

Clay County, Florida

Audit Report

For the Year Ended September 30, 2018



CRI CARR
RIGGS &
INGRAM

CPAs and Advisors

CRIcpa.com

Table of Contents
September 30, 2018

REPORT

Independent Auditors' Report	i
------------------------------	---

MANAGEMENT'S DISCUSSION AND ANALYSIS

iv

BASIC FINANCIAL STATEMENTS

Government-wide Financial Statements:

Statement of Net Position	1
Statement of Activities	2

Governmental Fund Financial Statements:

Balance Sheet	3
Reconciliation of the Balance Sheet to the Statement of Net Position	4
Statement of Revenues, Expenditures and Changes in Fund Balances	5
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	6

Proprietary Fund Financial Statements:

Statement of Net Position	7
Statement of Revenues, Expenses and Changes in Net Position	8
Statement of Cash Flows	9

Fiduciary Fund Financial Statements:

Statement of Fiduciary Net Position	10
-------------------------------------	----

Notes to Financial Statements	11
-------------------------------	----

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	35
--	----

Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Sheriff MSTU	37
--	----

Schedule of Changes in the County's OPEB Liability and Related Ratios	38
---	----

Schedules of Proportionate Share of Net Pension Liability	39
---	----

Schedules of Employer Contributions -Pension	40
--	----

Table of Contents
September 30, 2018

SUPPLEMENTARY INFORMATION

Combining Balance Sheet – Board and Officers General Funds	41
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Board and Officers General Funds	42
Combining Balance Sheet – Nonmajor Governmental Funds	51
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	60
Combining Statement of Fiduciary Net Position	69
Schedule of Expenditures of Federal Awards and State Financial Assistance	70
Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance	72
ADDITIONAL ELEMENTS REQUIRED BY THE RULES OF THE AUDITOR GENERAL	
Management Letter	73
Independent Auditors’ Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit Performed in Accordance with <i>Government Auditing Standards</i>	75
Independent Accountants’ Report on Compliance with Sections 365.172(10) and 365.173(2)(d), Florida Statutes	77
Independent Accountants’ Report on Compliance with Section 218.415, Florida Statutes	78
Independent Auditors’ Report on Compliance for Each Major Federal Program and State Project and on Internal Control Over Compliance Required by the Uniform Guidance and Chapter 10.550, Rules of the Auditor General	79
Schedule of Findings and Questioned Costs	81
Summary Schedule of Prior Audit Findings	83
Corrective Action Plan	--

INDEPENDENT AUDITORS' REPORT

The Honorable County Commissioners
Clay County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Clay County, Florida (the "County"), as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Housing Finance Authority of Clay County, which is the County's discretely presented component unit. Those statements were audited by another auditor whose report has been furnished to us, and our opinions, insofar as they relate to the amounts included for the Housing Finance Authority of Clay County, are based solely on the report of the other auditor. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of the other auditor, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County as of September 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 12 to the financial statements, the County adopted Government Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, which resulted in a restatement to the September 30, 2017 net position. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance, which is required by the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and *Chapter 10.550, Rules of the Auditor General*, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The combining financial statements and the schedule of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements

or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and the other auditor. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditor, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2019, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Carri Riggs & Ingram, L.L.C.

St. Augustine, Florida
June 30, 2019

Management's Discussion and Analysis

This discussion and analysis of Clay County's (the County) financial statements is designed to introduce the basic financial statements and provide an analytical overview of the County's financial activities for the fiscal year ended September 30, 2018. The basic financial statements are comprised of the government-wide financial statements, fund financial statements, and footnotes. We hope this will assist readers in identifying significant financial issues and changes in the County's financial position.

Financial Highlights

- The assets of the County exceeded its liabilities at the close of fiscal year 2018 by \$389,909,594. \$356,024,712 is from Governmental activities while \$33,884,882 is from Business-type activities. Of this amount \$14,713,647 may be used to meet the ongoing obligations to citizens and creditors.
- The County reported a liability of \$109,914,140 for its proportionate share of the Florida Retirement System net pension liability.
- The County's revenues exceeded its expenses by \$1,668,587 for the fiscal year.
- Outstanding long-term obligations as of September 30, 2018 were \$158,187,558. Of this amount \$7,476,027 is considered due within one year.

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 comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The government-wide financial statements, which consist of the following two statements, are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the County's assets and liabilities, 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.

The statement of activities presents information showing how the government's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected earned revenues such as sales taxes and earned but unused vacation leave).

Both of these financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type

Management's Discussion and Analysis

activities). The governmental activities of the County include general government, physical environment, public safety, court related, transportation, economic environment, human services, and culture/recreation. The business-type activities include solid waste disposal and solid waste collection (universal collection).

The government-wide financial statements include not only the County itself (known as the primary government), but also the Housing Finance Authority of Clay County. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 1-2 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains numerous individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, Sheriff MSTU, and Capital Improvement Projects funds, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregate presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The County adopts an annual appropriated budget for its general, budgeted special revenue, debt service and capital projects funds. A budget comparison statement has been provided for these funds, where applicable, to demonstrate budgetary compliance.

The basic governmental fund financial statements can be found on pages 3-6 of this report.

Management's Discussion and Analysis

The County maintains two types of proprietary funds, enterprise funds and an internal services fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for the fiscal activities relating to solid waste disposal and universal solid waste collection. An internal service fund is utilized to report activities of the County's self insured employee/retiree health fund.

Proprietary funds provide the same type of information as the government-wide financial statements only in more detail. The proprietary fund financial statements provide separate information for the solid waste disposal and solid waste collection operations.

The basic proprietary fund financial statements can be found on pages 7-9 of this report.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is similar to proprietary funds.

The basic fiduciary fund financial statement can be found on page 10 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 11-34 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's comparison of budget and actual revenues and expenditures for its general and major special revenue funds; and certain information concerning the County's other postemployment benefit and pension obligations. Required supplementary information can be found on pages 35-40 of this report.

The combining statements referred to earlier in connection with non-major governmental funds can be found on pages 41-69 of this report.

The County received federal and state financial assistance, generally in the form of grants. Expenditures of these grants are reported on pages 70-71.

Requirements of the Auditor General are also presented on pages 73-83.

Management's Discussion and Analysis

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by \$389,909,594 at the close of the fiscal year ended September 30, 2018.

**County of Clay, Florida
Net Position**

	Governmental Activities		Business Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 120,136,684	\$ 126,243,362	\$ 34,421,333	\$ 32,335,340	\$ 154,558,017	\$ 158,578,702
Capital assets	370,912,451	366,251,600	4,283,496	4,273,472	375,195,947	370,525,072
Total assets	491,049,135	492,494,962	38,704,829	36,608,812	529,753,964	529,103,774
Deferred outflow of resources	47,523,789	47,383,181	542,088	520,512	48,065,877	47,903,693
Noncurrent liabilities outstanding	154,743,408	152,791,211	3,444,150	3,615,858	158,187,558	156,407,069
Other liabilities	14,063,489	15,251,255	1,780,596	1,893,378	15,844,085	17,144,633
Total liabilities	168,806,897	168,042,466	5,224,746	5,509,236	174,031,643	173,551,702
Deferred inflows of resources	13,741,315	6,871,866	137,289	100,028	13,878,604	6,971,894
Net position:						
Invested capital assets net of related debt	370,912,451	357,261,600	4,283,496	4,273,472	375,195,947	361,535,072
Restricted	66,512,360	73,998,724	-	-	66,512,360	73,998,724
Unrestricted (deficit)	(81,400,099)	(66,296,513)	29,601,386	27,246,588	(51,798,713)	(39,049,925)
Total net position	\$ 356,024,712	\$ 364,963,811	\$ 33,884,882	\$ 31,520,060	\$ 389,909,594	\$ 396,483,871

The largest portion of the County's net position (96%) reflects its investment in capital assets such as land, buildings, infrastructure, improvements and equipment, less any outstanding debt used to acquire those capital assets. The County uses these capital assets to provide services to the citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the County's net position, \$66,512,360, represents resources that are subject to external restrictions on how they may be used. The remaining balance represents a deficit in net position of \$51,798,713.

Governmental Activities

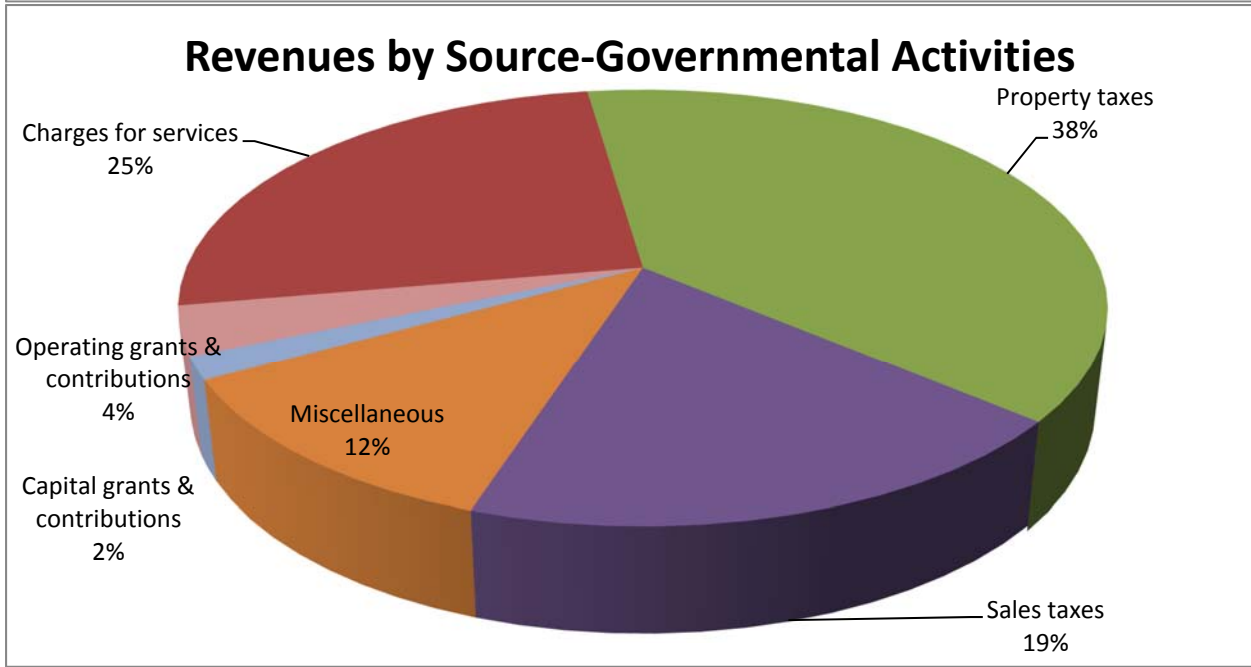
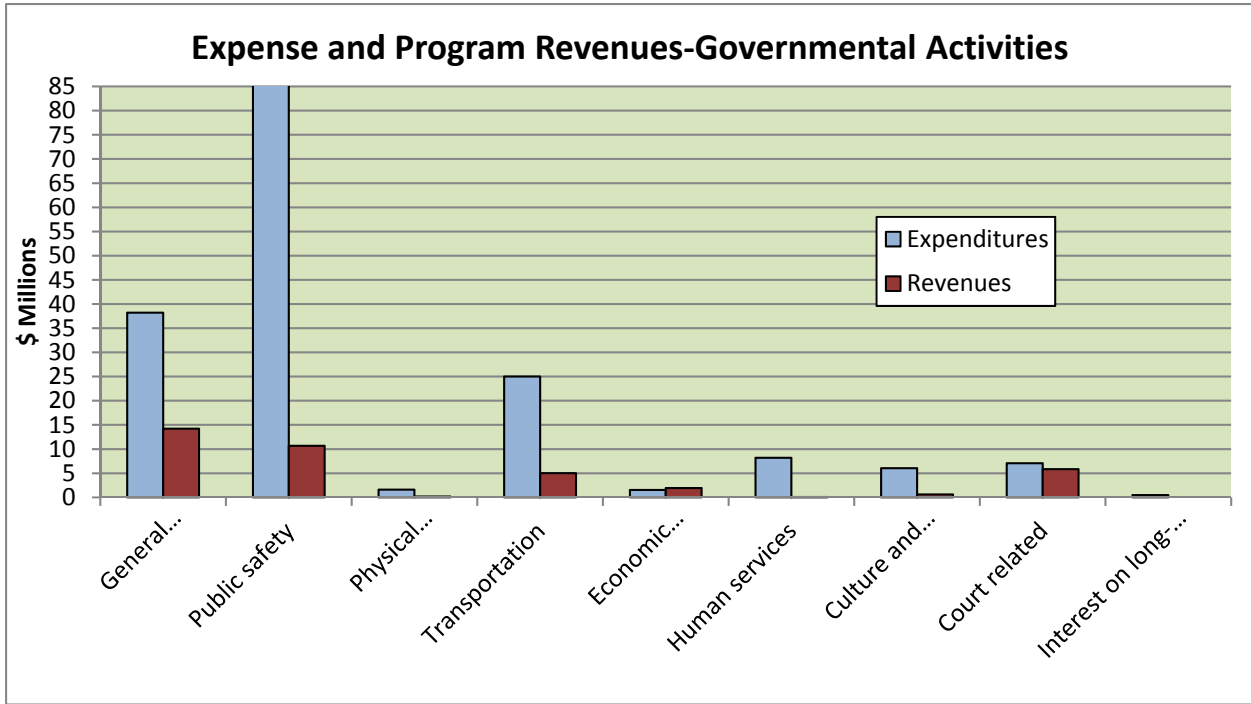
Governmental activities decreased the County's net position by \$696,235 while Business-type activities increased the County's net position by \$2,364,822.

Management's Discussion and Analysis

County of Clay, Florida
Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program revenues:						
Charges for services	\$ 28,268,632	\$ 24,635,347	\$ 21,490,064	\$ 19,714,754	\$ 49,758,696	\$ 44,350,101
Operating grants and contributions	7,094,543	3,404,830	-	-	7,094,543	3,404,830
Capital grants and contributions	3,313,805	975,604	-	-	3,313,805	975,604
General revenues:						
Property taxes	75,228,393	70,426,106	-	-	75,228,393	70,426,106
Other taxes	36,756,647	33,555,390	-	-	36,756,647	33,555,390
Other revenues	22,632,020	20,900,490	555,966	139,876	23,187,986	21,040,366
Total revenues	173,294,040	153,897,767	22,046,030	19,854,630	195,340,070	173,752,397
Expenses:						
General government	38,208,745	31,658,730	-	-	38,208,745	31,658,730
Court related	7,061,312	6,917,899	-	-	7,061,312	6,917,899
Public safety	85,688,732	79,983,307	-	-	85,688,732	79,983,307
Physical environment	1,619,093	1,603,781	-	-	1,619,093	1,603,781
Transportation	24,998,583	23,167,836	-	-	24,998,583	23,167,836
Economic environment	1,549,367	1,156,731	-	-	1,549,367	1,156,731
Human services	8,203,584	5,721,535	-	-	8,203,584	5,721,535
Culture and recreation	6,046,087	4,985,448	-	-	6,046,087	4,985,448
Interest on long-term debt	484,542	174,612	-	-	484,542	174,612
Solid waste disposal	-	-	10,523,583	8,637,642	10,523,583	8,637,642
Solid waste collection	-	-	9,287,855	8,845,546	9,287,855	8,845,546
Total expenses	173,860,045	155,369,879	19,811,438	17,483,188	193,671,483	172,853,067
Change in net position before transfers	(566,005)	(1,472,112)	2,234,592	2,371,442	1,668,587	899,330
Transfers	(130,230)	(114,131)	130,230	114,131	-	-
Change in net positions	(696,235)	(1,586,243)	2,364,822	2,485,573	1,668,587	899,330
Net position – beginning of year	356,720,947	366,550,054	31,520,060	29,034,487	388,241,007	395,584,541
Net position – end of year	\$ 356,024,712	\$ 364,963,811	\$ 33,884,882	\$ 31,520,060	\$ 389,909,594	\$ 396,483,871

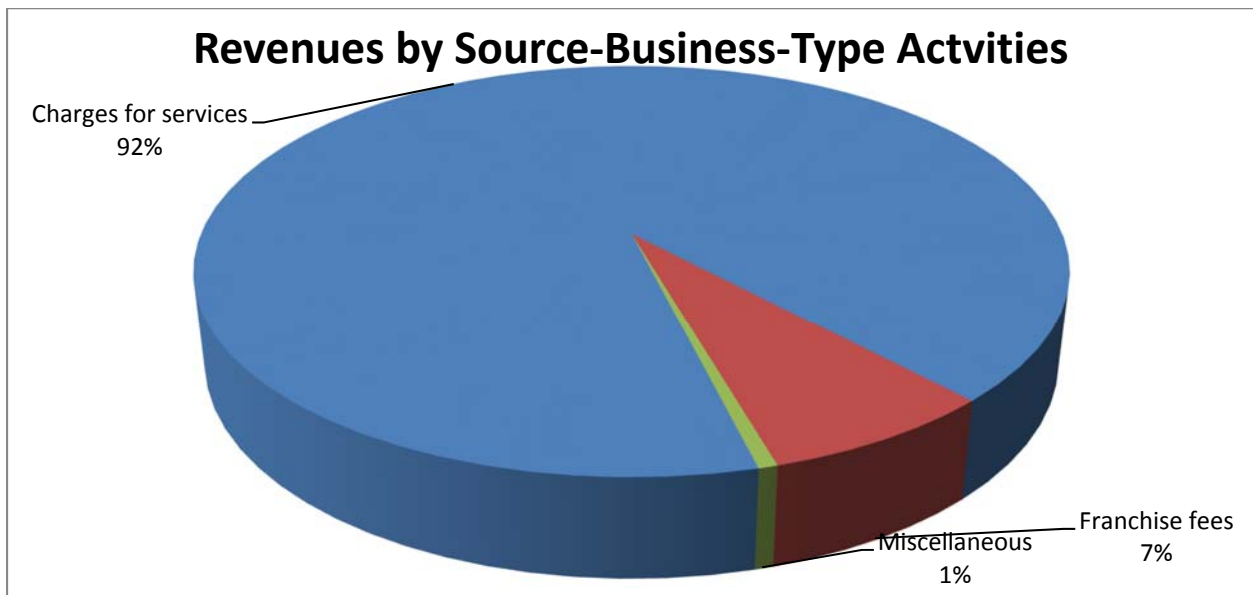
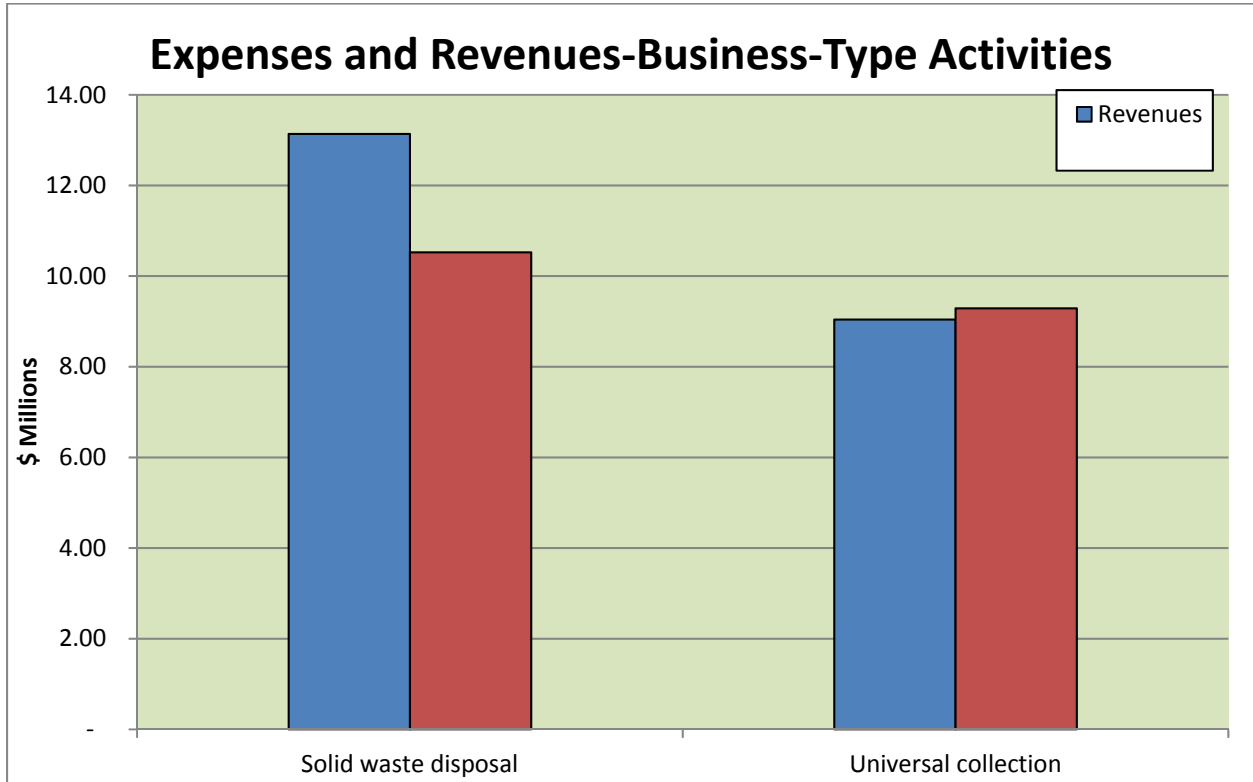
Management’s Discussion and Analysis



Business-type activities

Business-type activities increased the County’s net position by \$2,364,822. The key elements of the increase are attributable to the Solid Waste Disposal fund which reported revenues in excess of expenses of \$2,611,721. The other enterprise fund, the Solid Waste Collection fund, reported expenses in excess of revenues of \$246,899.

