079</u>
LIABILITIES	
Current liabilities	
Accounts payable	9,228
Accrued wages	<u>213</u>
Total current liabilities	<u>9,441</u>
Noncurrent liabilities	
Pension plan liability	<u>11,396</u>
Total liabilities	<u>20,837</u>
DEFERRED INFLOWS OF RESOURCES	
Share of pension plan deferred inflows	<u>2,427</u>
NET POSITION	
Invested in capital assets	67,235
Unrestricted	<u>141,753</u>
Total net position	<u>208,988</u>
Total liabilities and net position	<u>\$ 211,415</u>

See notes to financial statements.

TAYLOR COUNTY, FLORIDA

**STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUND**

For the Fiscal Year Ended September 30, 2016

	<u>Airport Enterprise</u>
OPERATING REVENUES	
Transportation	
Airports	
Airport fuel sales	\$ 151,244
Interest	206
	<u>151,450</u>
OPERATING EXPENSES	
Airport fuel operations	
Personnel services	
Regular salaries	6,967
Employee benefits	4,902
Total personnel services	<u>11,869</u>
Operating expenses	
Communications	574
Contractual services	1,595
Utility services	1,256
Insurance	611
Repair and maintenance	3,390
Petroleum products	146,724
Supplies	48
Depreciation	32
Total operating expenses	<u>154,230</u>
Total operating expenses	<u>166,099</u>
Operating loss	(14,649)
Interfund transfers in	192
Net position, beginning of year	223,445
Net position, end of year	<u>\$ 208,988</u>

See notes to financial statements.

TAYLOR COUNTY, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
For the Fiscal Year Ended September 30, 2016

	<u>Airport Enterprise</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 151,244
Cash payments to employees	(6,829)
Cash payments for employee benefits	(1,207)
Cash payments for suppliers	(113,952)
Interest income	<u>206</u>
Net cash provided by operating activities	29,462
 CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of fixed assets	(5,673)
 Cash and cash equivalents, beginning of year	<u>101,237</u>
Cash and cash equivalents, end of year	<u><u>\$ 125,026</u></u>
 RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating loss	<u>\$ (14,649)</u>
Adjustments to reconcile operating income to net cash used by operating activities	
Depreciation	32
Changes in assets and liabilities	
(Increase) decrease in:	
Inventories	32,004
Increase (decrease) in:	
Accounts payable	8,242
Accrued wages	138
Increase in pension plan liability	<u>3,695</u>
Total adjustments	<u>44,111</u>
Net cash provided by operating activities	<u><u>\$ 29,462</u></u>

See notes to financial statements.

TAYLOR COUNTY, FLORIDA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS
September 30, 2016

	Clerk of Courts			Property Appraiser	Sheriff			Tax Collector		
	General Trust	Registry of Court	Cash Bond	Trust	Individual Depository	Inmate Trust	Evidence Trust	Tax	Tag	Totals
ASSETS										
Cash	\$ 49,107	\$ 127,033	\$ 35,860	2,009	\$ 6,454	\$ 8,408	\$ 3,076	\$ 440,220	\$ -	\$ 672,167
Accounts receivable	135	-	-	-	-	419	-	-	7,132	7,686
Due from other funds	-	-	-	-	-	-	-	4,150	-	4,150
Investments	111,469	-	-	-	-	-	-	-	-	111,469
Total assets	\$ 160,711	\$ 127,033	\$ 35,860	\$ 2,009	\$ 6,454	\$ 8,827	\$ 3,076	\$ 444,370	\$ 7,132	\$ 795,472
LIABILITIES										
Due to individuals	\$ -	\$ -	\$ -	\$ -	\$ 6,454	2,681	\$ -	\$ -	\$ -	\$ 9,135
Accounts payable	-	-	-	-	-	4,665	-	-	-	4,665
Due to other funds	89,346	-	-	-	-	-	-	-	4,150	93,496
Due to other governmental units	5,847	-	-	-	-	-	-	-	2,982	8,829
Cash bonds payable	19,358	-	35,860	-	-	-	-	-	-	55,218
Interest payable	-	-	-	-	-	1,481	3,076	1,243	-	5,800
Other current liabilities	46,160	-	-	2,009	-	-	-	-	-	48,169
Taxes and fees payable	-	-	-	-	-	-	-	429,135	-	429,135
Deposits payable	-	127,033	-	-	-	-	-	13,992	-	141,025
Total liabilities	160,711	127,033	35,860	2,009	6,454	8,827	3,076	444,370	7,132	795,472
NET POSITION										
Total net position	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

See notes to financial statements.

TAYLOR COUNTY, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2016

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Taylor County, Florida, (the "County") is a political subdivision of the State pursuant to Article VIII, Section 1(a) of the Constitution of the State of Florida. The County is governed by the Board of County Commissioners and five elected constitutional officers (Clerk of the Circuit Court, Property Appraiser, Sheriff, Supervisor of Elections, and Tax Collector) in accordance with State statutes and regulations. The constitutional officers maintain separate accounting records and budgets from the Board of County Commissioners. The Constitution of the State of Florida, Article VIII, Section 1(d) created the constitutional officers and Article VIII, Section 1(e), created the Board of County Commissioners.

The financial statements of the County have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting principles. Pronouncements of the Financial Accounting Standards Board (FASB) issued after November 30, 1989, are not applied in the preparation of the financial statements of the proprietary fund types in accordance with GASB Statement 20. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units.

A. Reporting Entity

The concept underlying the definition of the reporting entity is that elected officials are accountable to their constituents for their actions. The reporting entity's financial statements should allow users to distinguish between the primary government (the County) and its component units. However, some component units, because of the closeness of their relationships with the County, should be blended as though they are part of the County. Otherwise, most component units should be discretely presented. As required by generally accepted accounting principles, the financial reporting entity consists of (1) the primary government (the County), (2) organizations for which the County is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the County are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The County is financially

accountable if it appoints a voting majority of the organization's governing body and (a) it is able to impose its will on that organization or (b) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the County. The County may be financially accountable if an organization is fiscally dependent on the County regardless of whether the organization has (a) a separately elected governing board, (b) a governing board appointed by a higher level of government, or (c) a jointly appointed board. Based on these criteria, County management examined all organizations which are legally separate in order to determine which organizations, if any, should be included in the County's special purpose financial statements. Management determined that there are no organizations that should be included in the County's financial statements as component units, except for the constitutional officer component units described above.

B. Measurement Focus and Basis of Accounting

The basic financial statements of the County are comprised of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the financial statements
- Required supplementary information

1. Government-wide Financial Statements

Government-wide financial statements display information about the reporting government as a whole, except for its fiduciary activities. These statements include separate columns for the governmental and business-type activities of the primary government (including its blended component units), as well as its discretely presented component unit. 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 and charges for support. Likewise, the primary government is reported separately from the legally separate component unit for which the primary government is financially accountable.

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and agency fund financial statements. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement 33 - Accounting and Financial Reporting for Nonexchange Transactions.

Program revenues include charges for services, special assessments, and payments made by parties outside of the reporting government's citizenry if that money is restricted to a particular

program. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program.

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as an expenditure. Proceeds of long-term debt are recorded as liabilities in the government-wide financial statements, rather than as an other financing source. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability, rather than as an expenditure.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. As applicable, the County also chooses to eliminate the indirect costs between governmental activities to avoid a “doubling up” effect.

2. Fund Financial Statements

The underlying accounting system of the County is organized and operated on the basis of separate funds, each of which is considered to be 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 or expenses, as appropriate. Governmental 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.

Fund financial statements for the primary government’s governmental, proprietary, and fiduciary funds are presented after the government-wide financial statements. These statements display information about major funds, individually and nonmajor funds in the aggregate for governmental and enterprise funds. The fiduciary statement includes financial information for the agency funds. The agency funds of the County primarily represent assets held by the County in a custodial capacity for other individuals or governments.

3. Governmental Funds

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Franchise fees, licenses, sales taxes, gas taxes, operating and capital grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable only when cash is received by the County.

Under the current financial resources measurement focus, only current assets and current liabilities are generally included on the balance sheet. The reported fund balance is considered to be the measure of “available spendable resources.” Governmental funds operating statements present increases (revenue and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of “available spendable resources” during a period.

Any non-current portions of long-term receivables due to governmental funds are reported on their balance sheets in spite of their spending measurement focus.

Non-current portions of other long-term receivables are offset by fund balance reserve accounts.

Because of their spending measurement focus, expenditure recognition for governmental fund types excludes 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.

Amounts expended to acquire capital assets are recorded as expenditures in the year that resources were expended, rather than as fund assets. The proceeds of long-term debt are recorded as an other financing source rather than as a fund liability. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

4. Proprietary Funds

The County’s Airport Enterprise Fund is a proprietary fund. In the fund financial statements, proprietary funds are presented using the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recognized when the related goods and services are delivered. In the fund financial statements, proprietary funds are presented using the economic resources measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net assets.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies, taxes, and investment earnings, result from nonexchange transactions or ancillary activities.

Amounts paid to acquire capital assets are capitalized as assets in the fund financial statements, rather than reported as an expenditure. Proceeds of long-term debt are recorded as a liability in

the fund financial statements, rather than as an other financing source. Amounts paid to reduce long-term indebtedness are reported as a reduction of the related liabilities, rather than as an expense.

C. Basis of Presentation

GASB Statement 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category and the governmental and enterprise combined) for the determination of major funds. The County has used GASB 34 minimum criteria for major fund determination and has also electively disclosed funds which either had debt outstanding or specific community focus as major funds. The non-major funds are combined in a column in the fund financial statements and detailed in the combining section.

1. Governmental Major Funds:

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

Hospital Sales Tax Fund - The Hospital Sales Tax Fund accounts for revenues generated by the local option one cent Small County Surtax which is pledged as security for the Hancock Bank loan. Any excess revenue for the surtax is restricted for debt reduction or capital expenditures at the hospital facilities.

Municipal Services Taxing Unit Fund (Municipal Services) - The Municipal Services Fund accounts for fire control and other services which primarily benefit residents in the unincorporated area of the County. Financing is provided by ad valorem taxes levied in the unincorporated area as well as other revenues primarily attributable to the unincorporated area.

Road and Bridge Fund - The Road and Bridge Fund accounts for expenditures incurred for the maintenance and repairs of County roads. Financing is provided by local option fuel taxes and distributions of state shared fuel taxes.

Solid Waste Fund - The Solid Waste Fund accounts for expenditures related to the collection and disposal of solid waste within the unincorporated area of the County. Financing is substantially provided by non-ad valorem assessments levied on benefited property.

Sheriff Operating Fund – The Sheriff Operating Fund is the general operating fund of the Sheriff, a Constitutional Officer. It is used to account for all financial resources and expenditures of the Sheriff, except those required to be accounted for in another fund.

Tax Collector Operating Fund - The Tax Collector Operating Fund is the general operating fund of the Tax Collector. It is used to account for all financial resources and expenditures of the Tax Collector except those required to be accounted for in another fund.

Hospital Debt Service Fund - The Hospital Debt Service Fund accounts for the debt service activities associated with the Sales Tax Revenue Bonds Series 2005, which was issued to finance the construction of the hospital facility operated by Doctors Memorial Hospital, Inc.

Secondary Road Projects Fund - The Secondary Roads Projects Fund accounts for the expenditures of road and bridge construction. Financing is provided by collections of the 5th and 6th cent state shared gas taxes.

2. Proprietary Major Fund:

Airport Enterprise Fund - The Airport Enterprise Fund accounts for the revenues, expenses, assets and liabilities associated with the County operated aviation fuel sales at the County airport facility.

Non-current Governmental Assets/Liabilities:

GASB Statement 34 requires non-current governmental assets, such as land and buildings, and non-current governmental liabilities, such as general obligation bonds and capital leases, to be reported in the governmental activities column in the government-wide statement of net position.

D. Assets, Liabilities and Net position or Equity

1. Cash and Cash Equivalents

The County maintains a cash pool that is available for use by all funds. Earnings from the pooled cash are allocated to the respective funds based on applicable cash participation by each fund. The cash pool is managed such that all participating funds have the ability to deposit and withdraw cash as if they were demand deposit accounts. Therefore, all balances representing participants' equity in the cash pools are classified as cash and cash equivalents for financial statement purposes, including the statement of cash flows. In addition, longer-term investments are held by certain of the County's funds and are reported as investments on these statements. The County invests surplus public funds in accordance with Section 218.415 Florida Statutes.

2. Investments

Investments consist of participation in the Local Government Surplus Funds Trust Fund Investment Pool (Pool) and the Florida Local Government Investment Trust Fund (Trust) and local investments. Fair value of the Pool and the Trust are based on the fair value per share of the underlying portfolio. Due to its utilization as a daily cash investment account, a portion of the Pool balance in the General Fund is classified with the cash balance on the financial statements.

3. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

All receivables are shown net of an allowance for doubtful accounts. Any receivables in excess of 180 days would comprise the trade accounts receivable allowance for doubtful accounts. At September 30, 2016, there was no allowance for doubtful accounts.

4. Inventories

Inventories are valued at cost, which approximates market, using the “first-in, first-out” method of accounting. Supplies inventories of certain governmental funds are recorded as expenditures when consumed rather than when purchased.

5. Restricted Assets

Certain net position of the County is classified as restricted assets on the statement of net position because their use is limited either by law through constitutional provisions or enabling legislation; or by restrictions imposed externally by creditors, grantors, contributions, or laws or regulations of other governments. In a fund with both restricted and unrestricted assets, qualified expenses are considered to be paid first from restricted net position and then from unrestricted net position.

6. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, right-of-ways, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of \$1,000 or more and an estimated useful life in excess of one year. Except for roads and bridges constructed prior to October 1, 1981, assets are recorded at historical cost. Roads and bridges constructed prior to October 1, 1981 are reported at estimated historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

The Board of County Commissioners holds legal title to the capital assets used in the operations of the County, Clerk of the Circuit Court, Property Appraiser, Supervisor of Elections and Tax Collector, as is accountable for them under Florida Law.

The Sheriff is accountable for and thus maintains capital asset records pertaining only to equipment used in his operations. These assets have been combined with the Board's governmental activities capital assets in the statement of net position.

Property, plant, and equipment of the County, as well as component units, are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Building and improvements	7 - 40
Machinery and equipment	5 - 20
Road and bridge infrastructure	40 - 50

7. Capitalization of Interest

Interest costs related to bond issues are capitalized during the construction period. These costs are netted against applicable interest earnings on construction fund investments. During the current year, the County did not have any capitalized interest.

8. Revenues Collected in Advance

Revenues collected in advance, reported in government-wide financial statements represent unearned revenues. Revenues collected in advance reported in governmental fund financial statements are measurable but not available at year end because grant conditions for earning the revenue have not been met. The revenues collected in advance will be recognized as revenue in the fiscal year they are earned in accordance with the modified accrual basis of accounting.

9. Prepaid Items

Prepaid insurance and similar items are recorded using the consumption method of accounting. Under the consumption method, services paid for in advance are reported as an asset until the period in which the services are actually consumed.

10. Accrued Compensated Absences

The County accrues accumulated unpaid vacation and sick leave when earned by the employee. The current portion is the amount estimated to be used in the following year. The non-current portion is the amount estimated to be used in subsequent fiscal years. Both the current and non-current estimated accrued compensated absences amounts for governmental funds are maintained separately and represent a reconciling item between the fund and government-wide presentation.

11. Deferred Inflows of Resources

An acquisition of net assets by the County that is applicable to a future reporting period is required to be classified as a Deferred Inflow of Resources under Governmental Accounting Standards Board Statement Number 65. In the 2015 fiscal year the County acquired a piece of land from the Suwannee River Water Management District in exchange for five years of the Management District's payments in lieu of taxes. The revenue will be recognized in the five subsequent fiscal years. The current value of the deferred inflow of payments in lieu of taxes is \$178,467.

12. Obligation for Bond Arbitrage Rebate

Pursuant to Section 148(f) of the U.S. Internal Revenue Code, the County must rebate to the United States Government the excess of interest earned from the investment of certain debt proceeds and pledged revenues over the yield rate of the applicable debt. The County uses the "revenue reduction" approach in accounting to rebatable arbitrage. This approach treats excess earnings as a reduction of revenue. The County has no arbitrage liability outstanding as of September 30, 2016.

13. Landfill Closure Costs

Under the terms of current state and federal regulations, the County was required to place a final cover on closed landfill areas, and to perform certain monitoring and maintenance functions for a period of twenty years after closure. The County recognized these costs of post-closure maintenance annually. In April 2016, the County was fully released from this obligation by the State Department of Environmental Protection.

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net position.

"Total fund balances" of the County's governmental funds (\$19,850,508) differs from "net position" of governmental activities (\$92,793,530) reported in the statement of net position. This difference primarily results from the long-term economical focus of the statement of net position versus the current financial resources focus of the governmental fund balance sheet.

Capital related items

When capital assets (property, plant, equipment) that are to be used in governmental activities are purchased or constructed, the cost of these assets are reported as expenditures in governmental funds. However, the statement of net position included those capital assets among the assets of the County as a whole.

Cost of capital assets	\$164,314,590
Accumulated depreciation	<u>(76,717,530)</u>
Total	<u>\$ 87,597,060</u>

Long-term debt transactions

Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities (both current and long-term) are reported in the statement of net position. Balances at September 30, 2016, were:

Sales Tax Revenue Bonds	\$ 5,586
Capital leases and note payable	68,649
Compensated absences	681,910
Pension liability and deferred outflows and inflows	<u>13,752,176</u>
Total	<u>\$14,508,321</u>

Deferred Outflow and Inflow of Resources

The net effect of deferred outflows and inflows of resources related to the County's general fixed assets and pension plan liability was \$5,434,697.

Elimination of interfund receivables/payable

Interfund receivables and payables in the amount of \$ 3,957,868 between governmental funds must be eliminated for the statement of net position.

TAYLOR COUNTY, FLORIDA

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position

	Total Governmental Funds	Capital Related Items	Long-Term Debt Transactions	Deferred Inflows Outflows	Reclassifications and Eliminations	Statement of Net Position
ASSETS						
Cash and cash equivalents	\$ 5,484,056	\$ -	\$ -	\$ -	\$ -	\$ 5,484,056
Accounts receivable - net	119,534	-	-	-	-	119,534
Due from other funds	4,047,214	-	-	-	(3,957,868)	89,346
Due from other governmental units	2,818,297	-	-	-	-	2,818,297
Inventories	210,527	-	-	-	-	210,527
Investments	10,017,708	-	-	-	-	10,017,708
Cash with fiscal agent	3,019,462	-	-	-	-	3,019,462
Capital assets - net	-	87,597,060	-	-	-	87,597,060
Total assets	<u>25,716,798</u>	<u>87,597,060</u>	<u>-</u>	<u>-</u>	<u>(3,957,868)</u>	<u>109,355,990</u>
DEFERRED OUTFLOW OF RESOURCES	-	-	-	8,542,364	-	8,542,364
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>25,716,798</u>	<u>87,597,060</u>	<u>-</u>	<u>8,542,364</u>	<u>(3,957,868)</u>	<u>117,898,354</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	1,440,766	-	-	-	-	1,440,766
Accrued wages	72,186	-	-	-	-	72,186
Accrued compensated absences	59,857	-	-	-	-	59,857
Accrued payroll liabilities	87,289	-	-	-	-	87,289
Due to other funds	3,958,060	-	-	-	(3,957,868)	192
Due to other governmental units	297	-	-	-	-	297
Revenues collected in advance	245,735	-	-	-	-	245,735
Other current liabilities	2,100	-	-	-	-	2,100
Accrued compensated absences	-	-	681,910	-	-	681,910
Landfill postclosure liability	-	-	-	-	-	-
Capital leases and notes payable	-	-	68,649	-	-	68,649
Revenue bonds payable	-	-	5,586,000	-	-	5,586,000
Pension liability	-	-	13,752,176	-	-	13,752,176
Total liabilities	<u>5,866,290</u>	<u>-</u>	<u>20,088,735</u>	<u>-</u>	<u>(3,957,868)</u>	<u>21,997,157</u>
DEFERRED INFLOWS OF RESOURCES	-	-	-	3,107,667	-	3,107,667
Fund balances/net position	<u>19,850,508</u>	<u>87,597,060</u>	<u>(20,088,735)</u>	<u>5,434,697</u>	<u>-</u>	<u>92,793,530</u>
Total liabilities , deferred inflows and net position	<u>\$ 25,716,798</u>	<u>\$ 87,597,060</u>	<u>\$ -</u>	<u>\$ 8,542,364</u>	<u>\$ (3,957,868)</u>	<u>\$ 117,898,354</u>

B. Explanation of Differences Between Governmental Fund Operating Statement and the Statement of Activities

The “net change in fund balances” for governmental funds \$850,889 differs from the “change in net position” for governmental activities (\$1,978,728) reported in the statement of activities. The differences arise primarily from the long-term economic focus of the statement of activities versus the current financial resources focus of the governmental funds. The effect of the differences is illustrated below.

Capital related items

When capital assets that are to be used in governmental activities are purchased or constructed, the resources expended for those assets are reported as expenditures in governmental funds. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives and reported as depreciation expense. As a result, fund balances decrease by the amount of financial resources expended, whereas net position decreases by the amount of depreciation expense charges for the year.

Capital outlay	\$ 5,254,656
Other additions	18,084
Reclassifications /deletions	(138,317)
Depreciation expense	<u>(7,333,093)</u>
Difference	<u>\$ (2,198,670)</u>

Repayments of debt principal are reported as an expenditure in the governmental funds and, thus, have the effect of reducing fund balance because current financial resources have been used. However, the principal payments reduce the liabilities in the statement of net position and do not result in an expense in the statement of activities.

Principal payments made	<u>\$ 65,995</u>
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Some expenses reported in the statement of activities do not require the use of current financial resources, therefore, are not reported as expenditures in governmental funds.

Net change in compensated absences	<u>\$ (18,120)</u>
Net change in landfill postclosure liability	<u>\$ 72,265</u>
Net change in pension related liabilities	<u>\$ (795,703)</u>
Deferred inflow of payment in lieu of taxes	<u>\$ 44,616</u>

Reclassification and Eliminations

Transfers in and transfers out in the amount of \$ 10,129,547 between governmental activities should be eliminated.

TAYLOR COUNTY, FLORIDA

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

B. Explanation of Differences Between Government Fund Operating Statements and the Statement of Activities

	Total Governmental Funds	Capital Related Items	Long-term Debt Transactions	Compensated Absences	Net Pension Liability Deferred Inflows/Outflows of Resources	Landfill Postclosure Liability	Reclassifications and Eliminations	Statement of Activities
REVENUES								
Taxes	\$ 14,163,528	\$ -	\$ -	\$ -	\$ 44,616	\$ -	\$ -	\$ 14,208,144
Licenses and permits	174,153	-	-	-	-	-	-	174,153
Intergovernmental	9,139,419	-	-	-	-	-	-	9,139,419
Charges for services	1,833,652	-	-	-	-	-	-	1,833,652
Fines and forfeitures	178,932	-	-	-	-	-	-	178,932
Special assessments	1,217,924	-	-	-	-	-	-	1,217,924
Interest	69,545	-	-	-	-	-	-	69,545
Miscellaneous	822,642	18,084	-	-	-	-	-	840,726
Total revenues	27,599,795	18,084	-	-	44,616	-	-	27,662,495
EXPENDITURES								
Current Expenditures								
General government	4,965,970	563,535	-	51,313	199,879	-	-	5,780,697
Public safety	8,229,475	536,422	-	(10,822)	384,430	-	-	9,139,505
Physical environment	1,371,469	107,659	-	(6,309)	61,691	(72,265)	-	1,462,245
Transportation	2,072,200	5,197,367	-	(16,062)	80,494	-	-	7,333,999
Economic environment	1,613,870	1,044	-	-	2,786	-	-	1,617,700
Human services	786,446	649,936	-	-	10,155	-	-	1,446,537
Culture/recreation	1,544,635	395,440	-	-	22,908	-	-	1,962,983
Court related	793,671	20,007	-	-	33,360	-	-	847,038
Capital outlay								
General government	68,892	(68,892)	-	-	-	-	-	-
Public safety	296,216	(296,216)	-	-	-	-	-	-
Physical environment	95,795	(95,795)	-	-	-	-	-	-
Transportation	3,458,251	(3,458,251)	-	-	-	-	-	-
Economic environment	102,412	(102,412)	-	-	-	-	-	-
Human services	1,055,454	(1,055,454)	-	-	-	-	-	-
Culture/recreation	171,405	(171,405)	-	-	-	-	-	-
Court related	6,231	(6,231)	-	-	-	-	-	-
Debt Service								
Principal	65,995	-	(65,995)	-	-	-	-	-
Interest	50,327	-	-	-	-	-	-	50,327
Total expenditures	26,748,714	2,216,754	(65,995)	18,120	795,703	(72,265)	-	29,641,031
Excess of revenues over (under) expenditures	851,081	(2,198,670)	65,995	(18,120)	(751,087)	72,265	-	(1,978,536)
OTHER FINANCING SOURCES (USES)								
Transfers in	10,129,547	-	-	-	-	-	(10,129,547)	-
Transfers out	(10,129,739)	-	-	-	-	-	10,129,547	(192)
Total other financing sources (uses)	(192)	-	-	-	-	-	-	(192)
Net change in fund balance	850,889	(2,198,670)	65,995	(18,120)	(751,087)	72,265	-	(1,978,728)
Fund balances at beginning of year	18,999,619	89,795,730	(5,720,644)	(663,790)	(7,566,392)	(72,265)	-	94,772,258
Fund balances at end of year	\$ 19,850,508	\$ 87,597,060	\$ (5,654,649)	\$ (681,910)	\$ (8,317,479)	\$ -	\$ -	\$ 92,793,530

NOTE 3. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgets and Budgetary Accounting

The County uses the following procedures in establishing the budgetary data reflected in the financial statements.

1. Prior to July 15, the Clerk of the Circuit Court serving as Budget Officer submits to the Board of County Commissioners a tentative budget for the fiscal year commencing October 1.
2. Public hearings are conducted by the Board of County Commissioners to obtain taxpayer comments.
3. Prior to September 30, the budget is legally enacted through passage of a resolution by the Board of County Commissioners.
4. The Board of County Commissioners is authorized to amend fixed appropriations by motion to the extent that appropriations do not exceed the total approved budget of the fund; or appropriate for the special purpose intended, reserves or unanticipated receipts. Appropriations lapse at year end. No supplemental appropriations were necessary during the year. Various such amendments were made during the year.
5. Formal budgetary integration is employed as a management control device in all governmental funds.
6. Governmental fund budgets are initially adopted on the modified accrual basis. The legally amended budgetary data presented in the accompanying financial statements for the fiscal year ending September 30, 2016, are shown on this basis of accounting. Therefore, the actual and budgetary data are on a comparable basis. The Enterprise Fund budget is adopted on the accrual basis.
7. Legal control of the budget is exercised pursuant to applicable provisions of *Florida Statutes*.
8. Appropriations for the County lapse at the close of the fiscal year.
9. The following is a comparison of the appropriations to total expenses for the proprietary fund for the fiscal year ended September 30, 2016.