Management's Discussion and Analysis



Management's Discussion and Analysis

Financial Analysis of the County's Funds

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

The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the fiscal year 2018, the County's General fund reported an ending fund balance of \$27,892,462. This is a decrease of \$273,254 from the prior year. Unassigned fund balance is \$4,530,527 and is generally available for spending at the County's discretion. The remainder of fund balance is either, restricted for specific purposes, \$220,904; assigned with the intent to be used for a specific purpose, \$22,690,292; or considered non-spendable for inventory and prepaid items, \$450,739.

The General, Sheriff MSTU, and Capital Improvement Projects funds are reported as major funds. For the fiscal year, the General fund operated with a deficit of \$281,749; the Sheriff MSTU operated with a surplus of \$1,627,024; and the Capital Projects fund operated with a deficit of \$2,439,949.

The General fund is the chief operating fund of the County. As a measure of the General fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 3.8% of the total General fund expenditures.

The fund balance of the County's General fund decreased during the fiscal year, as stated above. There were significant decreases in several revenue areas over the amounts anticipated. These include Ad Valorem Tax increase of \$3,212,612 and Grant Funding increase of \$2,845,651.

The Sheriff MSTU fund has a total fund balance of \$3,346,572, and operated with a \$1,627,024 surplus for the year.

The Capital Improvement Projects fund has a total fund balance of \$31,527,191. The net decrease in fund balance during the fiscal year was \$2,439,949. This was due primarily due to the timing of the various projects.

The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The Solid Waste Disposal and Solid Waste Collection enterprise funds are both reported as major funds. Additionally, the County operates a self insured program for its employee/retiree health benefit coverage. This activity is reported as an Internal Service fund.

Management's Discussion and Analysis

Unrestricted net position of the proprietary funds at the end of the current and prior fiscal years amounted to:

	Unrestricted Net Position	
	2018	2017
Solid Waste Disposal	\$ 28,168,591	\$ 25,566,894
Universal Collection	1,432,795	1,679,694
Internal	9,890,222	8,386,860
Total	\$ 39,491,608	\$ 35,633,448

Other factors concerning the finances of these funds have been addressed in the discussion of the County's business-type activities.

General Fund Budgetary Highlights

Over the course of the year the County revised the General fund budget several times. These budget amendments fall into two categories. The first category includes supplemental appropriations. These additional appropriations consist primarily of unanticipated revenues received by the County during the year. The second category of budgetary amendments is regular budgetary adjustments from one division to another. Differences between the General fund's original budget and final amended budget are briefly summarized as follows:

- Increase in General Government Services of \$8,014,009.
- Increase in Public Safety of \$835,106.
- Decrease in Physical Environment of \$1,867.
- Increase in Economic Development of \$3,727.
- Increase in Human Services of \$53,250.
- Decrease in Culture and Recreation of \$234,487.
- Increase in Court Costs of \$38,275.
- Increase in Capital Outlay of \$618,526.

Significant differences between the final amended General fund budget for the fiscal year 2018 and the actual expenditures are briefly summarized as follows:

- Disaster Recovery received a transfer after budget adoption to cover expenditures related to Hurricane Irma which affected Clay County in September 2017. Did not expend all resulting in a positive variance of \$1,499,247
- Anticipated Parks and Recreation expenditures did not occur resulting in a positive variance of \$1,662,278.

Management's Discussion and Analysis

Capital Assets

The County's investment in capital assets for its governmental and business-type activities as of September 30, 2018 amounted to \$375,195,947 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, equipment, infrastructure, and construction in progress. The total increase in the County's investment in capital assets (net of depreciation and disposals) for the year was 3.8% (a net increase of \$13,650,851 for governmental activities and a \$10,024 net increase for business-type activities).

Major capital asset events during the fiscal year include the following:

- Construction of emergency radio system of \$9,187,814.
- Construction and improvements to County roadways of \$4,132,926.
- Construction of fire station replacement of \$2,326,675.

	Capital Assets					
	<i>(Net of Accumulated Depreciation)</i>					
	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ 104,311,374	\$ 104,192,829	\$ 986,525	\$ 986,525	\$ 105,297,899	\$ 105,179,354
Building and improvements	64,821,812	64,829,227	3,064,325	3,152,225	67,886,137	67,981,452
Machinery and equipment	12,259,440	12,654,644	232,646	134,722	12,492,086	12,789,366
Infrastructure	169,247,193	176,326,667	-	-	169,247,193	176,326,667
Construction in progress	20,272,632	8,248,233	-	-	20,272,632	8,248,233
Total	\$ 370,912,451	\$ 366,251,600	\$ 4,283,496	\$ 4,273,472	\$ 375,195,947	\$ 370,525,072

Additional information on the County's capital assets can be found in Note 5 on pages 21-22 of this report.

Long-term Debt

During the 2009 fiscal year the County issued \$71,025,000 of revenue bonds. The Series 2009 bonds were secured by a lien upon and pledge of the discretionary sales surtax. Proceeds of the bonds were being utilized for several large road improvements in the Lake Asbury area of the County. This bond issue of the County was paid off during September of 2018 and is no longer outstanding at the 2018 fiscal year end.

Outstanding Debt
Governmental Activities

Management’s Discussion and Analysis

	2018	2017
Sales tax revenue bonds	\$ -	\$ 8,990,000

Additional information on the County’s debt can be found in Note 6 on pages 23-24 of this report.

Economic Factors and Next Year’s Budget and Rates

- The unemployment rate for the County was 3.3% for 2018. This represents an increase of 3.1% from the prior year (3.2%).
- The gross taxable property values increased to \$10.6 billion in fiscal year 2018, an increase of 7.0%.
- The number of building inspections performed increased from 42,985 in fiscal year 2017 to 54,439 in fiscal year 2018.
- The County’s population increased 3.4% to 216,000 over the 2017 number of 209,000.

Of the County’s September 30, 2018 General fund balance of \$27,892,462, \$16,926,444 has been appropriated to the 2018 fiscal year to help fund 2019 activity. This amount has been included in the assigned fund balance on the 2018 financial statements along with \$5,763,848 in the Fine & Forfeiture fund which is assigned for law enforcement purposes.

The 2018 ad valorem tax rate for the County remained constant at 8.101 mills.

The special assessment rates (\$72.00 per unit) for the Solid Waste fund as well as the franchise fees were not changed for the 2018 fiscal year. The universal collection assessment fee was set at \$139.20 per household, also the same as the prior year.

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. If you have any questions concerning any of the information provided in this report or need additional financial information, contact the County’s Finance Director at 477 Houston Street, Green Cove Springs, Florida. Additional information concerning the County can be found on our web site <http://www.claycountygov.com>.

Statement of Net Position
September 30, 2018

	Primary Government			Component Unit
	Governmental Activities	Business Type Activities	Total	Housing Finance Authority
Assets:				
Cash and equivalents	\$ 27,440,109	\$ 4,325,872	\$ 31,765,981	\$ 1,716,535
Investments	32,750,758	29,158,967	61,909,725	1,365,665
Due from other governments	5,649,310	19,905	5,669,215	-
Receivables	4,412,745	297,781	4,710,526	4,941,729
Prepays	41,853	-	41,853	-
Inventory	429,044	-	429,044	-
Internal balances	(450,883)	450,883	-	-
Restricted investments	49,863,748	167,925	50,031,673	-
Capital assets:				
Non-depreciable	124,584,006	986,525	125,570,531	-
Depreciable, net	246,328,445	3,296,971	249,625,416	-
Total assets	491,049,135	38,704,829	529,753,964	8,023,929
Deferred outflows of resources - pension	47,523,789	542,088	48,065,877	-
Liabilities:				
Accounts payable and accrued liabilities	10,680,859	1,499,517	12,180,376	2,000
Due to other governments	496,464	-	496,464	-
Unearned revenue	-	-	-	-
Deposits	35	281,079	281,114	-
Estimated liability for self-insurance losses	2,886,131	-	2,886,131	-
Noncurrent liabilities:				
Due within one year	7,267,974	208,053	7,476,027	-
Due in more than one year	147,475,434	3,236,097	150,711,531	-
Total liabilities	168,806,897	5,224,746	174,031,643	2,000
Deferred inflows of resources - OPEB	1,374,607	-	1,374,607	-
Deferred inflows of resources - pension	12,366,708	137,289	12,503,997	-
Net position:				
Net investment in capital assets	370,912,451	4,283,496	375,195,947	-
Restricted:				
Public safety	13,267,583	-	13,267,583	-
Transportation	3,515,189	-	3,515,189	-
Economic environment	4,931,481	-	4,931,481	223,600
Culture and recreation	1,291,158	-	1,291,158	-
Court related	7,937,510	-	7,937,510	-
Capital projects	33,192,535	-	33,192,535	-
Debt service	510,913	-	510,913	-
Municipal services	1,646,196	-	1,646,196	-
Election grants	219,795	-	219,795	-
Unrestricted	(81,400,099)	29,601,386	(51,798,713)	7,798,329
Total net position	\$ 356,024,712	\$ 33,884,882	\$ 389,909,594	\$ 8,021,929

See accompanying notes.

Statement of Activities
Year ended September 30, 2018

Functions/programs	Net (Expense) Revenue and Changes in Net Position							
	Program Revenues				Primary Government			Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business Type Activities	Total	Housing Finance Authority
Primary government:								
Governmental activities:								
General government	\$ 38,208,745	\$ 13,052,744	\$ 1,185,018	\$ -	\$ (23,970,983)	\$ -	\$ (23,970,983)	\$ -
Public safety	85,688,732	8,735,331	1,957,616	-	(74,995,785)	-	(74,995,785)	-
Physical environment	1,619,093	157,734	33,306	-	(1,428,053)	-	(1,428,053)	-
Transportation	24,998,583	114,892	1,965,407	2,954,295	(19,963,989)	-	(19,963,989)	-
Economic environment	1,549,367	1,045,580	908,583	-	404,796	-	404,796	-
Human services	8,203,584	80,376	18,824	-	(8,104,384)	-	(8,104,384)	-
Culture and recreation	6,046,087	187,430	72,535	359,510	(5,426,612)	-	(5,426,612)	-
Court related	7,061,312	4,894,545	953,254	-	(1,213,513)	-	(1,213,513)	-
Unallocated interest on long-term debt	484,542	-	-	-	(484,542)	-	(484,542)	-
Total governmental activities	173,860,045	28,268,632	7,094,543	3,313,805	(135,183,065)	-	(135,183,065)	-
Business-type activities:								
Solid waste disposal	10,523,583	12,553,566	-	-	-	2,029,983	2,029,983	-
Solid waste collections	9,287,855	8,936,498	-	-	-	(351,357)	(351,357)	-
Total business-type activities	19,811,438	21,490,064	-	-	-	1,678,626	1,678,626	-
Total primary government	\$ 193,671,483	\$ 49,758,696	\$ 7,094,543	\$ 3,313,805	(135,183,065)	1,678,626	(133,504,439)	-
Component unit:								
Housing Finance Authority	\$ 320,602	\$ 382,584	\$ -	\$ -	-	-	-	61,982
			General revenues:					
			Property taxes		75,228,393	-	75,228,393	-
			Utility service tax		3,948,862	-	3,948,862	-
			Discretionary sales taxes		19,311,121	-	19,311,121	-
			Gas taxes		8,029,055	-	8,029,055	-
			Communications service tax		5,467,609	-	5,467,609	-
			Other taxes		-	-	-	-
			Unrestricted shared revenues		18,794,607	-	18,794,607	-
			Miscellaneous		3,837,413	555,966	4,393,379	41,819
			Transfers		(130,230)	130,230	-	-
			Total general revenues and transfers		134,486,830	686,196	135,173,026	41,819
			Change in net position		(696,235)	2,364,822	1,668,587	103,801
			Net position – beginning of year, as restated		356,720,947	31,520,060	388,241,007	7,918,128
			Net position – end of year		\$ 356,024,712	\$ 33,884,882	\$ 389,909,594	\$ 8,021,929

See accompanying notes.

**Balance Sheet – Governmental Funds
September 30, 2018**

	General Fund	Capital Improvement Projects	Sheriff MSTU	Other Govern- mental Funds	Total Govern- mental Funds
Assets:					
Cash and equivalents	\$ 10,622,139	\$ 1,125,334	\$ 902,149	\$ 13,991,279	\$ 26,640,901
Investments	21,521,743	29,449,076	1,946,974	18,467,698	71,385,491
Due from other funds	804,110	326,324	511,854	697,548	2,339,836
Due from other governments	1,448,131	3,322,608	1,638	1,036,280	5,808,657
Receivables, net	4,312,312	1,955	-	98,483	4,412,750
Prepaid costs	21,999	-	-	19,854	41,853
Inventory	428,740	-	-	304	429,044
Total assets	\$ 39,159,174	\$ 34,225,297	\$ 3,362,615	\$ 34,311,446	\$ 111,058,532
Liabilities:					
Accounts payable and accrued liabilities	\$ 5,881,043	\$ 1,686,379	\$ 895	\$ 1,416,999	\$ 8,985,316
Due to other funds	1,613,186	-	15,148	1,266,792	2,895,126
Due to other governments	462,910	-	-	192,907	655,817
Unearned revenue	-	-	-	-	-
Total liabilities	7,957,139	1,686,379	16,043	2,876,698	12,536,259
Deferred inflows:					
Unavailable revenue	3,309,573	1,011,727	-	1,289	4,322,589
Fund balances:					
Nonspendable:					
Prepays	21,999	-	-	19,854	41,853
Inventory	428,740	-	-	304	429,044
Restricted	220,904	31,527,191	3,346,572	31,417,693	66,512,360
Assigned	22,690,292	-	-	-	22,690,292
Unassigned	4,530,527	-	-	(4,392)	4,526,135
Total fund balances	27,892,462	31,527,191	3,346,572	31,433,459	94,199,684
Total liabilities, deferred inflows and fund balances	\$ 39,159,174	\$ 34,225,297	\$ 3,362,615	\$ 34,311,446	\$ 111,058,532

See accompanying notes.

**Reconciliation of the Balance Sheet to the Statement of Net Position
September 30, 2018**

Fund balances – total governmental funds	\$ 94,199,684
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not reported in the governmental funds.	
Capital assets – net	370,912,451
Long-term liabilities are not reported in the governmental funds.	
Compensated absences	(14,045,555)
Net pension liability	(109,914,140)
Net OPEB liability	(30,783,713)
The estimated liability for self-insured workers' compensation is not accrued in the governmental funds.	(2,339,300)
Revenue is recognized when earned. However, revenue is deferred until the current financial resources are available in the governmental fund statements.	4,322,589
Deferred outflows related to pensions are not reported in governmental funds	47,523,789
Deferred inflows related to pensions are not reported in governmental funds	(12,366,708)
Deferred inflows related to OPEB are not reported in governmental funds	(1,374,607)
Net position of the Internal Service Fund is reported in governmental activities but not in the governmental funds.	9,890,222
Net position of governmental activities	\$ 356,024,712

See accompanying notes.

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year ended September 30, 2018

	General Fund	Capital Improvement Projects	Sheriff MSTU	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	\$ 59,594,540	\$ 22,372,948	\$ 19,519,891	\$ 11,606,408	\$ 113,093,787
Licenses and permits	11,197	-	-	3,167,585	3,178,782
Intergovernmental	23,249,658	1,510,488	-	6,104,547	30,864,693
Charges for services	11,360,986	-	-	4,985,461	16,346,447
Fines and forfeitures	59,559	-	-	1,155,630	1,215,189
Miscellaneous	2,366,204	605,344	153,631	1,269,094	4,394,273
Total revenues	96,642,144	24,488,780	19,673,522	28,288,725	169,093,171
Expenditures:					
Current:					
General government	30,444,315	-	-	895,051	31,339,366
Public safety	66,249,596	-	2,572,819	9,219,009	78,041,424
Physical environment	481,563	-	-	893,652	1,375,215
Transportation	2,421,696	-	-	9,175,500	11,597,196
Economic environment	194,902	-	-	1,342,827	1,537,729
Human services	5,642,256	-	-	504,747	6,147,003
Culture and recreation	5,776,997	-	-	106,130	5,883,127
Court related	1,545,296	-	-	4,898,569	6,443,865
Capital outlay	445,720	24,414,910	-	-	24,860,630
Debt service:					
Principal retirement	-	-	-	8,990,000	8,990,000
Interest and fiscal charges	-	-	-	484,542	484,542
Total expenditures	113,202,341	24,414,910	2,572,819	36,510,027	176,700,097
Excess of revenues over (under) expenditures	(16,560,197)	73,870	17,100,703	(8,221,302)	(7,606,926)
Other financing sources (uses):					
Transfers in	17,706,459	319,639	484,791	4,902,014	23,412,903
Transfers out	(1,428,011)	(2,833,458)	(15,958,470)	(3,323,194)	(23,543,133)
Total other financing sources (uses)	16,278,448	(2,513,819)	(15,473,679)	1,578,820	(130,230)
Net change in fund balances	(281,749)	(2,439,949)	1,627,024	(6,642,482)	(7,737,156)
Fund balances – beginning of year	28,165,716	33,967,140	1,719,548	38,068,377	101,920,781
Change in prepaids	16,172	-	-	14,224	30,396
Change in inventory	(7,677)	-	-	(6,660)	(14,337)
Fund balances – end of year	\$ 27,892,462	\$ 31,527,191	\$ 3,346,572	\$ 31,433,459	\$ 94,199,684

See accompanying notes.

**Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances to the Statement of Activities
Year ended September 30, 2018**

Net change in fund balances – total governmental funds	\$ (7,737,156)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is depreciated over their estimated useful lives.	
Acquisitions of capital assets	22,727,165
Current year depreciation expense	(17,920,831)
Loss on disposition of capital assets	(145,483)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of long-term debt consumes current financial resources, but neither transaction has any effect on net assets. Also, governmental funds report the effect of discounts, premiums, and other similar items when debt is first issued, whereas these amounts are deferred and amortized over the term of the debt in the statement of activities.	
Principal payments	8,990,000
Amortization of bond premium	745,711
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	
Compensated absences	(1,714,725)
Net OPEB expense resulting from changes in net OPEB liability and deferred inflows	(613,456)
Net pension expense resulting from changes in net pension liability, deferred outflows and inflows	(7,845,704)
Self-insured workers' compensation	(449,400)
Revenue earned but not available for use in current operations is not reported as revenue recognized and is deferred in the fund financial statements.	1,748,223
Change in net position of the Internal Service Fund is reported in the statement of activities, but not in the governmental funds.	1,503,362
Acquisitions of inventory and prepaid items under the purchases method in the governmental funds are treated as expenditures when purchased:	
Change in inventory and prepaids	16,059
Change in net position of governmental activities	\$ (696,235)

See accompanying notes.

**Statement of Net Position – Proprietary Funds
September 30, 2018**

	Business Type Activities - Enterprise Funds			Governmental
	Solid Waste Disposal	Universal Collection Fund	Total	Internal Service Fund
Assets:				
Current assets:				
Cash and equivalents	\$ 3,760,072	\$ 565,800	\$ 4,325,872	\$ 799,208
Investments	27,616,580	1,542,387	29,158,967	11,229,014
Receivables, net	297,746	35	297,781	-
Due from other governments	18,065	1,840	19,905	-
Due from other funds	320,407	130,516	450,923	104,407
Total current assets	32,012,870	2,240,578	34,253,448	12,132,629
Noncurrent assets:				
Restricted investments	167,925	-	167,925	-
Capital assets, net	4,283,496	-	4,283,496	-
Total noncurrent assets	4,451,421	-	4,451,421	-
Total assets	36,464,291	2,240,578	38,704,869	12,132,629
Deferred outflows of resources - pension	509,319	32,769	542,088	-
Liabilities:				
Current liabilities:				
Accounts payable and accrued liabilities	741,828	757,689	1,499,517	-
Due to other funds	40	-	40	-
Deposits	281,079	-	281,079	-
Estimated liability for self-insured losses	-	-	-	2,242,407
Current portion of long-term liabilities	207,196	857	208,053	-
Total current liabilities	1,230,143	758,546	1,988,689	2,242,407
Noncurrent liabilities:				
Long-term liabilities	3,162,390	73,707	3,236,097	-
Total liabilities	4,392,533	832,253	5,224,786	2,242,407
Deferred inflows of resources - pension	128,990	8,299	137,289	-
Net position:				
Net investment in capital assets	4,283,496	-	4,283,496	-
Unrestricted	28,168,591	1,432,795	29,601,386	9,890,222
Total net position	\$ 32,452,087	\$ 1,432,795	\$ 33,884,882	\$ 9,890,222

See accompanying notes.

**Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
Year ended September 30, 2018**

	Business Type Activities - Enterprise Funds			Governmental Activities
	Solid Waste Disposal	Universal Collection Fund	Total	Internal Service Fund
Operating revenues				
Charges for services	\$ 10,599,040	\$ 8,936,498	\$ 19,535,538	\$ 17,778,508
Sales	337,953	-	337,953	-
Total operating revenues	10,936,993	8,936,498	19,873,491	17,778,508
Operating expenses				
Personal services	1,535,748	123,266	1,659,014	-
Contracted services	-	8,961,655	8,961,655	-
Other operating expenses	8,863,743	202,934	9,066,677	1,266,340
Depreciation	124,092	-	124,092	-
Claims expense	-	-	-	15,202,991
Total operating expenses	10,523,583	9,287,855	19,811,438	16,469,331
Operating income	413,410	(351,357)	62,053	1,309,177
Nonoperating revenues				
Investment revenue	498,225	57,741	555,966	194,185
Franchise fees	1,616,573	-	1,616,573	-
Total nonoperating revenues	2,114,798	57,741	2,172,539	194,185
Income before transfers	2,528,208	(293,616)	2,234,592	1,503,362
Transfers in	83,513	46,717	130,230	-
Change in net position	2,611,721	(246,899)	2,364,822	1,503,362
Total net position, beginning of year	29,840,366	1,679,694	31,520,060	8,386,860
Total net position, end of year	\$ 32,452,087	\$ 1,432,795	\$ 33,884,882	\$ 9,890,222

See accompanying notes.

Statement of Cash Flows
Proprietary Funds
Year ended September 30, 2018

	Business Type Activities - Enterprise Funds			Governmental Activities
	Solid Waste Disposal	Universal Collection Fund	Total	Internal Service Fund
Cash flows from operating activities				
Receipts from customers	\$ 10,793,174	\$ 8,938,380	\$ 19,731,554	\$ 17,823,039
Payments to suppliers	(9,009,641)	(9,176,773)	(18,186,414)	(16,274,962)
Payments to employees	(1,523,398)	(143,562)	(1,666,960)	-
Net cash provided(used) by operating activities	260,135	(381,955)	(121,820)	1,548,077
Cash flows from noncapital financing activities				
Transfers in	128,219	38,956	167,175	-
Franchise fees received	1,616,573	-	1,616,573	-
Net cash provided by noncapital financing activities	1,744,792	38,956	1,783,748	-
Cash flows from capital and related financing activities				
Purchase of capital assets	(134,116)	-	(134,116)	-
Cash flows from investing activities				
Net purchases of investments	(5,160,684)	(140,245)	(5,300,929)	(1,891,053)
Net proceeds from sale of investments	14,963	-	14,963	-
Interest received	498,225	57,741	555,966	194,185
Net cash provided (used) by investing activities	(4,647,496)	(82,504)	(4,730,000)	(1,696,868)
Net increase (decrease) in cash and cash equivalents	(2,776,685)	(425,503)	(3,202,188)	(148,791)
Cash and cash equivalents, beginning of year	6,536,757	991,303	7,528,060	947,999
Cash and cash equivalents, end of year	\$ 3,760,072	\$ 565,800	\$ 4,325,872	\$ 799,208
Reconciliation of operating income(loss) to net cash provided(used) by operating activities:				
Operating income(loss)	\$ 413,410	\$ (351,357)	\$ 62,053	\$ 1,309,177
Depreciation	124,092	-	124,092	-
Changes in assets and liabilities:				
Accounts receivable	(47,653)	66	(47,587)	4,703
Due from other governments	6,611	1,816	8,427	-
Deferred outflows	(33,650)	10,216	(23,434)	-
Interfund activity - Internal service	-	-	-	39,828
Accounts payable and accrued liabilities	2,179	(12,184)	(10,005)	-
Deposits	(102,777)	-	(102,777)	-
Compensated absences	(19,599)	-	(19,599)	-
Net pension liability	28,019	(32,051)	(4,032)	-
Landfill postclosure costs	(148,077)	-	(148,077)	-
Estimated liability for self-insured losses	-	-	-	194,369
Deferred inflows	37,580	(319)	37,261	-
Net cash provided (used) by operating activities	\$ 260,135	\$ (383,813)	\$ (123,678)	\$ 1,548,077

See accompanying notes.

Statement of Fiduciary Net Position
September 30, 2018

	Agency Funds
Assets:	
Cash and equivalents	\$ 10,293,395
Receivables	116,868
Due from other funds	-
Total assets	10,410,263
Liabilities:	
Assets held for others	10,071,006
Due to other funds	141
Due to other county agencies	339,116
Total liabilities	10,410,263
Net position	\$ -

See accompanying notes.

Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

The County is a general purpose local government whose charter was established under the legal authority of the Constitution of the State of Florida. It is composed of an elected Board of County Commissioners and elected constitutional officers -- Clerk of the Circuit Court, Sheriff, Tax Collector, Property Appraiser, and Supervisor of Elections -- that operate as separate county agencies.

The accompanying financial statements present the County as the primary government, and also present its component units, which are entities for which the County is considered to be financially accountable.

Blended Component Units – Although legally separate entities, blended component units are in substance part of the primary government's operations and, accordingly, data from these units, if any, would be combined with the data of the primary government. There are no blended component units included in the accompanying financial statements.

Discretely Presented Component Units – Discretely presented component units, on the other hand, are reported in a separate column in the financial statements to emphasize that they are legally separate entities.

For the Housing Finance Authority of Clay County, Florida (“HFA”), there were positive responses to the criteria used for establishing financial accountability. Accordingly, the HFA has been included in the County’s financial statements as a discretely presented component unit.

The HFA is a dependent special district created by Ordinance 80-19, pursuant to Section 159.604, Florida Statutes. It is responsible for authorizing issuance of housing revenue bonds for the purpose of alleviating a shortage of affordable residential and rental housing facilities, and to provide for capital investment in such facilities for low and moderate income families and persons within the County. The members of the governing board of the HFA are appointed by the Board of County Commissioners who may alter or change the structure, organization, programs, or activities of HFA; terminate the HFA; remove members of the HFA; and review the budget of the HFA.

Complete financial statements for the component unit may be obtained at the entity’s administrative offices:

The Housing Finance Authority of Clay County
PO Box 562
Orange Park, FL 32067-0562

Joint Ventures – The County does not participate in any joint ventures.

Related Organization – The County appoints the voting majority of the Clay County Utility Authority (“Authority”). However, the County is not financially accountable for the Authority and, accordingly, the Authority is not included in the County’s financial reporting entity.

Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The County approves the budget of the Lake Asbury Municipal Service Benefit District (“District”). However, the County is not financially accountable for the District and, accordingly, the District is not included in the County’s financial reporting entity

Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of Net Position and the statement of activities) report information on all of the nonfiduciary activities of the County and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees charged to external parties.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *Program revenues* include: charges for services that are directly related to a given function; and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other revenues not properly included among program revenues are reported instead as *general revenues*.

Fund Financial Statements

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

The County reports the following major governmental funds:

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

The Capital Improvement Projects Fund, a capital projects fund, accounts for resources to be used for the construction of various capital projects.

The Sheriff MSTU Fund, a special revenue fund, accounts for resources provided by taxes levied for municipal services.

Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The County reports the following major enterprise funds:

The Solid Waste Disposal Fund accounts for refuse services that are financed and operated in a manner similar to private business enterprises.

The Universal Collection Fund accounts for the revenues and costs associated with residential refuse collection in unincorporated areas of the County.

Additionally, the County reports the following fiduciary fund type:

Agency funds account for resources held in a purely custodial capacity.

Internal service funds are used to account for those operations which provide benefits to other funds, departments, or agencies of the primary government. The County's internal service fund accounts for County employees' health insurance benefits and claim payments. Although the County's internal service fund is reported as a proprietary fund in the fund financial statements, it is incorporated into governmental activities in the government-wide financial statements.

Measurement Focus and Basis of Accounting

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

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

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

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

Cash Equivalents

For purposes of the Statement of Cash Flows, only highly liquid investments with original maturities of three months or less are considered to be cash equivalents.

Investments

Investments are reported at fair value, with the exception of investments in external investment pools that meet all of the necessary criteria to elect to be measured at amortized cost.

Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted investments represent unspent bond proceeds accumulated in the capital improvements funds, funds restricted for post-closure costs in the solid waste fund, and investments restricted for the various uses of the special revenue funds.

Inventory and Prepaid Items

Inventory is valued at cost under the first-in, first-out method and is accounted for using the purchases method. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. Nonspendable fund balance is reported in the governmental fund financial statements to indicate that inventories and prepaid items do not represent available spendable resources.

Accounts Receivable

Accounts receivable of the County are reported net of an allowance for uncollectible accounts of approximately \$4,710,526.

Receivables for the discretely presented component unit are reported net of an allowance for uncollectible accounts of approximately \$4,941,729.

Capital Assets

Capital assets are valued at historical cost or estimated historical cost. Donated capital assets are recorded at estimated fair value on the date donated. The thresholds for capitalizing capital assets are generally as follows:

Tangible personal property	\$ 1,000
Building and building improvements	25,000
Land and land improvements	10,000
Roads	250,000
Subdivisions	250,000
Bridges	100,000
Sidewalks	50,000
Street light systems	100,000
Drainage systems	100,000

Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

	<u>Years</u>
Governmental activities:	
Buildings and infrastructure	50
Machinery and equipment	5
Computer equipment - greater than \$10,000	5
Computer equipment - less than \$10,000	3
Business-type activities:	
Buildings and improvements	20 - 50
Machinery and equipment	3 - 10

Amortization

Bond discounts, premiums and deferred amounts on refunding are amortized over the life of the bonds using a method that approximates the effective interest method.

Capitalization of Interest Costs

When applicable, for its enterprise operations, the County follows applicable guidelines to determine if interest costs related to construction of fixed assets should be capitalized.

Unearned Revenue

Unearned revenue is reported when the County receives cash payments prior to satisfying all of the eligibility requirements necessary to recognize these payments as revenue. The revenue will be recognized in the fiscal year it is earned. Unearned revenue is reported as a liability in the fund financial statements.

Deferred Outflows of Resources and Deferred Inflows of Resources

Deferred outflows of resources represent a consumption of resources that applies to a future period and will not be recognized as an outflow of resources (expense or expenditure) until that time.

Deferred inflows of resources represent an acquisition of resources that applies to a future period and will not be recognized as an inflow (revenue) until that time.

Compensated Absences

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

Notes to Financial Statements

Operating Revenues and Expenses

The proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Restricted Net Position

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

The accompanying Statement of Net Position includes approximately \$19,800,000 of Net Position restricted by enabling legislation.

Fund Balance

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

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

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

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

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

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

Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Unassigned Fund Balance – Unassigned fund balance is the residual classification for the General Fund. When the components of fund balance can be used for the same purpose, it is the County’s policy to expend resources in the following order: restricted, committed, assigned, and unassigned.

Property Taxes

In governmental funds, property tax revenues are recognized when levied, to the extent that they result in current receivables. Details of the property tax calendar are presented below:

Lien Date	January 1
Levy Date	October 1
Discount Period	November – February
No Discount Period	March
Delinquent Date	April 1

Use of Estimates

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

NOTE 2 – DEPOSITS AND INVESTMENTS

Deposits with Financial Institutions

All of the County’s deposits and those of its discretely presented component unit, The Housing Finance Authority of Clay County’s (“HFA”), are held in qualified public depositories pursuant to Chapter 280, Florida Statutes, and, accordingly, are entirely insured by federal depository insurance or collateralized pursuant to the Florida Security for Public Deposits Act.

Investments

The County invests excess public funds pursuant to the guidelines established in Section 218.415, Florida Statutes. Accordingly, the County is authorized to invest excess public funds in the following instruments: The Local Government Investment Pool (“State Pool”) or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act; Securities and Exchange Commission registered money market funds with the highest credit quality rating; savings accounts and certificates of deposit in qualified public depositories; and direct obligations of the U.S. Treasury.

Housing Finance Authority of Clay County Investments

HFA’s investment policy allows it to invest excess public funds pursuant to the guidelines established in Section 218.415, Florida Statutes and in mortgage backed securities which HFA may receive as a result of refunding one of its bond programs.

Notes to Financial Statements

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

HFA's investments at September 30, 2018 consist of mortgage backed securities, reported at fair value of \$1,365,665. These investments have a credit quality rating of AAA and a weighted average maturity of 10 years.

County Investments

The County's investments at September 30, 2018 are summarized in the following table:

Fund	Amount
Florida PRIME	\$ 80,695,060
Florida SAFE	31,138,816
Florida Local Government Investment Trust	107,522
Total	\$ 111,941,398

Florida Surplus Asset Trust Fund (Florida SAFE)

Florida SAFE is organized pursuant to Florida Statute 163.01. Florida SAFE is overseen by a Board of Trustees comprised of Florida local government officials, who are themselves participants in Florida SAFE. Florida SAFE is an external investment pool that meets all of the necessary criteria to elect to measure all of the investments at amortized cost. Therefore, the County's investment in Florida SAFE is reported at amortized cost. Florida SAFE seeks, but does not guarantee to maintain a constant net asset value at \$1.00 per share.

Florida SAFE had a credit quality rating at September 30, 2018 of AA Af. The weighted average maturity (WAM) for Florida SAFE at September 30, 2018 was 37.7 days. The weighted average life (WAL) for Florida SAFE at September 30, 2018 was 43 days.

There were no redemption fees or maximum transaction amounts. The Fund's Indenture of Trust does provide for limited situations in which a participant's access to 100% of the account value is restricted. The Trustees have the authority to resume participant access to the Fund when the situation causing the restriction has been resolved.

Investment in State Pool (Florida PRIME)

The County invests surplus funds in the State Board of Administration's Local Government Surplus Funds Trust Fund. The Florida PRIME is administered by the Florida State Board of Administration ("SBA"), who provides regulatory oversight. The powers and duties of the SBA are defined in Florida Statute 218.409. In addition, Chapter 19-7 of the Florida Administrative Code identifies the rules and regulations governing the administration of the Florida PRIME. These rules provide guidance and establish the general operating procedures for the administration of the pool.

The Florida PRIME is an external investment pool that meets all of the necessary criteria to elect to measure all of the investments in Florida PRIME at amortized cost. Therefore, the County's investment in the Florida PRIME is reported at amortized cost. The fair value of the position in the pool is equal to

Notes to Financial Statements

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

the value of the pool shares. The Florida PRIME had a credit quality rating at September 30, 2018 of AAAM. The weighted average maturity (WAM) of the Florida PRIME at September 30, 2018 was 33 days. The weighted average life (WAL) for Florida PRIME at September 30, 2018 was 74 days.