	<u>Appropriations</u>	<u>Expenses</u>	<u>Variance Positive</u>
Primary Government			
Enterprise Funds:			
Airport Enterprise	<u>\$ 219,017</u>	<u>\$ 166,099</u>	<u>\$ 52,918</u>

NOTE 4. CASH AND CASH EQUIVALENTS

The County maintains a cash pool that is available for use by all funds except those whose cash and investments must be segregated due to bond covenants or other legal restrictions.

A. Deposits

At September 30, 2016, the carrying amount of the County's bank deposits was \$9,353,346. All deposits with financial institutions were 100% insured by federal depository insurance or by collateral provided by qualified public depositories to the State Treasurer pursuant to the Public Depository Security Act of the State of Florida. The Act established a Trust Fund, maintained by the State Treasurer, which is a multiple financial institution pool with the ability to assess its member financial institutions for collateral shortfalls if a member fails.

B. Investments

Florida Statutes, and various bond covenants authorize investments in certificates of deposit, money market accounts, savings accounts, repurchase agreements, the Local Government Surplus Funds Trust Fund, obligations by the Florida State Board of Administration, Florida Local Government Investment Trust Fund, obligations of the U.S. Government, obligations of government agencies unconditionally guaranteed by the U.S. Government, obligations of the Federal Home Loan Mortgage Corporation, including Federal Home Mortgage Corporation participation certificates, obligations of the Federal Home Loan Bank, obligations of the Government National Mortgage Association, obligations of the Federal National Mortgage Association and Securities of any management type investment company or investment trust registered under the Investment Company Act of 1940, 15 U.S.C. ss. 80a-1 et seq., provided the portfolio is limited to U.S. Government obligations and to repurchase agreements fully collateralized by U.S. Government obligations. The Board invested in only these types of instruments during the fiscal year.

In accordance with generally accepted accounting principles, the County's investments are categorized in the following schedule, if applicable, to give an indication of the level of custodial credit risk assumed at year end. Category 1 includes investments that are insured or registered, or for which the securities are held by the County or its agent in the County's name. In the current year, the County did not hold any such investments. Investments in the Local Government Surplus Funds Trust Fund, the Florida Local Government Investment Trust Fund, money market accounts and guaranteed investment contracts are not categorized since the investments are not evidenced by securities that exist in physical or book entry form.

Investments consist of amounts placed with the State Board of Administration for participation in the Local Government Surplus Funds Trust Fund investment pool created by Sections 218.405, *Florida Statutes*, the Florida Local Government Trust Fund, and those made locally. The local

investments operate under the guidelines established by Section 218.415, *Florida Statutes*. The County's investments in the Pool, which the State Board of Administration indicates is a Securities and Exchange Commission Rule 2a7-like external investment pool, as of September 30, 2016, are similar to money market funds in which shares are reported at fair value, which is amortized cost.

The Florida Trust Short Term Bond Fund, formerly the Florida Local Government Investment Trust Fund (FLGIT) is a professionally managed fund available only to public entities in Florida. The investment policy of the trust restricts investments to direct obligations of or securities fully guaranteed by the United States; obligations of certain federal agencies, including collateralized mortgage obligations; repurchase agreements; corporate bonds; and commercial paper. As of September 30, 2016, the Trust had investments, at fair value, of approximately \$915.56 million. Of the total investments in the Trust, 21.14% was invested in asset backed securities, 8.43% was invested in U.S. agency notes, 25.99% was invested in Corporate securities, 13.16% was invested in government related securities, 4.82% was invested in certificates of deposit, 20.42% was invested in U.S. Treasury notes, 2.97% was invested in municipal securities, .21% was invested in agency ARM pass, .51% was invested in money market funds, and 2.35% was invested in collateralized mortgage securities. The Florida Trust Day to Day Fund (the Fund) is a money market fund of the Florida Local Government Investment Trust. As of September 30, 2016, the fund had investments of \$474.16 million of which 31.85% were in repurchase agreements, 13.63% were in government related securities, 31.88% were in corporate securities, 10.09% were in commercial paper, 2.86% were in CMO's, 8.16% were in certificates of deposit, 1.25% were in asset backed securities, and .29% were in money market funds.

Schedule of Investments at September 30, 2016

Investment	Maturities	Fair Value/ Carrying Amount
State Board of Administration Local Government		
Local Government Surplus Trust Fund Florida PRIME	33 Day Average	\$ 5,762,399
Florida Local Government Investment Pool	1.61 Year Average	312,230
Florida Local Government Day to Day Fund	52.76 Day Average	4,054,547
Total investments		<u>\$ 10,129,177</u>

Interest Rate Risk

- Section 218.415(17), *Florida Statutes*, limits investment maturities to provide sufficient liquidity to pay obligations as they come due.
- The maturity of the State Board of Administration Local Government Investment Pool is based on the dollar weighted average of days to maturity (DWAM). A portfolio's WAM reflects the average maturity in days based on final maturity or reset date, in the case of floating rate instruments. WAM measures the sensitivity of the portfolio to interest rate changes.

Credit Risk

- Section 218.415(17), *Florida Statutes*, limits investments to the State Board of Administration Local Government Surplus Funds Trust Fund Investment Pool, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act as provided in Section 163.01, *Florida Statutes*; Securities and Exchange Commission (SEC) registered money market funds with the highest credit quality rating from a nationally recognized rating agency, interest-bearing time deposits in qualified public depositories, as defined in Section 280.02, *Florida Statutes*, and direct obligations to the United States Treasury. The County's investment policy limits investments to these types of securities.
- As of September 30, 2016, the County's investment in the Local Government Surplus Trust Fund Florida PRIME is rated AAAm by Standard & Poors. The Florida Trust Short Term Bond Fund, formerly referred to as the FLGIT, is rated AAAf and has a bond fund risk is S-1. The Florida Trust Day to Day Fund is rated AAAm by Standard & Poors.
- The County's investments in Certificates of Deposit and money market funds are in qualified public depositories.

Custodial Credit Risk

- Section 218.415(18), *Florida Statutes*, requires the County to earmark all investments and 1) if registered with the issuer or its agents, the investment must be immediately placed for safekeeping in a location that protects the governing body's interest in the security; 2) if in book entry form, the investment must be held for the credit of the governing body by a depository chartered by the Federal Government, the State, or any other state or territory of the United States which has a branch or principal place of business in this State, or by a national association organized and existing under the laws of the United States which is authorized to accept and execute trusts and which is doing business in this State, and must be kept by the depository in an account separate and apart from the assets of the financial institution; or 3) if physically issued to the holder but not registered with the issuer or its agents, must be immediately placed for safekeeping in a secured vault. All County investments complied with this provision of law.

There were no legal or contractual provisions regarding deposits and investments at year end.

NOTE 5. PROPERTY TAX REVENUES

Taxable values for all property are established as of January 1, which is the date of lien, for the fiscal year starting October 1. Property tax revenues recognized for the 2015-2016 fiscal year were levied in October 2015. All taxes are due and payable on November 1 or as soon as the assessment roll is certified and delivered to the Tax Collector. Discounts are allowed for early payment at the rate of 4% in November, 3% in December, 2% in January, and 1% in February.

Taxes paid in March are without discount. All unpaid taxes become delinquent as of April 1. Virtually all unpaid taxes are collected via the sale of tax certificates on or prior to June 1; therefore, there were no material taxes receivable at fiscal year end.

NOTE 6. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2016, was as follows:

Primary Government

	Beginning Balance	Additions	Reclassifications Deletions	Ending Balance
Governmental Activities				
Capital assets				
Land and improvements	\$ 23,362,021	\$ -	\$ (48,467)	\$ 23,313,554
Construction in progress	2,494,852	2,372,018	(152,303)	4,714,567
Infrastructure	87,635,278	972,633	(24,075)	88,583,836
Buildings	27,948,594	150,725	24,673	28,123,992
Equipment	16,069,782	1,592,463	(491,385)	17,170,860
Sheriff equipment	2,581,404	184,901	(358,524)	2,407,781
Total capital assets	160,091,931	5,272,740	(1,050,081)	164,314,590
Less accumulated depreciation				
Board of County Commissioners	(68,630,555)	(7,093,410)	589,429	(75,134,536)
Sheriff	(1,665,646)	(239,683)	322,333	(1,582,994)
Total accumulated depreciation	(70,296,201)	(7,333,093)	911,762	(76,717,530)
Governmental activities capital assets, net	\$ 89,795,730	\$ (2,060,353)	\$ (138,319)	\$ 87,597,060
Business type activities:				
Equipment	\$ 123,984	\$ 5,673	\$ -	\$ 129,657
Less accumulated depreciation	(62,390)	(32)	-	(62,422)
Business activities capital assets, net	\$ 61,594	\$ 5,641	\$ -	\$ 67,235

Depreciation expense was charged to functions/programs of the County as follows:

Governmental activities:	
General Government	\$ 425,218
Public Safety	536,422
Physical Environment	107,660
Transportation	5,197,367
Economic Environment	1,044
Human Services	649,935
Culture/Recreation	395,440
Court-related and other	20,007
Total depreciation expense-governmental activities	<u>\$ 7,333,093</u>
Business-type activities:	
Airport Enterprise	\$ 32
Total depreciation expense-business-type activities	<u>\$ 32</u>

NOTE 7. INTERFUND RECEIVABLES/PAYABLES

Balances at September 30, 2016, were:

<u>FUND</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General	\$ 1,483,456	\$ 181,392
Airport	384	390,500
Airport Enterprise	192	-
Hospital Debt Service	-	1,897,737
Hospital Sales Tax	1,897,737	-
Landfill	420	-
Municipal Services Benefit Unit	-	2,407
Municipal Services Taxing Unit	84,382	35,342
Road and Bridge	406,133	18,111
Secondary Road Projects	57,005	321,437
Small County Road Assistance	-	643,881
Small County Outreach Project	-	59,616
Solid Waste	17,117	5,934
Community Development Block Grant	-	127,972
Clerk Information Technology	89,346	-
Clerk Board of County Commissioners	-	61,200
Clerk Trust	-	89,346
Property Appraiser Operating	-	26,228
Sheriff Drug Task Force	11,234	-
Sheriff Operating	-	130,498
Supervisor Operating	-	15,922
Tax Collector Operating	-	39,883
Tax Collector Tax	4,150	-
Tax Collector Tag	-	4,150
Total	<u>\$ 4,051,556</u>	<u>\$ 4,051,556</u>

All balances are anticipated to be liquidated within the next fiscal year.

NOTE 8. INTERFUND TRANSFERS

Interfund transfers for the year ended September 30, 2016, consisted of the following:

Transfers from General Fund to:

Airport	\$ 192
Airport Enterprise	384
Landfill	420
Municipal Services Taxing Unit Fund	84,342
Road and Bridge Fund	62,157
Solid Waste Fund	10,070
Clerk Operating Fund	795,934
Property Appraiser Operating Fund	695,928
Sheriff Operating Fund	6,107,309
Sheriff Special Law Enforcement Trust Fund	3,083
Supervisor Operating Fund	435,471
Tax Collector Operating Fund	160,212

Transfers from Secondary Road Project to:

Road and Bridge Fund	321,437
MSBU	101,460

Transfers from Municipal Services Taxing Unit Fund to:

General Fund	26,851
Solid Waste Fund	7,047
Tax Collector Operating Fund	22,512

Transfers from Hospital Sales Tax Revenue Fund to:

Hospital Debt Service	1,164,338
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Transfers from Solid Waste Fund to :

Tax Collector Operating Fund	89,359
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Transfer from MSBU to :

Tax Collector Operating Fund	1,350
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Transfer from Tax Collector Operating to:

General Fund	39,883
Total transfers	<u>\$ 10,129,739</u>

Transfers are used to 1) move revenues from the fund that state law requires to collect them to the fund that state law requires to expend them, 2) provide matching funds for grants, and 3) use unrestricted general fund revenues to finance transportation activities which must be accounted for in another fund.

NOTE 9. RECEIVABLE AND PAYABLE BALANCES**Receivables**

Receivables at September 30, 2016, were as follows:

	<u>Accounts Receivable</u>	<u>Due from Other Governments</u>	<u>Total Receivables</u>
Governmental Activities:			
General	\$ 2,766	\$ 617,360	\$ 620,126
Hospital Sales Tax	-	237,120	237,120
Municipal Services	10	34,253	34,263
Road and Bridge	-	144,290	144,290
Solid Waste	1,350	8,567	9,917
Secondary Road Projects	-	80,454	80,454
Sheriff Operating	26,324	-	26,324
Other governmental	89,084	1,696,253	1,785,337
Total governmental activities	<u>\$ 119,534</u>	<u>\$ 2,818,297</u>	<u>\$ 2,937,831</u>
Business-type Activities:			
Airport Enterprise	\$ -	\$ -	\$ -
Total business-type activities	<u>\$ 119,534</u>	<u>\$ 2,818,297</u>	<u>\$ 2,937,831</u>

Payables

Payables at September 30, 2016, were as follows:

	Vendors	Accrued Wages and Benefits	Total
Governmental Activities:			
General	\$ 738,895	\$ 131,823	\$ 870,718
Hospital Sales Tax	23,199	-	23,199
Municipal Services	37,250	26,731	63,981
Road and Bridge	52,039	45,558	97,597
Secondary Road Projects	12,612	-	12,612
Solid Waste	75,127	14,043	89,170
Sheriff Operating	-	-	-
Other governmental	501,703	1,177	502,880
Total governmental activities	<u>\$ 1,440,825</u>	<u>\$ 219,332</u>	<u>\$ 1,660,157</u>
Business-type Activities:			
Airport Enterprise	\$ 9,228	\$ 213	\$ 9,441
Total business-type activities	<u>\$ 9,228</u>	<u>\$ 213</u>	<u>\$ 9,441</u>

NOTE 10. CAPITAL LEASES

A. Capital Lease Musco Finance

The Board entered into a lease with Musco Finance, LLC. on October 21, 2013. The lease in the amount of \$264,087 was used to finance a light structure system. The lease is being paid over four years at an interest rate of 3.95%. The following is a schedule of the future minimum lease payments under this capital lease:

Year Ending September 30	
2017	\$ 71,411
Total minimum lease payments	71,411
Less: amount representing interest	(8,178)
Total minimum lease payments	<u>\$ 68,649</u>

NOTE 11. LONG-TERM LIABILITIES

A. Governmental Activities

Note Payable – Whitney Bank D/B/A Hancock Bank

On August 25, 2015, the County entered into a loan agreement with the Hancock Bank in the amount of \$5,586,000 for the purpose of partially funding the payoff of the Sales Tax Revenue Bonds Series 2005 . The note is payable in annual installments over five years including interest at 1.34% and may be paid in full at any payment date. The note and the interest thereon are secured by a pledge of (1) the proceeds derived by the County from the levy and collection of a one-cent discretionary small county sales surtax pursuant to Chapter 212, *Florida Statutes*, and (2) until applied in accordance with the provisions of the Resolution, all moneys, including investments thereof, in certain funds and accounts created pursuant to the Resolution.

The scheduled payment of the principal and interest on the note is as follows:

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 2,982,000	\$ 54,873	\$ 3,036,873
2018	1,107,000	27,477	1,134,477
2019	1,118,000	12,569	1,130,569
2020	379,000	2,539	381,539
Total	<u>\$ 5,586,000</u>	<u>\$ 97,458</u>	<u>\$ 5,301,919</u>

B. Changes in Long-term Liabilities

Long-term liability activity for the year ended September 30, 2016, was as follows:

	<u>Balance 10/1/2015</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 9/30/2016</u>	<u>Due Within One Year</u>
Governmental Activities:					
Sales Tax Revenue Refunding Note Series 2015					
\$5.856 million note payable, due in annual installments including interest at 1.34%, collateralized by pledging Small County Surtax (Sales Tax) Revenue	\$ 5,586,000	\$ -	\$ -	\$ 5,586,000	\$ 2,982,000
Capital Lease - Musco Finance	134,644	-	(65,995)	68,649	68,649
Other liabilities :					
Landfill Closure Long-Term	72,265	-	(72,265)	-	-
Compensated Absences payable	663,790	-	18,120	681,910	102,287
County's proportionate share of FRS pension liability	7,713,468	6,038,708	-	13,752,176	2,046,411
	<u>\$ 6,456,699</u>	<u>\$ 6,038,708</u>	<u>\$ (120,140)</u>	<u>\$ 20,088,735</u>	<u>\$ 5,199,347</u>

NOTE 12. RELEASE OF OBLIGATION FOR LANDFILL CLOSURE COSTS

The Board closed the Taylor County Landfill on April 1, 1996.

Pursuant to an agreement dated August 4, 1997, between the County and the Department of Environmental Protection, the County demonstrated financial assurance for the Taylor County Landfill Closure.

Aucilla Area Solid Waste Administration (AASWA) collected a per ton surcharge of waste generated from Taylor County in accordance with a request from the Taylor County Board of County Commissioners. This surcharge revenue financed the long-term care costs of the Taylor County Landfill. The County was required to monitor the landfill for 20 years after closure. The surcharge revenue exceeded the annual cost of maintenance as projected by the engineers.

In April, 2016, subsequent to year end, the County was fully released from this obligation by the Florida Department of Environmental Services.

NOTE 13. RETIREMENT PLANS

Florida Retirement System:

General Information - All of the County's employees participate in the Florida Retirement System (FRS). As provided by Chapters 121 and 112, Florida Statutes, the FRS provides two cost sharing, multiple employer defined benefit plans administered by the Florida Department of Management Services, Division of Retirement, including the FRS Pension Plan ("Pension Plan") and the Retiree Health Insurance Subsidy ("HIS Plan"). Under Section 121.4501, Florida Statutes, the FRS also provides a defined contribution plan ("Investment Plan") alternative to the FRS Pension Plan, which is administered by the State Board of Administration ("SBA"). As a general rule, membership in the FRS is compulsory for all employees working in a regularly established position for a state agency, county government, district school board, state university, community college, or a participating city or special district within the State of Florida. The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 121, Florida Statutes, and Chapter 60S, Florida Administrative Code. Amendments to the law can be made only by an act of the Florida State Legislature.

The State of Florida annually issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. The latest available report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000, or from the Web site:

www.dms.myflorida.com/workforce_operations/retirement/publications.

Pension Plan

Plan Description – The Pension Plan is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (“DROP”) for eligible employees.

Benefits Provided - Benefits under the Pension Plan are computed on the basis of age, average final compensation, and service credit. For Pension Plan members enrolled before July 1, 2011, Regular class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. Vested members with less than 30 years of service may retire before age 62 and receive reduced retirement benefits. Special Risk Administrative Support class members who retire at or after age 55 with at least six years of credited service or 25 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. Special Risk class members (sworn law enforcement officers, firefighters, and correctional officers) who retire at or after age 55 with at least six years of credited service, or with 25 years of service regardless of age, are entitled to a retirement benefit payable monthly for life, equal to 3.0% of their final average compensation based on the five highest years of salary for each year of credited service. Senior Management Service class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 2.0% of their final average compensation based on the five highest years of salary for each year of credited service. Elected Officers’ class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 3.0% (3.33% for judges and justices) of their final average compensation based on the five highest years of salary for each year of credited service.

For Plan members enrolled on or after July 1, 2011, the vesting requirement is extended to eight years of credited service for all these members and increasing normal retirement to age 65 or 33 years of service regardless of age for Regular, Senior Management Service, and Elected Officers’ class members, and to age 60 or 30 years of service regardless of age for Special Risk and Special Risk Administrative Support class members. Also, the final average compensation for all these members will be based on the eight highest years of salary.

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the Pension Plan before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is three percent per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of three percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by three percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

In addition to the above benefits, the DROP program allows eligible members to defer receipt of monthly retirement benefit payments while continuing employment with a FRS employer for a period not to exceed 60 months after electing to participate. Deferred monthly benefits are held in the FRS Trust Fund and accrue interest. There are no required contributions by DROP participants

Contributions – Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants, are required to contribute three percent of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year. The employer contribution rates by job class for the periods from October 1, 2015 through June 30, 2016 and from July 1, 2016 through September 30, 2016, respectively, were as follows: Regular—7.26% and 7.52%; Special Risk Administrative Support—32.95% and 28.06%; Special Risk—22.04% and 22.57%; Senior Management Service—21.43% and 21.77%; Elected Officers—42.27% and 42.47%; and DROP participants—12.88% and 12.99%. These employer contribution rates include 1.66% and 1.66% HIS Plan subsidy for the periods October 1, 2015 through June 30, 2016 and from July 1, 2016 through September 30, 2016, respectively.

The County's contributions, including employee contributions, to the Pension Plan totaled \$1,165,852 for the fiscal year ended September 30, 2016.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2016, the County reported a liability of \$10,720,397 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of July 1, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. The County's proportionate share of the net pension liability was based on the County's 2015-16 fiscal year contributions relative to the 2014-15 fiscal year contributions of all participating members. At June 30, 2016, the County's proportionate share was .0425 percent, which was an increase of .0028 percent from its proportionate share measured as of June 30, 2015.

For the fiscal year ended September 30, 2016, the County recognized pension expense of \$672,342. In addition the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 820,836	\$ 99,814
Changes in assumptions	648,552	-
Net difference between projected and actual earnings on Pension Plan investments	4,931,779	2,160,687
Changes in proportion and differences between County Pension Plan contributions and proportionate share of contributions	1,199,266	624,314
County Pension Plan contributions subsequent to the measurement date	<u>322,722</u>	<u>-</u>
Total	<u>\$ 7,923,155</u>	<u>\$ 2,884,815</u>

The deferred outflows of resources related to the Pension Plan, totaling \$322,722 resulting from County contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

Fiscal Year Ending September 30	Amount
2016	\$ 649,553
2017	649,553
2018	1,879,907
2019	1,286,594
2020	189,241
Thereafter	<u>60,768</u>
	<u>\$ 4,715,617</u>

Actuarial Assumptions – The total pension liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumption, applied to all period included in the measurement:

Inflation	2.60 %
Salary increases	3.25%, average, including inflation
Investment rate of return	7.60%, net of pension plan investment expense, including inflation

Mortality rates were based on the Generational RP-2000 with Projection Scale BB tables.

The actuarial assumptions used in the July 1, 2016, valuation were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013.

The long-term expected rate of return on Pension Plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.00%	3.00%	3.00%	1.70%
Fixed income	18.00%	4.70%	4.60%	4.60%
Global equity	53.00%	8.10%	6.80%	17.20%
Real estate (property)	10.00%	6.40%	5.80%	12.00%
Private equity	6.00%	11.50%	7.80%	30.00%
Strategic investments	12.00%	6.10%	5.60%	11.10%
Total	100.00%			
Assumed Inflation - Mean			2.60%	1.90%

(1) As outlined in the Pension Plan's investment policy

Discount Rate - The discount rate used to measure the total pension liability was 7.60%. The Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculation the total pension liability is equal to the long-term expected rate of return.

Sensitivity of the County's Proportionate Share of the Net Position Liability to Changes in the Discount Rate - The following represents the County's proportionate share of the net pension liability calculated using the discount rate of 7.60%, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.60%) or one percentage point higher (8.60%) than the current rate:

	1% Decrease (6.60)	Current Discount Rate (7.60%)	1% Increase (8.60%)
County's proportionate share of the net pension liability	\$ 19,757,019	\$ 10,731,283	\$ (3,218,550)

Pension Plan Fiduciary Net Position - Detailed information regarding the Pension Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report.

Payables to the Pension Plan - At September 30, 2016, the County reported a payable in the amount of \$49,083 for outstanding contributions to the Pension Plan required for the fiscal year ended September 30, 2016.

HIS Plan

Plan Description – The HIS Plan is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

Benefits Provided – For the fiscal year ended September 30, 2016, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month. To be eligible to receive these benefits, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions – The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2016, the HIS contribution for the period October 1, 2014 through June 30, 2016 and from July 1, 2016 through September 30, 2016 was 1.66% and 1.66%, respectively. The County contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

The County's contributions to the HIS Plan totaled \$133,838 for the fiscal year ended September 30, 2016.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2016, the County reported a liability of \$3,043,175 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. The County's proportionate share of the net pension liability was based on the County's 2014-15 fiscal year contributions relative to the 2013-14 fiscal year contributions of all

participating members. At June 30, 2016, the County's proportionate share was .02611 percent, which was an increase of .00076 percent from its proportionate share measured as of June 30, 2015.

For the fiscal year ended September 30, 2016, the County recognized pension expense of \$127,055. In addition the County reported deferred outflows of resources and deferred in flows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 6,931
Changes in assumptions	477,551	-
Net difference between projected and actual earnings on HIS Plan investments	1,539	-
Changes in proportion and differences between County HIS Plan contributions and proportionate share of contributions	110,359	39,881
County HIS Plan contributions subsequent to the measurement date	36,839	-
Total	<u>\$ 626,288</u>	<u>\$ 46,812</u>

The deferred outflows of resources related to the HIS Plan, totaling \$36,839 resulting from County contributions to the HIS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense as follows:

Fiscal Year Ending September 30	Amount
2016	\$ 97,168
2017	97,168
2018	96,831
2019	96,669
2020	83,634
Thereafter	71,167
	<u>\$ 542,637</u>

Actuarial Assumptions – The total pension liability in the July 1, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60 %
Salary increases	3.25%, average, including inflation
Municipal bond rate	2.85 %

Mortality rates were based on the Generational RP-2000 with Projection Scale BB tables.

The actuarial assumptions used in the July 1, 2016, valuation were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013.

Discount Rate - The discount rate used to measure the total pension liability was 2.85%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the County's Proportionate Share of the Net Position Liability to Changes in the Discount Rate - The following represents the County's proportionate share of the net pension liability calculated using the discount rate of 2.85%, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (1.85%) or one percentage point higher (3.85%) than the current rate:

	1% Decrease (1.85%)	Current Discount Rate (2.85%)	1% Increase (3.85%)
County's proportionate share of the net pension liability	<u>\$ 3,491,212</u>	<u>\$ 3,043,174</u>	<u>\$ 2,671,327</u>

Pension Plan Fiduciary Net Position - Detailed information regarding the HIS Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report.