Florida “PRIME” was not exposed to any foreign currency risk during the period October 1, 2017 through September 30, 2018.

As of September 30, 2018, there were no redemption fees or maximum transaction amounts. Florida Statutes do provide for situations in which a participant’s access to 100 percent of the account value is limited. The maximum amount of time provided to limit access is 17 days.

Florida Local Government Investment Trust (FLGIT)

FLGIT is an external investment pool administered by the Florida Association of Court Clerks and Comptrollers, and is not registered with the SEC. The Trust is an open-ended professionally managed fund available only to public entities in Florida. The fair value of the position in the FLGIT is equal to the value of the pool shares. Such investments are reported at fair value. FLGIT had a credit quality rating of AAAs and a weighted average maturity of 1.94 years at September 30, 2018.

Investment Risks

The County and HFA are exposed to the following risks associated with its investment portfolios:

Credit Risk – the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

The County’s policy is to limit credit risk by diversifying the investment portfolio so that potential loss on individual securities will be minimized and by limiting investments to specified credit ratings.

Interest Rate Risk – the risk that changes in interest rates will adversely affect the fair value of an investment.

The County’s policy is to minimize the risk that the market value of securities in the portfolio will fall due to changes in general interest rates by limiting investment to those intended to maintain a constant share price or par value.

Investments and Fair Value Measurements

For the County’s and HFA’s investments that are measured at fair value, HFA’s mortgage backed securities and the County’s investment in FLGIT, the values are determined using guidelines established by Generally Accepted Accounting Principles. These guidelines recognize a three-tiered hierarchy as follows:

- Level 1 – Investments reflect unadjusted quoted prices in active markets for identical assets that a government can access at measurement date.
- Level 2 – Investments reflect prices that are based on inputs, other than quoted prices included within Level 1, that are observable for an asset, either directly or indirectly.
- Level 3 – Investments that are based on unobservable inputs for an asset.

Notes to Financial Statements

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

Using the above guidelines all of the County's and HFA's investments that are measured at fair value are valued using Level 2 inputs.

NOTE 3 – INTERFUND BALANCES AND TRANSFERS

At September 30, 2018, interfund balances consisted of:

	Due to							
	General Fund	Capital Improvements	Sheriff MSTU	Solid Waste Disposal	Universal Disposal	Internal Service	Nonmajor Governmental	Total Due from
<u>Due from</u>								
General fund	\$ -	\$ 326,324	\$ 511,854	\$ 320,407	\$ 130,516	\$ 104,407	\$ 219,678	\$ 1,613,186
Sheriff MSTU	15,148	-	-	-	-	-	-	15,148
Solid Waste Disposal	40	-	-	-	-	-	-	40
Nonmajor Funds	788,922	-	-	-	-	-	477,870	1,266,792
Total Due to	\$ 804,110	\$ 326,324	\$ 511,854	\$ 320,407	\$ 130,516	\$ 104,407	\$ 697,548	\$ 2,895,166

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

Interfund transfers are summarized below:

	Transfer Out				
	General Fund	Capital Improvement Projects	Sheriff MSTU	Nonmajor Governmental	Total Transfer In
<u>Transfer in</u>					
General fund	\$ 37,476	\$ -	\$ 15,958,470	\$ 1,710,513	\$ 17,706,459
Capital improvement projects	\$ -	\$ -	\$ -	319,639	319,639
Sheriff MSTU	484,791	-	-	-	484,791
Nonmajor governmental	775,514	2,833,458	-	1,293,042	4,902,014
Solid waste disposal	83,513	-	-	-	83,513
Universal collection	46,717	-	-	-	46,717
Total transfer out	\$ 1,428,011	\$ 2,833,458	\$ 15,958,470	\$ 3,323,194	\$ 23,543,133

The transfer out of the Sheriff MSTU Fund resulted from the transfer of revenue, collected on behalf of the Sheriff, to the General Fund of the Sheriff. The transfer out of the Capital Improvement Projects Fund into the Nonmajor governmental category resulted from the transfer of revenue, that is pledged for debt service, into the respective debt service fund. All other transfers were made in the normal course of operations and are consistent with the activities of the fund making the transfer.

Notes to Financial Statements

NOTE 4 – FUND BALANCE CLASSIFICATIONS

Fund balance is restricted for the following purposes:

	General Fund	Capital Improvement Projects	Sheriff MSTU	Other Governmental Funds	Total
Capital projects	\$ -	\$ 31,527,191	\$ -	\$ 1,665,344	\$ 33,192,535
Debt service	-	-	-	510,913	510,913
Public safety	-	-	3,346,572	9,921,011	13,267,583
Transportation	-	-	-	3,515,189	3,515,189
Economic environment	-	-	-	4,931,481	4,931,481
Culture and recreation	-	-	-	1,291,158	1,291,158
Court costs	1,109	-	-	7,936,401	7,937,510
Municipal services	-	-	-	1,646,196	1,646,196
Election grants	219,795	-	-	-	219,795
Total restricted fund balance	\$ 220,904	\$ 31,527,191	\$ 3,346,572	\$ 31,417,693	\$ 66,512,360

In the General Fund, fund balance of \$16,926,444 is assigned for subsequent year's expenditures of the Board of County Commissioners and \$5,763,848 is assigned for public safety-law enforcement.

NOTE 5 – CAPITAL ASSETS

A summary of changes in capital assets follows:

Governmental activities:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 104,192,829	\$ 173,109	\$ 54,564	\$ 104,311,374
Construction in progress	8,248,233	12,081,833	57,434	20,272,632
Total capital assets not being depreciated	112,441,062	12,254,942	111,998	124,584,006
Capital assets being depreciated:				
Buildings and improvements	106,034,220	2,709,879	-	108,744,099
Machinery and equipment	64,523,090	4,759,840	8,924,902	60,358,028
Infrastructure	295,388,842	3,059,938	-	298,448,780
Total capital assets being depreciated	465,946,152	10,529,657	8,924,902	467,550,907
Less accumulated depreciation for:				
Buildings and improvements	41,204,993	2,717,294	-	43,922,287
Machinery and equipment	51,868,446	5,064,125	8,833,983	48,098,588
Infrastructure	119,062,175	10,139,412	-	129,201,587
Total accumulated depreciation	212,135,614	17,920,831	8,833,983	221,222,462
Total capital assets being depreciated, net	253,810,538	(7,391,174)	90,919	246,328,445
Total governmental activities, net	\$ 366,251,600	\$ 4,863,768	\$ 202,917	\$ 370,912,451

Notes to Financial Statements

NOTE 5 – CAPITAL ASSETS (CONTINUED)

Business-type activities:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 986,525	\$ -	\$ -	\$ 986,525
Capital assets being depreciated:				
Buildings and improvements	5,580,994	-	-	5,580,994
Machinery and equipment	1,371,715	134,116	-	1,505,831
Total capital assets being depreciated	6,952,709	134,116	-	7,086,825
Less accumulated depreciation for:				
Buildings and improvements	2,428,769	87,900	-	2,516,669
Machinery and equipment	1,236,993	36,192	-	1,273,185
Total accumulated depreciation	3,665,762	124,092	-	3,789,854
Total capital assets being depreciated, net	3,286,947	10,024	-	3,296,971
Total business-type activities, net	\$ 4,273,472	\$ 10,024	\$ -	\$ 4,283,496

Depreciation expense was charged to the functions of the primary government as follows:

Governmental activities:

General government	\$ 3,261,301
Public safety	3,294,495
Transportation	11,001,654
Human services	117,631
Culture and recreation	117,166
Court costs	128,584
Total depreciation expense	\$ 17,920,831

Business-type activities:

Solid waste	\$ 124,092
-------------	------------

Notes to Financial Statements

NOTE 6 – LONG-TERM LIABILITIES

	Beginning Balance, as restated	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
2009 Infrastructure sales surtax revenue bonds	\$ 8,990,000	\$ -	\$ 8,990,000	\$ -	\$ -
Original issue premium	745,711	-	745,711	-	-
Total bonds payable	9,735,711	-	9,735,711	-	-
Compensated absences	12,330,830	8,537,869	6,823,144	14,045,555	6,792,500
Net pension liability	107,422,670	2,491,470	-	109,914,140	475,474
Net OPEB liability	31,544,864	-	761,151	30,783,713	-
Governmental activity long-term liabilities	\$ 161,034,075	\$ 11,029,339	\$ 17,320,006	\$ 154,743,408	\$ 7,267,974
Business-type activities:					
Compensated absences	\$ 261,463	\$ 28,250	\$ 47,849	\$ 241,864	\$ 25,865
Net pension liability	1,237,528	-	4,032	1,233,496	14,263
Landfill postclosure care costs	2,116,867	-	148,077	1,968,790	167,925
Business-type activity long-term liabilities	\$ 3,615,858	\$ 28,250	\$ 199,958	\$ 3,444,150	\$ 208,053

Beginning balance of the governmental activities was increased by \$8,242,864 for the implementation of GASB 75 related to OPEB liability. See Note 12 for more information.

Landfill Closure and Postclosure Care Costs

State and Federal laws and regulations require the County to place a final cover on its landfill sites when it stops accepting waste and to perform certain maintenance and monitoring functions at the sites for thirty years after closures. Although postclosure care costs will be paid only near the end or after the date landfills stop accepting waste, the County reports a portion of these costs as an operating expense in each period based on landfill capacity used as of each financial statement date. As of September 30, 2018, each of the County landfill sites have reached full capacity. The \$1,968,790 reported as landfill postclosure care liability at September 30, 2018, represents the estimated remaining obligation for postclosure care costs for the landfill sites. Actual costs may differ due to inflation, deflation, technology, or changes in applicable laws or regulations. The estimate for post closure care costs is updated annually.

The County has restricted resources in the amount of \$167,925 to provide for this liability in accordance with the regulations of the Florida Department of Environmental Protection.

NOTE 7 – STATE OF FLORIDA PENSION PLANS

Defined Benefit Plans

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

Notes to Financial Statements

NOTE 7 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

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

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

Benefits Provided

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

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

Contributions

The contribution requirements of plan members and the employer are established and may be amended by the Florida Legislature. Employees are required to contribute 3.00% of their salary to the FRS Pension Plan. The employer's contribution rates as of September 30, 2018, were as follows:

Notes to Financial Statements

NOTE 7 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

	FRS	HIS
Regular class	6.60%	1.66%
Special risk class	22.84%	1.66%
Senior management service class	22.40%	1.66%
Elected officials	47.04%	1.66%
DROP from FRS	12.37%	1.66%

The employer's contributions for the year ended September 30, 2018, were \$8,724,779 to the FRS Pension Plan and \$1,054,938 to the HIS Program.

Pension Liabilities and Pension Expense

In its financial statements for the year ended September 30, 2018, the County reported a liability for its proportionate share of the net pension liability of the FRS Pension Plan and its proportionate share of the net pension liability of the HIS Program. The net pension liabilities were measured as of June 30, 2018. The County's proportions of the net pension liabilities were based on its share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

	FRS	HIS
Net pension liability	\$ 90,557,131	\$ 20,590,505
Proportion at:		
Current measurement date	0.3006%	0.1945%
Prior measurement date	0.2984%	0.1907%
Pension expense	\$ 16,014,561	\$ 1,622,496

Deferred Outflows/Inflows of Resources Related to Pensions

At September 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	FRS		HIS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 7,671,550	\$ (278,441)	\$ 315,232	\$ (34,982)
Changes of assumptions	29,589,666	-	2,289,919	(2,177,000)
Net difference between projected and actual earnings on pension plan investments	-	(6,996,642)	12,429	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	4,620,535	(2,469,300)	1,037,689	(547,630)
Employer contributions subsequent to the measurement date	2,267,240	-	261,617	-
Total	\$ 44,148,991	\$ (9,744,383)	\$ 3,916,886	\$ (2,759,612)

Notes to Financial Statements

NOTE 7 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year end will be recognized as a reduction of the net pension liability in the reporting period ending September 30, 2018. Other pension-related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ending September 30,	FRS	HIS
2019	\$ 12,148,288	\$ 374,330
2020	8,467,938	374,330
2021	1,868,324	304,746
2022	5,674,993	132,424
2023	3,653,152	(223,610)
Thereafter	324,673	(66,563)
Total	\$ 32,137,368	\$ 895,657

Actuarial Assumptions

The total pension liability for each of the defined benefit plans was measured as of June 30, 2018. The total pension liability for the FRS Pension Plan was determined by an actuarial valuation dated July 1, 2018. For the HIS Program, the total pension liability was determined by an actuarial valuation dated July 1, 2018. The individual entry age normal actuarial cost method was used for each plan, along with the following significant actuarial assumptions:

Inflation	2.60%	2.60%
Salary increases	3.25%	3.25%
Investment rate of return	7.00%	N/A
Discount rate	7.00%	3.87%

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

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

The following changes in key actuarial assumptions occurred in 2018:

FRS: The long-term expected rate of return and the discount rate used to determine the total pension liability decreased from 7.10% to 7.00%.

HIS: The municipal bond index rate and the discount rate used to determine the total pension liability increased from 3.58% to 3.87%.

Notes to Financial Statements

NOTE 7 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

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

Asset Class	Target Allocation	Annual Arithmetic Return	Annual (Geometric) Return
Cash	1%	2.9%	2.9%
Fixed income	18%	4.5%	4.3%
Global equity	54%	7.6%	6.3%
Real estate (property)	11%	6.6%	6.0%
Private equity	10%	10.7%	7.8%
Strategic investments	6%	6.0%	5.7%
	100%		

Discount Rate

The discount rate used to measure the total pension liability for the FRS Pension Plan was 7.00%. FRS' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Because the HIS Program is essentially funded on a pay-as-you-go basis, a municipal bond rate of 3.87% was used to determine the total pension liability for the program. The Bond Buyer General Obligation Bond 20-Bond Municipal Bond Index was used as the applicable municipal bond index.

Notes to Financial Statements

NOTE 7 – STATE OF FLORIDA PENSION PLANS (CONTINUED)**Sensitivity Analysis**

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

	Current Discount			Current Discount		
	1% Decrease (6.00%)	Rate (7.00%)	1% Increase (8.00%)	1% Decrease (2.87%)	Rate (3.87%)	1% Increase (4.87%)
Employer's proportionate share of the net pension liability	\$ 165,270,562	\$ 90,557,131	\$ 28,503,209	\$ 23,451,379	\$ 20,590,505	\$ 18,205,801

Pension Plans' Fiduciary Net Position

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

Defined Contribution Plan

Pursuant to Chapter 121, Florida Statutes, the Florida Legislature created the Florida Retirement Investment Plan ("FRS Investment Plan"), a defined contribution pension plan qualified under Section 401(a) of the Internal Revenue Code. The FRS Investment Plan is an alternative available to members of the Florida Retirement System in lieu of the defined benefit plan. There is a uniform contribution rate covering both the defined benefit and defined contribution plans, depending on membership class. Required employer contributions made to the plan during the year ended September 30, 2018, totaled \$1,907,906.

NOTE 8 – OTHER POSTEMPLOYMENT BENEFIT PLAN***Plan Description***

The County administers a single employer defined benefit plan for postemployment benefits other than pension benefits ("OPEB Plan"). The OPEB Plan provides post-employee life insurance benefits and a health insurance subsidy for retirees and eligible dependents.

The life insurance benefit is provided to retirees at a rate comparable to current employees. The employee contribution rate for life insurance was increased from \$.99 monthly per \$1,000 of coverage to \$1.45 monthly per \$1,000 of coverage effective January 1, 2017. Eligible retired employees who retired prior to October 1, 1998 receive a decreasing amount of coverage based upon age. Retirees under the age of 65 receive the maximum \$10,000 of coverage decreasing to \$1,500 of coverage after age 79. Eligible employees who retired between October 1, 1998 and October 1, 1999 receive a fixed coverage amount of \$10,000. Eligible employees who retired after October 1, 1999 receive a fixed coverage amount of \$20,000.

Notes to Financial Statements

NOTE 8 – OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

The County provides health care coverage through its self-insurance plan administered by Blue Cross Blue Shield of Florida for retired employees of the Board of Constitutional Officers. Substantially all employees may become eligible for those benefits if they reach normal retirement age while working for the County and have provided six or more years of service.

During 2010, the County amended its OPEB plan. The amendment stabilized the County's portion of retiree health insurance costs, thus making the retiree responsible for future cost increases.

Participants

As of September 1, 2017, the date of the latest actuarial valuation, plan participation consisted of 1,029 active employees and 447 retirees receiving benefits. A separate stand-alone financial statement is not prepared for the OPEB Plan.

Contributions

The contribution requirements of the plan members and the County are established and may be amended by the Clay County Board of County Commissioners. A trust has not been established. Contributions are being made based on pay-as-you-go financing requirements.

Total OPEB Liability

The County's net OPEB liability of \$30,783,713 was measured as of September 1, 2017, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the September 1, 2017 actuarial valuation was determined using the entry age normal funding method, calculated on an individual basis with level percentage of pay, and the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation rate	2.2%
Rate of Growth in Real Income/GDP per capita	1.6%
Income Multiplier for Health Spending	1.3
Health Share of GDP Resistance Point	25.0%
Year for Limiting Cost Growth to GDP Growth	2075
Mortality	RP-2000 Fully Generational Combined Healthy Table with Scale BB
Healthcare cost trend rates	5.4% is the initial rate. The rate in 2090 is 3.9%

The discount rate was based on the 20-year GO Bond index of 3.5% as of September 30, 2017.

Notes to Financial Statements

NOTE 8 – OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at 9/30/17	\$ 31,544,864
Changes for the year:	
Service cost	1,382,673
Interest	953,847
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	(1,546,433)
Benefit payments	(1,551,238)
Net changes	(761,151)
Balance at 9/30/18	\$ 30,783,713

There were no changes of benefit terms.

Changes of assumptions and other inputs reflect a change in the discount rate from 3.10% to 3.50%.

Sensitivity of the total OPEB liability to changes in the discount rate.

The following table presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1.00% higher or 1.00% lower than the current discount rate:

	1% Decrease	Current Discount Rate	1% Increase
	(2.50%)	(3.50%)	(4.50%)
Total OPEB liability	\$ 34,883,368	\$ 30,783,713	\$ 27,379,104

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates.

The following table presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1.00% higher or 1.00% lower than the current healthcare cost trend rate:

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
	(2.90%)	(3.90%)	(4.90%)
Total OPEB liability	\$ 27,120,810	\$ 30,783,713	\$ 35,347,170

Notes to Financial Statements

NOTE 8 – OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

OPEB Expense and Deferred Outflows and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2018, the County recognized an OPEB expense of \$2,164,694. At September 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions	-	1,374,607
Net difference between projected and actual earnings on OPEB plan investments	-	-
Employer contribution subsequent to the measurement date	-	-
Total	\$ -	\$ 1,374,607

Amount reported as deferred outflows of resources related to OPEB resulting from employer contributions subsequent to the measurement date, if any, will be recognized as a reduction of the net OPEB liability in the year ended September 30, 2019. Other amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending September 30,	
2019	\$ (171,826)
2020	(171,826)
2021	(171,826)
2022	(171,826)
2023	(171,826)
Thereafter	(515,477)
Total	\$ (1,374,607)

Notes to Financial Statements

NOTE 9 – RISK MANAGEMENT***Commercial Insurance***

The County carries commercial insurance for certain risks, including health insurance. There were no significant reductions in insurance coverage during 2018. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Self-Insurance – Workers’ Compensation

The County has a self-insurance program for its workers’ compensation insurance. The activities of the self-insurance program are administered by a third party and are accounted for in the County’s General Fund. The County has purchased commercial stop loss insurance which caps the County’s liability at \$550,000 per claim.

In the government-wide financial statements, the County has reported an estimated liability for self-insured losses of \$2,339,300. The estimated liability for self-insured losses is based on reported claims, historical loss data, industry statistics for incurred but not reported claims, and a valuation performed by an independent consultant.

The change in the estimated liability for self-insured losses is as follows:

Year Ended	Beginning of Year Liability	Claims Incurred	Claims Paid	End of Year Liability
2016	\$ 1,480,000	\$ 1,263,900	\$ 1,243,900	\$ 1,500,000
2017	1,500,000	2,493,600	2,103,700	1,889,900
2018	1,889,900	1,826,300	1,376,900	2,339,300

Self-Insurance – Health and Disability

The County is exposed to various risks of loss related to employee health, and short-term disability claims for which it is self-insured. An excess coverage insurance policy covers claims in excess of \$250,000.

Liabilities are reported if information prior to the issuance of the financial statements indicate that it is probable that a loss has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated, including an estimate for those claims incurred but not reported (IBNRs).

This estimate is based on historical experience and current trends, and is reported at current dollar value in the County’s health insurance internal service fund.

Notes to Financial Statements

NOTE 9 – RISK MANAGEMENT (CONTINUED)

Changes in the fund's claims liability were as follows:

Year Ended	Beginning of Year Liability	Claims Incurred	Claims Paid	End of Year Liability
2016	\$ 3,247,085	\$ 13,923,474	\$ 15,427,467	\$ 1,743,092
2017	1,743,092	13,984,795	13,679,849	2,048,038
2018	2,048,038	15,202,991	15,008,622	2,242,407

NOTE 10 – OPERATING LEASES

The County has executed several leases that are classified as operating leases. The total cost for 2018 was approximately \$401,065.

The future minimum lease payments under these leases are approximately as follows:

Year Ending September 30,	Amount
2019	\$ 360,419
2020	328,674
2021	264,706
2022	138,512
2023	48,026
Thereafter	193,135
Total	\$ 1,333,472

NOTE 11 – CONTINGENT LIABILITIES

The County is sometimes involved in litigation in the normal course of operations. It is the opinion of management and the County's attorney that any unrecorded, uninsured claims resulting from such litigation would not be material in relation to the County's financial condition.

Notes to Financial Statements

NOTE 12 – CHANGE IN ACCOUNTING PRINCIPLE

The County restated the beginning net position of the governmental activities to implement the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The effect of this restatement is as follows:

	Governmental Activities
Net position - beginning of year, as previously reported	\$ 364,963,811
Restatement:	
OPEB liability	(8,242,864)
<hr/>	
<u>Net position - beginning of year, as restated</u>	<u>\$ 356,720,947</u>

NOTE 13 – FUTURE ACCOUNTING PRONOUNCEMENTS

The Governmental Accounting Standards Board has issued statements that will become effective in 2019. The statements address:

- Asset retirement obligations; and
- Disclosures related to debt.

The County is currently evaluating the effects that these statements will have on its 2019 financial statements.

Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – General Fund
Year ended September 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 58,679,189	\$ 58,679,189	\$ 59,594,540	\$ 915,351
Licenses and permits	-	-	11,197	11,197
Intergovernmental	21,748,562	23,105,792	23,249,658	143,866
Charges for services	16,013,960	16,092,810	11,360,986	(4,731,824)
Fines and forfeitures	500	500	59,559	59,059
Miscellaneous	1,738,300	1,743,300	2,366,204	622,904
Total revenues	98,180,511	99,621,591	96,642,144	(2,979,447)
Expenditures:				
Current:				
County commissioners	640,739	640,739	621,515	19,224
County manager	520,298	520,298	431,154	89,144
Human resources	399,113	398,513	300,641	97,872
Risk manager	3,605,747	3,910,547	3,744,679	165,868
MIS department	2,544,824	2,617,234	2,409,287	207,947
Health department	845,743	845,743	839,451	6,292
County auditor	141,030	141,030	134,292	6,738
County comptroller	1,476,353	1,469,153	1,283,913	185,240
Budget director	216,180	216,680	203,977	12,703
Purchasing	399,987	407,187	403,313	3,874
County attorney	806,058	806,058	600,280	205,778
Sheriff	51,685,359	52,306,798	50,347,953	1,958,845
Property appraiser	3,175,154	3,181,584	3,006,230	175,354
Tax collector	5,038,836	5,129,173	4,966,524	162,649
Board of tax adjustment	80,000	80,000	68,208	11,792
Clerk of court	2,248,224	2,527,924	2,136,007	391,917
Filing fee costs	5,000	5,000	1,808	3,192
Circuit court	2,000	2,000	-	2,000
Juvenile detention	490,000	490,000	459,461	30,539
County court	19,400	19,400	13,785	5,615
State attorney	30,300	30,300	1,363	28,937
Supervisor of elections	1,942,061	1,964,853	1,501,825	463,028
Building maintenance	3,063,990	3,133,990	2,654,551	479,439
Historical commission	7,425	7,425	2,500	4,925
Veterans service officer	96,176	96,476	60,709	35,767
Council on aging	741,370	741,370	738,542	2,828
Economic development	144,791	144,791	84,531	60,260
Keystone CRP	45,800	49,935	49,934	1
Medical examiner	800,000	800,000	732,050	67,950
Rescue services	14,649,662	14,758,344	14,080,409	677,935
Emergency management	147,608	160,533	128,815	31,718
Emergency management grant	160,000	160,000	4,880	155,120
SHSGP Issue 20	119,743	119,819	119,819	-
Public safety admin/comm	1,841,419	1,841,419	1,648,174	193,245
Public Safety Grant	400,500	664,192	-	664,192
Disaster Recovery	500,000	7,498,000	6,000,754	1,497,246

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – General Fund
Year ended September 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Hospital Services	150,000	150,000	73,288	76,712
Public assistance services	2,356,996	2,411,246	2,404,316	6,930
Aid to private organizations	305,612	305,618	305,612	6
Animal services	1,509,057	1,508,057	1,281,047	227,010
Parks and recreation admin	3,572,612	3,324,702	2,313,433	1,011,269
Libraries administration	1,582,061	1,663,995	1,628,119	35,876
Orange Park library	772,032	708,436	540,256	168,180
GCS library	250,583	261,694	254,695	6,999
Keystone Heights library	233,618	242,185	230,842	11,343
Middleburg library	273,237	248,644	237,511	11,133
Library headquarters	905,685	905,685	569,641	336,044
Agriculture agent	516,471	514,604	472,602	42,002
Soil conservation	1,876	1,876	1,811	65
Transit Authority	78,000	78,000	74,516	3,484
Fleet/fuel management	2,937,755	2,937,755	2,336,386	601,369
Knowles/H.P. clean-up	20,000	20,000	7,150	12,850
Machinery & Equip	1,345,974	1,991,072	487,292	1,503,780
Black Creek Hills	10,995	10,995	10,794	201
SHS Issue 10	-	22,562	-	22,562
Food Claim	72,030	59,394	57,487	1,907
Sweat Program	-	199,000	134,209	64,791
Contingencies	15,971,135	7,955,020	-	7,955,020
Total expenditures	131,896,619	133,407,048	113,202,341	20,204,707
Excess of revenues over (under) expenditures	(33,716,108)	(33,785,457)	(16,560,197)	17,225,260
Other financing sources (uses)				
Transfers in	16,528,794	16,991,973	17,706,459	714,486
Transfers out	-	176,742	(1,428,011)	(1,604,753)
Total other financing sources (uses)	16,528,794	17,168,715	16,278,448	(890,267)
Net change in fund balances	(17,187,314)	(16,616,742)	(281,748)	16,334,994
Fund balances – beginning of year	6,383,444	13,665,269	28,165,716	14,500,447
Fund balances – end of year	\$ (10,803,870)	\$ (2,951,473)	\$ 27,883,968	\$ 30,835,441

Note to Budgetary Comparison Schedules:

The preparation, adoption and amendments of the budgets are governed by Florida Statutes and County policy. The County Manager can authorize budget transfers within, but not between, divisions provided that the total of that division's budgeted appropriation does not change. The division is the legal level of control. Budgets are prepared and adopted on a basis that does not differ materially from generally accepted accounting principles. Appropriations lapse at year-end.

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Sheriff MSTU
Year ended September 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 20,261,705	\$ 20,261,705	\$ 19,519,891	\$ (741,814)
Miscellaneous	10,000	10,000	153,631	143,631
Total revenues	20,271,705	20,271,705	19,673,522	(598,183)
Expenditures:				
Current:				
Public safety	2,731,879	2,731,879	2,572,819	159,060
Contingencies	2,623,692	2,456,286	-	2,456,286
Total expenditures	5,355,571	5,188,165	2,572,819	2,615,346
Excess of revenues over expenditures	14,916,134	15,083,540	17,100,703	2,017,163
Other financing sources (uses)				
Transfers in	-	-	484,791	484,791
Transfers out	(15,626,429)	(15,924,876)	(15,958,470)	(33,594)
Total other financing sources (uses)	(15,626,429)	(15,924,876)	(15,473,679)	451,197
Net change in fund balances	(710,295)	(841,336)	1,627,024	2,468,360
Fund balances – beginning of year	710,295	841,336	1,719,548	878,212
Fund balances – end of year	\$ -	\$ -	\$ 3,346,572	\$ 3,346,572

Note to Budgetary Comparison Schedules:

The preparation, adoption and amendments of the budgets are governed by Florida Statutes and County policy. The County Manager can authorize budget transfers within, but not between, divisions provided that the total of that division's budgeted appropriation does not change. The division is the legal level of control. Budgets are prepared and adopted on a basis that does not differ materially from generally accepted accounting principles. Appropriations lapse at year-end.

**Schedule of Changes in the County's OPEB Liability and Related Ratios
For the Year ended September 30, 2018
Last 10 Fiscal Years**

	<u>2018</u>
Service cost	\$ 1,382,673
Interest	953,847
Changes in benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions	(1,546,433)
Benefit payments	<u>(1,551,238)</u>
Net change in total OPEB liability	\$ (761,151)
Total OPEB liability -beginning	<u>\$ 31,544,864</u>
Total OPEB liability -ending	<u><u>\$ 30,783,713</u></u>

Notes to schedules:

- 1) GASB Statement No. 75 was implemented in 2018. Until a full 10-year trend is compiled, information for those years for which it is available will be presented.
- 2) There were no change of benefit terms.
- 3) Changes in assumptions or other inputs reflect a change in the discount rate from 3.10% in 2017 to 3.50% in 2018.
- 4) This OPEB plan does not depend on salary, thus there is no salary information.

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

Florida Retirement System	2015	2016	2017	2018
Employer's proportion of the net pension liability (asset)	0.2726%	0.2992%	0.2984%	0.3006%
Employer's proportionate share of the net pension liability (asset)	\$ 35,215,863	\$ 75,540,039	\$ 88,271,508	\$ 90,557,131
Employer's covered payroll (2)	\$ 56,882,338	\$ 48,743,295	\$ 50,852,784	\$ 63,499,863
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	61.91%	154.98%	173.58%	142.61%
Plan fiduciary net position as a percentage of the total pension liability	92.00%	84.88%	83.89%	84.26%
Health Insurance Subsidy Program	2015	2016	2017	2018
Employer's proportion of the net pension liability (asset)	0.1885%	0.1914%	0.1907%	0.1945%
Employer's proportionate share of the net pension liability (asset)	\$ 19,224,289	\$ 22,305,264	\$ 20,388,690	\$ 20,590,505
Employer's covered payroll (2)	\$ 56,882,338	\$ 48,743,295	\$ 50,852,784	\$ 63,499,863
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	33.80%	45.76%	40.09%	32.43%
Plan fiduciary net position as a percentage of the total pension liability	0.50%	0.97%	1.64%	2.15%

Notes to schedules:

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

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

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

**Schedules of Employer Contributions - Pension
Last 10 Fiscal Years**

Florida Retirement System	2015	2016	2017	2018
Contractually required contribution	\$ 6,827,284	\$ 7,295,678	\$ 6,908,382	\$ 8,724,779
Contributions in relation to the contractually required contribution	6,827,284	7,295,678	5,131,148	8,724,779
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll (1)	\$ 57,363,328	\$ 48,366,205	\$ 50,488,806	\$ 63,447,660
Contributions as a percentage of covered payroll	11.90%	15.08%	13.68%	13.75%
Health Care Subsidy Program	2015	2016	2017	2018
Contractually required contribution	\$ 790,040	\$ 980,976	\$ 1,010,661	\$ 1,054,938
Contributions in relation to the contractually required contribution	790,040	980,976	838,114	1,054,938
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll (1)	\$ 57,363,328	\$ 48,366,205	\$ 50,488,806	\$ 63,447,660
Contributions as a percentage of covered payroll	1.38%	2.03%	2.00%	1.66%

Notes to schedules:

(1) Covered payroll includes defined benefit plan activities, investment plan members, and members in DROP. GASB Statement No. 68 was implemented in 2015. Until a full 10-year trend is compiled, information for those years for which it is available will be presented.

Supplemental Information

**Combining Balance Sheet - Board and Officers General Funds
September 30, 2018**

	Board of County Commissioners	BCC Fine and Forfeiture	Sheriff	Clerk of Court	Property Appraiser	Tax Collector	Supervisor of Elections	Eliminations	Combined General Fund
Assets:									
Cash and equivalents	\$ 3,148,278	\$ 1,157,317	\$ 4,117,240	\$ 32,036	\$ 187,798	\$ 1,567,991	\$ 411,479	\$ -	\$ 10,622,139
Investments	17,735,564	3,786,179	-	-	-	-	-	-	21,521,743
Due from other funds	2,344,445	923,044	9,739	-	-	-	-	(2,473,118)	804,110
Due from other governments	1,419,851	7,320	-	20,960	-	-	-	-	1,448,131
Receivables	4,288,357	0	23,955	-	-	-	-	-	4,312,312
Prepaid	-	-	-	21,999	-	-	-	-	21,999
Inventory	114,028	-	314,712	-	-	-	-	-	428,740
Total assets	\$ 29,050,523	\$ 5,873,860	\$ 4,465,646	\$ 74,995	\$ 187,798	\$ 1,567,991	\$ 411,479	\$ (2,473,118)	\$ 39,159,174
Liabilities:									
Accounts payable	\$ 2,977,663	\$ 86,532	\$ 2,696,502	\$ 39,331	\$ 42,084	\$ -	\$ 38,931	\$ -	\$ 5,881,043
Due to other funds	745,897	23,480	1,454,432	12,556	143,110	1,554,076	152,753	(2,473,118)	1,613,186
Due to other governments	446,391	-	-	-	2,604	13,915	-	-	462,910
Unearned revenues	-	-	-	-	-	-	-	-	-
Total liabilities	4,169,951	110,012	4,150,934	51,887	187,798	1,567,991	191,684	(2,473,118)	7,957,139
Deferred inflow of resources:									
Unavailable revenue	3,309,573	-	-	-	-	-	-	-	3,309,573
Fund balances:									
Nonspendable:									
Prepays	-	-	-	21,999	-	-	-	-	21,999
Inventory	114,028	-	314,712	-	-	-	-	-	428,740
Restricted	-	-	-	1,109	-	-	219,795	-	220,904
Assigned	16,926,444	5,763,848	-	-	-	-	-	-	22,690,292
Unassigned	4,530,527	-	-	-	-	-	-	-	4,530,527
Total fund balances	21,570,999	5,763,848	314,712	23,108	-	-	219,795	-	27,892,462
Total liabilities, deferred inflow of resources and fund balances	\$ 29,050,523	\$ 5,873,860	\$ 4,465,646	\$ 74,995	\$ 187,798	\$ 1,567,991	\$ 411,479	\$ (2,473,118)	\$ 39,159,174

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Board and Officers General Funds
Year ended September 30, 2018**

	Board of County Commissioners			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 26,970,485	\$ 26,970,485	\$ 26,195,928	\$ (774,557)
Licenses and permits	-	-	11,197	11,197
Intergovernmental	21,125,688	22,046,632	22,176,697	130,065
Charges for services	7,005,339	7,005,339	6,651,783	(353,556)
Fines and forfeitures	500	500	6,550	6,050
Miscellaneous	1,673,800	1,678,800	1,903,221	224,421
Total revenues	56,775,812	57,701,756	56,945,376	(756,380)
Expenditures:				
Current:				
General government	19,587,004	27,309,114	23,590,398	3,718,716
Public safety	18,680,962	19,076,263	17,231,095	1,845,168
Physical environment	538,347	536,480	481,563	54,917
Transportation	3,026,750	3,026,750	2,421,696	605,054
Economic development	254,138	257,865	194,902	62,963
Human services	5,908,778	5,962,028	5,642,256	319,772
Culture and recreation	7,597,253	7,362,766	5,776,997	1,585,769
Court costs	39,500	39,500	3,171	36,329
Capital outlay	1,330,974	1,949,500	445,720	1,503,780
Contingencies	14,251,510	6,653,923	-	6,653,923
Total expenditures	71,215,216	72,174,189	55,787,798	16,386,391
Excess of revenues over (under) expenditures	(14,439,404)	(14,472,433)	1,157,578	15,630,011
Other financing sources (uses)				
Transfers in	1,840,003	1,840,003	3,166,226	1,326,223
Transfers out	(5,130,674)	(5,181,882)	(5,132,792)	49,090
Total other financing sources (uses)	(3,290,671)	(3,341,879)	(1,966,566)	1,375,313
Net change in fund balances	(17,730,075)	(17,814,312)	(808,988)	17,005,324
Fund balances – beginning of year	17,730,075	17,814,312	22,379,987	4,565,675
Change in prepaids	-	-	-	-
Change in inventory	-	-	-	-
Fund balances – end of year	\$ -	\$ -	\$ 21,570,999	\$ 21,570,999

(Continued)

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Board and Officers General Funds
Year ended September 30, 2018**