Payables to the Pension Plan - At September 30, 2016, the County reported a payable in the amount of \$6,067 for outstanding contributions to the HIS Plan required for the fiscal year ended September 30, 2016.

Investment Plan

The SBA administers the defined contribution plan officially titled the FRS Investment Plan. The investment Plan is reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. County employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the Pension Plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.04 percent of payroll and by forfeited benefits of plan members. Allocations to the investment member's accounts during the 2015-16 fiscal year, as established by Section 121.72, Florida Statutes, are based on a percentage of gross compensation, by class, as follows: Regular class 3.30%, Special Risk Administrative Support class 4.95%, Special Risk class 11.00%, Senior Management Service class 4.67% and County Elected Officers class 8.34%.

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the Pension Plan is transferred to the Investment Plan, the member must have the years of service required for

Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended September 30, 2016, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the County.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

The County's had no pension expense for the Investment Plan for the fiscal year ended September 30, 2016.

NOTE 14. FUND BALANCES GOVERNMENTAL FUNDS

As of September 30, 2016, fund balances of the governmental funds are classified as follows:

Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – amounts that can be used only for specific purposes determined by a formal action of the Board of County Commissioners(BCC). The BCC is the highest level of decision making authority for the County. Commitments may be established, modified, or rescinded only through resolutions approved by the BCC.

Assigned – amounts that do not meet the criteria to be classified as restricted or committed, but that are intended to be used for specific purposes. Under current practices, the assignment of amounts for specific purposes is approved by the Board of County Commissioners.

Unassigned – all other spendable amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the County considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the County considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions. The County does not have a formal fund balance policy.

The following schedule shows the restricted and assigned fund balances at September 30, 2016.

General Fund:	Restricted	Assigned
State Aid to Libraries Reserve	\$ 5,354	\$ -
Mosquito Control Reserve	619	-
Emergency 911 Reserve	34,743	-
Sheriff's Designated Reserves	223,398	-
Traffic Surcharge Reserve	6,816	-
Court Related Reserves	-	237,553
Heritage Pavilion	-	11,726
Tax Deed Excess Bid Reserve	100,810	-
911 Wireless Supplemental	222,464	-
911 Wireless /State	37,567	-
Sports Complex Donations Reserve	-	22,405
Sports Complex	-	58,597
Boat Ramp Reserve	-	162,032
Jail Maintenance Fund	-	119,665
Steinhatchee Donation Reserve	-	115,420
Traffic and SHIP Education	63,209	-
Total	<u>\$ 694,980</u>	<u>\$ 727,398</u>
Special Revenue Funds:		
Solid Waste Fund	\$ -	\$ 563,714
Municipal Services Taxing Unit		1,365,422
Road and Bridge Fund - Transportation	786,766	-
Hospital Sales Tax Fund		
Hospital related debt service and capital expenditures	-	2,377,320
Total	<u>\$ 786,766</u>	<u>\$ 4,306,456</u>
Debt Service Fund:		
Sales Tax Revenue Bonds	\$ -	\$ 1,121,725
Capital Projects Funds:		
Secondary Road projects	<u>\$ 2,007,475</u>	<u>\$ -</u>
Other Governmental Funds:		
	<u>\$ 1,265,923</u>	<u>\$ 1,024,379</u>
Total	<u>\$ 4,755,144</u>	<u>\$ 7,179,958</u>

NOTE 15. CONTINGENT LIABILITIES

Grants - Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the state and federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

Litigation - The County is defendant in various pending or threatened litigation. Although the outcome of these lawsuits is not presently determinable, in the opinion of the County Attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the County.

NOTE 16. USE OF ESTIMATES

The preparation of financial statements in conformity with GAAP requires management to make use of estimates that affect reported amounts in the financial statements. Actual results could differ from estimates.

NOTE 17. RISK MANAGEMENT

The County participates in various public entity risk pools for certain of its insurance coverages. Under these insurance risk pools, the County's entity risk pool pays annual premiums to the pools for its insurance coverages. The agreements for formation of the pools provide that the pools will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of specific amounts.

The County continues to carry commercial insurance for other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Certain of the pooling agreements allow for the pools to make additional assessments to make the pools self-sustaining. It is not possible to estimate the amount of such additional assessments, which might have to be paid by the County.

NOTE 18. CONSTRUCTION COMMITMENTS

During the year, the County had in progress several construction projects including road improvements and facilities renovations. At year end, the significant portion of these related construction commitments were completed and existing funds had been earmarked for any incomplete projects.

NOTE 19. JOINT VENTURES - AUCILLA AREA SOLID WASTE ADMINISTRATION

The Aucilla Area Solid Waste Administration is a separate entity created by an interlocal agreement between the following counties in Florida:

<u>County</u>	<u>Share</u>
Dixie	17.1%
Jefferson	21.8%
Madison	29.2%
Taylor	31.9%

The shares for the counties were based on their respective population and solid waste management use. The governing board for this entity is made up of one representative from each County. Each County Commission appoints one of its members as its representative to the Board of Aucilla Area Solid Waste Administration. The Board is responsible for oversight and administration of this entity. The joint venture started solid waste disposal operations in December 1992.

The County's share in Aucilla Area Solid Waste Administration's assets, liabilities and equity as of September 30, 2016, is as follows:

Assets	\$ 6,730,419
Deferred Outflows of Resources	40,124
Liabilities	(2,055,729)
Deferred Inflows of Resources	<u>(13,809)</u>
Net Position	<u>\$ 4,701,005</u>

During the fiscal year, the County paid dumping fees of \$ 309,485 to Aucilla Area Solid Waste Administration and as of September 30, 2016, owed the landfill \$ 110,929. Financial information including separately issued financial statements concerning this joint venture can be obtained from the Aucilla Area Solid Waste Administration.

In order to equalize transportation costs in transporting waste to the Aucilla Area Solid Waste Administration landfill, participating counties agreed to reimburse Dixie County for its additional mileage. The interlocal agreement provides that Dixie County will be compensated from the time the landfill opened. The County's share of the reimbursement cost, according to the agreement, is not to exceed \$44,000 per year. These transportation costs are paid with landfill surcharge fees paid by the County residents and are reflected as a liability on the accompanying financial statements.

NOTE 20. OTHER POST-EMPLOYMENT BENEFITS PLAN (OPEB)

The County is legally required to include any retirees for whom it provides health insurance coverage in the same insurance pool as its active employees, whether the premiums are paid by the County or the retiree. Participating retirees are considered to receive a secondary benefit known as an "implicit rate subsidy." This benefit relates to the assumption that the retiree is receiving a more favorable premium rate than they would otherwise be able to obtain if purchasing insurance on their own, due to being included in the same pool with the county younger and statistically healthier active employees. GASB Statement 45 requires governments to report this cost and related liability in its financial statements.

Due to the fact that no retirees participated in the plan during the year and that it is anticipated that this situation will continue in the future because most employees work until they are eligible for Medicare benefits, management had determined that the County's OPEB obligation at year end would be of a de minimis amount. Management will monitor this situation in the future and take appropriate steps to properly comply with this GASB Statement.

NOTE 21. FUND BALANCE DEFICIT

The following fund had a fund balance deficit at year end:

Fund	Deficit
Small County Road Assistance Project	\$ (130,726)

NOTE 22. STATE LOCAL HOUSING ASSISTANCE PROGRAM

The following schedule is a statement of SHIP Fund revenues and expenditures by program year.

	SHIP Program Year Ended						
	2009	2012	2013	2014	2015	2016	Total
REVENUES							
Intergovernmental revenue	\$ 36,092	\$ -	\$ 300	\$ 972	\$ 101,001	\$ 211,328	\$ 349,693
Interest	78	94	62	28	161	76	499
Total revenues	36,170	94	362	1,000	101,162	211,404	350,192
EXPENDITURES							
Current Expenditures							
Economic environment	53,610	60	18,535	15,521	101,002	211,329	400,057
Total expenditures	53,610	60	18,535	15,521	101,002	211,329	400,057
Excess of revenues over (under) expenditures	(17,440)	34	(18,173)	(14,521)	160	75	(49,865)
OTHER FINANCING SOURCES (USES)							
Interfund transfers in	-	-	-	-	-	-	-
Interfund transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Net change in fund balances	(17,440)	34	(18,173)	(14,521)	160	75	(49,865)
Fund balances beginning of year	54,136	50,571	33,219	15,149	433	-	153,508
Fund balances end of year	\$ 36,696	\$ 50,605	\$ 15,046	\$ 628	\$ 593	\$ 75	\$ 103,643

REQUIRED SUPPLEMENTARY INFORMATION

**TAYLOR COUNTY, FLORIDA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2016**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES				
Taxes	\$ 9,928,396	9,928,396	\$ 9,563,507	\$ (364,889)
Intergovernmental	3,244,995	3,795,203	3,394,787	(400,416)
Charges for services	271,300	271,300	304,932	33,632
Fines and forfeitures	9,000	9,000	20,880	11,880
Miscellaneous	51,324	91,324	305,914	214,590
Special assessments	120,134	120,134	125,738	5,604
Interest	25,000	25,000	42,582	17,582
Total revenues	13,650,149	14,240,357	13,758,340	(482,017)
EXPENDITURES				
Current expenditures				
General government	2,041,099	2,113,275	1,747,209	366,066
Public safety	1,175,783	1,446,222	1,120,614	325,608
Physical environment	217,170	218,036	196,858	21,178
Transportation	237,385	272,385	-	272,385
Economic environment	585,429	751,974	518,242	233,732
Human services	469,003	580,696	570,936	9,760
Culture / recreation	836,779	1,657,283	1,537,153	120,130
Court-related	417,561	446,545	122,348	324,197
Capital outlay				
General government	232,000	231,300	5,297	226,003
Public safety	26,772	14,257	7,694	6,563
Physical environment	-	30,000	35,000	(5,000)
Transportation	-	105,000	65,066	39,934
Economic environment	-	25,186	24,119	1,067
Culture / recreation	260,523	661,855	171,405	490,450
Court-related	1,726	7,957	6,231	1,726
Debt service				
Principal	65,995	65,995	65,995	-
Interest	5,416	5,416	5,416	-
Total expenditures	6,572,641	8,633,382	6,199,583	2,433,799
Excess of revenues over expenditures	7,077,508	5,606,975	7,558,757	1,951,782
OTHER FINANCING SOURCES (USES)				
Interfund transfers in	54,000	54,000	26,851	(27,149)
Interfund transfers out	(8,475,352)	(8,673,359)	(8,355,503)	317,856
Total other financing sources (uses)	(8,421,352)	(8,619,359)	(8,328,652)	290,707
Net change in fund balance	(1,343,844)	(3,012,384)	(769,895)	2,242,489
Fund balance at beginning of year	9,897,152	9,897,152	9,897,152	-
Fund balance at end of year	\$ 8,553,308	\$ 6,884,768	\$ 9,127,257	\$ 2,242,489

See notes to financial statements.

**TAYLOR COUNTY, FLORIDA
ROAD AND BRIDGE FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2016**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Taxes	\$ 765,000	\$ 765,000	\$ 778,250	\$ 13,250
Licenses and permits	200	200	165	(35)
Intergovernmental	740,500	740,500	797,157	56,657
Miscellaneous	15,000	15,000	23,797	8,797
Interest	1,001	1,001	1,381	380
Total revenues	1,521,701	1,521,701	1,600,750	79,049
EXPENDITURES				
Current expenditures				
Transportation	2,784,689	2,788,857	1,990,920	797,937
Capital outlay				
Transportation	260,000	255,832	177,020	78,812
Total expenditures	3,044,689	3,044,689	2,167,940	876,749
Excess of revenues over expenditures	(1,522,988)	(1,522,988)	(567,190)	955,798
OTHER FINANCING SOURCES (USES)				
Interfund transfers in	687,987	687,987	383,593	(304,394)
Total other financing sources (uses)	687,987	687,987	383,593	(304,394)
Net change in fund balance	(835,001)	(835,001)	(183,597)	651,404
Fund balance at beginning of year	1,180,890	1,180,890	1,180,890	-
Fund balance at end of year	\$ 345,889	\$ 345,889	\$ 997,293	\$ 651,404

See notes to financial statements.

**TAYLOR COUNTY, FLORIDA
MUNICIPAL SERVICES FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2016**

	Budgeted Amounts		Actual	Final Budget
	Original	Final	Amounts	Positive (Negative)
REVENUES				
Taxes	\$ 1,289,123	\$ 1,289,123	\$ 1,246,457	\$ (42,666)
Licenses and permits	132,000	132,000	173,988	41,988
Intergovernmental	67,200	78,733	80,131	1,398
Charges for services	8,100	8,100	7,468	(632)
Miscellaneous	1,600	37,985	41,818	3,833
Interest	2,000	2,000	5,239	3,239
Total revenues	<u>1,500,023</u>	<u>1,547,941</u>	<u>1,555,101</u>	<u>7,160</u>
EXPENDITURES				
Current expenditures				
General government	197,885	201,122	179,349	21,773
Public safety	1,112,425	1,136,516	1,020,253	116,263
Human services	176,786	228,882	189,855	39,027
Capital outlay				
General government	1,500	1,500	3,036	(1,536)
Public safety	-	103,487	69,987	33,500
Human services	-	46,413	80,612	(34,199)
Total expenditures	<u>1,488,596</u>	<u>1,717,920</u>	<u>1,543,092</u>	<u>174,828</u>
Excess of revenues over expenditures	<u>11,427</u>	<u>(169,979)</u>	<u>12,009</u>	<u>181,988</u>
OTHER FINANCING SOURCES (USES)				
Interfund transfers in	83,247	83,247	84,342	1,095
Interfund transfers out	<u>(80,634)</u>	<u>(80,634)</u>	<u>(56,409)</u>	<u>24,225</u>
Total other financing sources (uses)	<u>2,613</u>	<u>2,613</u>	<u>27,933</u>	<u>25,320</u>
Net change in fund balance	<u>14,040</u>	<u>(167,366)</u>	<u>39,942</u>	<u>207,308</u>
Fund balance at beginning of year	<u>1,325,480</u>	<u>1,325,480</u>	<u>1,325,480</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,339,520</u>	<u>\$ 1,158,114</u>	<u>\$ 1,365,422</u>	<u>\$ 207,308</u>

See notes to financial statements.

TAYLOR COUNTY, FLORIDA

HOSPITAL SALES TAX FUND

**STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL**

For the Fiscal Year Ended September 30, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Taxes	\$ 2,200,000	\$ 2,200,000	\$ 2,321,253	\$ 121,253
Miscellaneous	-	-	158,096	158,096
Interest	-	-	3,924	3,924
Total revenues	2,200,000	2,200,000	2,483,273	283,273
EXPENDITURES				
Current expenditures				
General government	1,808,036	1,808,036	2,500	1,805,536
Human services	-	40,460	25,655	14,805
Capital outlay				
Human services	-	1,165,352	974,842	190,510
Total expenditures	1,808,036	3,013,848	1,002,997	2,010,851
Excess of revenues over expenditures	391,964	(813,848)	1,480,276	2,294,124
OTHER FINANCING SOURCES (USES)				
Interfund transfers out	(1,164,338)	(1,164,338)	(1,164,338)	-
Total other financing sources (uses)	(1,164,338)	(1,164,338)	(1,164,338)	-
Net change in fund balance	(772,374)	(1,978,186)	315,938	2,294,124
Fund balance at beginning of year	2,061,382	2,061,382	2,061,382	-
Fund balance at end of year	\$ 1,289,008	\$ 83,196	\$ 2,377,320	\$ 2,294,124

See notes to financial statements.

TAYLOR COUNTY, FLORIDA
SOLID WASTE FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Taxes	\$ 15,000	\$ 15,000	\$ 14,772	\$ (228)
Intergovernmental	27,948	27,948	10,712	(17,236)
Miscellaneous	-	-	144,303	144,303
Special assessments	1,065,776	1,065,776	1,037,858	(27,918)
Interest	1,000	1,000	1,777	777
Total revenues	1,109,724	1,109,724	1,209,422	99,698
EXPENDITURES				
Current expenditures				
Physical environment	1,427,621	1,427,621	1,076,261	351,360
Capital outlay				
Physical environment	-	-	-	-
Total expenditures	1,427,621	1,427,621	1,076,261	351,360
Excess of revenues over expenditures	(317,897)	(317,897)	133,161	451,058
OTHER FINANCING SOURCES (USES)				
Interfund transfers in	10,000	10,000	17,117	7,117
Interfund transfers out	(89,603)	(89,603)	(89,359)	244
Total other financing sources (uses)	(79,603)	(79,603)	(72,242)	7,361
Net change in fund balance	(397,500)	(397,500)	60,919	458,419
Fund balance at beginning of year	502,795	502,795	502,795	-
Fund balance at end of year	\$ 105,295	\$ 105,295	\$ 563,714	\$ 458,419

See notes to financial statements.

**TAYLOR COUNTY, FLORIDA
SHERIFF
OPERATING FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL**

For the Fiscal Year Ended September 30, 2016

	Operating Fund		
	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Charges for services	\$ 266,525	\$ 40,119	\$ (226,406)
Sale of general fixed assets	-	12,445	12,445
Miscellaneous	125	42,561	42,436
Total revenues	266,650	95,125	(171,525)
EXPENDITURES			
Public Safety			
Law enforcement			
Personnel services	3,167,594	2,929,544	238,050
Operating expenses	366,800	582,381	(215,581)
Capital outlay	18,470	304,351	(285,881)
Total law enforcement	3,552,864	3,816,276	(263,412)
Detention and correction			
Personnel services	2,145,550	1,737,522	408,028
Operating expenses	437,192	478,362	(41,170)
Capital outlay	5,200	20,550	(15,350)
Total detention and correction	2,587,942	2,236,434	351,508
Total expenditures	6,140,806	6,052,710	88,096
Excess of revenues over (under) expenditures	(5,874,156)	(5,957,585)	(83,429)
OTHER FINANCING SOURCES			
Transfers from Board of County Commissioners	5,874,156	5,957,585	83,429
Total other financing sources	5,874,156	5,957,585	83,429
Net change in fund balance	-	-	-
Fund balance at beginning of year	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ -

See notes to financial statements.

TAYLOR COUNTY, FLORIDA

**TAX COLLECTOR
OPERATING FUND**

**STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL**

For the Fiscal Year Ended September 30, 2016

	Operating Fund			Variance
	Original Budget	Final Budget	Actual	Positive (Negative)
REVENUES				
Charges for services	\$ 755,716	\$ 755,716	803,621	\$ 47,905
Miscellaneous	1,089	1,089	1,089	-
Total revenues	<u>756,805</u>	<u>756,805</u>	<u>804,710</u>	<u>47,905</u>
EXPENDITURES				
General government				
Current expenditures	1,015,479	1,005,629	1,013,690	(8,061)
Capital outlay	15,000	24,850	24,811	39
Total expenditures	<u>1,030,479</u>	<u>1,030,479</u>	<u>1,038,501</u>	<u>(8,022)</u>
Excess of revenues over (under) expenditures	<u>(273,674)</u>	<u>(273,674)</u>	<u>(233,791)</u>	<u>39,883</u>
OTHER FINANCING SOURCES (USES)				
Transfers from Board of County Commissioners	273,674	273,674	273,674	-
Transfer to Board of County Commissioners	-	-	(39,883)	(39,883)
Total other financing sources (uses)	<u>273,674</u>	<u>273,674</u>	<u>233,791</u>	<u>(39,883)</u>
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See notes to financial statements.

TAYLOR COUNTY, FLORIDA

HOSPITAL DEBT SERVICE FUND

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

For the Fiscal Year Ended September 30, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Interest	\$ -	\$ -	\$ 1,538	\$ 1,538
EXPENDITURES				
Debt service				
Principal	1,082,000	1,082,000	-	1,082,000
Interest	82,338	82,338	44,911	37,427
Total expenditures	1,164,338	1,164,338	44,911	1,119,427
Excess of revenues over expenditures	(1,164,338)	(1,164,338)	(43,373)	1,120,965
OTHER FINANCING SOURCES (USES)				
Interfund transfers in	1,164,338	1,164,338	1,164,338	-
Total other financing sources (uses)	1,164,338	1,164,338	1,164,338	-
Net change in fund balance	-	-	1,120,965	1,120,965
Fund balance at beginning of year	760	760	760	-
Fund balance at end of year	\$ 760	\$ 760	\$ 1,121,725	\$ 1,120,965

See notes to financial statements.

TAYLOR COUNTY, FLORIDA

SECONDARY ROAD PROJECTS FUND

**STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

For the Fiscal Year Ended September 30, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Intergovernmental	\$ 890,000	\$ 890,000	\$ 952,284	\$ 62,284
Interest	-	-	10,131	10,131
Total revenues	890,000	890,000	962,415	72,415
EXPENDITURES				
Transportation				
Capital outlay	1,164,973	1,094,268	57,181	1,037,087
Total expenditures	1,164,973	1,094,268	57,181	1,037,087
Excess of revenues over expenditures	(274,973)	(204,268)	905,234	1,109,502
OTHER FINANCING SOURCES (USES)				
Interfund transfers out	(625,027)	(726,487)	(422,897)	303,590
Total other financing sources (uses)	(625,027)	(726,487)	(422,897)	303,590
Net change in fund balance	(900,000)	(930,755)	482,337	1,413,092
Fund balance at beginning of year	1,525,138	848,192	1,525,138	-
Fund balance at end of year	\$ 625,138	\$ (82,563)	\$ 2,007,475	\$ 1,413,092

See notes to financial statements.

TAYLOR COUNTY, FLORIDA

SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

FLORIDA RETIREMENT SYSTEM

LAST THREE FISCAL YEARS

	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's proportion of the net pension liability			
Retirement	0.0425%	0.0397%	.0387%
Health insurance subsidy	0.0261%	0.0254%	.0248%
 County's proportionate share of the net pension liability			
Retirement	\$ 10,720,397	\$ 5,131,091	\$ 2,322,814
Health insurance subsidy	<u>3,043,175</u>	<u>2,585,580</u>	<u>2,320,521</u>
Total	<u>\$ 13,763,572</u>	<u>\$ 7,716,671</u>	<u>\$ 4,643,335</u>
 County's covered payroll	 \$ 8,413,619	 \$ 8,093,506	 \$ 7,749,485
 County's proportionate share of the net pension liability as a percentage of its covered employee payroll	 163.59%	 95.34%	 59.92%
 Plan fiduciary net position as a percentage of the total pension liability	 84.88%	 92.00%	 96.09%

GASB 68 requires information for 10 years. Until a full 10 year trend has been compiled, only those years for which information is available has been presented.

See notes to financial statements.

TAYLOR COUNTY, FLORIDA
SCHEDULE OF THE COUNTY'S CONTRIBUTIONS
FLORIDA RETIREMENT SYSTEM
LAST THREE FISCAL YEARS

	2016	2015	2014
Contractually required contributions			
Pension plan	\$ 1,165,852	\$ 1,093,298	\$ 979,174
Health insurance subsidy	133,838	177,844	99,829
	<u>\$ 1,299,690</u>	<u>\$ 1,271,142</u>	<u>\$ 1,079,003</u>
Contributions in relation to the contractually required contributions	\$ 1,299,690	\$ 1,271,142	\$ 1,079,003
Contribution deficiency	\$ -	\$ -	\$ -
County's covered employee payroll	\$ 8,413,619	\$ 8,093,506	\$ 7,749,584
Contributions as a percentage of covered employee payroll	15.45%	15.71%	13.92%

GASB 68 requires information for 10 years. Until a full 10 year trend has been compiled, only those years for which information is available has been presented.

See notes to financial statements.

TAYLOR COUNTY, FLORIDA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

For the Fiscal Year Ended September 30, 2016

A. Budgetary Information:

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

The County generally follows these procedures in establishing the budgetary data for the governmental and enterprise funds as reflected in the financial statements.:

1. Prior to September 30, the Clerk of the Circuit Court, serving as Budget Officer submits to the Board of County Commissioners a tentative budget for the fiscal year commencing the following October. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted by the Board of County Commissioners to obtain taxpayer comments.
3. Prior to September 30, the budget is legally enacted through passage of a resolution by the Board of County Commissioners.
4. The Constitutional Officers submit, at various times, to the Board and to certain divisions within the Department of Revenue, State of Florida, a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them, as set forth in chapter 129 of Florida Statutes.
5. The Department of Revenue, State of Florida, has the final authority on the operating budgets for the Tax Collector and the Property Appraiser, which are classified as separate special revenue funds.
6. The Board of County Commissioners is authorized to amend fixed appropriations by motion to the extent that appropriations do not exceed the total approved budget of the fund, or appropriate for special purpose intended, reserves or unanticipated receipts. Appropriations lapse at year end. No supplemental appropriations were necessary during the year. Various such amendments were made during the year.
7. Formal budgetary integration is employed as a management control device in all governmental funds.
8. Governmental fund budgets are initially adopted on the modified accrual basis. The legally amended budgetary data presented in the accompanying financial statements for the fiscal year ending September 30, 2016, are shown on this basis of accounting. Therefore, the actual and budgetary data are on a comparable basis. The Enterprise Fund budget is adopted on the accrual basis except that depreciation is not budgeted.
9. Legal control of the budget is exercised pursuant to applicable provisions of Florida Statutes.
10. Appropriations for the County lapse at the close of the fiscal year.

TAYLOR COUNTY, FLORIDA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

For the Fiscal Year Ended September 30, 2016

B. Pension Plan:

Net Pension Liability

The components of the collective net pension liability of the participating employers for each defined benefit plan for the measurement date of September 30, 2016, are shown below (in thousands):

	FRS	HIS
Total Pension Liability	\$ 167,030,999	\$ 11,768,444
Plan Fiduciary Net Position	141,780,921	113,859
Net Pension Liability	<u>\$ 25,250,078</u>	<u>\$ 11,654,585</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	84.88%	0.97%

The total pension liability for each plan was determined by the plans' actuary and reported in the plans' valuations dated July 1, 2016. The fiduciary net position used by the actuary to determine the net pension liability (as shown above) was determined on the same basis used by the plan. The fiduciary net position is reported in the financial statements and the net pension liability is disclosed in the notes to the financial statements. Update procedures were not used.

The HIS actuarial valuation was prepared as of July 1, 2016, and update procedures were used to determine liabilities as of July 1, 2016. The fiduciary net position used by the actuary to determine the net pension liability (as shown above) was determined on the same basis used by the Plan. The fiduciary net position is reported in the financial statements and the net pension liability is disclosed in the notes to the financial statements.