	Sheriff			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	77,967	77,967
Total revenues	-	-	77,967	77,967
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	43,996,471	44,436,276	43,308,740	1,127,536
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic development	-	-	-	-
Human services	-	-	-	-
Culture and recreation	-	-	-	-
Court costs	1,433,057	1,441,264	1,371,024	70,240
Capital outlay	-	-	-	-
Contingencies	-	-	-	-
Total expenditures	45,429,528	45,877,540	44,679,764	1,197,776
Excess of revenues over (under) expenditures	(45,429,528)	(45,877,540)	(44,601,797)	1,275,743
Other financing sources (uses)				
Transfers in	45,429,528	45,877,540	45,877,540	-
Transfers out	-	-	(1,275,743)	(1,275,743)
Total other financing sources (uses)	45,429,528	45,877,540	44,601,797	(1,275,743)
Net change in fund balances	-	-	-	-
Fund balances – beginning of year	-	-	322,389	322,389
Change in prepaids	-	-	-	-
Change in inventory	-	-	(7,677)	(7,677)
Fund balances – end of year	\$ -	\$ -	\$ 314,712	\$ 314,712

(Continued)

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Board and Officers General Funds
Year ended September 30, 2018**

	Clerk of the Court			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	24,826	24,826
Charges for services	1,143,400	1,186,400	1,165,616	(20,784)
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	1,143,400	1,186,400	1,190,442	4,042
Expenditures:				
Current:				
General government	1,234,653	1,484,285	1,479,137	5,148
Public safety	-	-	-	-
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic development	-	-	-	-
Human services	-	-	-	-
Culture and recreation	-	-	-	-
Court costs	141,652	171,720	171,101	619
Capital outlay	-	-	-	-
Contingencies	-	-	-	-
Total expenditures	1,376,305	1,656,005	1,650,238	5,767
Excess of revenues over (under) expenditures	(232,905)	(469,605)	(459,796)	9,809
Other financing sources (uses)				
Transfers in	460,855	469,605	460,855	(8,750)
Transfers out	(227,950)	-	(4,934)	(4,934)
Total other financing sources (uses)	232,905	469,605	455,921	(13,684)
Net change in fund balances	-	-	(3,875)	(3,875)
Fund balances – beginning of year	-	-	10,811	10,811
Change in prepaids	-	-	16,172	16,172
Change in inventory	-	-	-	-
Fund balances – end of year	\$ -	\$ -	\$ 23,108	\$ 23,108

(Continued)

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Board and Officers General Funds
Year ended September 30, 2018**

	Property Appraiser			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	51,388	51,401	46,395	(5,006)
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	1,898	1,898
Total revenues	51,388	51,401	48,293	(3,108)
Expenditures:				
Current:				
General government	2,727,753	2,734,183	2,590,659	143,524
Public safety	-	-	-	-
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic development	-	-	-	-
Human services	-	-	-	-
Culture and recreation	-	-	-	-
Court costs	-	-	-	-
Capital outlay	-	-	-	-
Contingencies	-	-	-	-
Total expenditures	2,727,753	2,734,183	2,590,659	143,524
Excess of revenues over (under) expenditures	(2,676,365)	(2,682,782)	(2,542,366)	140,416
Other financing sources (uses)				
Transfers in	2,676,365	2,682,782	2,685,241	2,459
Transfers out	-	-	(142,875)	(142,875)
Total other financing sources (uses)	2,676,365	2,682,782	2,542,366	(140,416)
Net change in fund balances	-	-	-	-
Fund balances – beginning of year	-	-	-	-
Change in prepaids	-	-	-	-
Change in inventory	-	-	-	-
Fund balances – end of year	\$ -	\$ -	\$ -	\$ -

(Continued)

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Board and Officers General Funds
Year ended September 30, 2018**

	Tax Collector			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	4,348,024	4,383,861	5,760,995	1,377,134
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	47,320	47,320
Total revenues	4,348,024	4,383,861	5,808,315	1,424,454
Expenditures:				
Current:				
General government	4,348,024	4,383,861	4,254,239	129,622
Public safety	-	-	-	-
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic development	-	-	-	-
Human services	-	-	-	-
Culture and recreation	-	-	-	-
Court costs	-	-	-	-
Capital outlay	-	-	-	-
Contingencies	-	-	-	-
Total expenditures	4,348,024	4,383,861	4,254,239	129,622
Excess of revenues over (under) expenditures	-	-	1,554,076	1,554,076
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	(1,554,076)	(1,554,076)
Total other financing sources (uses)	-	-	(1,554,076)	(1,554,076)
Net change in fund balances	-	-	-	-
Fund balances – beginning of year	-	-	-	-
Change in prepaids	-	-	-	-
Change in inventory	-	-	-	-
Fund balances – end of year	\$ -	\$ -	\$ -	\$ -

(Continued)

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Board and Officers General Funds
Year ended September 30, 2018**

	Supervisor of Elections			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	2,977	2,977
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	3,570	3,570
Total revenues	-	-	6,547	6,547
Expenditures:				
Current:				
General government	1,657,146	1,657,146	1,379,998	277,148
Public safety	-	-	-	-
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic development	-	-	-	-
Human services	-	-	-	-
Culture and recreation	-	-	-	-
Court costs	-	-	-	-
Capital outlay	-	-	-	-
Contingencies	-	-	-	-
Total expenditures	1,657,146	1,657,146	1,379,998	277,148
Excess of revenues over (under) expenditures	(1,657,146)	(1,657,146)	(1,373,451)	283,695
Other financing sources (uses)				
Transfers in	1,521,077	1,521,077	1,521,077	-
Transfers out	-	-	(152,753)	(152,753)
Total other financing sources (uses)	1,521,077	1,521,077	1,368,324	(152,753)
Net change in fund balances	(136,069)	(136,069)	(5,127)	130,942
Fund balances – beginning of year	136,069	136,069	224,922	88,853
Change in prepaids	-	-	-	-
Change in inventory	-	-	-	-
Fund balances – end of year	\$ -	\$ -	\$ 219,795	\$ 219,795

(Continued)

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Board and Officers General Funds
Year ended September 30, 2018**

	BCC Fine and Forfeiture			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 34,635,388	\$ 34,635,388	\$ 33,398,612	\$ (1,236,776)
Licenses and permits	-	-	-	-
Intergovernmental	465,000	501,287	1,045,158	543,871
Charges for services	618,000	618,000	586,313	(31,687)
Fines and forfeitures	-	-	53,009	53,009
Miscellaneous	64,500	64,500	332,228	267,728
Total revenues	35,782,888	35,819,175	35,415,320	(403,855)
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	6,470,830	6,470,830	5,709,761	761,069
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic development	-	-	-	-
Human services	-	-	-	-
Culture and recreation	-	-	-	-
Court costs	-	-	-	-
Contingencies	1,519,626	1,301,103	-	1,301,103
Total expenditures	7,990,456	7,771,933	5,709,761	2,062,172
Excess of revenues over (under) expenditures	27,792,432	28,047,242	29,705,559	1,658,317
Other financing sources (uses)				
Transfers in	-	-	1,016,705	1,016,705
Transfers out	(30,040,410)	(30,040,410)	(30,186,023)	(145,613)
Total other financing sources (uses)	(30,040,410)	(30,040,410)	(29,169,318)	871,092
Net change in fund balances	(2,247,978)	(1,993,168)	536,241	2,529,409
Fund balances – beginning of year	2,247,978	1,993,168	5,227,607	3,234,439
Change in prepaids	-	-	-	-
Change in inventory	-	-	-	-
Fund balances – end of year	\$ -	\$ -	5,763,848	\$ 5,763,848

(Continued)

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Board and Officers General Funds
Year ended September 30, 2018**

	Eliminations			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	2,847,809	2,847,809	2,850,116	(2,307)
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	2,847,809	2,847,809	2,850,116	(2,307)
Expenditures				
Current:				
General government	2,847,809	2,847,809	2,850,116	2,307
Public safety	-	-	-	-
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic development	-	-	-	-
Human services	-	-	-	-
Culture and recreation	-	-	-	-
Court costs	-	-	-	-
Capital Outlay	-	-	-	-
Contingencies	-	-	-	-
Total expenditures	2,847,809	2,847,809	2,850,116	2,307
Excess of revenues over (under) expenditures	-	-	-	-
Other financing sources (uses)				
Transfers in	35,399,034	35,399,034	37,021,185	1,622,151
Transfers out	(35,399,034)	(35,399,034)	(37,021,185)	(1,622,151)
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	-	-
Fund balances – beginning of year	-	-	-	-
Change in prepaids	-	-	-	-
Change in inventory	-	-	-	-
Fund balances – end of year	\$ -	\$ -	\$ -	\$ -

(Continued)

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Board and Officers General Funds
Year ended September 30, 2018**

	Combined General Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 61,605,873	\$ 61,605,873	\$ 59,594,540	\$ (2,011,333)
Licenses and permits	-	-	11,197	11,197
Intergovernmental	21,590,688	22,547,919	23,249,658	701,739
Charges for services	16,013,960	16,092,810	11,360,986	(4,731,824)
Fines and forfeitures	500	500	59,559	59,059
Miscellaneous	1,738,300	1,743,300	2,366,204	622,904
Total revenues	100,949,321	101,990,402	96,642,144	(5,348,258)
Expenditures:				
Current:				
General government	26,706,771	34,720,780	30,444,315	4,276,465
Public safety	69,148,263	69,983,369	66,249,596	3,733,773
Physical environment	538,347	536,480	481,563	54,917
Transportation	3,026,750	3,026,750	2,421,696	605,054
Economic development	254,138	257,865	194,902	62,963
Human services	5,908,778	5,962,028	5,642,256	319,772
Culture and recreation	7,597,253	7,362,766	5,776,997	1,585,769
Court costs	1,614,209	1,652,484	1,545,296	107,188
Capital outlay	1,330,974	1,949,500	445,720	1,503,780
Contingencies	15,771,136	7,955,026	-	7,955,026
Total expenditures	131,896,619	133,407,048	113,202,341	20,204,707
Excess of revenues over (under) expenditures	(30,947,298)	(31,416,646)	(16,560,197)	14,856,449
Other financing sources (uses)				
Transfers in	16,528,794	16,991,973	17,706,459	714,486
Transfers out	-	176,742	(1,428,011)	(1,604,753)
Total other financing sources (uses)	16,528,794	17,168,715	16,278,448	(890,267)
Net change in fund balances	(14,418,504)	(14,247,931)	(281,749)	13,966,182
Fund balances – beginning of year	20,114,122	19,943,549	28,165,716	8,222,167
Change in prepaids	-	-	16,172	16,172
Change in inventory	-	-	(7,677)	(7,677)
Fund balances – end of year	\$ 5,695,618	\$ 5,695,618	\$ 27,892,462	\$ 22,196,844

(Concluded)

**Combining Balance Sheet – Nonmajor Governmental Funds
September 30, 2018**

	Special Revenue Funds					
	County Transportation Fund	Florida Boating Improvement	Hidden Waters MSBU	County Alcohol and Other Drug Abuse	Court Facility	Law Enforcement Trust
Assets:						
Cash and equivalents	\$ 960,003	\$ 464,048	\$ 18,771	\$ -	\$ 1,317,287	\$ 70,870
Investments	2,642,541	665,965	-	-	4,076,436	236
Due from other funds	101,987	-	152	518	39,912	154,484
Due from other governments	685,459	14,044	-	-	-	-
Receivables	-	-	-	-	-	-
Prepaid costs	-	-	-	-	-	-
Inventory	-	-	-	-	-	-
Total assets	\$ 4,389,990	\$ 1,144,057	\$ 18,923	\$ 518	\$ 5,433,635	\$ 225,590
Liabilities:						
Accounts payable and accrued liabilities	\$ 735,110	\$ -	\$ -	\$ 635	\$ -	\$ -
Due to other funds	139,691	-	14,791	-	-	-
Due to other governments	3,257	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-
Total liabilities	878,058	-	14,791	635	-	-
Deferred inflow of resources:						
Unavailable revenue	-	-	-	-	-	-
Fund balances:						
Nonspendable:						
Prepays	-	-	-	-	-	-
Inventory	-	-	-	-	-	-
Restricted	3,511,932	1,144,057	4,132	-	5,433,635	225,590
Unassigned	-	-	-	(117)	-	-
Total fund balances	3,511,932	1,144,057	4,132	(117)	5,433,635	225,590
Total liabilities, deferred inflows, and fund balances	\$ 4,389,990	\$ 1,144,057	\$ 18,923	\$ 518	\$ 5,433,635	\$ 225,590

(Continued)

Combining Balance Sheet – Nonmajor Governmental Funds
September 30, 2018

	Special Revenue Funds					
	Law Library	Tourist Development Trust	Second Dollar Sheriff Education	Free Library Fund	Investigative Drug	Legal Aid Fees
Assets:						
Cash and equivalents	\$ 36,795	\$ 1,613,228	\$ 84,697	\$ 71,364	\$ 5,786	\$ 30,432
Investments	-	933,799	3	86,178	45,132	-
Due from other funds	3,598	10,089	43,566	-	44,328	3,598
Due from other governments	-	83,599	-	-	80	-
Receivables	-	-	-	1,556	-	-
Prepaid costs	-	-	-	-	-	-
Inventory	-	-	-	-	-	-
Total assets	\$ 40,393	\$ 2,640,715	\$ 128,266	\$ 159,098	\$ 95,326	\$ 34,030
Liabilities:						
Accounts payable and accrued liabilities	\$ 505	18,243	-	\$ 13,237	\$ -	\$ 36,761
Due to other funds	39,888	3	-	-	-	-
Due to other governments	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-
Total liabilities	40,393	18,246	-	13,237	-	36,761
Deferred inflow of resources:						
Unavailable revenue	-	-	-	-	-	-
Fund balances:						
Nonspendable:						
Prepays	-	-	-	-	-	-
Inventory	-	-	-	-	-	-
Restricted	-	2,622,469	128,266	145,861	95,326	-
Unassigned	-	-	-	-	-	(2,731)
Total fund balances	-	2,622,469	128,266	145,861	95,326	(2,731)
Total liabilities, deferred inflows, and fund balances	\$ 40,393	\$ 2,640,715	\$ 128,266	\$ 159,098	\$ 95,326	\$ 34,030

(Continued)

**Combining Balance Sheet – Nonmajor Governmental Funds
September 30, 2018**

	Special Revenue Funds				
	SHIP	Florida Arts License Tag	Oak Forest Road MSBU	Teen Court	CDBG Grant Fund
Assets:					
Cash and equivalents	\$ 2,113,748	\$ 1,220	\$ 48,305	\$ 18,232	\$ 46,082
Investments	208,015	-	-	-	-
Due from other funds	-	-	358	3,731	-
Due from other governments	-	20	0	0	-
Receivables	-	-	0	0	-
Prepaid costs	-	-	-	-	-
Inventory	-	-	-	-	-
Total assets	\$ 2,321,763	\$ 1,240	\$ 48,663	\$ 21,963	\$ 46,082
Liabilities:					
Accounts payable and accrued liabilities	\$ 58,835	\$ -	\$ -	\$ -	\$ -
Due to other funds	10	-	38,717	-	-
Due to other governments	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	58,845	-	38,717	-	-
Deferred inflow of resources:					
Unavailable revenue	-	-	-	-	-
Fund balances:					
Nonspendable:					
Prepays	-	-	-	-	-
Inventory	-	-	-	-	-
Restricted	2,262,918	1,240	9,946	21,963	46,082
Unassigned	-	-	-	-	-
Total fund balances	2,262,918	1,240	9,946	21,963	46,082
Total liabilities, deferred inflows, and fund balances	\$ 2,321,763	\$ 1,240	\$ 48,663	\$ 21,963	\$ 46,082

(Continued)

Combining Balance Sheet – Nonmajor Governmental Funds
September 30, 2018

	Special Revenue Funds					
	Student Driver Education	Municipal Service	Blue Jay MSBU	911 Wireless	State Court Local Requirements	Two Dollar Recording Fee
Assets:						
Cash and equivalents	\$ 52,871	\$ 516,618	\$ 66,188	\$ 443,378	\$ 10,836	\$ 344,792
Investments	2,822	1,169,813	-	596,036	414,028	-
Due from other funds	3,618	-	439	-	89,897	55,241
Due from other governments	0	4,535	23	72,471	-	-
Receivables	-	4,745	-	-	-	-
Prepaid costs	-	-	-	-	-	-
Inventory	-	-	-	-	-	-
Total assets	\$ 59,311	\$ 1,695,711	\$ 66,650	\$ 1,111,885	\$ 514,761	\$ 400,033
Liabilities:						
Accounts payable and accrued liabilities	\$ -	\$ 81,685	\$ -	\$ 31,782	\$ 29,946	\$ -
Due to other funds	-	79	48,479	33	-	-
Due to other governments	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-
Total liabilities	-	81,764	48,479	31,815	29,946	-
Deferred inflow of resources:						
Unavailable revenue	-	-	-	-	-	-
Fund balances:						
Nonspendable:						
Prepays	-	-	-	-	-	-
Inventory	-	-	-	-	-	-
Restricted	59,311	1,613,947	18,171	1,080,070	484,815	400,033
Unassigned	-	-	-	-	-	-
Total fund balances	59,311	1,613,947	18,171	1,080,070	484,815	400,033
Total liabilities, deferred inflows, and fund balances	\$ 59,311	\$ 1,695,711	\$ 66,650	\$ 1,111,885	\$ 514,761	\$ 400,033

(Continued)

**Combining Balance Sheet – Nonmajor Governmental Funds
September 30, 2018**

	Special Revenue Funds					
	Crime Prevention Program	Juvenile Program	Building	Fire MSTU	Fire Inspection Fee Fund	Sheriff Federal Forfeiture- Law Enforcement Trust Fund
Assets:						
Cash and equivalents	\$ 68,717	\$ 42,813	\$ 927,990	\$ 544,961	\$ 2,093	\$ 137,819
Investments	179,027	-	4,916,928	1,300,002	-	-
Due from other funds	11,817	3,598	-	59,009	-	-
Due from other governments	-	-	35,340	22,890	300	-
Receivables	-	-	-	-	-	44,765
Prepaid costs	-	-	-	-	-	-
Inventory	-	-	-	-	-	-
Total assets	\$ 259,561	\$ 46,411	\$ 5,880,258	\$ 1,926,862	\$ 2,393	\$ 182,584
Liabilities:						
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 104,158	\$ 165,190	\$ 2,648	\$ -
Due to other funds	-	46,411	4	9,068	-	42,008
Due to othe governments	-	-	8,183	22,114	-	112,476
Unearned revenue	-	-	-	0	-	-
Total liabilities	-	46,411	112,345	196,372	2,648	154,484
Deferred inflow of resources:						
Unavailable revenue	-	-	-	-	1,289	-
Fund balances:						
Nonspendable:						
Prepays	-	-	-	-	-	-
Inventory	-	-	-	-	-	-
Restricted	259,561	-	5,767,913	1,730,490	-	28,100
Unassigned	-	-	-	-	(1,544)	-
Total fund balances	259,561	-	5,767,913	1,730,490	(1,544)	28,100
Total liabilities, deferred inflows, and fund balances	\$ 259,561	\$ 46,411	\$ 5,880,258	\$ 1,926,862	\$ 2,393	\$ 182,584