Basis for Allocation

The employer's proportionate share reported in the pension allocation schedules was calculated using accrued retirement contributions related to the reporting periods included in the System's fiscal years ending June 30, 2014, 2015 and 2016, respectively, for employers that were members of the FRS and HIS during those fiscal years. For fiscal year 2016, in addition to contributions from employers the required accrued contributions for the Division (paid on behalf of the Division's employees who administer the Plans) were allocated to each employer on a proportionate basis. The Division administers the Plans, and therefore, cannot allocate a portion of the liability to itself. Although GASB 68 encourages the use of the employers' projected long-term contribution effort to the retirement plan, allocating on the basis of historical employer contributions is acceptable. The aggregate employer contribution amounts for each fiscal year agree to the employer contribution amounts reported in the system's CAFR for that fiscal year.

The proportion calculated based on contributions for each of the fiscal years presented in the pension allocation schedules was applied to the net pension liability and other pension amounts applicable for that

fiscal year to determine each employer's proportionate share of the liability, deferred outflows of resources, deferred inflow of resources and associated pension expense.

For the purposes of the pension allocation schedules, pension amounts are allocated to reporting employers. The pension amounts of participating employers whose payrolls are reported and contributions are remitted by another entity are included in the reporting employer's amounts and will be allocated to the participating employer by the reporting employer.

Actuarial Methods and Assumptions

Actuarial assumptions for both cost-sharing defined benefit plans are reviewed annually by the Florida Retirement System Actuarial Assumptions Conference. The FRS Pension Plan has a valuation performed annually. The HIS Program has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The most recent experience study for the FRS Pension Plan was completed in 2014 for the period July 1, 2008 through June 30, 2013. Because the HIS Program is funded on a pay-as-you-go basis, no experience study has been completed for that program. The actuarial assumptions that determined the total pension liability for the HIS Program were based on certain results of the most recent experience study for the FRS Pension Plan.

The total pension liability for each cost-sharing defined benefit plan was determined using the individual entry age actuarial cost method. Inflation increases for both Plans is assumed at 2.60%. Payroll growth, including inflation, for both Plans is assumed at 3.25%. Both the discount rate and the long-term expected rate of return used for FRS Pension Plan investments is 7.60%. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return of 7.60%.

Because the HIS Program uses a pay-as-you-go funding structure, a municipal bond rate of 2.85% was used to determine the total pension liability for the program (Bond Buyer General Obligation 20-Bond Municipal Bond Index). Mortality assumptions for both Plans were based on the Generational RP-2000 with Projection Scale BB tables (refer to the valuation reports for more information – See Additional Financial and Actuarial Information).

The following changes in actuarial assumptions occurred in 2016:

- FRS: The inflation rate assumption remained at 2.60%, the real payroll growth assumption remained at 0.65%, and the overall payroll growth rate assumption remained at 3.25%. The long-term expected rate of return decreased from 7.65% in 2015 to 7.60% for 2016.
- HIS: The municipal bonds rate used to determine total pension liability was decreased from 3.80% to 2.85%.

COMBINING STATEMENTS

**TAYLOR COUNTY, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
September 30, 2016**

Special Revenue Funds

	Clerk of the Circuit Court								Property Appraiser	Sheriff				
	Clerk Operating	Clerk Court	Clerk CSE Incentive	Clerk CSE Reimbursement	Information Technology	Public Records Modernization	State Court	Teen Court		Drug Task Force Grant	Inmate Welfare	Local Law Enforcement Block Grant	Nongrant Forfeiture	Special Law Enforcement Trust
ASSETS														
Current assets														
Cash	\$ 104,337	\$ 4,186	\$ 16,188	\$ 300,261	\$ 43,382	\$ -	\$ 2,000	\$ 23,596	\$ 26,228	\$ 6,913	\$ 80,318	\$ 3,064	5,041	\$ -
Accounts receivable	-	-	-	-	-	-	-	-	-	-	7,316	-	-	5,799
Due from other funds	-	-	-	-	89,346	-	-	-	-	11,234	-	-	-	-
Due from other governmental units	-	-	-	13,594	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	380,008	-	-	-	-	-	-	-	-	-	-
Total assets	\$ 104,337	\$ 4,186	\$ 16,188	\$ 693,863	\$ 132,728	\$ -	\$ 2,000	\$ 23,596	\$ 26,228	\$ 18,147	\$ 87,634	\$ 3,064	\$ 5,041	\$ 5,799
LIABILITIES AND FUND BALANCES														
LIABILITIES														
Current liabilities														
Accounts payable	\$ 42,937	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,848
Due to other funds	61,200	-	-	-	-	-	-	-	26,228	-	-	-	-	-
Due to other governmental units	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accrued wages	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revenues collected in advance	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other current liabilities	200	-	-	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	104,337	-	-	-	-	-	-	-	26,228	-	-	-	-	2,848
FUND BALANCES														
Restricted	-	-	-	-	132,728	-	2,000	23,596	-	18,147	87,634	3,064	5,041	2,951
Assigned	-	4,186	16,188	693,863	-	-	-	-	-	-	-	-	-	-
Total fund balances	-	4,186	16,188	693,863	132,728	-	2,000	23,596	-	18,147	87,634	3,064	5,041	2,951
Total liabilities and fund balances	\$ 104,337	\$ 4,186	\$ 16,188	\$ 693,863	\$ 132,728	\$ -	\$ 2,000	\$ 23,596	\$ 26,228	\$ 18,147	\$ 87,634	\$ 3,064	\$ 5,041	\$ 5,799

See notes to financial statements.

**TAYLOR COUNTY, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
September 30, 2016**

	Special Revenue Funds							Capital Projects Funds						
Supervisor of Elections	Board of County Commissioners													Total Nonmajor governmental Funds
Supervisor	Community Development		Local		Tourist	Florida	Tourism	Small	Small	Small	FDOT			
Operating	Block Grant	Airport	Housing	MSBU	Trust	Landfill	Boating	Tax Infra-structure	Courthouse	County Road	County	Economic		
							Improvement		Facilities	Assistance	Outreach	Development		
ASSETS														
Cash	\$ 18,240	\$ -	\$ -	\$ 275,660	\$ 209,637	\$ 232,506	\$ 102,958	\$ 59,399	\$ 120,751	\$ 6,362	\$ -	\$ -	\$ 69,770	\$ 1,710,797
Accounts receivable	-	-	8,168	-	-	-	67,801	-	-	-	-	-	-	89,084
Due from other funds	-	-	384	-	-	-	420	-	-	-	-	-	-	101,384
Due from other governmental units	-	127,972	562,108	-	-	29,692	-	3,896	14,846	-	825,947	118,198	-	1,696,253
Investments	-	-	-	15,358	-	-	315,964	-	-	-	-	-	-	711,330
Total assets	\$ 18,240	\$ 127,972	\$ 570,660	\$ 291,018	\$ 209,637	\$ 262,198	\$ 487,143	\$ 63,295	\$ 135,597	\$ 6,362	\$ 825,947	\$ 118,198	\$ 69,770	4,308,848
LIABILITIES AND FUND BALANCES														
LIABILITIES														
Current liabilities														
Accounts payable	\$ -	\$ -	\$ 74,477	\$ 3,629	\$ 292	\$ -	\$ 6,146	\$ -	\$ -	\$ -	\$ 312,792	\$ 58,582	\$ -	501,703
Due to other funds	15,922	127,972	390,500	-	2,407	-	-	-	-	-	643,881	59,616	-	1,327,726
Due to other governmental units	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accrued wages	-	-	403	399	-	-	375	-	-	-	-	-	-	1,177
Revenues collected in advance	2,318	-	2,076	183,346	-	-	-	-	-	-	-	-	-	187,740
Other current liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	200
Total liabilities	18,240	127,972	467,456	187,374	2,699	-	6,521	-	-	-	956,673	118,198	-	2,018,546
FUND BALANCES														
Restricted	-	-	-	103,644	-	262,198	480,622	63,295	135,597	6,362	(130,726)	-	69,770	1,265,923
Assigned	-	-	103,204	-	206,938	-	-	-	-	-	-	-	-	1,024,379
Total fund balances	-	-	103,204	103,644	206,938	262,198	480,622	63,295	135,597	6,362	(130,726)	-	69,770	2,290,302
Total liabilities and fund balances	\$ 18,240	\$ 127,972	\$ 570,660	\$ 291,018	\$ 209,637	\$ 262,198	\$ 487,143	\$ 63,295	\$ 135,597	\$ 6,362	\$ 825,947	\$ 118,198	\$ 69,770	\$ 4,308,848

See notes to financial statements.

TAYLOR COUNTY, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES
For the Fiscal Year Ended September 30, 2016

	Special Revenue Funds													
	Clerk of the Circuit Court							Property Appraiser	Sheriff					
	Clerk of Courts Operating	Clerk Court	Clerk CSE Incentive	Clerk CSE Reimbursement	Information Technology	Public Records Modernization	State Court	Teen Court	Operating	Drug Task Force Grant	Inmate Welfare	Local Law Enforcement Block Grant	Nongrant Forfeiture	Special Law Enforcement Trust
REVENUES														
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue	-	73,125	431	80,811	-	9,897	-	-	-	21,040	-	-	-	-
Charges for services	120,130	275,112	-	-	19,436	-	-	5,364	-	-	55,083	92	645	-
Fines and forfeitures	-	150,575	-	-	-	-	-	-	-	-	-	-	-	7,477
Miscellaneous	2,239	-	32	2,049	69	35	2,000	64	-	-	-	778	-	-
Special assessments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total revenues	122,369	498,812	463	82,860	19,505	9,932	2,000	5,428	-	21,040	55,083	870	645	7,477
EXPENDITURES														
Current Expenditures														
General government	882,555	-	-	-	-	-	-	-	695,928	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-	21,495	37,117	196	-	5,440
Physical environment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Culture/recreation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Court-related	-	542,520	-	50,324	-	46,300	-	32,179	-	-	-	-	-	-
Capital outlay														
General government	35,748	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-	-	31,084	-	-	3,083
Physical environment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Culture/recreation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Court-related	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt service														
Principal	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	918,303	542,520	-	50,324	-	46,300	-	32,179	695,928	21,495	68,201	196	-	8,523
Excess of revenues over (under) expenditures	(795,934)	(43,708)	463	32,536	19,505	(36,368)	2,000	(26,751)	(695,928)	(455)	(13,118)	674	645	(1,046)
OTHER FINANCING SOURCES (USES)														
Interfund transfers in	795,934	-	-	-	-	-	-	-	695,928	-	-	-	-	3,083
Interfund transfers out	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	795,934	-	-	-	-	-	-	-	695,928	-	-	-	-	3,083
Net change in fund balances	-	(43,708)	463	32,536	19,505	(36,368)	2,000	(26,751)	-	(455)	(13,118)	674	645	2,037
Fund balances beginning of year	-	47,894	15,725	661,327	113,223	36,368	-	50,347	-	18,602	100,752	2,390	4,396	914
Fund balances end of year	\$ -	\$ 4,186	\$ 16,188	\$ 693,863	\$ 132,728	\$ -	\$ 2,000	\$ 23,596	\$ -	\$ 18,147	\$ 87,634	\$ 3,064	\$ 5,041	\$ 2,951
See notes to financial statements.														

**TAYLOR COUNTY, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES**

For the Fiscal Year Ended September 30, 2016

	Special Revenue Funds									Capital Projects Funds				
	Supervisor of Elections	Board of County Commissioners												
	Operating	Community Development Block Grant	Airport	Local Housing	MSBU	Tourist Development Trust	Landfill	Florida Boating Improvement	Tourism Tax Infra- structure	Small County Courthouse Facility	Small County Road Assistance	Small County Outreach	FDOT Economic Development	Total Nonmajor Governmental Funds
REVENUES														
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 159,526	\$ -	\$ -	\$ 79,763	\$ -	\$ -	\$ -	\$ -	\$ 239,289
Intergovernmental revenue	7,490	578,721	1,217,950	349,693	-	-	-	-	-	-	825,947	729,950	713	3,894,342
Charges for services	-	-	54,700	-	-	-	140,664	16,199	-	-	-	-	-	687,425
Fines and forfeitures	-	-	-	-	-	-	-	-	-	-	-	-	-	158,052
Miscellaneous	1,777	-	8,085	-	32	-	109,989	-	-	-	-	-	-	127,149
Special assessments	-	-	-	-	54,328	-	-	-	-	-	-	-	-	54,328
Interest	-	-	57	499	553	435	-	121	207	12	-	-	-	1,884
Total revenues	9,267	578,721	1,280,792	350,192	54,913	159,961	250,653	16,320	79,970	12	825,947	729,950	713	5,162,469
EXPENDITURES														
Current Expenditures														
General government	444,739	-	-	-	-	-	-	-	-	-	-	-	-	2,023,222
Public safety	-	-	-	-	-	-	-	-	-	-	-	-	-	64,248
Physical environment	-	-	-	-	-	-	98,350	-	-	-	-	-	-	98,350
Transportation	-	-	69,456	-	11,824	-	-	-	-	-	-	-	-	81,280
Economic environment	-	578,721	-	400,056	-	116,851	-	-	-	-	-	-	-	1,095,628
Culture/recreation	-	-	-	-	-	-	-	7,482	-	-	-	-	-	7,482
Court-related	-	-	-	-	-	-	-	-	-	-	-	-	-	671,323
Capital outlay														
General government	-	-	-	-	-	-	-	-	-	-	-	-	-	35,748
Public safety	-	-	-	-	-	-	-	-	-	-	-	-	-	34,167
Physical environment	-	-	-	-	-	-	60,795	-	-	-	-	-	-	60,795
Transportation	-	-	1,227,673	-	210,782	-	-	-	-	-	956,673	729,950	33,906	3,158,984
Economic environment	-	-	-	-	-	-	-	-	78,293	-	-	-	-	78,293
Culture/recreation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Court-related	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt Service														
Principal	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	444,739	578,721	1,297,129	400,056	222,606	116,851	159,145	7,482	78,293	-	956,673	729,950	33,906	7,409,520
Excess of revenues over (under) expenditures	(435,472)	-	(16,337)	(49,864)	(167,693)	43,110	91,508	8,838	1,677	12	(130,726)	-	34,619	(2,247,051)
OTHER FINANCING SOURCES (USES)														
Interfund transfers in	435,472	-	384	-	101,460	-	420	-	-	-	-	-	-	2,032,681
Interfund transfers out	-	-	-	-	(1,350)	-	-	-	-	-	-	-	-	(1,350)
Total other financing sources (uses)	435,472	-	384	-	100,110	-	420	-	-	-	-	-	-	2,031,331
Net change in fund balances	-	-	(15,953)	(49,864)	(67,583)	43,110	91,928	8,838	1,677	12	(130,726)	-	(34,619)	(215,720)
Fund balances beginning of year	-	-	119,157	153,508	274,521	219,088	388,694	54,457	133,920	6,350	-	-	104,389	2,506,022
Fund balances end of year	\$ -	\$ -	\$ 103,204	\$ 103,644	\$ 206,938	\$ 262,198	\$ 480,622	\$ 63,295	\$ 135,597	\$ 6,362	\$ (130,726)	\$ -	\$ 69,770	\$ 2,290,302

See notes to financial statements.

COMPLIANCE SECTION

**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**

**To the Board of County Commissioners
and Constitutional Officers
Taylor 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, the business-type activities, each major fund, and the aggregate remaining fund information of Taylor County, Florida, as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise Taylor County, Florida's basic financial statements, and have issued our report thereon dated February 21, 2017.

Internal Control Over Financial Reporting

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

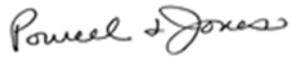
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not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

A handwritten signature in cursive script that reads "Powell & Jones".**POWELL & JONES**

Certified Public Accountants
February 21, 2017

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

**To the Board of County Commissioners
and Constitutional Officers
Taylor County, Florida**

Report on Compliance for Each Major Federal Program

We have audited the Taylor County, Florida's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Taylor County, Florida's major federal programs for the year ended September 30, 2016. Taylor County, Florida's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Taylor County, Florida's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Taylor County, Florida's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

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

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance.

Report on Internal Control over Compliance

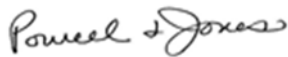
Management of the Taylor County, Florida, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Taylor County, Florida's internal control over

compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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 Taylor County, Florida's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Powell and Jones, CPA's
February 21, 2017

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD
HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR STATE PROJECT AND ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH CHAPTER 10.550, RULES OF
THE AUDITOR GENERAL, OFFICE OF THE AUDITOR GENERAL**

**To the Board of County Commissioners
and Constitutional Officers
Taylor County, Florida**

Report on Compliance for Each Major State Project

We have audited the compliance of Taylor County, Florida with the types of compliance requirements described in the State of Florida, Department of Financial Services State Projects Compliance Supplement, that could have a direct and material effect on its major State project for the year ended September 30, 2016. Taylor County, Florida's major State project is identified in the summary of auditors' results section of the accompanying Schedule of Findings.

Management's Responsibility

Taylor County, Florida's management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its major State project.

Auditor's Responsibility

Our responsibility is to express an opinion on Taylor County, Florida's compliance for each major State Project 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 State of Florida, Office of the Auditor General. Those standards and Chapter 10.550, Rules of the State of Florida, Office of the Auditor General, require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance 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 Taylor County, Florida'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 Taylor County, Florida's compliance.

Opinion on Each Major State Project

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

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance, which are required to be reported in accordance with Chapter 10.550, Rules of the State of Florida, Office of the Auditor General.

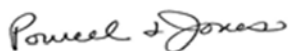
Internal Control Over Compliance

Management of Taylor County, Florida is responsible for establishing and maintaining effective internal control over the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Taylor County, Florida's internal control over compliance with the types of requirements that could have a direct and material effect on a 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 State of Florida, Office 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 Taylor County, Florida'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 preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. 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.

Pursuant to Chapter 119, *Florida Statutes*, this report is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this report is intended solely for the information and use of Taylor County, Florida's management, State awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



POWELL & JONES, CPAs

February 21, 2017

TAYLOR COUNTY FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
For The Fiscal Year Ended September 30, 2016

Federal and State Grantor/Pass Through Grantor Program Title	CFDA#	GRANT #	PROGRAM OR AWARD AMOUNT	REPORTED IN PRIOR YEARS	UNEARNED IN PRIOR YEARS	REVENUES RECOGNIZED	EXPENDITURES	UNEARNED REVENUES 9/30/2016
FEDERAL AWARDS								
US DEPARTMENT OF ECONOMIC DEVELOPMENT								
Community Development Block Grant	14.228	15DB -OJ-03-72-01-H-18	\$ 750,000	\$ 25,906	\$ -	\$ 578,721	\$ 578,721	\$ -
US DEPARTMENT OF INTERIOR								
<i>passed through Florida Department of Agriculture & Consumer Services/Division of Forestry</i>								
Title IV-D Volunteer Fire Assistance Grant	15.228	FY2016VFA	4,033	-	-	4,033	4,033	-
<i>passed through Florida Fish and Wildlife Service</i>								
Refuge Revenue Sharing	15.659	N/A	5,039	-	-	5,039	5,039	-
<i>passed through Florida Department of Environmental Protection</i>								
Keaton Beach Land and Water Conservation Fund Program	15.916	F10AC00513	25,000	-	-	10,590	10,590	-
			34,072	-	-	19,662	19,662	-
US DEPARTMENT OF JUSTICE								
<i>passed through Office of Justice Programs</i>								
Local Law Enforcement Block Grant	16.738	N/A	871	-	-	192	192	679
Byrne Formula Grant Program	16.738	2016-JAGC-TAYL-2-H3-212	21,040	-	-	21,040	21,040	-
			21,911	-	-	21,232	21,232	679
US DEPARTMENT OF TRANSPORTATION								
<i>passed through Florida Department of Transportation</i>								
Federal Aviation Admin - Airport Improvement Program	20.106	43135719415	219,105	79,905	-	123,781	123,781	-
Federal Aviation Admin - Apron Rehabilitation Phase 1	20.106	3-12-0064-014-2015	561,546	-	-	505,076	505,076	-
			780,651	79,905	-	628,857	628,857	-
US ELECTIONS ASSISTANCE COMMISSION								
<i>Passed through Florida Department of State</i>								
Help America Vote 13/14	90.401	N/A	2,109	16	2,093	2,093	2,093	-
Help America Vote 13/14 County match	90.401	N/A	316	-	316	316	316	-
Help America Vote 14/15	90.401	N/A	3,164	-	3,164	3,164	3,164	-
Help America Vote 14/15 County match	90.401	N/A	475	-	475	475	475	-
Help America Vote 15/16	90.401	N/A	2,030	-	-	1,442	1,442	588
Help America Vote 15/16 County match	90.401	N/A	304	-	-	-	-	304
Voting Systems Assistance Grant	90.401	2015-2016-0006-TAY	15,488	-	-	-	-	15,488
			23,886	16	6,048	7,490	7,490	16,380
FEDERAL OFFICE OF CHILD SUPPORT ENFORCEMENT								
<i>passed through Florida Department of Revenue</i>								
Title IV-D CSE Reimbursement	93.563	COC62	80,811	-	-	80,811	80,811	-
FEDERAL DEPARTMENT OF HOMELAND SECURITY								
<i>passed through Florida Division of Emergency Management</i>								
Emergency Management Performance Grant	97.042	15-FG-4D-03-72-01-129	55,314	46,446	8,868	8,868	8,868	-
Emergency Management Performance Grant	97.042	16-FG-5A-03-72-01-129	55,330	-	-	47,417	47,417	7,913
Homeland Security Grant	97.067	15-DS-P4-03-72-01-294	12,308	-	-	7,650	7,650	-
			122,952	46,446	8,868	63,935	63,935	7,913
Total federal awards			\$ 1,814,283	\$ 152,273	\$ 14,916	\$ 1,400,708	\$ 1,400,708	\$ 24,972

TAYLOR COUNTY FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
For The Fiscal Year Ended September 30, 2016

Federal and State Grantor/Pass Through Grantor Program Title	CSFA#	GRANT #	PROGRAM OR AWARD AMOUNT	REPORTED IN PRIOR YEARS	DEFERRED IN PRIOR YEARS	REVENUES RECOGNIZED	EXPENDITURES	UNEARNED REVENUES 9/30/2016
STATE FINANCIAL ASSISTANCE								
<i>Florida Division of Emergency Management</i>								
Emergency Management Programs	31.063	16-BG-83-03-72-01-062	\$ 105,806	\$ -	\$ -	\$ 96,113	\$ 96,113	\$ -
Emergency Management Programs	31.063	15-BG-83-03-72-01-062	105,806	96,446	-	9,360	9,360	-
FEMA RCMP Housing Grant	31.066	16RC-Q3-03-72-01-263	194,000	-	-	60,487	60,487	-
			<u>405,612</u>	<u>96,446</u>	<u>-</u>	<u>165,960</u>	<u>165,960</u>	<u>-</u>
<i>Department of Environmental Protection</i>								
Small County Solid Waste Grant Agreement	37.012	SC629	90,709	-	-	90,709	90,709	-
<i>Florida Housing Finance Corporation State Housing Initiatives Program</i>								
SHIP Funds 2008-2009	40.901	N/A	350,000	368,574	-	17,518	17,518	-
SHIP Funds 2011-2012	40.901	N/A	25,000	6,725	18,275	300	300	17,975
SHIP Funds 2013-2014	40.901	N/A	350,000	335,479	14,521	972	972	13,549
SHIP Funds 2014-2015	40.901	N/A	350,000	235,809	114,191	101,001	101,001	13,190
SHIP Funds 2015-2016	40.901	N/A	350,000	-	-	211,328	211,328	138,672
			<u>1,425,000</u>	<u>946,587</u>	<u>146,987</u>	<u>331,119</u>	<u>331,119</u>	<u>183,386</u>
<i>Department of Agriculture and Consumer Services</i>								
ZIKA Emergency Mosquito Control Grant	42.003	16-149	10,000	-	-	4,493	4,493	5,507
Arthropod Mosquito Control State Aid	42.003	15-16	31,540	-	-	31,540	31,540	-
Arthropod Mosquito Control State Aid	42.003	14-15	31,540	29,830	1,710	1,710	1,710	-
			<u>73,080</u>	<u>29,830</u>	<u>1,710</u>	<u>37,743</u>	<u>37,743</u>	<u>5,507</u>
<i>Department of State</i>								
State Aid to Libraries	45.030	N/A	74,932	-	-	74,932	74,932	-
<i>Florida Department of Transportation Commission for the Transportation Disadvantaged</i>								
Transportation Disadvantaged Grant	55.002	G0C84	19,214	-	-	6,147	6,147	-
Transportation Disadvantaged Grant	55.002	G0264	19,232	4,423	-	14,809	14,809	-
			<u>38,446</u>	<u>4,423</u>	<u>-</u>	<u>20,956</u>	<u>20,956</u>	<u>-</u>
<i>Aviation Grant Programs</i>								
Master Layout Plan	55.004	43202911401	24,345	13,032	-	11,313	11,313	-
Apron Rehabilitation Phase 2	55.004	43127419416	62,394	-	-	62,394	62,394	-
Solar Farm Feasibility Study	55.004	43928719416	19,135	-	-	15,308	15,308	-
Airfield Lighting Design and Upgrade	55.004	43670519416	111,963	-	-	60,772	60,772	-
Design Storage Hangar	55.004	21733259416	518,504	15,305	-	439,306	439,306	-
			<u>736,341</u>	<u>28,337</u>	<u>-</u>	<u>589,093</u>	<u>589,093</u>	<u>-</u>
<i>Small County Outreach Program</i>								
Roberts Aman Road	55.009	ARB15	869,949	258,197	-	611,752	611,752	-
East Ellison Road	55.009	ARC92	254,856	-	-	221	221	-
Carlton Cemetery	55.009	G0667	1,140,000	-	-	70,711	70,711	-
San Pedro Road	55.009	G0676	1,133,182	-	-	47,266	47,266	-
			<u>3,397,987</u>	<u>258,197</u>	<u>-</u>	<u>729,950</u>	<u>729,950</u>	<u>-</u>

TAYLOR COUNTY FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
For The Fiscal Year Ended September 30, 2016

Federal and State Grantor/Pass Through Grantor Program Title	CFDA#	GRANT #	PROGRAM OR AWARD AMOUNT	REPORTED IN PRIOR YEARS	DEFERRED IN PRIOR YEARS	REVENUES RECOGNIZED	EXPENDITURES	UNEARNED REVENUES 9/30/2016
Florida Department of Transportation								
Small County Road Assistance Program								
Osteen Road	55.016	AQX82	\$ 1,288,636	\$ -	\$ -	\$ 825,598	\$ 825,598	\$ -
East Ellison Road	55.016	AQX74	163,919	-	-	142	142	-
North Ellison Road	55.016	ARB12	239,068	-	-	207	207	-
			<u>1,691,623</u>	<u>-</u>	<u>-</u>	<u>825,947</u>	<u>825,947</u>	<u>-</u>
Florida Department of Health								
EMS Equipment Grant	64.005	C4062	2,726	-	-	2,726	2,726	-
Department of Management Services								
Wireless 911 Board-911 Wireless State Funds								
911 Access Fee - Local Exchange		N/A	26,587	-	-	26,587	26,587	-
911 Wireless State Funds		N/A	42,987	-	-	42,987	42,987	-
911 Wireless State Supplemental Funds		N/A	56,164	-	-	56,164	56,164	-
Rural County Maintenance Grant	72.001	15-10-15	34,376	-	-	34,376	34,376	-
			<u>160,114</u>	<u>-</u>	<u>-</u>	<u>160,114</u>	<u>160,114</u>	<u>-</u>
Federal Department of the Interior								
passed through Florida Fish and Wildlife Service								
Taylor County Artificial Reef Construction	77.007	14025	120,000	-	-	120,000	120,000	-
Total state financial assistance			<u>\$ 8,216,570</u>	<u>\$ 1,363,820</u>	<u>\$ 148,697</u>	<u>\$ 3,149,249</u>	<u>\$ 3,149,249</u>	<u>\$ 188,893</u>

See notes to Schedule of federal awards and state financial assistance.