(Continued)

Combining Balance Sheet – Nonmajor Governmental Funds
September 30, 2018

	Special Revenue Funds					
	Sheriff Inmate Welfare Fund	Sheriff Grant Fund	2nd Dollar Sheriff Education Fund	Sheriff Drug Investigative Fund	Sheriff Crime Prevention Program Fund	Sheriff \$12.50 Motor Vehicle Surcharge Fund
Assets:						
Cash and equivalents	\$ 493,737	\$ 46,877	\$ 42,131	\$ 44,053	\$ 6,330	\$ 51,663
Investments	-	-	-	-	-	-
Due from other funds	300	-	-	-	-	-
Due from other governments	141	-	-	-	-	-
Receivables	46,407	-	92	77	14	113
Prepaid costs	-	-	-	-	-	-
Inventory	-	-	-	-	-	304
Total assets	\$ 540,585	\$ 46,877	\$ 42,223	\$ 44,130	\$ 6,344	\$ 52,080
Liabilities:						
Accounts payable and accrued liabilities	\$ 6,276	\$ -	\$ 845	\$ -	\$ -	\$ 2,478
Due to other funds	10,039	-	41,378	44,130	6,344	49,298
Due to other governments	-	46,877	-	-	-	-
Unearned revenue	-	-	-	-	-	-
Total liabilities	16,315	46,877	42,223	44,130	6,344	51,776
Deferred inflow of resources:						
Unavailable revenue	-	-	-	-	-	-
Fund balances:						
Nonspendable:						
Prepays	-	-	-	-	-	-
Inventory	-	-	-	-	-	304
Restricted	524,270	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balances	524,270	-	-	-	-	304
Total liabilities, deferred inflows, and fund balances	\$ 540,585	\$ 46,877	\$ 42,223	\$ 44,130	\$ 6,344	\$ 52,080

(Continued)

Combining Balance Sheet – Nonmajor Governmental Funds
September 30, 2018

	Special Revenue Funds					
	Sheriff Capital Improvements	Clerk Fine and Forfeiture	Clerk Records Modernization	Clerk Information Technology	Clerk BCC Technology	Clerk - CGD Supplementary Fee
Assets:						
Cash and equivalents	\$ 325,610	\$ 947,665	\$ 175,096	\$ 502,152	\$ 33,659	\$ 5,521
Investments	-	-	78,129	28,197	-	1,196
Due from other funds	-	7,622	-	-	-	-
Due from other governments	-	117,378	-	-	-	-
Receivables	714	-	-	-	-	-
Prepaid costs	-	19,854	-	-	-	-
Inventory	-	-	-	-	-	-
Total assets	\$ 326,324	\$ 1,092,519	\$ 253,225	\$ 530,349	\$ 33,659	\$ 6,717
Liabilities:						
Accounts payable and accrued liabilities	\$ -	\$ 117,587	\$ -	\$ 1,860	\$ 4,192	\$ -
Due to other funds	326,324	380,630	-	-	29,467	-
Due to other governments	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-
Total liabilities	326,324	498,217	-	1,860	33,659	-
Deferred inflow of resources:						
Unavailable revenue	-	-	-	-	-	-
Fund balances:						
Nonspendable:						
Prepays	-	19,854	-	-	-	-
Inventory	-	-	-	-	-	-
Restricted	-	574,448	253,225	528,489	-	6,717
Unassigned	-	-	-	-	-	-
Total fund balances	-	594,302	253,225	528,489	-	6,717
Total liabilities, deferred inflows, and fund balances	\$ 326,324	\$ 1,092,519	\$ 253,225	\$ 530,349	\$ 33,659	\$ 6,717

(Continued)

**Combining Balance Sheet – Nonmajor Governmental Funds
September 30, 2018**

	Special Revenue Funds				Debt Service Fund
	Clerk Teen Court	Clerk Clay County Archives	\$12.50 Motor Vehicle Surcharge	Physical Fitness Incentive Program	Surtax Revenue Bonds 2009
Assets:					
Cash and equivalents	\$ 38,585	\$ 10,057	\$ 152,151	\$ 12	\$ 635
Investments	-	-	2,995	-	510,278
Due from other funds	-	-	59,686	-	-
Due from other governments	-	-	0	-	-
Receivables	-	-	-	-	-
Prepaid costs	-	-	-	-	-
Inventory	-	-	-	-	-
Total assets	\$ 38,585	\$ 10,057	\$ 214,832	\$ 12	\$ 510,913
Liabilities:					
Accounts payable and accrued liabilities	\$ 2,502	\$ -	\$ 2,524	\$ -	\$ -
Due to other funds	-	-	-	-	-
Due to other governments	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	2,502	-	2,524	-	-
Deferred inflow of resources:					
Unavailable revenue	-	-	-	-	-
Fund balances:					
Nonspendable:					
Prepays	-	-	-	-	-
Inventory	-	-	-	-	-
Restricted	36,083	10,057	212,308	12	510,913
Unassigned	-	-	-	-	-
Total fund balances	36,083	10,057	212,308	12	510,913
Total liabilities, deferred inflows, and fund balances	\$ 38,585	\$ 10,057	\$ 214,832	\$ 12	\$ 510,913

(Continued)

Combining Balance Sheet – Nonmajor Governmental Funds
September 30, 2018

	Capital Projects Funds					Total
	CIP Northeast Sector	CIP West Sector	Branan Field APF	Sidewalk Fund	Lake Asbury APF	
Assets:						
Cash and equivalents	\$ 117,961	\$ 98,444	\$ 587,619	\$ 117,437	\$ 133,940	\$ 13,991,279
Investments	313,085	124,275	172,582	-	-	18,467,698
Due from other funds	-	-	-	-	-	697,548
Due from other governments	-	-	-	-	-	1,036,280
Receivables	-	-	-	-	-	98,483
Prepaid costs	-	-	-	-	-	19,854
Inventory	-	-	-	-	-	304
Total assets	\$ 431,046	\$ 222,719	\$ 760,201	\$ 117,437	\$ 133,940	\$ 34,311,446
Liabilities:						
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	1,416,999
Due to other funds	-	-	-	-	-	1,266,792
Due to other governments	-	-	-	-	-	192,907
Unearned revenue	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	2,876,698
Deferred inflow of resources:						
Unavailable revenue	-	-	-	-	-	1,289
Fund balances:						
Nonspendable:						
Prepays	-	-	-	-	-	19,854
Inventory	-	-	-	-	-	304
Restricted	431,046	222,719	760,201	117,437	133,940	31,417,693
Unassigned	-	-	-	-	-	(4,392)
Total fund balances	431,046	222,719	760,201	117,437	133,940	31,433,459
Total liabilities, deferred inflows, and fund balances	\$ 431,046	\$ 222,719	\$ 760,201	\$ 117,437	\$ 133,940	\$ 34,311,446

(Concluded)

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year ended September 30, 2018**

	Special Revenue Funds					
	County Transportation Fund	Florida Boating Improvement	Hidden Waters MSBU	County Alcohol and Other Drug Abuse	Court Facility	Law Enforcement Trust
Revenues:						
Taxes	\$ 5,030,395	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	88,627	16,440	-	-	-
Intergovernmental	3,460,566	-	-	-	-	-
Charges for services	-	-	-	5,455	540,571	-
Fines and forfeitures	-	-	-	-	-	57,240
Miscellaneous	100,480	13,835	52	185	66,464	1,125
Total revenues	8,591,441	102,462	16,492	5,640	607,035	58,365
Expenditures:						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Physical environment	41,730	-	-	-	-	-
Transportation	9,069,089	-	15,877	-	-	-
Economic environment	-	-	-	-	-	-
Human services	-	-	-	350,000	7,703	-
Culture and recreation	-	-	-	-	-	-
Court related	-	-	-	-	63,315	-
Debt service:						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charge	-	-	-	-	-	-
Total expenditures	9,110,819	-	15,877	350,000	71,018	-
Excess of revenues over (under) expenditures	(519,378)	102,462	615	(344,360)	536,017	58,365
Other financing sources (uses):						
Transfers in	25,000	-	152	345,000	-	108,904
Transfers out	-	-	-	-	-	(125,000)
Total other financing sources (uses)	25,000	-	152	345,000	-	(16,096)
Net change in fund balances	(494,378)	102,462	767	640	536,017	42,269
Fund balances – beginning of year	4,006,310	1,041,595	3,365	(757)	4,897,618	183,321
Change in prepaids	-	-	-	-	-	-
Change in inventory	-	-	-	-	-	-
Fund balances – end of year	\$ 3,511,932	\$ 1,144,057	\$ 4,132	\$ (117)	\$ 5,433,635	\$ 225,590

(Continued)

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year ended September 30, 2018**

	Special Revenue Funds					
	Law Library	Tourist Development Trust	Second Dollar Sheriff Education	Free Library Fund	Investigative Drug	Legal Aid Fees
Revenues:						
Taxes	\$ -	\$ 1,045,580	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	46,566	-	28,956	19,869	-	46,566
Fines and forfeitures	-	-	-	78,934	3,911	-
Miscellaneous	51	21,658	592	6,067	2,541	94
Total revenues	46,617	1,067,238	29,548	104,870	6,452	46,660
Expenditures:						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	575	-	961	-
Physical environment	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Economic environment	-	528,871	-	-	-	-
Human services	-	-	-	-	-	147,044
Culture and recreation	-	-	-	104,130	-	-
Court related	6,729	-	-	-	-	-
Debt service:						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charge	-	-	-	-	-	-
Total expenditures	6,729	528,871	575	104,130	961	147,044
Excess of revenues over (under) expenditures	39,888	538,367	28,973	740	5,491	(100,384)
Other financing sources (uses):						
Transfers in	-	10,089	41,073	-	43,830	124,000
Transfers out	(39,888)	-	(50,000)	-	(60,000)	-
Total other financing sources (uses)	(39,888)	10,089	(8,927)	-	(16,170)	124,000
Net change in fund balances	-	548,456	20,046	740	(10,679)	23,616
Fund balances – beginning of year	-	2,074,013	108,220	145,121	106,005	(26,347)
Change in prepaids	-	-	-	-	-	-
Change in inventory	-	-	-	-	-	-
Fund balances – end of year	\$ -	\$ 2,622,469	\$ 128,266	\$ 145,861	\$ 95,326	\$ (2,731)

(Continued)

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year ended September 30, 2018**

	Special Revenue Funds				
	SHIP	Florida Arts License Tag	Oak Forest Road MSBU	Teen Court	CDBG Grant Fund
Revenues:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	43,465	-	-
Intergovernmental	908,583	2,428	-	-	-
Charges for services	-	-	-	49,505	-
Fines and forfeitures	-	-	-	-	-
Miscellaneous	216,977	-	118	125	143
Total revenues	1,125,560	2,428	43,583	49,630	143
Expenditures:					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Physical environment	-	-	-	-	-
Transportation	-	-	40,225	-	-
Economic environment	813,956	-	-	-	-
Human services	-	-	-	-	-
Culture and recreation	-	2,000	-	-	-
Court related	-	-	-	295	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charge	-	-	-	-	-
Total expenditures	813,956	2,000	40,225	295	-
Excess of revenues over (under)expenditures	311,604	428	3,358	49,335	143
Other financing sources (uses):					
Transfers in	-	-	358	107,000	-
Transfers out	-	-	-	(141,652)	-
Total other financing sources (uses)	-	-	358	(34,652)	-
Net change in fund balances	311,604	428	3,716	14,683	143
Fund balances beginning of year	1,951,314	812	6,230	7,280	45,939
Change in prepaids	-	-	-	-	-
Change in inventory	-	-	-	-	-
Fund balances – end of year	\$ 2,262,918	\$ 1,240	\$ 9,946	\$ 21,963	\$ 46,082

(Continued)

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year ended September 30, 2018**

	Special Revenue Funds					
	Student Driver Education	Municipal Service	Blue Jay MSBU	911 Wireless	State Court Local Requirements	Two Dollar Recording Fee
Revenues:						
Taxes	\$ -	\$ 956,236	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	30,669	51,490	-	-	-
Intergovernmental	-	24,076	-	851,556	-	-
Charges for services	49,253	495,054	-	-	46,566	365,410
Fines and forfeitures	-	115,221	-	-	-	-
Miscellaneous	92	71,467	179	29,525	8,744	1,343
Total revenues	49,345	1,692,723	51,669	881,081	55,310	366,753
Expenditures:						
Current:						
General government	-	837,567	-	-	-	-
Public safety	-	-	-	589,844	-	2,854
Physical environment	-	851,922	-	-	-	-
Transportation	-	-	50,309	-	-	-
Economic environment	-	-	-	-	-	-
Human services	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Court related	-	-	-	-	198,860	-
Debt service:						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charge	-	-	-	-	-	-
Total expenditures	-	1,689,489	50,309	589,844	198,860	2,854
Excess of revenues over (under) expenditures	49,345	3,234	1,360	291,237	(143,550)	363,899
Other financing sources (uses):						
Transfers in	-	-	439	-	86,299	29,467
Transfers out	-	-	-	(240,000)	-	(543,604)
Total other financing sources (uses)	-	-	439	(240,000)	86,299	(514,137)
Net change in fund balances	49,345	3,234	1,799	51,237	(57,251)	(150,238)
Fund balances – beginning of year	9,966	1,610,713	16,372	1,028,833	542,066	550,271
Change in prepaids	-	-	-	-	-	-
Change in inventory	-	-	-	-	-	-
Fund balances – end of year	\$ 59,311	\$ 1,613,947	\$ 18,171	\$ 1,080,070	\$ 484,815	\$ 400,033

(Continued)

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year ended September 30, 2018**

	Special Revenue Funds					
	Crime Prevention Program	Juvenile Program	Building	Fire MSTU	Fire Inspection Fee Fund	Sheriff Federal Forfeiture- Law Enforcement Trust Fund
Revenues:						
Taxes	\$ -	\$ -	\$ -	\$ 4,573,590	\$ -	\$ -
Licenses and permits	-	-	2,584,676	-	-	-
Intergovernmental	-	-	-	253,317	-	-
Charges for services	-	46,350	-	-	73,275	-
Fines and forfeitures	71,285	-	-	-	-	9,921
Miscellaneous	3,993	61	102,851	37,269	40	1,054
Total revenues	75,278	46,411	2,687,527	4,864,176	73,315	10,975
Expenditures:						
Current:						
General government	-	-	-	-	-	-
Public safety	1,377	-	1,999,128	4,871,001	106,637	16,095
Physical environment	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-
Human services	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Court related	-	-	-	-	-	-
Debt service:						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charge	-	-	-	-	-	-
Total expenditures	1,377	-	1,999,128	4,871,001	106,637	16,095
Excess of revenues over (under) expenditures	73,901	46,411	688,399	(6,825)	(33,322)	(5,120)
Other financing sources (uses):						
Transfers in	6,024	-	-	-	20,000	125,000
Transfers out	(130,000)	(46,411)	-	(20,000)	-	(109,959)
Total other financing sources (uses)	(123,976)	(46,411)	-	(20,000)	20,000	15,041
Net change in fund balances	(50,075)	-	688,399	(26,825)	(13,322)	9,921
Fund balances – beginning of year	309,636	-	5,079,514	1,757,315	11,778	18,179
Change in prepaids	-	-	-	-	-	-
Change in inventory	-	-	-	-	-	-
Fund balances – end of year	\$ 259,561	\$ -	\$ 5,767,913	\$ 1,730,490	\$ (1,544)	\$ 28,100

(Continued)

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year ended September 30, 2018**

	Special Revenue Funds					
	Sheriff Inmate Welfare Fund	Sheriff Grant Fund	2nd Dollar Sheriff Education Fund	Sheriff Drug Investigative	Sheriff Crime Prevention Program Fund	Sheriff \$12.50 Motor Vehicle Surcharge Fund
Revenues:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Miscellaneous	354,716	2,000	305	300	320	457
Total revenues	354,716	2,000	305	300	320	457
Expenditures:						
Current:						
General government	-	-	-	-	-	-
Public safety	282,342	58,600	8,927	16,170	123,976	11,159
Physical environment	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-
Human services	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Court related	-	-	-	-	-	-
Debt service:						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charge	-	-	-	-	-	-
Total expenditures	282,342	58,600	8,927	16,170	123,976	11,159
Excess of revenues over (under) expenditures	72,374	(56,600)	(8,622)	(15,870)	(123,656)	(10,702)
Other financing sources (uses):						
Transfers in	-	103,477	50,000	60,000	130,000	60,000
Transfers out	-	(46,877)	(41,378)	(44,130)	(6,344)	(49,298)
Total other financing sources (uses)	-	56,600	8,622	15,870	123,656	10,702
Net change in fund balances	72,374	-	-	-	-	-
Fund balances – beginning of year	451,896	-	-	-	-	6,964
Change in prepaids	-	-	-	-	-	-
Change in inventory	-	-	-	-	-	(6,660)
Fund balances – end of year	\$ 524,270	\$ -	\$ -	\$ -	\$ -	\$ 304

(Continued)

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year ended September 30, 2018**

	Special Revenue Funds					
	Sheriff Capital Improvements	Clerk Fine and Forfeiture	Clerk Records Modernization	Clerk Information Technology	Clerk BCC Technology	Clerk - CGD Supplementary Fee
Revenues:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	572,873	-	-	-	-
Charges for services	-	2,709,889	114,769	347,140	-	267
Fines and forfeitures	-	677,857	-	-	-	-
Miscellaneous	6,686	-	901	127	-	5
Total revenues	6,686	3,960,619	115,670	347,267	-	272
Expenditures:						
Current:						
General government	-	-	50,621	-	-	-
Public safety	1,051,844	-	-	-	-	-
Physical environment	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-
Human services	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Court related	-	3,872,876	-	234,729	514,137	-
Debt service:						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charge	-	-	-	-	-	-
Total expenditures	1,051,844	3,872,876	50,621	234,729	514,137	-
Excess of revenues over (under) expenditures	(1,045,158)	87,743	65,049	112,538	(514,137)	272
Other financing sources (uses):						
Transfers in	1,371,482	-	-	-	543,604	-
Transfers out	(326,324)	-	-	-	(29,467)	-
Total other financing sources (uses)	1,045,158	-	-	-	514,137	-
Net change in fund balances	-	87,743	65,049	112,538	-	272
Fund balances – beginning of year	-	492,335	188,176	415,951	-	6,445
Change in prepaids	-	14,224	-	-	-	-
Change in inventory	-	-	-	-	-	-
Fund balances – end of year	\$ -	\$ 594,302	\$ 253,225	\$ 528,489	\$ -	\$ 6,717

(Continued)

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year ended September 30, 2018**