TAYLOR COUNTY, FLORIDA

Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance

For the Fiscal Year Ended September 30, 2016

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and presentation of the Single Audit Report of Taylor, County, Florida, (the "County") have been designed to conform to generally accepted accounting principles as applicable to governmental units, including the reporting and compliance requirements of the Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.550, *Rules of the Auditor General of Florida*.

A. Reporting Entity

The reporting entity consists of Taylor County, the primary government, and each of its component units. The County includes a Schedule of Expenditures of Federal Awards and State Financial Assistance in the Compliance Section.

B. Basis of Accounting

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

The modified accrual basis of accounting is followed in the Schedule of Expenditures of Federal Awards and State Financial Assistance. Under the modified accrual basis, revenues are recognized when they become measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days after the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

TAYLOR COUNTY, FLORIDA
SCHEDULE OF FINDINGS
For the Fiscal Year Ended September 30, 2016

Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	Unmodified
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Internal control over financial reporting

*Material weakness identified?	No
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*Significant deficiencies identified not considered to be a material weakness?	None reported
--	---------------

Noncompliance material to financial statements	No
--	----

FEDERAL AWARDS

Internal control over major programs:

* Material weakness identified?	No
---------------------------------	----

* Significant deficiencies identified that are not considered to be material weaknesses?	None reported
--	---------------

Type of auditor's report issued on compliance for major programs:	Unmodified
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Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations Part 200	No
--	----

Identification of major programs:

CFDA Number

Name of Federal Program

U.S. Department of Transportation
U.S. Federal Aviation Administration
Airport Improvement Program

20.106

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

Auditee qualified as low risk auditee?	No
--	----

Financial Statement Findings

None

**Federal Awards Findings and
Questioned Costs**

None

TAYLOR COUNTY, FLORIDA
SCHEDULE OF FINDINGS
For the Fiscal Year Ended September 30, 2016

Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting

*Material weakness identified? No

*Significant deficiencies identified not considered
to be a material weakness? None reported

Noncompliance material to financial statements No

STATE FINANCIAL ASSISTANCE

Internal control over major programs:

* Material weakness identified? No

* Significant deficiencies identified that are not
considered to be material weaknesses? None reported

Type of auditor's report issued on compliance
for major programs: Unmodified

Any audit findings disclosed that are required to
be reported in accordance with rule 10.656,
Rules of the Auditor General? No

CSFA Number

Name of State Program

31.066

Department of Emergency Management
Residential Construction Mitigation Project

40.901

Florida Housing Finance Corporation
State Housing Initiatives Program

55.004

Department of Transportation

55.016

Aviation Grant Programs
Small County Road Assistance Program

64.005

Department of Health

77.007

County Awards Grant
Florida Fish and Wildlife Conservation Commission
Artificial Reef Grants Program

Dollar threshold used to distinguish between
Type A and Type B programs: \$ 300,000

Financial Statement Findings

None

**State Financial Assistance Findings and
Questioned Costs**

None

MANAGEMENT LETTER

Honorable Board of County Commissioners
and Constitutional Officers
Taylor County, Florida

We have audited the financial statements of Taylor County, Florida (the County), as of and for the year ended September 30, 2016, and have issued our report thereon dated February 21, 2017.

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. We have issued our 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*, Independent Auditor's Report on Compliance and Internal Control over Compliance Applicable to each Major Federal Awards Program and State Financial Assistance Project, and Schedule of Findings. Disclosures in those reports and schedule, which are dated February 21, 2017, should be considered in conjunction with this management letter. Additionally, our audit was conducted in accordance with 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 the following items be addressed in this letter.

BOARD OF COUNTY COMMISSIONERS

PRIOR YEAR FINDINGS

There were no reportable findings in the prior year.

CURRENT YEAR FINDINGS

There were no reportable findings in the current year.

CLERK OF THE CIRCUIT COURT

PRIOR YEAR FINDINGS

There were no reportable findings in the prior year.

CURRENT YEAR FINDINGS

There were no reportable findings in the current year.

PROPERTY APPRAISER**PRIOR YEAR FINDINGS**

There were no reportable findings in the prior year.

CURRENT YEAR FINDINGS

There were no reportable findings in the current year.

SHERIFF**PRIOR YEAR FINDINGS**

The prior year findings regarding year end expenditure cutoffs was substantially corrected in the current year.

CURRENT YEAR FINDINGS

There were no reportable findings in the current year.

SUPERVISOR OF ELECTIONS**PRIOR YEAR FINDINGS**

There were no reportable findings in the prior year.

CURRENT YEAR FINDINGS

There were no reportable findings in the current year.

TAX COLLECTOR**PRIOR YEAR FINDINGS**

There were no reportable findings in the prior year.

CURRENT YEAR FINDINGS

There were no reportable findings in the current year.

AUDITOR GENERAL COMPLIANCE MATTERS

Annual Local Government Financial Report - The Financial Report filed with the Department of Financial Services pursuant to Section 218.32(1)(a), *Florida Statutes*, is in agreement with the accompanying financial report of Taylor County, Florida, for the year ended September 30, 2016.

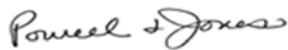
Financial Emergency Status - We determined that the County had not met any of the conditions described in Section 218.503(1), *Florida Statutes*, that might result in a financial emergency.

Financial Condition Assessment - As required by the *Rules of the Auditor General* (Sections 10.554(g)(6)c. and 10.556), we applied financial condition assessment procedures. It is management's responsibility to monitor the entity's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information they provided.

Deteriorating Financial Conditions - We noted no deteriorating financial conditions within the County during the year.

CONCLUSION

We have reviewed information regarding our audit with appropriate County officials and management and have provided them with appropriate documentation as requested. We very much enjoyed the challenges and experiences associated with this audit of the County. We look forward to a long and mutually beneficial relationship with the Board of County Commissioners and other County Officials and employees. We also appreciate the helpful assistance and courtesy afforded us by all County employees.



POWELL & JONES

Certified Public Accountants
February 21, 2017

INDEPENDENT ACCOUNTANT'S REPORT

To the Board of County Commissioners
and Constitutional Officers
Taylor County, Florida

We have examined Taylor County, Florida's (the County) compliance with Section 218.415, *Florida Statutes*, regarding the investment of public funds during the year ended September 30, 2016. We have also examined the Clerk of the Circuit Court's (Clerk's) compliance with Section 28.35, *Florida Statutes* as to the following during the fiscal year ended September 30, 2016:

- a. The budget certified by the Florida Clerk of Courts Operations Corporation.
- b. The performance standards developed and certified to Section 28.35, *Florida Statutes*.

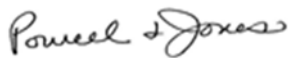
We also examined the County's compliance with section 365.172(10) *Florida Statutes* and requirements specified by the E911 Board grant and special disbursement programs. These laws require that E911 fee revenues, interest, and E911 grant funding to be used to pay for authorized expenditures as specified in the Statutes.

Management is responsible for the County's and Clerk's respective compliance with those requirements. Our responsibility is to express an opinion on the County's and the Clerk's respective compliance based on our examinations.

Our examinations were conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the County's and the Clerk's compliance with those respective requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examinations provide a reasonable basis for our opinion. Our examinations do not provide a legal determination on the County's and the Clerk's compliance with the specified requirements.

In our opinion, Taylor County, Florida and the Taylor County Clerk of the Circuit Court complied, in all material respects, with the aforementioned respective requirements for the year ended September 30, 2016.

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



POWELL & JONES
Certified Public Accountants
February 21, 2017

CLERK OF THE CIRCUIT COURT

**TAYLOR COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT**

SPECIAL PURPOSE FINANCIAL STATEMENTS

For the Fiscal Year Ended September 30, 2016

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INDEPENDENT AUDITOR'S REPORT

Honorable Clerk of the Circuit Court
Taylor County, Florida

Report on the Financial Statements

We have audited the accompanying special purpose fund financial statements of the Taylor County Clerk of the Circuit Court (the Clerk of the Circuit Court), as of and for the year ended September 30, 2016, 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 special purpose 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 *Governmental Auditing Standards*, issued by the Comptroller General of the United States. The standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

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 or significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Florida Institute of Certified Public Accountants • American Institute of Certified Public Accountants

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

The accompanying special purpose fund financial statements were prepared for the purpose of complying with Section 218.39(8), *Florida Statutes*, and Rule 10.557(5), of Chapter 10.550, *Rules of the Auditor General - Local Governmental Entity Audits*. As described in Note 1 to the financial statements, the Clerk of the Circuit Court is part of the reporting entity, Taylor County, Florida. Accordingly, these special purpose fund financial statements are not a complete presentation of the reporting entity's basic financial statements.

Opinion

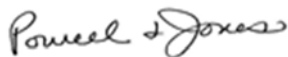
In our opinion, the special purpose fund financial statements referred to above present fairly, in all material respects, the financial position of the Taylor County Clerk of the Circuit Court, as of September 30, 2016, and the results of its operations and budgetary comparisons for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated March 31, 2017, on our consideration of the Clerk of the Circuit Court's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 the 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 Clerk of the Circuit Court's internal control over financial reporting and on compliance.

Other Information

Our audit was made for the purpose of forming an opinion on the special purpose fund financial statements taken as a whole. The combining and individual fund financial statements listed in the table of contents are presented for purposes of additional analysis and are not a required part of the special purpose fund financial statements of the Clerk of the Circuit Court. Such information has been subjected to the auditing procedures applied in the audit of the special purpose fund financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the special purpose fund financial statements taken as a whole.



POWELL & JONES

Certified Public Accountants
March 31, 2017

COMBINED FINANCIAL STATEMENTS

TAYLOR COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT
COMBINING BALANCE SHEET - ALL FUNDS
September 30, 2016

	Governmental Funds		Fiduciary Funds	
	General Fund	Special Revenue Funds	Agency Funds	Totals
ASSETS				
Current Assets				
Cash	\$ 104,337	\$ 389,613	\$ 212,001	\$ 705,951
Accounts receivable	-	13,594	135	13,729
Due from other funds	-	89,346	-	89,346
Investments	-	380,008	111,469	491,477
Total assets	\$ 104,337	\$ 872,561	\$ 323,605	\$ 1,300,503
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Current Liabilities				
Accounts payable	\$ 42,934	\$ -	\$ -	\$ 42,934
Due to individuals	-	-	227,756	227,756
Due to other funds	-	-	89,346	89,346
Due to Board of County Commissioners	61,201	-	-	61,201
Due to other governmental units	-	-	5,847	5,847
Other current liabilities	202	-	656	858
Total liabilities	104,337	-	323,605	427,942
FUND EQUITY				
Restricted fund balance	-	872,561	-	872,561
Total liabilities and fund equity	\$ 104,337	\$ 872,561	\$ 323,605	\$ 1,300,503

See notes to financial statements.

**COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES -
ALL GOVERNMENTAL FUNDS**

For the Fiscal Year Ended September 30, 2016

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Totals</u>
REVENUES			
Intergovernmental revenue	\$ -	\$ 154,367	\$ 154,367
Charges for services	116,522	309,808	426,330
Fines	-	150,575	150,575
Miscellaneous	5,847	4,250	10,097
Total revenues	<u>122,369</u>	<u>619,000</u>	<u>741,369</u>
EXPENDITURES			
Current expenditures			
General government	882,555	-	882,555
Court-related	-	671,323	671,323
Capital outlay			
General government	35,748	-	35,748
Total expenditures	<u>918,303</u>	<u>671,323</u>	<u>1,589,626</u>
Excess of revenues over (under) expenditures	(795,934)	(52,323)	(848,257)
OTHER FINANCING SOURCES			
Transfers from Board of County Commissioners	<u>795,934</u>	<u>-</u>	<u>795,934</u>
Net change in fund balances	-	(52,323)	(52,323)
Fund balances at beginning of year	-	924,884	924,884
Fund balances at end of year	<u>\$ -</u>	<u>\$ 872,561</u>	<u>\$ 872,561</u>

See notes to financial statements.

TAYLOR COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL

For the Fiscal Year Ended September 30, 2016

	General Fund			Special Revenue Funds		
	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
REVENUES						
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ 170,781	\$ 154,367	\$ (16,414)
Charges for services	79,014	116,522	37,508	315,549	309,808	(5,741)
Fines	-	-	-	168,892	150,575	(18,317)
Miscellaneous	8,158	5,847	(2,311)	2,968	4,250	1,282
Total revenues	87,172	122,369	35,197	658,190	619,000	(39,190)
EXPENDITURES						
Current expenditures						
General government	881,560	882,555	(995)	-	-	-
Court-related	-	-	-	940,641	671,323	269,318
Capital outlay						
General government	36,371	35,748	623	-	-	-
Court-related	-	-	-	494,662	-	494,661
Total expenditures	917,931	918,303	(372)	1,435,303	671,323	763,979
Excess (deficiency) of revenues over expenditures	(830,759)	(795,934)	34,825	(777,113)	(52,323)	724,789
OTHER FINANCING SOURCES						
Transfers from the Board of County Commissioners	830,759	795,934	(34,825)	-	-	-
Net change in fund balances	-	-	-	(777,113)	(52,323)	724,789
Fund balances at beginning of year	-	-	-	924,884	924,884	-
Fund balances at end of year	\$ -	\$ -	\$ -	\$ 147,771	\$ 872,561	\$ 724,789

See notes to financial statements.

TAYLOR COUNTY, FLORIDA

CLERK OF THE CIRCUIT COURT

NOTES TO FINANCIAL STATEMENTS

September 30, 2016

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the more significant accounting policies of the Taylor County Clerk of the Circuit Court (Clerk).

A. Reporting Entity - The Governmental Accounting Standards Board (GASB) in its Statement No. 14, "The Financial Reporting Entity," establishes standards for defining the financial reporting entity. In developing these standards, the GASB assumed that all governmental organizations are responsible to elected officials at the federal, state, or local level. Financial reporting by a state or local government should report the elected officials' accountability for those organizations.

The Clerk, as established by Article VIII of the Constitution of the State of Florida, is an elected official of the County. Although the Clerk's Office is operationally autonomous from the Board of County Commissioners, it does not hold sufficient corporate powers of its own to be considered a legally separate entity for financial reporting purposes. Therefore, the Clerk is reported as a part of the primary government of Taylor County, Florida. The Clerk's financial statements do not purport to reflect the financial position or the results of operations of Taylor County, Florida, taken as a whole.

These special purpose financial statements of the Clerk are issued separately to comply with Section 10.557(4), *Rules of the Auditor General for Local Governmental Entity Audits*, pursuant to Section 11.45(3), *Florida Statutes*.

B. 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 entity, 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 funds utilized by the Clerk are as follows:

(1) Governmental Funds

General Fund - The General Fund is the general operating fund of the Clerk of the Circuit Court. It is used to account for all financial resources not properly accounted for in any other fund.

Special Revenue Funds - Special revenue funds are used to account for the proceeds of specific revenue sources which are legally restricted to expenditures for specified purposes. As of September 30, 2016, the Clerk maintained the following special revenue funds:

- Court Fund
- Child Support Enforcement Incentive
- Child Support Enforcement Reimbursement
- Information Technology
- Public Records Modernization Trust
- State Court
- Teen Court Grants

2) **Fiduciary Funds**

Agency Funds - Agency funds are required and used by the Clerk to account for resources received from and disbursed to other governmental units, other funds of Taylor County and individuals. The Clerk functions purely as an agent for others in the maintenance of these funds. The following agency funds are maintained:

General Trust
Child Support
Registry of Court
Cash Bond

C. Basis of Accounting - The "Basis of Accounting" refers to when revenues and expenditures and the related assets and liabilities are recognized in the accounting records and reported in the financial statements. The Clerk of the Circuit Court currently maintains the accounting records for all funds on the cash basis. However, for financial statement purposes appropriate adjustments are made to report governmental and fiduciary fund types using the modified accrual basis of accounting. Under the modified accrual basis, revenues are generally recognized when they become measurable and available as net current assets. Expenditures are reported when incurred with the exception of prepaid expenses and principal and interest on general long-term obligations.

D. Budget - Chapter 129, *Florida Statutes*, requires that budgets be adopted for all funds as may be required by law, sound financial practices, and generally accepted accounting principles and that budgets be adopted on a basis consistent with generally accepted accounting principles (GAAP). Pursuant to this requirement, the County adopts an annual comprehensive appropriated budget, which includes appropriations to the General Fund of the Clerk of the Circuit Court.

In the budgetary comparisons included in these financial statements, both the amounts budgeted and the actual amounts reported are presented on the GAAP basis. Budgetary comparisons present the appropriated budget of the Clerk of the Circuit Court.

E. Cash and Investments - Deposits are carried at cost which approximates market value. The carrying amount of deposits is separately displayed on the balance sheet as "Cash." At September 30, 2016, the book balance of the Clerk's deposits was \$705,949. This bank balance was covered by federal depository insurance and collateral held at various qualified public depositories. Chapter 280, *Florida Statutes*, defines the eligible collateral for these qualified public depositories.

The collateral for the Clerk's deposits is categorized to give an indication of the level of risk assumed by the Clerk at year end. Category 1 includes deposits that are insured or registered or for which the securities are held by the Clerk or her agent in the Clerk's name. Category 2 includes uninsured and unregistered deposits for which the securities are held by the counterparty's trust department or agent in the Clerk's name. Category 3 includes uninsured or unregistered deposits for which the securities are held by the counterparty's trust department or agent, but not in the Clerk's name. All of the collateral covering the Clerk's deposits was Category 1.

F. Inventories - It is the policy of the Clerk to record the acquisition of supplies as expenditures at the time of purchase. The amount of supplies on hand at any one time would be a nominal amount and considered to be immaterial.

G. Fixed Assets - Fixed assets used in governmental fund type operations are accounted for in the General Capital Assets Accounts. All fixed assets acquired by purchase are recorded at historical cost. Donated assets are recorded at estimated fair market value at the date donated. Depreciation expense has been recorded on the County's general fixed assets. Assets purchased by the Clerk are reported in the County's Governmental Capital Assets Accounts.

H. Compensated Absences - Compensated absences are absences for which employees will be paid, such as vacation and sick leave. A liability for compensated absences that are attributable to services already rendered and that are not contingent on a specific event that is outside the control of the government and its employees is accrued as employees earn the rights to the benefits. Compensated absences that relate to future services or that are contingent on a specific event that is outside the control of the government and its employees are accounted for in the period in which such services are rendered or such events take place.

In the governmental funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as an expenditure and fund liability in the fund of the Board of County Commissioners that will pay for them. The remainder of the compensated absences liability totaling \$61,881 is reported in the General Long-Term Debt Accounts of Taylor County, Florida.

I. Total Column on the Combined Statements - The total column on the combined statements is captioned "Memorandum Only" to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position, results of operations, or changes in cash flows in conformity with generally accepted accounting principles, nor is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

J. Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

K. Risk Management - The Clerk is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors or omissions; injuries to employees and the public; or damage to property of others. The Clerk directly purchases insurance and participates in the risk management program through the Taylor County Board of County Commissioners which uses commercial insurance and a public entity risk pool to cover certain risks from loss.

NOTE 2. DEFINED BENEFIT PENSION PLAN

Plan Description - The Clerk contributes to the Florida Retirement System ("System"), a cost sharing multiple-employer defined benefit plan administered by the State of Florida, Department of Administration, Division of Retirement. The System provides retirement, disability or death benefits to retirees or their designated beneficiaries. Chapter 121, *Florida Statutes*, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Florida Retirement System, 2639 North Monroe Street, Tallahassee, Florida, or by calling (850) 488-5706.

Funding Policy - The System was employee noncontributory through June 30, 2011. Effective July 1, 2011, all employees are required to contribute 3% to the System. The Clerk is required to contribute at an actuarially determined rate. The rates at September 30, 2016 were as follows: Regular Employees 7.52%; Senior Management 21.77%; Elected Officials 42.47% and Employees electing the DROP Program 12.99%. The contribution requirements of plan members and the Clerk are established and may be amended by the Florida Legislature. The Clerk's contributions to the System for the years ending September 30, 2016, 2015 and 2014 were \$122,548, \$104,766, and \$59,176, respectively, equal to the required contributions for each year

NOTE 3. INTERFUND RECEIVABLES AND PAYABLES

Balances at September 30, 2016, were:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ -	\$ -
Court Fund	-	-
CSE Incentive	-	-
CSE Reimbursement	-	-
Information Technology	89,346	-
Public Records Modernization	-	-
State Court	-	-
Teen Court Grants	-	-
Clerk Trust	-	89,346
	<u>\$ 89,346</u>	<u>\$ 89,346</u>

COMBINING AND INDIVIDUAL FUND STATEMENTS

GENERAL FUND

TAYLOR COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT
BALANCE SHEET
GENERAL FUND
September 30, 2016

ASSETS

Current Assets

Cash	<u>\$ 104,337</u>
Total assets	<u><u>\$ 104,337</u></u>

LIABILITIES AND FUND EQUITY

LIABILITIES

Current Liabilities

Accounts payable	\$ 42,934
Due to Board of County Commissioners	61,201
Other current liabilities	<u>202</u>
Total liabilities and fund equity	<u><u>\$ 104,337</u></u>

See notes to the financial statements.

SPECIAL REVENUE FUNDS

**SPECIAL REVENUE FUNDS
TAYLOR COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT
ALL SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
September 30, 2016**

	Court Fund	Child Support Enforcement Incentive	Reim- bursement	Information Technology	Public Records Modernization Trust	State Court	Teen Court Grants	Totals
ASSETS								
Cash	\$ 4,186	\$ 16,188	\$ 300,261	\$ 43,382	\$ -	\$ 2,000	\$ 23,596	\$ 389,613
Accounts receivable	-	-	13,594	-	-	-	-	13,594
Due from other funds	-	-	-	89,346	-	-	-	89,346
Investments	-	-	380,008	-	-	-	-	380,008
Total assets	\$ 4,186	\$ 16,188	\$ 693,863	\$ 132,728	\$ -	\$ 2,000	\$ 23,596	\$ 872,561
LIABILITIES AND FUND BALANCES								
LIABILITIES								
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total liabilities	-	-	-	-	-	-	-	-
FUND BALANCES								
Restricted	4,186	16,188	693,863	132,728	-	2,000	23,596	872,561
Total liabilities and fund balances	\$ 4,186	\$ 16,188	\$ 693,863	\$ 132,728	\$ -	\$ 2,000	\$ 23,596	\$ 872,561

See notes to financial statements.

**TAYLOR COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT
ALL SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the Fiscal Year Ended September 30, 2016**

	Court Fund	Child Support Enforcement Incentive	Reim- bursement	Information Technology	Public Records Modernization Trust	State Court	Teen Court Grants	Totals
REVENUES								
Intergovernmental revenue	\$ 73,125	\$ 431	\$ 80,811	\$ -	\$ -	\$ -	\$ -	\$ 154,367
Charges for services	275,112	-	-	19,435	9,897	-	5,364	309,808
Fines	150,575	-	-	-	-	-	-	150,575
Miscellaneous	-	32	2,049	70	35	2,000	64	4,250
Total revenues	498,812	463	82,860	19,505	9,932	2,000	5,428	619,000
EXPENDITURES								
Court related								
Personnel expenses	490,518	-	50,324	-	46,300	-	32,179	619,321
Operating expenses	52,002	-	-	-	-	-	-	52,002
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	542,520	-	50,324	-	46,300	-	32,179	671,323
Excess of revenues over (under) expenditures	(43,708)	463	32,536	19,505	(36,368)	2,000	(26,751)	(52,323)
Fund balances at beginning of year	47,894	15,725	661,327	113,223	36,368	-	50,347	924,884
Fund balances at end of year	\$ 4,186	\$ 16,188	\$ 693,863	\$ 132,728	\$ -	\$ 2,000	\$ 23,596	\$ 872,561

See notes to financial statements.

AGENCY FUNDS

**TAYLOR COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT
AGENCY FUNDS**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the Fiscal Year Ended September 30, 2016**

	Balance October 1, 2015	Additions	Deductions	Balance September 30, 2016
GENERAL TRUST				
Assets				
Cash	\$ 86,450	\$ 4,455,940	\$ 4,493,283	\$ 49,107
Investments	111,032	437	-	111,469
Accounts receivable	490	5,431	5,786	135
Due from other funds	5,115	-	5,115	-
Total assets	\$ 203,087	\$ 4,461,808	\$ 4,504,184	\$ 160,711
Liabilities				
Due to individuals	\$ 77,978	\$ 143,099	\$ 156,215	\$ 64,862
Due to other funds	100,993	1,000,561	1,012,208	89,346
Due to Board of County Commissioners	-	182,610	182,610	-
Due to other governmental units	639	497,950	492,742	5,847
Other current liabilities	23,477	100,654	123,475	656
Total liabilities	\$ 203,087	\$ 1,924,874	\$ 1,967,250	\$ 160,711
REGISTRY OF COURT				
Assets				
Cash	\$ 144,099	\$ 550,336	\$ 567,401	\$ 127,034
Liabilities				
Due to individuals	\$ 144,099	\$ 550,336	\$ 567,401	\$ 127,034
CASH BOND				
Assets				
Cash	\$ 24,538	\$ 67,997	\$ 56,675	\$ 35,860
Liabilities				
Due to individuals	\$ 24,538	\$ 68,097	\$ 56,775	\$ 35,860
TOTAL ALL AGENCY FUNDS				
Assets				
Cash	\$ 255,087	\$ 5,074,273	\$ 5,117,359	\$ 212,001
Investments	111,032	437	-	111,469
Accounts receivable	490	5,431	5,786	135
Due from other funds	5,115	-	5,115	-
Total assets	\$ 371,724	\$ 5,080,141	\$ 5,128,260	\$ 323,605
Liabilities				
Due to other funds	\$ 100,993	\$ 1,000,561	\$ 1,012,208	\$ 89,346
Due to Board of County Commissioners	-	182,610	182,610	-
Due to individuals	246,615	761,532	780,391	227,756
Due to other governmental units	639	497,950	492,742	5,847
Other current liabilities	23,477	100,654	123,475	656
Total liabilities	\$ 371,724	\$ 2,543,307	\$ 2,591,426	\$ 323,605

See notes to financial statements.

COMPLIANCE SECTION

**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**

To the Clerk of the Circuit Court
Taylor 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 special purpose financial statements of the Taylor County Clerk of the Circuit Court as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the Taylor County Clerk of the Circuit Court's basic financial statements, and have issued our report thereon dated March 31, 2017.

Internal Control Over Financial Reporting

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

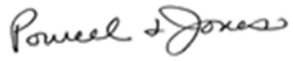
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not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

A handwritten signature in cursive script that reads "Powell & Jones".**POWELL & JONES**

Certified Public Accountants
March 31, 2017

MANAGEMENT LETTER

Honorable Clerk of the Circuit Court
Taylor County, Florida

We have audited the financial statements of the Taylor County Clerk of the Circuit Court (Clerk), as of and for the year ended September 30, 2016, and have issued our report thereon dated March 31, 2017. We have also issued our report on compliance and on internal control over financial reporting. 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 YEAR FINDINGS

There were no reportable findings in the prior year.

CURRENT YEAR FINDINGS

There were no reportable findings in the current year.

AUDITOR GENERAL COMPLIANCE MATTERS

Annual Local Government Financial Report - The Financial Report filed with the Department of Financial Services pursuant to Section 218.32(1), *Florida Statutes*, is in agreement with the accompanying financial statements of Taylor County, Florida, for the year ended September 30, 2016. The financial statements of the Clerk of Circuit Court are combined with other County agencies in that report.

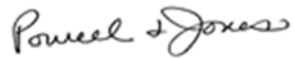
Financial Emergency Status – We have determined that the Clerk did not meet any of the conditions described in Section 218.503(1), *Florida Statutes*, that might result in a financial emergency.

Financial Condition Assessment - As required by the *Rules of the Auditor General* (Sections 10.554(1)7c. and 10.556), we applied financial condition assessment procedures. It is management's responsibility to monitor the entity's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information they provided.

Our audit did not disclose any further items that would be required to be reported under *Rules of the Auditor General*, Chapter 10.55491)(f).

CONCLUSION

We have reviewed information regarding our audit with the Clerk and have provided her with appropriate documentation as requested. We very much enjoyed the challenges and experiences associated with this audit of the Office. We appreciate the overall high quality of the financial records and personnel in the Clerk's Office. We also appreciate the helpful assistance and courtesy afforded us by these employees.

A handwritten signature in cursive script that reads "Powell & Jones".

POWELL & JONES

Certified Public Accountants

March 31, 2017

INDEPENDENT ACCOUNTANT'S REPORT

Honorable Clerk of the Circuit Court
Taylor County, Florida

We have examined the Taylor County, Florida's Clerk of the Circuit Court's (Clerk's) compliance with Section 218.415, *Florida Statutes*, regarding the investment of public funds during the year ended September 30, 2016. We have also examined the Clerk's compliance with Section 28.35, *Florida Statutes* as to the following during the fiscal year ended September 30, 2016:

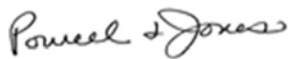
- a. The budget certified by the Florida Clerk of Courts Operations Corporation.
- b. The performance standards developed and certified to Section 28.35 *Florida Statutes*.

Management is responsible for the Clerk's respective compliance with those requirements. Our responsibility is to express an opinion on the Clerk's compliance based on our examinations.

Our examinations were 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 Clerk's compliance with those respective requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examinations provide a reasonable basis for our opinion. Our examinations do not provide a legal determination on the Clerk's compliance with specified requirements.

In our opinion, the Taylor County Clerk of the Circuit Court 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 Taylor County, Florida, the Clerk, and the Auditor General, State of Florida, and is not intended to be and should not be used by anyone other than these specified parties.



POWELL & JONES
Certified Public Accountants
March 31, 2017

PROPERTY APPRAISER

**TAYLOR COUNTY, FLORIDA
PROPERTY APPRAISER**

SPECIAL PURPOSE FINANCIAL STATEMENTS

For the Fiscal Year Ended September 30, 2016

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Powell & Jones
Certified Public Accountants

Richard C. Powell, Jr., CPA
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INDEPENDENT AUDITOR'S REPORT

Honorable Property Appraiser
Taylor County, Florida

Report on the Financial Statements

We have audited the accompanying special purpose fund financial statements of the Taylor County Property Appraiser (the Property Appraiser), as of and for the year ended September 30, 2016, 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 special purpose 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 *Governmental Auditing Standards*, issued by the Comptroller General of the United States. The standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

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 or significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Florida Institute of Certified Public Accountants • American Institute of Certified Public Accountants

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

The accompanying special purpose fund financial statements were prepared for the purpose of complying with Section 218.39(8), *Florida Statutes*, and Rule 10.557(5), of Chapter 10.550, *Rules of the Auditor General - Local Governmental Entity Audits*. As described in Note 1 to the financial statements, the Property Appraiser is part of the reporting entity, Taylor County, Florida. Accordingly, these special purpose fund financial statements are not a complete presentation of the reporting entity's basic financial statements.

Opinion

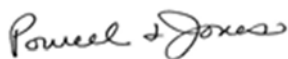
In our opinion, the special purpose fund financial statements referred to above present fairly, in all material respects, the financial position of the Taylor County Property Appraiser, as of September 30, 2016, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated March 31, 2017, on our consideration of the Property Appraiser's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 the 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 Property Appraiser's internal control over financial reporting and on compliance.

Other Information

Our audit was made for the purpose of forming an opinion on the special purpose fund financial statements taken as a whole. The individual fund financial statements listed in the table of contents are presented for purposes of additional analysis and are not a required part of the special purpose fund financial statements of the Property Appraiser. Such information has been subjected to the auditing procedures applied in the audit of the special purpose fund financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the special purpose fund financial statements taken as a whole.



POWELL & JONES

Certified Public Accountants
March 31, 2017

COMBINED FINANCIAL STATEMENTS

TAYLOR COUNTY, FLORIDA
TAYLOR COUNTY, FLORIDA
PROPERTY APPRAISER
COMBINED BALANCE SHEET - ALL FUNDS
BALANCE SHEET
September 30, 2016

	Governmental Fund	Fiduciary Fund	
	<u>General Fund</u>	<u>Agency Fund</u>	<u>Totals</u>
ASSETS			
Current assets			
Cash	<u>\$ 26,228</u>	<u>\$ 2,009</u>	<u>\$ 28,237</u>
LIABILITIES			
Current liabilities			
Due to Board of County Commissioners	\$ 26,228	\$ 1	\$ 26,229
Deferred revenue	-	2,008	2,008
Total liabilities	<u>\$ 26,228</u>	<u>\$ 2,009</u>	<u>\$ 28,237</u>

See notes to financial statements.

**TAYLOR COUNTY, FLORIDA
PROPERTY APPRAISER
GOVERNMENTAL FUND
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
For the Fiscal Year Ended September 30, 2016**

	<u>General Fund</u>
EXPENDITURES	
General government	
Current operating expenditures	\$ 695,928
Capital outlay	<u>-</u>
Total expenditures	695,928
 Excess of revenues over (under) expenditures	 (695,928)
 OTHER FINANCING SOURCES	
Transfers from Board of County Commissioners	<u>695,928</u>
 Net change in fund balance	 -
 Fund balance at beginning of year	 <u>-</u>
Fund balance at end of year	<u><u>\$ -</u></u>

See notes to financial statements.

TAYLOR COUNTY, FLORIDA
PROPERTY APPRAISER
NOTES TO FINANCIAL STATEMENTS

September 30, 2016

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the more significant accounting policies of the Taylor County Property Appraiser (Property Appraiser).

A. Reporting Entity

The Governmental Accounting Standards Board (GASB) in its Statement No. 14, "The Financial Reporting Entity," establishes standards for defining the financial reporting entity. In developing these standards, the GASB assumed that all governmental organizations are responsible to elected officials at the federal, state, or local level. Financial reporting by a state or local government should report the elected officials' accountability for those organizations.

The Property Appraiser, as established by Article VIII of the Constitution of the State of Florida, is an elected official of the County. Although the Property Appraiser's Office is operationally autonomous from the Board of County Commissioners, it does not hold sufficient corporate powers of its own to be considered a legally separate entity for financial reporting purposes. Therefore, the Property Appraiser is reported as a part of the primary government of Taylor County, Florida. The Property Appraiser's financial statements do not purport to reflect the financial position or the results of operations of Taylor County, Florida, taken as a whole.

These special purpose financial statements of the Property Appraiser are issued separately to comply with Section 10.557(4), *Rules of the Auditor General for Local Governmental Entity Audits*, pursuant to Section 11.45(3), *Florida Statutes*.

B. Fund Accounting

Accounts are organized on the basis of funds and account groups, 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 entity, 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 funds and account group utilized by the Property Appraiser are as follows:

(i) **Governmental Fund**

General Fund - The General Fund of the Property Appraiser is used to account for all financial resources, which are generated from operations of the office or any other resources not required to be accounted for in another fund.

(ii) **Fiduciary Fund**

Agency Fund - Agency funds are used to account for assets held by the Property Appraiser as an agent for individuals, private organizations, other governments, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

C. Basis of Accounting

The "Basis of Accounting" refers to when revenues and expenditures and the related assets and liabilities are recognized in the accounting records and reported in the financial statements. The Property Appraiser currently maintains his accounting records on the cash basis. However, for financial statement purposes appropriate adjustments are made to report the governmental fund type using the modified accrual basis of accounting. Under the modified accrual basis, revenues are generally recognized when they become measurable and available as net current assets. Expenditures are reported when incurred with the exception of prepaid expenses and principal and interest on general long-term obligations.

D. Budget

Chapter 129, *Florida Statutes*, requires that budgets be adopted for all funds as may be required by law, sound financial practices, and generally accepted accounting principles and that budgets be adopted on a basis consistent with generally accepted accounting principles (GAAP). Pursuant to this requirement, the County adopts an annual comprehensive appropriated budget, which includes the operating budget of the Property Appraiser. The Property Appraiser's budget is also subject to approval by the Florida Department of Revenue.

In the budgetary comparisons included in these financial statements, both the amounts budgeted and the actual amounts reported are presented on the GAAP basis. Budgetary comparisons present the appropriated budget of the Property Appraiser.

E. Cash and Investments

Deposits are carried at cost which equals market value. The carrying amount of deposits is separately displayed on the balance sheet as "Cash." At September 30, 2016, the book balance of the Property Appraiser's deposits was \$28,237. The total bank balance was covered by federal depository insurance and pledged collateral.

F. Inventories

It is the policy of the Property Appraiser to record the acquisition of supplies as expenditures at the time of purchase. The amount of supplies on hand at any one time would be a nominal amount and considered to be immaterial.

G. Fixed Assets

Fixed assets used in governmental fund operations are accounted for in the General Fixed Asset Group of Accounts. All fixed assets acquired by purchase are recorded at historical cost. Donated assets are recorded at estimated fair market value at the date donated. Property and equipment are depreciated using the straight-line method. Assets purchased by the Property Appraiser are reported in the Board of County Commissioners' Governmental Capital Assets Accounts.

H. Compensated Absences

Compensated absences are absences for which employees will be paid, such as vacation and sick leave. A liability for compensated absences that are attributable to services already rendered and that are not contingent on a specific event that is outside the control of the government and its employees is accrued as employees earn the rights to the benefits. Compensated absences that relate to future services or that are contingent on a specific event that is outside the control of the government and its employees are accounted for in the period in which such services are rendered or such events take place.

In the governmental funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as an expenditure and fund liability in the fund of the Board of

County Commissioners that will pay for them. The remainder of the compensated absences liability totaling \$1,047 is reported in the General Long-Term Debt Accounts of Taylor County, Florida.

I. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

J. Risk Management

The Property Appraiser is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors or omissions; injuries to employees and the public; or damage to property of others. The Property Appraiser directly purchases insurance and participates in the risk management program through the Taylor County Board of County Commissioners which uses commercial insurance and a public entity risk pool to cover certain risks from loss.

K. Deferred Revenues

Deferred revenues reported in the special purpose fund financial statements represent unearned revenues which are measurable but not available and, in accordance with the modified accrual basis of accounting, are reported as deferred revenues.

NOTE 2. PENSION PLAN

Plan Description - The Property Appraiser contributes to the Florida Retirement System ("System"), a cost-sharing multiple-employer defined benefit plan administered by the State of Florida, Department of Administration, Division of Retirement. The System provides retirement, disability or death benefits to retirees or their designated beneficiaries. Chapter 121, *Florida Statutes*, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Florida Retirement System, 2639 North Monroe Street, Tallahassee, Florida, or by calling (850) 488-5706.

Funding Policy - The System is employee noncontributory through June 30, 2011. Effective July 1, 2011, employees are required to contribute 3% of their wages. The Property Appraiser is required to contribute at an actuarially determined rate. The rates at September 30, 2016 were as follows: Regular Employees 7.52%; Senior Management 21.77%; DROP 12.99%, and Elected Officials 42.47%. The contribution requirements of plan members and the Property Appraiser are established and may be amended by the Florida Legislature. The Property Appraiser's contributions to the System for the years ending September 30, 2016, 2015 and 2014 were \$77,504, \$77,504, and \$63,852, respectively, equal to the required contributions for each year. Full information on the System is included in Note 13 to the Taylor County, Florida, Financial Report.

INDIVIDUAL FUND STATEMENTS

GENERAL FUND

**TAYLOR COUNTY, FLORIDA
PROPERTY APPRAISER
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2016**

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Budget Positive (Negative)</u>
EXPENDITURES				
General government				
Property Appraiser				
Personnel services				
Executive salaries	\$ 98,257	\$ 98,257	\$ 98,257	\$ -
Regular salaries	288,300	292,767	292,403	364
Overtime salaries	1,000	1,000	-	1,000
Special pay salaries	2,000	-	-	-
FICA	29,801	29,801	29,213	588
Retirement	77,144	74,677	78,389	(3,712)
Life and health insurance	102,789	102,789	86,329	16,460
Total personnel services	<u>599,291</u>	<u>599,291</u>	<u>584,591</u>	<u>14,700</u>
Operating expenses				
Education	4,635	4,635	1,785	2,850
Legal ads	1,300	1,300	1,026	274
Professional services	65,000	65,000	68,837	(3,837)
Contractual services	4,000	4,000	4,000	-
Travel and per diem	10,836	10,836	10,546	290
Communications	3,200	3,200	3,127	73
Transportation	2,341	2,341	2,648	(307)
Rentals, repairs and maintenance	6,100	6,100	2,991	3,109
Office supplies	12,865	12,865	10,060	2,805
Books, publications, and subscriptions	<u>4,500</u>	<u>4,500</u>	<u>6,317</u>	<u>(1,817)</u>
Total operating expenses	<u>114,777</u>	<u>114,777</u>	<u>111,337</u>	<u>3,440</u>
Total expenditures	<u>714,068</u>	<u>714,068</u>	<u>695,928</u>	<u>18,140</u>
Excess of revenues over (under) expenditures	(714,068)	(714,068)	(695,928)	(18,140)
OTHER FINANCING SOURCE				
Transfers from Board of County Commissioners	<u>714,068</u>	<u>714,068</u>	<u>695,928</u>	<u>18,140</u>
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See notes to financial statements.

AGENCY FUND

**TAYLOR COUNTY, FLORIDA
PROPERTY APPRAISER
AGENCY FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the Fiscal Year Ended September 30, 2016**

	Balance October 1, 2015	Increases	Decreases	Balance September 30, 2016
TRUST ACCOUNT				
ASSETS				
Cash	\$ 2,093	\$ 20,483	\$ 20,567	\$ 2,009
LIABILITIES				
Due to Taylor County Board of County Commissioners	\$ 85	\$ 1	\$ 85	\$ 1
Deferred grant revenue	2,008	-	-	2,008
Total liabilities	\$ 2,093	\$ 1	\$ 85	\$ 2,009

See notes to financial statements.

COMPLIANCE SECTION

**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**

To the Property Appraiser
Taylor 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 special purpose financial statements of the Taylor County Property Appraiser as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the Taylor County Property Appraiser's special purpose fund financial statements, and have issued our report thereon dated March 31, 2017.

Internal Control Over Financial Reporting

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

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

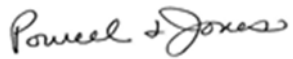
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not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

A handwritten signature in cursive script that reads "Powell & Jones".

POWELL & JONES

Certified Public Accountants
March 31, 2017

**MANAGEMENT LETTER REQUIRED BY CHAPTER 10.550,
RULES OF THE AUDITOR GENERAL**

Honorable Property Appraiser
Taylor County, Florida

We have audited the financial statements of the Taylor County Property Appraiser, as of and for the year ended September 30, 2016, and have issued our report thereon dated March 31, 2017.

We have issued our 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* dated March 31, 2017. Disclosures in 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 *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 the following be addressed in this letter.

PRIOR YEAR FINDINGS

There were no reportable findings in the prior year.

CURRENT YEAR FINDINGS

There were no reportable findings in the current year.

FINANCIAL COMPLIANCE MATTERS

Annual Local Government Financial Report - The Financial Report filed with the Department of Financial Services pursuant to Section 218.32(1)(a), *Florida Statutes*, is in agreement with the accompanying financial statements of Taylor County, Florida, for the year ended September 30, 2016. The financial statements of the Property Appraiser are combined with other County agencies in that report.

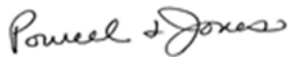
Financial Emergency Status – We have determined that the Property Appraiser did not meet any of the conditions described in Section 218.503(1), *Florida Statutes*, that might result in a financial emergency.

Financial Condition Assessment Procedures - As required by the Rules of the Auditor General (Sections 10.554(1)(i)7.c. and 10.556(7)), we applied financial condition assessment procedures. It is management's responsibility to monitor the entity's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information they provided.

Our audit did not disclose any further items that would be required to be reported under the Rules of the Auditor General, Chapter 10.554(1)(f).

CONCLUSION

We have reviewed information regarding our audit with the Property Appraiser and have provided him with appropriate documentation as requested. We very much enjoyed the challenges and experiences associated with our audit of the Property Appraiser. We appreciate the helpful assistance of Property Appraiser staff in completing our audit and also the generally high quality of the Property Appraiser's financial records and internal control. We also appreciate the helpful assistance and courtesy afforded us by these employees.

A handwritten signature in cursive script, reading "Powell & Jones".

POWELL & JONES

Certified Public Accountants

March 31, 2017

INDEPENDENT ACCOUNTANT'S REPORT

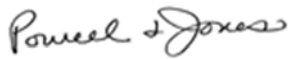
To The Property Appraiser
Taylor County, Florida

We have examined the Taylor County, Florida Property Appraiser's (the Property Appraiser) compliance with Section 218.415, *Florida Statutes*, regarding the investment of public funds during the year ended September 30, 2016. Management is responsible for the Property Appraiser's compliance with those requirements. Our responsibility is to express an opinion on the Property Appraiser'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 Property Appraiser'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 Property Appraiser's compliance with specified requirements.

In our opinion, the Property Appraiser 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 the Taylor County, Florida Property Appraiser, and the Auditor General, State of Florida, and is not intended to be and should not be used by anyone other than these specified parties.



POWELL & JONES
Certified Public Accountants
March 31, 2017

SHERIFF

TAYLOR COUNTY, FLORIDA

SHERIFF

SPECIAL PURPOSE FINANCIAL STATEMENTS

For the Fiscal Year Ended September 30, 2016

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Powell & Jones
Certified Public Accountants

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admin@powellandjonescpa.com

INDEPENDENT AUDITOR'S REPORT

Honorable Sheriff
Taylor County, Florida

Report on the Financial Statements

We have audited the accompanying special purpose fund financial statements of the Taylor County Sheriff (the Sheriff), as of and for the year ended September 30, 2016, 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 special purpose 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 *Governmental Auditing Standards*, issued by the Comptroller General of the United States. The standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

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 or 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.

The accompanying special purpose fund financial statements were prepared for the purpose of complying with Section 218.39(8), *Florida Statutes*, and Rule 10.557(5), of Chapter 10.550, *Rules of the Auditor General - Local Governmental Entity Audits*. As described in Note 1 to the financial statements, the Sheriff is part of the reporting entity, Taylor County, Florida. Accordingly, these special purpose fund financial statements are not a complete presentation of the reporting entity's basic financial statements.

Opinion

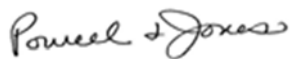
In our opinion, the special purpose fund financial statements referred to above present fairly, in all material respects, the financial position of the Taylor County Sheriff, as of September 30, 2016, and the results of its operations and budgetary comparison for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated March 31, 2017, on our consideration of the Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 the 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 Sheriff's internal control over financial reporting and on compliance.

Other Information

Our audit was made for the purpose of forming an opinion on the special purpose fund financial statements taken as a whole. The combining and individual fund financial statements listed in the table of contents are presented for purposes of additional analysis and are not a required part of the special purpose fund financial statements of the Sheriff. Such information has been subjected to the auditing procedures applied in the audit of the special purpose fund financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the special purpose fund financial statements taken as a whole.



POWELL & JONES

Certified Public Accountants
March 31, 2017

COMBINED FINANCIAL STATEMENTS

TAYLOR COUNTY, FLORIDA
SHERIFF
COMBINED BALANCE SHEET - ALL FUND TYPES
September 30, 2016

	<u>Governmental Fund Types</u>		<u>Fiduciary Fund Types</u>	
	<u>Special</u>			
	<u>General Fund</u>	<u>Revenue Funds</u>	<u>Agency Funds</u>	<u>Totals</u>
ASSETS				
Current assets				
Cash	\$ 104,174	\$ 101,135	\$ 18,359	\$ 223,668
Accounts receivable	26,324	7,316	-	33,640
Due from other governmental units	-	11,234	-	11,234
Total assets	<u>\$ 130,498</u>	<u>\$ 119,685</u>	<u>\$ 18,359</u>	<u>\$ 268,542</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Current liabilities				
Accounts payable	\$ -	\$ 2,848	\$ 4,665	\$ 7,513
Due to individuals	-	-	2,878	2,878
Due to Board of County Commissioners	130,498	-	-	130,498
Due to other governmental units	-	-	7,739	7,739
Deferred revenue	-	-	-	-
Other current liabilities	-	-	3,077	3,077
Total liabilities	<u>130,498</u>	<u>2,848</u>	<u>18,359</u>	<u>151,705</u>
Fund balance				
Restricted	-	116,837	-	116,837
Total fund balances	<u>-</u>	<u>116,837</u>	<u>-</u>	<u>116,837</u>
Total liabilities and fund balances	<u>\$ 130,498</u>	<u>\$ 119,685</u>	<u>\$ 18,359</u>	<u>\$ 268,542</u>

See notes to financial statements.

**TAYLOR COUNTY, FLORIDA
SHERIFF
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended September 30, 2016**

	General Fund	Special Revenue Funds	Totals
REVENUES			
Intergovernmental	\$ 10,006	\$ 21,910	\$ 31,916
Charges for services	30,206	55,083	85,289
Fines and forfeitures	-	8,122	8,122
Miscellaneous	21,565	-	21,565
Total revenues	61,777	85,115	146,892
EXPENDITURES			
Public safety			
Law enforcement			
Personnel services	3,135,530	-	3,135,530
Operating expenses	573,682	21,691	595,373
Capital outlay	182,472	-	182,472
Total law enforcement	3,891,684	21,691	3,913,375
Detention and correction			
Personnel services	1,878,434	-	1,878,434
Operating expenses	436,747	42,557	479,304
Capital outlay	1,863	34,167	36,030
Total detention and correction	2,317,044	76,724	2,393,768
Total expenditures	6,208,728	98,415	6,307,143
Excess of revenues over (under) expenditures	(6,146,951)	(13,300)	(6,160,251)
OTHER FINANCING SOURCES			
Transfers from (to) Board of County Commissioners	6,146,951	3,083	6,150,034
Total other financing sources (uses)	6,146,951	3,083	6,150,034
Net change in fund balances	-	(10,217)	(10,217)
Fund balances at beginning of year	-	127,054	127,054
Fund balances at end of year	\$ -	\$ 116,837	\$ 116,837

See notes to financial statements

**TAYLOR COUNTY, FLORIDA
SHERIFF
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL AND SPECIAL REVENUE FUNDS
For the Fiscal Year Ended September 30, 2016**

	General Fund			Special Revenue Funds		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Intergovernmental	\$ 204,005	\$ 10,006	\$ (193,999)	\$ 21,910	\$ 21,910	\$ -
Charges for services	-	30,206	30,206	55,083	55,083	-
Fines and forfeitures	-	-	-	8,122	8,122	-
Miscellaneous	15,110	21,565	6,455	-	-	-
Total revenues	219,115	61,777	(157,338)	85,115	85,115	-
EXPENDITURES						
Public Safety						
Law enforcement						
Personnel services	3,167,594	3,135,530	32,064	-	-	-
Operating expenses	366,800	573,682	(206,882)	21,691	21,691	-
Capital outlay	18,470	182,472	(164,002)	-	-	-
Total law enforcement	3,552,864	3,891,684	(338,820)	21,691	21,691	-
Detention and correction						
Personnel services	2,145,550	1,878,434	267,116	-	-	-
Operating expenses	437,192	436,747	445	42,557	42,557	-
Capital outlay	5,200	1,863	3,337	34,167	34,167	-
Total detention and correction	2,587,942	2,317,044	270,898	76,724	76,724	-
Total expenditures	6,140,806	6,208,728	(67,922)	98,415	98,415	-
Excess of revenues over (under) expenditures	(5,921,691)	(6,146,951)	(225,260)	(13,300)	(13,300)	-
OTHER FINANCING SOURCES						
Transfers from Board of County Commissioners	5,921,691	6,146,951	225,260	3,083	3,083	-
Total other financing sources	5,921,691	6,146,951	225,260	3,083	3,083	-
Net change in fund balances	-	-	-	(10,217)	(10,217)	-
Fund balances at beginning of year	-	-	-	127,054	127,054	-
Fund balances at end of year	\$ -	\$ -	\$ -	\$ 116,837	\$ 116,837	\$ -

See notes to financial statements

TAYLOR COUNTY, FLORIDA

SHERIFF

NOTES TO FINANCIAL STATEMENTS

September 30, 2016

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the more significant accounting policies of the Taylor County Sheriff (Sheriff).

A. Reporting Entity - The Governmental Accounting Standards Board (GASB) in its Statement No. 14, "The Financial Reporting Entity," establishes standards for defining the financial reporting entity. In developing these standards, the GASB assumed that all governmental organizations are responsible to elected officials at the federal, state, or local level. Financial reporting by a state or local government should report the elected officials' accountability for those organizations.

The Sheriff, as established by Article VIII of the Constitution of the State of Florida, is an elected official of the County. Although the Sheriff's Office is operationally autonomous from the Board of County Commissioners, it does not hold sufficient corporate powers of its own to be considered a legally separate entity for financial reporting purposes. Therefore, the Sheriff is reported as a part of the primary government of Taylor County, Florida. The Sheriff's financial statements do not purport to reflect the financial position or results of operations of Taylor County, Florida, taken as a whole.

These special purpose financial statements of the Sheriff are issued separately to comply with Section 10.557(4), *Rules of the Auditor General for Local Governmental Entity Audits*, pursuant to Section 11.45(3), *Florida Statutes*.

B. Fund Accounting - Accounts are organized on the basis of funds and account groups, 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 entity, 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 funds utilized by the Sheriff are as follows:

(i) Governmental Funds

General Fund - The General Fund of the Sheriff is used to account for all financial resources, which are generated from operations of the Office or any other resources not required to be accounted for in another fund.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources which are legally restricted to expenditures for specified purposes. During the fiscal year ended September 30, 2016, the Sheriff maintained the following Special Revenue Funds:

Drug Task Force Grant
Non-grant forfeitures
Local Law Enforcement Block Grant
Special Law Enforcement Trust
Inmate Welfare

(ii) Fiduciary Funds

Agency Funds - Agency funds are required and used by the Sheriff to account for resources received from and disbursed to other governmental units, other funds of Taylor County and individuals. The Sheriff functions purely as an agent for others in the maintenance of these funds. The following Agency Funds are maintained:

Individual Depository
Inmate Trust
Evidence Trust

C. Basis of Accounting - The "Basis of Accounting" refers to when revenues and expenditures, and the related assets and liabilities, are recognized in the accounting records and reported in the financial statements. The Sheriff currently maintains his accounting records for all funds on the cash basis. However, for financial statements purposes appropriate adjustments are made to report governmental and fiduciary fund types using the modified accrual basis of accounting.

D. Budget - Chapter 129, *Florida Statutes*, requires that budgets be adopted for all funds as may be required by law, sound financial practices, and generally accepted accounting principles and that budgets be adopted on a basis consistent with generally accepted accounting principles (GAAP). Pursuant to this requirement, the County adopts an annual comprehensive appropriated budget, which includes the operating budget of the Sheriff.

In the budget comparisons included in these financial statements, both the amounts budgeted and the actual amounts reported are presented on the GAAP basis. Budgetary comparisons present the amended budget of the Sheriff.

E. Cash and Investments - Deposits are carried at cost which approximates market value. The carrying amount of deposits is separately displayed on the balance sheet as "Cash." At September 30, 2016, the book balance of the Sheriff's deposits was \$223,668. This balance was covered by federal depository insurance and collateral held at various qualified public depositories. Chapter 280, *Florida Statutes*, defines the eligible collateral for these qualified public depositories.

The collateral for the Sheriff's deposits is categorized to give an indication of the level of risk assumed by the Sheriff at year end. Category 1 includes deposits that are insured or registered or for which the securities are held by the Sheriff or his agent in the Sheriff's name. Category 2 includes uninsured and unregistered deposits for which the securities are held by the counterparty's trust department or agent in the Sheriff's name. Category 3 includes uninsured or unregistered deposits for which the securities are held by the counterparty's trust department or agent, but not in the Sheriff's name. All of the collateral covering the Sheriff's deposits was Category 1.

F. Inventories - It is the policy of the Sheriff to record the acquisition of supplies as expenditures at the time of purchase. The amount of supplies on hand at any one time would be a nominal amount and considered to be immaterial.

G. Fixed Assets - Fixed assets used in governmental fund type operations are accounted for in the Sheriff's Capital Assets Accounts, except for its infrastructure fixed assets which the County has elected not to report. All fixed assets acquired by purchase are recorded at historical cost. Donated assets are recorded at estimated fair market value at the date donated. No depreciation has been provided on the Sheriff's fixed assets.

H. Compensated Absences - Compensated absences are absences for which employees will be paid, such as vacation and sick leave. A liability for compensated absences that are attributable to services already rendered and that are not contingent on a specific event that is outside the control of the government and its employees is accrued as employees earn the rights to the benefits. Compensated absences that relate to future services or that are contingent on a specific event that is outside the control of the government and its employees are accounted for in the period in which such services are rendered or such

events take place.

In the governmental funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as an expenditure and fund liability in the fund of the Board of County Commissioners that will pay for them. The remainder of the compensated absences liability totaling \$333,115 is reported in the General Long-Term Debt Accounts of the Board of County Commissioners.

I. Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2. CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets follows:

	<u>Equipment</u>	<u>Accumulated Depreciation</u>	<u>Net Assets</u>
Beginning Balance	\$ 2,581,404	\$(1,665,644)	\$ 915,760
Additions	184,901	(239,683)	(54,782)
Deletions	(358,524)	322,333	(36,191)
Ending Balance	<u>\$ 2,407,781</u>	<u>\$(1,582,994)</u>	<u>\$ 824,787</u>

NOTE 3. PENSION PLAN

Plan Description - The Sheriff contributes to the Florida Retirement System ("System"), a cost sharing multiple-employer defined benefit plan administered by the State of Florida, Department of Administration, Division of Retirement. The System provides retirement, disability or death benefits to retirees or their designated beneficiaries. Chapter 121, *Florida Statutes*, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Florida Retirement System, 2639 North Monroe Street, Tallahassee, Florida, or by calling (850)488-5706.

Funding Policy - The System was employee noncontributory through June 30, 2011. Subsequently, employees contribute 3% of their salaries to the System. The Sheriff is required to contribute at an actuarially determined rate. The rates at September 30, 2016, were as follows: Regular Employees 7.52%; Special Risk Employees 22.57%; Senior Management 21.77%; Elected Officials 42.47% and employees electing the DROP Program 12.99%. The contribution requirements of plan members and the Sheriff are established and may be amended by the Florida Legislature. The Sheriff's contributions to the System for the years ending September 30, 2016, 2015 and 2014 were \$587,573, \$530,119, and \$483,964, respectively, equal to the required contributions for each year. Full information on the System is included in Note 13 to the Taylor County, Florida Financial Report.

NOTE 4. RISK MANAGEMENT

The Sheriff participates in various public entity risk pools for certain of its insurance coverages. Under these insurance risk pools, the Sheriff's entity risk pool pays annual premiums to the pools for its insurance coverages. The agreements for formation of the pools provide that the pools will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of specific amounts.

The Sheriff continues to carry commercial insurance for other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

The pooling agreements allow for the pools to make additional assessments to make the pools self-sustaining. It is not possible to estimate the amount of such additional assessments, which might have to be paid by the Sheriff.

The pooling agreements require the pool to be self-sustaining. It is not possible to estimate the amount of losses, which might have to be borne by the Sheriff.

NOTE 5. CONTINGENT LIABILITIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the State and Federal governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Sheriff and Board of County Commissioners expect such amounts, if any, to be immaterial.

COMBINING AND INDIVIDUAL FUND STATEMENTS

**TAYLOR COUNTY, FLORIDA
SHERIFF
GENERAL FUND
BALANCE SHEET
September 30, 2016**

ASSETS

Current assets

Cash	\$	104,174
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Accounts receivable		26,324
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Total assets	\$	130,498
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LIABILITIES AND FUND BALANCE

LIABILITIES

Current liabilities

Due to Board of County Commissioners	\$	129,878
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Other current liabilities		620
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Total liabilities and fund balance	\$	130,498
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See notes to financial statements.

**TAYLOR COUNTY, FLORIDA
SHERIFF
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2016**

	Budgeted Amounts	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES			
Intergovernmental	\$ 204,005	\$ 10,006	\$ (193,999)
Charges for services			
Public safety	-	30,206	30,206
Miscellaneous			
Miscellaneous	15,110	21,565	6,455
Total revenues	219,115	61,777	(157,338)
EXPENDITURES			
Public safety			
Law enforcement			
Personnel services	3,167,594	3,135,530	32,064
Operating expenses	366,800	573,682	(206,882)
Capital outlay	18,470	182,472	(164,002)
Total law enforcement	3,552,864	3,891,684	(338,820)
Corrections and detention			
Personnel services	2,145,550	1,878,434	267,116
Operating expenses	437,192	436,747	445
Capital outlay	5,200	1,863	3,337
Total corrections and detention	2,587,942	2,317,044	270,898
Total expenditures	6,140,806	6,208,728	(67,922)
Excess of revenues over (under) expenditures	(5,921,691)	(6,146,951)	(225,260)
OTHER FINANCING SOURCES			
Transfers from Board of County Commissioners	5,921,691	6,146,951	225,260
Total other financing sources	5,921,691	6,146,951	225,260
Net change in fund balance	-	-	-
Fund balance at beginning of year	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ -

See notes to financial statements.

**TAYLOR COUNTY, FLORIDA
SHERIFF
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
September 30, 2016**

	Drug Task Force Grant	Nongrant Forfeitures	Inmate Welfare	Local Law Enforcement Block Grant	Special Law Enforcement Trust	Totals
ASSETS						
Current assets						
Cash	\$ 6,913	\$ 5,041	\$ 80,318	\$ 3,064	\$ 5,799	\$ 101,135
Accounts receivable	-	-	7,316	-	-	7,316
Due from other governmental units	11,234	-	-	-	-	11,234
Total assets	<u>\$ 18,147</u>	<u>\$ 5,041</u>	<u>\$ 87,634</u>	<u>\$ 3,064</u>	<u>\$ 5,799</u>	<u>\$ 119,685</u>
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Current liabilities						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 2,848	\$ 2,848
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,848</u>	<u>2,848</u>
FUND BALANCES						
Restricted	18,147	5,041	87,634	3,064	2,951	116,837
Total liabilities and fund balances	<u>\$ 18,147</u>	<u>\$ 5,041</u>	<u>\$ 87,634</u>	<u>\$ 3,064</u>	<u>\$ 5,799</u>	<u>\$ 119,685</u>

See notes to financial statements

**TAYLOR COUNTY, FLORIDA
SHERIFF
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
For the Fiscal Year Ended September 30, 2016**

	Drug Task Force Grant	Nongrant Forfeitures	Inmate Welfare	Local Law Enforcement Block Grant	Special Law Enforcement Trust	Totals
REVENUES						
Intergovernmental						
Federal grants						
Public safety	\$ 21,040	\$ -	\$ -	\$ 870	\$ -	\$ 21,910
Charges for services						
Public safety	-	-	55,083	-	-	55,083
Fines and forfeitures						
Confiscated property	-	645	-	-	7,477	8,122
Total revenues	21,040	645	55,083	870	7,477	85,115
EXPENDITURES						
Public safety						
Law enforcement						
Operating expenses	21,495	-	-	196	-	21,691
Total law enforcement	21,495	-	-	196	-	21,691
Corrections and detention						
Operating expenses	-	-	37,117	-	5,440	42,557
Capital outlay	-	-	31,084	-	3,083	34,167
Total corrections and detention	-	-	68,201	-	8,523	76,724
Total expenditures	21,495	-	68,201	196	8,523	98,415
Excess of revenues over (under) expenditures	(455)	645	(13,118)	674	(1,046)	(13,300)
Other financing sources						
Transfer from Board of County Commissioners	-	-	-	-	3,083	3,083
Net change in fund balance	(455)	645	(13,118)	674	2,037	(10,217)
Fund balances at beginning of year	18,602	4,396	100,752	2,390	914	127,054
Fund balances at end of year	\$ 18,147	\$ 5,041	\$ 87,634	\$ 3,064	\$ 2,951	\$ 116,837
See notes to financial statements						

**TAYLOR COUNTY, FLORIDA
SHERIFF
AGENCY FUNDS
COMBINING BALANCE SHEET
September 30, 2016**

	Individual Depository	Inmate Trust	Evidence Trust	Totals
ASSETS				
Cash	\$ 6,454	\$ 8,828	\$ 3,077	\$ 18,359
Total assets	<u>\$ 6,454</u>	<u>\$ 8,828</u>	<u>\$ 3,077</u>	<u>\$ 18,359</u>
LIABILITIES				
Accounts payable	\$ -	\$ 4,665	\$ -	\$ 4,665
Due to individuals	-	2,878	-	2,878
Due to other governmental units	6,454	1,285	-	7,739
Other current liabilities	-	-	3,077	3,077
Total liabilities	<u>\$ 6,454</u>	<u>\$ 8,828</u>	<u>\$ 3,077</u>	<u>\$ 18,359</u>

See notes to financial statements.

**TAYLOR COUNTY, FLORIDA
SHERIFF
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the Fiscal Year Ended September 30, 2016**

	Balance October 1, 2015	Additions	Deletions	Balance September 30, 2016
INDIVIDUAL DEPOSITORY				
ASSETS				
Cash	\$ 4,502	\$ 38,612	\$ 36,660	\$ 6,454
Total assets	<u>\$ 4,502</u>	<u>\$ 38,612</u>	<u>\$ 36,660</u>	<u>\$ 6,454</u>
LIABILITIES				
Due to other governmental units	\$ 4,502	\$ 29,548	\$ 27,596	\$ 6,454
Other current liabilities	-	8,260	8,260	-
Total liabilities	<u>\$ 4,502</u>	<u>\$ 37,808</u>	<u>\$ 35,856</u>	<u>\$ 6,454</u>
INMATE TRUST				
ASSETS				
Cash	\$ 15,245	\$ 222,305	\$ 228,722	\$ 8,828
Total assets	<u>\$ 15,245</u>	<u>\$ 222,305</u>	<u>\$ 228,722</u>	<u>\$ 8,828</u>
LIABILITIES				
Accounts payable	\$ 8,771	\$ 80,795	\$ 84,901	\$ 4,665
Due to individuals	4,895	106,314	108,331	2,878
Due to other governmental units	1,579	9,161	9,455	1,285
Total liabilities	<u>\$ 15,245</u>	<u>\$ 196,270</u>	<u>\$ 202,687</u>	<u>\$ 8,828</u>
EVIDENCE TRUST				
ASSETS				
Cash	\$ 160	\$ 2,917	\$ -	\$ 3,077
Total assets	<u>\$ 160</u>	<u>\$ 2,917</u>	<u>\$ -</u>	<u>\$ 3,077</u>
LIABILITIES				
Other current liabilities	\$ 160	\$ 2,917	\$ -	\$ 3,077
Total liabilities	<u>\$ 160</u>	<u>\$ 2,917</u>	<u>\$ -</u>	<u>\$ 3,077</u>
TOTALS-ALL AGENCY FUNDS				
ASSETS				
Cash	\$ 19,907	\$ 263,834	\$ 265,382	\$ 18,359
Total assets	<u>\$ 19,907</u>	<u>\$ 263,834</u>	<u>\$ 265,382</u>	<u>\$ 18,359</u>
LIABILITIES				
Accounts payable	\$ 8,771	\$ 80,795	\$ 84,901	\$ 4,665
Due to individuals	4,895	106,314	108,331	2,878
Due to other governmental units	6,081	38,709	37,051	7,739
Other current liabilities	160	11,177	8,260	3,077
Total liabilities	<u>\$ 19,907</u>	<u>\$ 236,995</u>	<u>\$ 238,543</u>	<u>\$ 18,359</u>

See notes to financial statements.

COMPLIANCE SECTION

**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**

To the Sheriff
Taylor 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 special purpose financial statements of the Taylor County Sheriff as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the Taylor County Sheriff special purpose financial statements, and have issued our report thereon dated March 31, 2017.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control 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 Taylor County Sheriff'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.

A handwritten signature in cursive script that reads "Powell & Jones".**POWELL & JONES**

Certified Public Accountants
March 31, 2017

MANAGEMENT LETTER

Honorable Sheriff
Taylor County, Florida

We have audited the special purpose fund financial statements of the Taylor County Sheriff, as of and for the year ended September 30, 2016, and have issued our report thereon dated March 31, 2017.

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, and Chapter 10.550, *Rules of the Florida Auditor General*.

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards. Disclosures in this report which is dated March 31, 2017, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with the Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida. The Letter includes the following information, which is not included in the aforementioned auditor's reports or schedule:

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

PRIOR YEAR FINDINGS

The prior year finding was substantially corrected in the current year.

CURRENT YEAR FINDINGS

There were no reportable findings in the current year.

AUDITOR GENERAL COMPLIANCE MATTERS

Annual Report of Units of Local Government - The financial report filed with the Department of Financial Services pursuant to Section 218.32(1)(a), *Florida Statutes*, is an agreement with the audited special purpose fund financial statements of Taylor County, Florida, for the year ended September 30, 2016. The special purpose fund financial statements of the Sheriff are combined with other County agencies in that report.

Financial Emergency Status – We determined that the Sheriff had not met any of the conditions described in Section 218.503(1), *Florida Statutes*, that might result in a financial emergency.

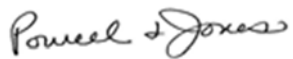
Financial Condition Assessment - As required by the *Rules of the Auditor General* (Sections 10.544(7)(c). and 10.556(7), we applied financial condition assessment procedures. It is management's responsibility to monitor the entity's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information they provided.

Our audit did not disclose any further items that would be required to be reported under the *Rules of the*

Auditor General, Chapter 10.550.

CONCLUSION

We have reviewed information regarding our audit with the Sheriff and have provided him with appropriate documentation as requested. We very much enjoyed the challenges and experiences associated with this audit of the Office. We appreciate the overall high quality of the financial records and personnel in the Sheriff's Office. We also appreciate the helpful assistance, professionalism and courtesy afforded us by these employees.

A handwritten signature in cursive script that reads "Powell & Jones".

POWELL & JONES

Certified Public Accountants
March 31, 2017

INDEPENDENT ACCOUNTANT'S REPORT

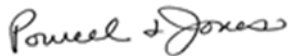
To The Sheriff
Taylor County, Florida

We have examined the Taylor County, Florida Sheriff's (the Sheriff) compliance with Section 218.415, *Florida Statutes*, regarding the investment of public funds during the year ended September 30, 2016. Management is responsible for the Sheriff's compliance with those requirements. Our responsibility is to express an opinion on the Sheriff'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 Sheriff'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 Sheriff's compliance with specified requirements.

In our opinion, the Sheriff 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 the Taylor County, Florida Sheriff, and the Auditor General, State of Florida, and is not intended to be and should not be used by anyone other than these specified parties.



POWELL & JONES
Certified Public Accountants
March 31, 2017

SUPERVISOR OF ELECTIONS

TAYLOR COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
SPECIAL PURPOSE FINANCIAL STATEMENTS
For the Fiscal Year Ended September 30, 2016

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Powell & Jones
Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

Honorable Supervisor of Elections
Taylor County, Florida

Report on the Financial Statements

We have audited the accompanying special purpose fund financial statements of the Taylor County Supervisor of Elections (the Supervisor of Elections), as of and for the year ended September 30, 2016, 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 special purpose 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 *Governmental Auditing Standards*, issued by the Comptroller General of the United States. The standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

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 or significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Florida Institute of Certified Public Accountants • American Institute of Certified Public Accountants

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

The accompanying special purpose fund financial statements were prepared for the purpose of complying with Section 218.39(8), *Florida Statutes*, and Rule 10.557(5), of Chapter 10.550, *Rules of the Auditor General - Local Governmental Entity Audits*. As described in Note 1 to the financial statements, the Supervisor of Elections is part of the reporting entity, Taylor County, Florida. Accordingly, these special purpose fund financial statements are not a complete presentation of the reporting entity's basic financial statements.

Opinion

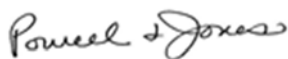
In our opinion, the special purpose fund financial statements referred to above present fairly, in all material respects, the financial position of the Taylor County Supervisor of Elections, as of September 30, 2016, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated March 31, 2017, on our consideration of the Supervisor of Elections' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 the 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 Supervisor of Elections' internal control over financial reporting and on compliance.

Other Information

Our audit was made for the purpose of forming an opinion on the special purpose fund financial statements taken as a whole. The individual fund financial statement listed in the table of contents is presented for purposes of additional analysis and are not a required part of the special purpose fund financial statements of the Supervisor of Elections. Such information has been subjected to the auditing procedures applied in the audit of the special purpose fund financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the special purpose fund financial statements taken as a whole.



POWELL & JONES

Certified Public Accountants
March 31, 2017

COMBINED FINANCIAL STATEMENTS

**TAYLOR COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
GENERAL FUND
BALANCE SHEET
September 30, 2016**

	General Fund
ASSETS	
Cash and cash equivalents	
Cash	\$ 18,240
 LIABILITIES AND FUND BALANCE	
Liabilities	
Due to Board of County Commissioners	\$ 15,922
Other current liabilities	2,318
Total liabilities	18,240
 Fund balance	-
Total liabilities and fund balance	\$ 18,240

See notes to financial statements.

**TAYLOR COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
For the Fiscal Year Ended September 30, 2016**

	General Fund
REVENUES	
Federal grant and county match	\$ 7,490
Miscellaneous	1,777
Total revenues	<u>9,267</u>
EXPENDITURES	
Current expenditures	
General government	
Current operating expenditures	444,739
Total expenditures	<u>444,739</u>
Excess of revenues over (under) expenditures	(435,472)
OTHER FINANCING SOURCES	
Transfers from Board of County Commissioners	<u>435,472</u>
Net change in fund balance	-
Fund balance at beginning of year	-
Fund balance at end of year	<u>\$ -</u>

See notes to financial statements.

See notes to financial statements.

**TAYLOR COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
NOTES TO FINANCIAL STATEMENTS**

September 30, 2016

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the more significant accounting policies of the Taylor County Supervisor of Elections (Supervisor of Elections).

A. Reporting Entity - The Governmental Accounting Standards Board (GASB) in its Statement No. 14, "The Financial Reporting Entity," establishes standards for defining the financial reporting entity. In developing these standards, the GASB assumed that all governmental organizations are responsible to elected officials at the federal, state, or local level. Financial reporting by a state or local government should report the elected officials' accountability for those organizations.

The Supervisor of Elections, as established by Article VIII of the Constitution of the State of Florida, is an elected official of the County. Although the Supervisor of Elections' Office is operationally autonomous from the Board of County Commissioners, it does not hold sufficient corporate powers of its own to be considered a legally separate entity for financial reporting purposes. Therefore, the Supervisor of Elections is reported as a part of the primary government of Taylor County, Florida. The Supervisor of Elections' financial statements do not purport to reflect the financial position or the results of operations of a Taylor County, Florida, taken as a whole.

These special purpose financial statements of the Supervisor of Elections are issued separately to comply with Section 10.557(4), *Rules of the Auditor General for Local Governmental Entity Audits*, pursuant to Section 11.45(3), *Florida Statutes*.

B. 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 funds utilized by the Supervisor of Elections are as follows:

(i) Governmental Funds

General Fund - The General Fund of the Supervisor of Elections is used to account for all financial resources, which are generated from operations of the office or any other resources not required to be accounted for in another fund.

Special Revenue Fund - The Special Revenue Fund is used to account for grant funds received and expenditures by the office during the year.

C. Basis of Accounting - The "Basis of Accounting" refers to when revenues and expenditures and the related assets and liabilities are recognized in the accounting records and reported in the financial statements. The Supervisor of Elections currently maintains accounting records for all funds on the cash basis. However, for financial statement purposes appropriate adjustments are made to report governmental and fiduciary fund types using the modified accrual basis of accounting. Under the modified accrual basis, revenues are generally recognized when they become measurable and available as net current assets. Expenditures are reported when incurred with the exception of prepaid expenses and principal and interest on general long-term obligations. Encumbrance accounting is not utilized by the Supervisor of Elections.

D. Budget - Chapter 129, *Florida Statutes*, requires that budgets be adopted for all funds as may be required by law, sound financial practices, and generally accepted accounting principles and that budgets be adopted on a basis consistent with generally accepted accounting principles (GAAP). Pursuant to this

requirement, the County adopts an annual comprehensive appropriations budget, which includes the operating budget of the Supervisor of Elections.

In the budgetary comparisons included in these financial statements, both the amounts budgeted and the actual amounts reported are presented on the GAAP basis. Budgetary comparisons present the appropriated budget of the Supervisor of Elections, as amended by the Supervisor of Elections.

E. Cash and Investments - Deposits are carried at cost which approximates market value. The carrying amount of deposits is separately displayed on the balance sheet as "Cash." At September 30, 2016, the book balance of the Supervisor of Elections' deposits was \$18,239.

F. Inventories - It is the policy of the Supervisor of Elections to record the acquisition of supplies as expenditures at the time of purchase. The amount of supplies on hand at any one time would be a nominal amount and considered to be immaterial.

G. Fixed Assets - Fixed assets used in governmental fund type operations are accounted for in the Capital Assets Accounts. All fixed assets acquired by purchase are recorded at historical cost. Donated assets are recorded at estimated fair market value at the date donated. No depreciation has been recorded using the straight-line method on the County's general fixed assets. Assets purchased by the Supervisor of Elections are reported in the Board of County Commissioners' Governmental Capital Assets Accounts.

H. Compensated Absences - Compensated absences are absences for which employees will be paid, such as vacation and sick leave. A liability for compensated absences that are attributable to services already rendered and that are not contingent on a specific event that is outside the control of the government and its employees is accrued as employees earn the rights to the benefits. Compensated absences that relate to future services or that are contingent on a specific event that is outside the control of the government and its employees are accounted for in the period in which such services are rendered or such events take place.

In the governmental funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as an expenditure and fund liability in the fund of the Board of County Commissioners that will pay for them. The remainder of the compensated absences liability totaling \$17,465 is reported in the General Long-Term Debt Accounts of Taylor County, Florida.

I. Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

J. Risk Management - The Supervisor of Elections is exposed to various risks of loss related to torts: theft of, damage to and destruction of assets; errors or omissions; injuries to employees and the public; or damage to property of others. The Supervisor of Elections directly purchases insurance and participates in the risk management program through the Taylor County Board of County Commissioners which uses commercial insurance and a public entity risk pool to cover certain risks from losses.

K. Unearned Revenues - Unearned revenues reported in the special purpose fund financial statements represent unearned revenues which are measurable but not available and, in accordance with the modified accrual basis of accounting, are reported as deferred revenues.

NOTE 2. PENSION PLAN

Plan Description - The Supervisor of Elections contributes to the Florida Retirement System ("System"), a cost-sharing multiple-employer defined benefit plan administered by the State of Florida, Department of Administration, Division of Retirement. The System provides retirement, disability or death benefits to retirees or their designated beneficiaries. Chapter 121, *Florida Statutes*, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Florida Retirement System, 2639 North Monroe Street, Tallahassee, Florida; or by calling (850) 488-5706.

Funding Policy - The System was employee noncontributory through June 30, 2011. Subsequently, employees are required to contribute 3% to the System. The Supervisor of Elections is required to contribute at an actuarially determined rate. The rates at September 30, 2016, were as follows: Regular Employees 7.52%; Senior Management 21.77%; and Elected Officials 42.47%. The contribution requirements of plan members and the Supervisor of Elections are established and may be amended by the Florida Legislature. The Supervisor of Elections' contributions to the System for the years ending September 30, 2016, 2015 and 2014 were \$41,206, \$41,473, and \$34,431, respectively, equal to the required contributions for each year. Full financial information on the System is contained in Note 13 to the Taylor County, Florida Financial Report.

INDIVIDUAL FUND STATEMENTS

GENERAL FUND

**TAYLOR COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2016**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES				
Federal grant and match	\$ -	\$ -	\$ 7,490	\$ 7,490
Miscellaneous	-	-	1,778	1,778
Total revenues	<u>-</u>	<u>-</u>	<u>9,268</u>	<u>9,268</u>
EXPENDITURES				
General government				
Supervisor of Elections				
Personnel services	281,245	281,245	283,390	(2,145)
Operating expenses	63,103	63,103	58,014	5,089
Total Supervisor of Elections	<u>344,348</u>	<u>344,348</u>	<u>341,404</u>	<u>2,944</u>
Elections				
Personnel services	40,770	40,770	40,170	600
Operating expenses	56,133	56,133	63,166	(7,033)
Total Elections	<u>96,903</u>	<u>96,903</u>	<u>103,336</u>	<u>(6,433)</u>
Total expenditures	<u>441,251</u>	<u>441,251</u>	<u>444,740</u>	<u>(3,489)</u>
Excess of revenues over (under) expenditures	(441,251)	(441,251)	(435,472)	5,779
OTHER FINANCING SOURCES				
Transfers from Board of County Commissioners	441,251	441,251	435,472	(5,779)
Net change in fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See notes to financial statements.

COMPLIANCE SECTION

**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**

To the Supervisor of Elections
Taylor 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 special purpose financial statements of the Taylor County Supervisor of Elections as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the Taylor County Supervisor of Elections' special purpose fund financial statements, and have issued our report thereon dated March 31, 2017.

Internal Control Over Financial Reporting

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

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

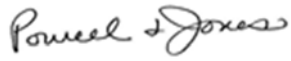
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not 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 Taylor County Supervisor of Elections' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

A handwritten signature in cursive script that reads "Powell & Jones".**POWELL & JONES**

Certified Public Accountants
March 31, 2017

**MANAGEMENT LETTER REQUIRED BY CHAPTER 10.550,
RULES OF THE AUDITOR GENERAL**

Honorable Supervisor of Elections
Taylor County, Florida

We have audited the financial statements of the Taylor County Supervisor of Elections, as of and for the year ended September 30, 2016, and have issued our report thereon dated March 31, 2017.

We have issued our 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* dated March 31, 2017. Disclosures in 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 *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 the following be addressed in this letter.

PRIOR YEAR FINDINGS

There were no reportable findings in the prior year.

CURRENT YEAR FINDINGS

There were no reportable findings in the current year.

FINANCIAL COMPLIANCE MATTERS

Annual Local Government Financial Report - The Financial Report filed with the Department of Financial Services pursuant to Section 218.32(1)(a), *Florida Statutes*, is in agreement with the accompanying financial statements of Taylor County, Florida, for the year ended September 30, 2016. The financial statements of the Supervisor of Elections are combined with other County agencies in that report.

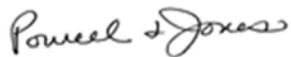
Financial Emergency Status – We have determined that the Supervisor of Elections did not meet any of the conditions described in Section 218.503(1), *Florida Statutes*, that might result in a financial emergency.

Financial Condition Assessment Procedures - As required by the Rules of the Auditor General (Sections 10.554(1)(i)7.c. and 10.556(7)), we applied financial condition assessment procedures. It is management's responsibility to monitor the entity's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information they provided.

Our audit did not disclose any further items that would be required to be reported under the Rules of the Auditor General, Chapter 10.554(1)(f).

CONCLUSION

We have reviewed information regarding our audit with the Supervisor of Elections and have provided him with appropriate documentation as requested. We very much enjoyed the challenges and experiences associated with our audit of the Supervisor of Elections. We appreciate the helpful assistance of Supervisor of Elections staff in completing our audit and also the generally high quality of the Supervisor of Elections' financial records and internal control. We also appreciate the helpful assistance and courtesy afforded us by these employees.

A handwritten signature in cursive script that reads "Powell & Jones".

POWELL & JONES

Certified Public Accountants

March 31, 2017

INDEPENDENT ACCOUNTANT'S REPORT

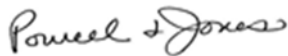
To The Supervisor of Elections
Taylor County, Florida

We have examined the Taylor County, Florida Supervisor of Elections' (the Supervisor) compliance with Section 218.415, *Florida Statutes*, regarding the investment of public funds during the year ended September 30, 2016. Management is responsible for the Supervisor's compliance with those requirements. Our responsibility is to express an opinion on the Supervisor'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 Supervisor'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 Supervisor's compliance with specified requirements.

In our opinion, the Supervisor 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 the Taylor County, Florida Supervisor of Elections, and the Auditor General, State of Florida, and is not intended to be and should not be used by anyone other than these specified parties.



POWELL & JONES
Certified Public Accountants
March 31, 2017

TAX COLLECTOR

**TAYLOR COUNTY, FLORIDA
TAX COLLECTOR**

SPECIAL PURPOSE FINANCIAL STATEMENTS

For the Fiscal Year Ended September 30, 2016

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Powell & Jones
Certified Public Accountants

Richard C. Powell, Jr., CPA
Marian Jones Powell, CPA

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INDEPENDENT AUDITOR'S REPORT

Honorable Tax Collector
Taylor County, Florida

Report on the Financial Statements

We have audited the accompanying special purpose fund financial statements of the Taylor County Tax Collector (the Tax Collector), as of and for the year ended September 30, 2016, 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 special purpose 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 *Governmental Auditing Standards*, issued by the Comptroller General of the United States. The standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

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 or significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Florida Institute of Certified Public Accountants • American Institute of Certified Public Accountants

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

The accompanying special purpose fund financial statements were prepared for the purpose of complying with Section 218.39(8), *Florida Statutes*, and Rule 10.557(5), of Chapter 10.550, *Rules of the Auditor General - Local Governmental Entity Audits*. As described in Note 1 to the financial statements, the Tax Collector is part of the reporting entity, Taylor County, Florida. Accordingly, these special purpose fund financial statements are not a complete presentation of the reporting entity's basic financial statements.

Opinion

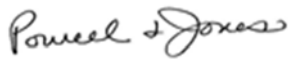
In our opinion, the special purpose fund financial statements referred to above present fairly, in all material respects, the financial position of the Taylor County Tax Collector, as of September 30, 2016, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated March 31, 2017, on our consideration of the Tax Collector's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 the 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 Tax Collector's internal control over financial reporting and on compliance.

Other Information

Our audit was made for the purpose of forming an opinion on the special purpose fund financial statements taken as a whole. The individual and combining fund financial statements listed in the table of contents are presented for purposes of additional analysis and are not a required part of the special purpose fund financial statements of the Tax Collector. Such information has been subjected to the auditing procedures applied in the audit of the special purpose fund financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the special purpose fund financial statements taken as a whole.



POWELL & JONES

Certified Public Accountants
March 31, 2017

COMBINED FINANCIAL STATEMENTS

**TAYLOR COUNTY, FLORIDA
TAX COLLECTOR
COMBINED BALANCE SHEET - ALL FUNDS
September 30, 2016**

	<u>Governmental Fund</u>	<u>Fiduciary Funds</u>	
	<u>General Fund</u>	<u>Agency Funds</u>	<u>Totals</u>
ASSETS			
Current assets			
Cash	\$ 41,783	\$ 448,964	\$ 490,747
Due from individuals	-	9,258	9,258
Total assets	<u>\$ 41,783</u>	<u>\$ 458,222</u>	<u>\$ 500,005</u>
 LIABILITIES AND FUND BALANCES			
LIABILITIES			
Current liabilities			
Due to Board of County Commissioers	\$ 39,883	\$ -	\$ 39,883
Due to other governmental units	-	8,886	8,886
Due to other funds	-	-	-
Advalorem taxes payable	-	372	372
Installments payable	-	440,411	440,411
Other current liabilities	1,900	8,553	10,453
Total liabilities	<u>\$ 41,783</u>	<u>\$ 458,222</u>	<u>\$ 500,005</u>

See notes to financial statements.

**TAYLOR COUNTY, FLORIDA
TAX COLLECTOR
GENERAL FUND
COMBINED STATEMENT F REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
For the Fiscal Year Ended September 30, 2016**

REVENUES

Charges for services	\$ 803,621
Miscellaneous	1,090
Total revenues	804,711

EXPENDITURES

General government	
Current expenditures	1,013,691
Capital outlay	24,811
Total expenditures	1,038,502

Excess of revenues over (under) expenditures	(233,791)
---	------------------

OTHER FINANCING SOURCES (USES)

Transfers from Board of County Commissioners	273,674
Transfers to the Board of County Commissioners	(39,883)
Total other financing sources (uses)	233,791

Net change in fund balance	-
-----------------------------------	----------

Fund balance at beginning of year	-
--	----------

Fund balance at end of year	\$ -
------------------------------------	-------------

See notes to financial statements.

TAYLOR COUNTY, FLORIDA
TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS
September 30, 2016

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the more significant accounting policies of the Taylor County Tax Collector (Tax Collector).

A. Reporting Entity - The Governmental Accounting Standards Board (GASB) in its Statement No. 14, "The Financial Reporting Entity," establishes standards for defining the financial reporting entity. In developing these standards, the GASB assumed that all governmental organizations are responsible to elected officials at the federal, state, or local level. Financial reporting by a state or local government should report the elected officials' accountability for those organizations.

The Tax Collector, as established by Article VIII of the Constitution of the State of Florida, is an elected official of the County. Although the Tax Collector's Office is operationally autonomous from the Board of County Commissioners, it does not hold sufficient corporate powers of its own to be considered a legally separate entity for financial reporting purposes. Therefore, the Tax Collector is reported as a part of the primary government of Taylor County, Florida. The Tax Collector's financial statements do not purport to reflect the financial position or the results of operations of Taylor County, Florida, taken as a whole.

These special purpose financial statements of the Tax Collector are issued separately to comply with Section 10.557(4), Rules of the Auditor General for Local Governmental Entity Audits, pursuant to Section 11.45(3), *Florida Statutes*.

B. Fund Accounting - Accounts are organized on the basis of funds and account groups, 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 entity, 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 funds utilized by the Tax Collector are as follows:

(i) Governmental Fund

General Fund - The General Fund of the Tax Collector is used to account for all financial resources, which are generated from operations of the office or any other resources not required to be accounted for in another fund.

(ii) Fiduciary Funds

Agency Funds - Agency funds are used to account for assets held by the Tax Collector as an agent for individuals, private organizations, other governments, and/or other funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The following Agency Funds are maintained by the Tax Collector:

Tax Fund Account
Tag Agency

C. Basis of Accounting - The "Basis of Accounting" refers to when revenues and expenditures and the related assets and liabilities are recognized in the accounting records and reported in the financial statements. The Tax Collector currently maintains its accounting records for all funds on the cash basis. However, for financial statement purposes appropriate adjustments are made to report governmental and fiduciary fund types using the modified accrual basis of accounting. Under the modified accrual basis, revenues are generally recognized when they become measurable and available as net current assets. Expenditures are reported when incurred with the exception of prepaid expenses and principal and interest on general long-term obligations. Encumbrance accounting is not utilized by the Tax Collector.

D. Budget - Chapter 129, *Florida Statutes*, requires that budgets be adopted for all funds as may be required by law, sound financial practices, and generally accepted accounting principles and that budgets be adopted on a basis consistent with generally accepted accounting principles (GAAP). Pursuant to this requirement, the County adopts an annual comprehensive appropriated budget, which includes its funding of the operations of the Tax Collector. The operating budget of the Tax Collector is approved by the Florida Department of Revenue.

In the budget comparisons included in these financial statements, both the amounts budgeted and the actual amounts reported are presented on the GAAP basis. Budgetary comparisons present the appropriated budget of the Tax Collector, as amended during the year.

E. Cash and Investments – Cash deposits are held by a bank qualified as a public depository under Florida law. All deposits are insured by Federal depository insurance and collateralized with securities held in Florida's multiple financial institution collateral pool as required by Chapter 280, *Florida Statutes*.

Investments made locally consist of certificates of deposit and are reported at fair value. Types and amounts of investments held at fiscal year end are described in a subsequent note on investments.

The Tax Collector also has petty cash reserves in the amount of \$1,900.

F. Inventories - It is the policy of the Tax Collector to record the acquisition of supplies as expenditures at the time of purchase. The amount of supplies on hand at any one time would be a nominal amount and considered to be immaterial.

G. Fixed Assets - Fixed assets used in governmental fund type operations are accounted for in the Capital Asset Accounts, except for its infrastructure fixed assets which the County has elected not to report. All fixed assets acquired by purchase are recorded at historical cost. Donated assets are recorded at estimated fair market value at the date donated. No depreciation has been provided on the County's capital assets. Assets purchased by the Tax Collector are reported in the Board of County Commissioners' Capital Assets Accounts.

H. Compensated Absences - Compensated absences are absences for which employees will be paid, such as vacation and sick leave. A liability for compensated absences that are attributable to services already rendered and that are not contingent on a specific event that is outside the control of the government and its employees is accrued as employees earn the rights to the benefits. Compensated absences that relate to future services or that are contingent on a specific event that is outside the control of the government and its employees are accounted for in the period in which such services are rendered or such events take place.

In the governmental funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as an expenditure and fund liability in the fund of the Board of County Commissioners that will pay for them. The remainder of the compensated absences liability totaling \$29,861 is reported in the General Long-Term Debt Account Group of Taylor County, Florida.

I. Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

J. Risk Management - The Tax Collector is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors or omissions; injuries to employees and the public; or damage to property of others. The Tax Collector directly purchases insurance and participates in the risk management program through the Taylor County Board of County Commissioners which uses commercial insurance and a public entity risk pool to cover certain risks from loss.

NOTE 2. PENSION PLAN

Plan Description - The Tax Collector contributes to the Florida Retirement System ("System"), a cost-sharing multiple-employer defined benefit plan administered by the State of Florida, Department of Administration, Division of Retirement. The System provides retirement, disability or death benefits to retirees or their designated beneficiaries. Chapter 121, *Florida Statutes*, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Florida Retirement System, 2639 North Monroe Street, Tallahassee, Florida, or by calling (850) 488-5706.

Funding Policy - The System was employee noncontributory through June 30, 2011. Subsequently, employees are required to contribute 3% to the System. The Tax Collector is required to contribute at an actuarially determined rate. The rates at September 30, 2016, were as follows: Regular Employees 7.52%; Senior Management 21.77%; and Elected Officials 42.47%. The contribution requirements of plan members and the Tax Collector are established and may be amended by the Florida Legislature. The Tax Collector's contributions to the System for the years ending September 30, 2016, 2015, and 2014 were \$95,463, \$98,355, and \$85,930, respectively, equal to the required, contributions for each year. Full information on the System is included in Note 13 to the Taylor County, Florida Financial Report.

NOTE 3. DEPOSITS AND INVESTMENTS

1. Deposits

At September 30, 2016, the carrying amount of the Tax Collector's bank deposits was \$422,737. All deposits with financial institutions were 100% insured by federal depository insurance or by collateral provided by qualified public depositories to the State Treasurer pursuant to the Public Depository Security Act of the State of Florida. The Act established a Trust Fund, maintained by the State Treasurer, which is a multiple financial institution pool with the ability to assess its member financial institutions for collateral shortfalls if a member fails.

COMBINING AND INDIVIDUAL FUND STATEMENTS

GENERAL FUND

**TAYLOR COUNTY, FLORIDA
TAX COLLECTOR
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2016**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
REVENUES				
Charges for services				
County Officer fees				
Tax roll commissions				
Board of County Commissioners	\$ 426,096	\$ 426,096	\$ 426,096	\$ -
SRWMD	15,755	15,755	15,755	-
Advertising	43,127	43,127	43,127	-
Advertising delinquent	12,694	12,694	12,694	-
Fees FWCC	8,314	8,314	8,314	-
Board of County Commissioners postage	6,931	6,931	6,931	-
DMV fees	126,199	126,199	155,695	29,496
Fees sales tax	1,590	1,590	1,590	-
Fees miscellaneous	4,947	4,947	5,929	982
Fees drivers licenses	48,182	48,182	48,182	-
Tax certificate fees	74,800	74,800	74,800	-
E Comm fees	746	746	746	-
Concealed weapons fees	-	-	3,762	3,762
Total charges for services	<u>769,381</u>	<u>769,381</u>	<u>803,621</u>	<u>34,240</u>
Miscellaneous				
Interest earnings	<u>1,090</u>	<u>1,090</u>	<u>1,090</u>	<u>-</u>
Total miscellaneous	<u>1,090</u>	<u>1,090</u>	<u>1,090</u>	<u>-</u>
Total revenues	<u>770,471</u>	<u>770,471</u>	<u>804,711</u>	<u>34,240</u>
EXPENDITURES				
General government				
Tax Collector				
Personnel services				
Executive salaries	100,257	100,257	100,257	-
Regular salaries	416,999	390,149	403,414	(13,265)
Temporary salaries	2,000	-	-	-
Special pay	22,000	22,000	21,263	737
FICA	41,406	39,396	38,638	758
Retirement	102,075	95,850	95,463	387
Life and health insurance	158,000	124,800	124,778	22
Total personnel services	<u>842,737</u>	<u>772,452</u>	<u>783,813</u>	<u>(11,361)</u>

(Continued)

**TAYLOR COUNTY, FLORIDA
TAX COLLECTOR
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2016**

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget Positive (Negative)
Operating expenses				
Education	\$ 2,550	\$ 2,550	\$ 868	\$ 1,682
Legal ads	51,000	48,275	48,113	162
Professional services	45,500	83,000	82,361	639
Other contractual services	25,000	31,225	31,217	8
Travel and per diem	5,079	1,779	1,696	83
Communications	6,500	6,500	6,251	249
Transportation	19,413	24,113	24,102	11
Rentals and leases	2,000	2,000	1,776	224
Insurance	750	750	582	168
Repairs and maintenance	3,450	4,565	4,516	49
Office supplies	8,000	23,710	23,690	20
Books, publications, and subscriptions	3,500	4,710	4,706	4
Total operating expenses	172,742	233,177	229,878	3,299
Capital outlay				
Equipment	15,000	24,850	24,811	39
Total expenditures	1,030,479	1,030,479	1,038,502	(8,023)
Excess of revenues over (under) expenditures	(260,008)	(260,008)	(233,791)	26,217
OTHER FINANCING SOURCES (USES)				
Transfers from Board of County Commissioners	260,008	260,008	233,791	(26,217)
Total other financing sources (uses)	260,008	260,008	233,791	(26,217)
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ -	\$ -
See notes to financial statements.				

AGENCY FUNDS

**TAYLOR COUNTY, FLORIDA
TAX COLLECTOR
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the Fiscal Year Ended September 30, 2016**

	Balance October 1, 2015	Additions	Deductions	Balance September 30, 2016
TAX FUND ACCOUNT				
Assets				
Cash	\$ 448,964	\$ 49,076,121	\$ 49,084,865	\$ 440,220
Due from other funds	-	4,150	-	4,150
Total assets	\$ 448,964	\$ 49,080,271	\$ 49,084,865	\$ 444,370
Liabilities				
Advalorem taxes payable	\$ -	\$ 22,007,686	\$ 22,007,686	\$ -
Delinquent taxes and fees payable	-	239,043	239,043	-
Installments and taxes payable	440,411	900,978	912,254	429,135
Other current liabilities	8,553	2,365,028	2,358,346	15,235
Total liabilities	\$ 448,964	\$ 25,512,735	\$ 25,517,329	\$ 444,370
TAG AGENCY				
Assets				
Cash	\$ -	\$ 7,040,753	\$ 7,040,753	\$ -
Due from individuals	9,258	2,381,720	2,383,846	7,132
Total assets	\$ 9,258	\$ 9,422,473	\$ 9,424,599	\$ 7,132
Liabilities				
Due to other governmental units	\$ 8,886	\$ 6,760,781	\$ 6,766,685	\$ 2,982
Due to other funds	372	282,722	278,944	4,150
Total liabilities	\$ 9,258	\$ 7,043,503	\$ 7,045,629	\$ 7,132
TOTALS - ALL AGENCY FUNDS				
Assets				
Cash	\$ 448,964	\$ 56,116,874	\$ 56,125,618	\$ 440,220
Due from individuals	9,258	2,381,720	2,383,846	7,132
Due from other funds	-	4,150	-	4,150
Total assets	\$ 458,222	\$ 58,502,744	\$ 58,509,464	\$ 451,502
Liabilities				
Advalorem taxes payable	-	\$ 22,007,686	\$ 22,007,686	\$ -
Due to other governmental units	8,886	6,760,781	6,766,685	2,982
Delinquent taxes and fees payable	-	239,043	239,043	-
Installment payable	440,411	900,978	912,254	429,135
Due to other funds	372	282,722	278,944	4,150
Other current liabilities	8,553	2,365,038	2,358,356	15,235
Total liabilities	\$ 458,222	\$ 32,556,248	\$ 32,562,968	\$ 451,502
See notes to financial statements.				

COMPLIANCE SECTION

**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**

To the Tax Collector
Taylor 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 special purpose financial statements of the Taylor County Tax Collector as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the Taylor County Tax Collector's special purpose financial statements, and have issued our report thereon dated March 31, 2017.

Internal Control Over Financial Reporting

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

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

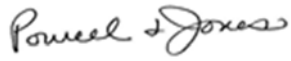
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not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

A handwritten signature in cursive script that reads "Powell & Jones".**POWELL & JONES**

Certified Public Accountants

March 31, 2017

**MANAGEMENT LETTER REQUIRED BY CHAPTER 10.550,
RULES OF THE AUDITOR GENERAL**

Honorable Tax Collector
Taylor County, Florida

We have audited the financial statements of the Taylor County Tax Collector, as of and for the year ended September 30, 2016, and have issued our report thereon dated March 31, 2017.

We have issued our 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* dated March 31, 2017. Disclosures in 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 *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 the following be addressed in this letter.

PRIOR YEAR FINDINGS

There were no reportable findings in the prior year.

CURRENT YEAR FINDINGS

There were no reportable findings in the current year.

FINANCIAL COMPLIANCE MATTERS

Annual Local Government Financial Report - The Financial Report filed with the Department of Financial Services pursuant to Section 218.32(1)(a), *Florida Statutes*, is in agreement with the accompanying financial statements of Taylor County, Florida, for the year ended September 30, 2016. The financial statements of the Tax Collector are combined with other County agencies in that report.

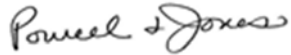
Financial Emergency Status – We have determined that the Tax Collector did not meet any of the conditions described in Section 218.503(1), *Florida Statutes*, that might result in a financial emergency.

Financial Condition Assessment Procedures - As required by the Rules of the Auditor General (Sections 10.554(1)(i)7.c. and 10.556(7)), we applied financial condition assessment procedures. It is management's responsibility to monitor the entity's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information they provided.

Our audit did not disclose any further items that would be required to be reported under the Rules of the Auditor General, Chapter 10.554(1)(f).

CONCLUSION

We have reviewed information regarding our audit with the Tax Collector and have provided him with appropriate documentation as requested. We very much enjoyed the challenges and experiences associated with our audit of the Tax Collector. We appreciate the helpful assistance of Tax Collector staff in completing our audit and also the generally high quality of the Tax Collector's financial records and internal control. We also appreciate the helpful assistance and courtesy afforded us by these employees.

A handwritten signature in cursive script that reads "Powell & Jones".

POWELL & JONES

Certified Public Accountants

March 31, 2017

INDEPENDENT ACCOUNTANT'S REPORT

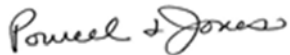
To The Tax Collector
Taylor County, Florida

We have examined the Taylor County, Florida's Tax Collector's (the Tax Collector) compliance with Section 218.415, *Florida Statutes*, regarding the investment of public funds during the year ended September 30, 2016. Management is responsible for the Tax Collector's compliance with those requirements. Our responsibility is to express an opinion on the Tax Collector'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 Tax Collector'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 Tax Collector's compliance with specified requirements.

In our opinion, the Tax Collector 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 Taylor County, Florida, the Tax Collector and the Auditor General, State of Florida, and is not intended to be and should not be used by anyone other than these specified parties.



POWELL & JONES
Certified Public Accountants
March 31, 2017