	Special Revenue Funds				Debt Service Fund
	Clerk Teen Court	Clay County Archives	\$12.50 Motor Vehicle Surcharge	Physical Fitness Incentive Program	Surtax Revenue Bonds 2009
Revenues:					
Taxes	\$ -	\$ -	\$ -	\$ 607	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	31,148	-	-
Charges for services	-	-	-	-	-
Fines and forfeitures	-	-	141,261	-	-
Miscellaneous	21,994	3,454	3,176	1	173,090
Total revenues	21,994	3,454	175,585	608	173,090
Expenditures:					
Current:					
General government	-	6,863	-	-	-
Public safety	-	-	76,666	853	-
Physical environment	-	-	-	-	-
Transportation	-	-	-	-	-
Economic environment	-	-	-	-	-
Human services	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Court related	7,628	-	-	-	-
Debt service:					
Principal retirement	-	-	-	-	8,990,000
Interest and fiscal charge	-	-	-	-	484,542
Total expenditures	7,628	6,863	76,666	853	9,474,542
Excess of revenues over (under) expenditures	14,366	(3,409)	98,919	(245)	(9,301,452)
Other financing sources (uses):					
Reversion to Clerks of Court Trust Fund	-	-	-	-	-
Transfers in	-	-	48,841	-	1,461,975
Transfers out	-	-	(1,272,862)	-	-
Total other financing sources (uses)	-	-	(1,224,021)	-	1,461,975
Net change in fund balances	14,366	(3,409)	(1,125,102)	(245)	(7,839,477)
Fund balances – beginning of year	21,717	13,466	1,337,410	257	8,350,390
Change in prepaids	-	-	-	-	-
Change in inventory	-	-	-	-	-
Fund balances – end of year	\$ 36,083	\$ 10,057	\$ 212,308	\$ 12	\$ 510,913

(Continued)

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year ended September 30, 2018**

	Capital Projects Funds					Total
	CIP Northeast Sector	CIP West Sector	Branan Field APF	Sidewalk Fund	Lake Asbury APF	
Revenues:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	11,606,408
Licenses and permits	-	-	210,176	19,937	122,105	3,167,585
Intergovernmental	-	-	-	-	-	6,104,547
Charges for services	-	-	-	-	-	4,985,461
Fines and forfeitures	-	-	-	-	-	1,155,630
Miscellaneous	6,262	2,625	4,837	348	365	1,269,094
Total revenues	6,262	2,625	215,013	20,285	122,470	28,288,725
Expenditures:						
Current:						
General government	-	-	-	-	-	895,051
Public safety	-	-	-	-	-	9,219,009
Physical environment	-	-	-	-	-	893,652
Transportation	-	-	-	-	-	9,175,500
Economic environment	-	-	-	-	-	1,342,827
Human services	-	-	-	-	-	504,747
Culture and recreation	-	-	-	-	-	106,130
Court related	-	-	-	-	-	4,898,569
Debt service:						
Principal retirement	-	-	-	-	-	8,990,000
Interest and fiscal charge	-	-	-	-	-	484,542
Total expenditures	-	-	-	-	-	36,510,027
Excess of revenues over (under) expenditures	6,262	2,625	215,013	20,285	122,470	(8,221,302)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	4,902,014
Transfers out	-	-	-	-	-	(3,323,194)
Total other financing sources (uses)	-	-	-	-	-	1,578,820
Net change in fund balances	6,262	2,625	215,013	20,285	122,470	(6,642,482)
Fund balances – beginning of year	424,784	220,094	545,188	97,152	11,470	38,068,377
Change in prepaids	-	-	-	-	-	14,224
Change in inventory	-	-	-	-	-	(6,660)
Fund balances – end of year	\$ 431,046	\$ 222,719	\$ 760,201	\$ 117,437	\$ 133,940	\$ 31,433,459

(Concluded)

**Combining Statement of Fiduciary Net Position
Agency Funds
September 30, 2018**

	Clerk of Courts	Sheriff	Tax Collector	Totals
Assets:				
Cash and equivalents	\$ 7,713,756	\$ 151,914	\$ 2,427,725	\$ 10,293,395
Receivables	4,189	25,961	86,718	116,868
Due from other funds	-	-	-	-
Total assets	7,717,945	177,875	2,514,443	10,410,263
Liabilities:				
Assets held for others	7,588,783	78,074	2,404,149	10,071,006
Due to other funds	-	141	-	141
Due to other county agencies	129,162	99,660	110,294	339,116
Total liabilities	7,717,945	177,875	2,514,443	10,410,263
Net position	\$ -	\$ -	\$ -	\$ -

**Schedule of Expenditures of Federal Awards and State Financial Assistance
Year ended September 30, 2018**

Federal Agency	Federal CFDA Number	Contract Number	Expenditures	Program Totals
U.S. Department of Justice				
Passed through Office of Attorney General				
Victims of Crime Act	16.575	2015/16	\$ 6,991	
Victims of Crime Act	16.575	2016/17	12,584	
Victims of Crime Act	16.575	2017/18	26,560	\$ 46,135
Passed through Florida Department of Law Enforcement				
Edward Byrne Memorial Justice Assistance Grant	16.738	2017-JAGC-CLAY-1-F9-017	18,102	18,102
US Election Assistance Commission				
Passed through Florida Department of State, Div of Elections:				
Help America Vote Act	90.401	Federal Elections Activities 11-12	7,690	
Help America Vote Act	90.401	Federal Elections Activities 12-13	39,184	
Help America Vote Act	90.401	Federal Elections Activities 13-14	13,735	60,609
HAVA Election Security Grant	90.404	-	109,705	109,705
U.S. Department of Health and Human Services				
Passed through Florida Department of Revenue:				
Child Support Enforcement	93.563	COC10	441,747	
Child Support Enforcement	93.563	CSP10	15,972	
Child Support Enforcement- IV-D Reimbursement	93.563	FFY2016	2,852	460,571
U.S. Department of Homeland Security				
Passed through Florida Department of Community Affairs				
Emergency Management Performance Grant	97.042	18-FG-7A-04-20-01-149	68,843	68,843
Passed through Florida Division of Emergency Management:				
Homeland Security Grant Program	97.067	17-DS-V4-04-20-01-287	20,627	
Homeland Security Grant Program - Hazmat	97.067	18-DS-X1-04-20-01-294	440	21,067
Disaster Grants -Public Assistance -Hurricane Matthew	97.036	DR 4283	1,520,703	
Disaster Grants -Public Assistance -Hurricane Irma	97.036	DR 4337	359,748	1,880,451
Staffing for Adequate Fire and Emergency Response	97.083	EMW-2016-FH-00285	569,909	569,909
Total Expenditures of Federal Awards			\$ 3,235,392	\$ 3,235,392

Note: The County did not make sub-awards of federal grants during the year ended September 30, 2018.

**Schedule of Expenditures of Federal Awards and State Financial Assistance
Year ended September 30, 2018**

State Agency	State CSFA Number	Contract Number	Expenditures	Project Totals
Executive Office of the Governor				
Passed through Department of Community Affairs				
Emergency Management Preparedness Base Grant	31.063	18-BG-WP-04-20-01-058	\$ 105,806	
Emergency Management Preparedness Base Grant	31.063	19-BG-21-04-20-01-012	14,012	\$ 119,818
Passed through Division of Emergency Management				
Hurricane Shelter Retrofit Project -Thrasher Horne	31.068	18ST-3D-04-20-01-026	4,880	\$ 4,880
Florida Housing Finance Corporation				
State Housing Initiatives Partnership Program	40.901	-	813,956	813,956
Florida Department of Agriculture and Consumer Services				
Mosquito Control	42.003	17/18	32,468	32,468
Florida Department of Financial Services				
Local Government Fire Service Grants	43.007	FM394	644,455	644,455
Florida Department of State and Secretary of State				
State Aid to Libraries	45.030	17-ST-07	70,107	70,107
Florida Department of Transportation				
County Incentive Grant Program	55.008	430719-1-38-01	287,642	287,642
Florida Department of Health				
County Grant Awards	64.005	C6010	47,631	47,631
Florida Department of Highway Safety and Motor Vehicles				
Florida Arts License Plates	76.041	-	2,000	2,000
Florida Department of Juvenile Justice				
Diversion Services	80.022	10508	24,826	24,826
Delinquency Prevention	80.029	10470	134,209	134,209
Total Expenditures of State Financial Awards			\$ 2,181,992	\$ 2,181,992

Note: The County did not make sub-awards of state financial assistance during the year ended September 30, 2018.

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

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

1. General

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance (the "Schedule") presents the activity of all federal award programs and state financial assistance projects of Clay County, Florida (the County) for the year ended September 30, 2018. Federal awards and state financial assistance received directly from federal or state agencies, as well as those passed through other government agencies are included in the accompanying Schedule.

2. Basis of Presentation

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Section 10.550 of the Rules of the Auditor General, as applicable, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The Schedule includes the activities of all federal award programs and state financial assistance projects of the County except the component unit referred to in our Independent Auditors' Report as being audited by other auditors, and is presented using the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance and Chapter 10.550, Rules of the Auditor General. Therefore some amounts presented in this schedule may differ from amounts presented in, or used in the presentation of the basic financial statements. Because the schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position or cash flows of the County.

3. Subrecipients

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

4. Indirect Cost Rate

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

5. Loan or Loan Guarantee Programs

The County does not participate in any loan or loan guarantee programs.

6. Federally Funded Insurance

The County does not receive any federally funded insurance.

7. Noncash Assistance

The County did not receive any noncash assistance.

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

MANAGEMENT LETTER

The Honorable County Commissioners
Clay County, Florida

Report on the Financial Statements

We have audited the financial statements of Clay County, Florida (the "County") as of and for the fiscal year ended September 30, 2018, and have issued our report thereon dated June 30, 2019.

Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditors' Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountants' Reports on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated June 30, 2019, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Financial Condition and Management

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the County has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the

specific condition(s) met. In connection with our audit, we determined that the County did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the County. It is management's responsibility to monitor the County's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same. The application of such procedures did not reveal evidence of "deteriorating financial condition" as that term is defined in Rule 10.554.

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

Special District Component Unit

As required by the Rules of the Auditor General, we determined that the special district component unit of the County provided the necessary information for proper recording within the audited financial statements of the County in accordance with Section 218.39(3)(b), Florida Statutes.

We did not audit the financial statements of the County's discretely presented component unit. That component unit was audited by other auditors, whose report should be considered in conjunction with this management letter.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

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

Purpose of this Letter

This management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, federal and other granting agencies, the board of County Commissioners, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

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

Carri Riggs & Ingram, L.L.C.

St. Augustine, Florida
June 30, 2019

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

The Honorable County Commissioners
Clay County, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Clay County, Florida (the "County") as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 30, 2019. Our report includes a reference to other auditors who audited the financial statements of the Housing Finance Authority of Clay County, as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. Our report also includes an emphasis of matter paragraph relating to the County's adoption of Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, effective for reporting periods beginning after June 15, 2017.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2018-001 that we consider to be a significant deficiency.

Compliance and Other Matters

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

The County's Response to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County'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 County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

St. Augustine, Florida

June 30, 2019

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

The Honorable County Commissioners
Clay County, Florida

We have examined Clay County, Florida's (the County) compliance with the requirements of Section 365.172(10), Florida Statutes, *Authorized Expenditures of E911 Fee*, and Section 365.173(2)(d), Florida Statutes, *Distribution and Use of (E911) Funds*, during the year ended September 30, 2018. Management is responsible for the County's compliance with the specified requirements. Our responsibility is to express an opinion on the County's compliance with the specified requirements based on our examination.

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

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

In our opinion, the County complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2018.

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

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

St. Augustine, Florida
June 30, 2019



Carr, Riggs & Ingram, LLC
1301 Plantation Island Drive
Suite 205A
St. Augustine, Florida 32080

(904) 471-3445
(904) 471-3825 (fax)
www.cricpa.com

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES

The Honorable County Commissioners
Clay County, Florida

We have examined Clay County, Florida's (the "County") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2018. Management is responsible for the County's compliance with the specified requirements. Our responsibility is to express an opinion on the County's compliance with the specified requirements based on our examination.

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

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

In our opinion, the County complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2018.

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

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

St. Augustine, Florida
June 30, 2019

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

The Honorable County Commissioners
Clay County, Florida

Report on Compliance for Each Major Federal Program and State Project

We have audited Clay County, Florida's (the County) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the requirements described in the Department of Financial Services' State Projects *Compliance Supplement* that could have direct and material effect on each of the County's major federal programs and state projects for the year ended September 30, 2018. The County's major federal programs and state projects are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs and state projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and Chapter 10.550, Rules of the Auditor General. Those standards, the Uniform Guidance, and Chapter 10.550, Rules of the Auditor General, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state project occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on each Major Federal Program and State Project

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended September 30, 2018.

Report on Internal Control over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that were not 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 and Chapter 10.550, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

Carri Riggs & Ingram, L.L.C.

St Augustine, Florida
June 30, 2019

Schedule of Findings and Questioned Costs

PART I – SUMMARY OF AUDITORS’ RESULTS

- (i) The independent auditors' report on the financial statements expressed unmodified opinions.
- (ii) The audit reported a significant deficiency in internal control over financial reporting. The audit did not disclose any material weaknesses in internal control over financial reporting.
- (iii) The audit did not disclose any noncompliance considered material to the financial statements.
- (iv) The audit did not report significant deficiencies or disclose material weaknesses in internal control over compliance applicable to the major federal program or major state project.
- (v) The auditors’ report on compliance with requirements applicable to the major federal program and major state project expressed an unmodified opinion.
- (vi) The audit did not disclose findings relative to the major federal program or major state project.
- (vii) The County's major federal program and major state project were:

<u>Federal Programs</u>	<u>CFDA Number</u>
Disaster Grants-Public Assistance	97.036
<u>State Projects</u>	<u>CSFA Number</u>
State Housing Initiatives Partnership Program	40.901
Local Government Fire Service Grants	43.007

- (viii) A threshold of \$750,000 and \$300,000 was used to distinguish between Type A and Type B federal programs and state projects, respectively.
- (ix) The County did not qualify as a low-risk auditee as that term is defined in the Uniform Guidance.

PART II – FINANCIAL STATEMENT FINDINGS

2018-001 - Preparation of the Schedule of Expenditures of State Financial Assistance

Criteria: Management is responsible for the preparation of an accurate and complete schedule of expenditures of state financial assistance (Rule 69I-5.003, F.A.C.).

Condition: A major grant was omitted from the original schedule of expenditures of state financial assistance.

Cause: The existence of the omitted grant had not been communicated to the accounting team.

Effect: Failure to properly prepare the schedule could affect the selection of major projects therefore may impact the County’s compliance with the Florida Administrative Code.

Recommendation: We recommend the Departments work more closely with the Accounting Division to ensure all grants are adequately communicated and properly reported.

Schedule of Findings and Questioned Costs

Views of responsible officials: The Clay County Board of County Commissioners Finance Department is responsible for properly preparing the Schedule of Expenditures of State Financial Assistance in conformity with F.A.C. 69I-5.003. Currently, the process of applying for State Financial Assistance is delegated to the various divisions and departments under the Board of County Commissioners. Such diffused responsibility for applying for and accepting State Financial Assistance requires close coordination with the Finance Department to ensure proper budgeting, accounting and compliant reporting. Having recognized the inherent weakness in this type of process, the Finance Department has hired a Grants Coordinator through which all applications for State Financial Assistance will be centrally managed. Further, the Finance Department will undertake a review of the grant coordination process and provide training to Board of County Commissioners divisions and departments as necessary in order to ensure that the proper budgeting, accounting and reporting of any State Financial Assistance is both compliant with the appropriate rules and timely.

PART III – FINDINGS AND QUESTIONED COSTS – FEDERAL PROGRAMS

There were no findings relative to the major federal program.

PART IV – FINDINGS AND QUESTIONED COSTS – STATE PROJECTS

There were no findings relative to the major state project.

Summary Schedule of Prior Audit Findings

There were no prior audit findings for the year ended September 30, 2017



Department

Address:

Phone: 904-529-5807
904-541-5807
Fax: 904-278-4731

County Manager
Howard Wanamaker

Commissioners:

Mike Cella
District 1

Wayne Bolla
District 2

Diane Hutchings
District 3

Gavin Rollins
District 4

Gayward F. Hendry
District 5

www.claycountygov.com



Below is the action plan for Audit Finding 2018-001.

2018-001 – Preparation of the Schedule of Expenditures of State Financial Assistance, Local Government Fire Service Grants - CSFA Number 43.007.

Criteria: Management is responsible for the preparation of an accurate and complete schedule of expenditures of state financial assistance (Rule 69I-5.003, F.A.C.).

Condition: A major grant was omitted from the original schedule of expenditures of state financial assistance.

Cause: The existence of the omitted grant had not been communicated to the accounting team.

Effect: Failure to properly prepare the schedule could affect the selection of major projects therefore may impact the County's compliance with the Florida Administrative Code.

Recommendation: We recommend that the Departments work more closely with the Accounting Division to ensure all grants are adequately communicated and properly reported.

Action Plan - The Clay County Board of County Commissioners Finance Department is responsible for properly preparing the Schedule of Expenditures of State Financial Assistance in conformity with F.A.C. 69I-5.003. Currently, the process of applying for State Financial Assistance is delegated to the various divisions and departments under the Board of County Commissioners. Such diffused responsibility for applying for and accepting State Financial Assistance requires close coordination with the Finance Department to ensure proper budgeting, accounting and compliant reporting. Having recognized the inherent weakness in this type of process, the Finance Department has hired a Grants Coordinator through which all applications for State Financial Assistance will be centrally managed. Further, the Finance Department will undertake a review of the grant coordination process and provide training to Board of County Commissioners divisions and departments as necessary in order to ensure that the proper budgeting, accounting and reporting of any State Financial Assistance is both compliant with the appropriate rules and timely.

Contact Names Responsible for the plan - Debbie Sileo, Finance Director

Anticipated completion date of the plan - The Grants Coordinator has been hired and is in place as of the week of June 24, 2019. The grant process review will be completed by August 1, 2019.

Clay County Clerk of the Circuit Court

Audit Report

For the Year Ended September 30, 2018



CRI CARR
RIGGS &
INGRAM

CPAs and Advisors

CRIcpa.com

Table of Contents
September 30, 2018

REPORT

Independent Auditors' Report 1

FINANCIAL STATEMENTS

Governmental Funds:

Balance Sheet 4

Statement of Revenues, Expenditures and Changes in Fund Balances 5

Fiduciary Funds:

Statement of Fiduciary Net Position 6

Notes to Financial Statements 7

REQUIRED SUPPLEMENTARY INFORMATION

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

Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Fine and Forfeiture Fund 14

Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Records Modernization Fund 15

Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Information Technology Fund 16

SUPPLEMENTARY INFORMATION

Combining Balance Sheet – Nonmajor Governmental Funds 18

Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds 19

Combining Statement of Fiduciary Net Position – Agency Funds 21

ADDITIONAL ELEMENTS REQUIRED BY THE RULES OF THE AUDITOR

GENERAL

Management Letter 22

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* 24

Table of Contents
September 30, 2018

Independent Accountants' Report on Compliance with Section 218.415, Florida Statutes	26
Independent Accountants' Report on Compliance with Sections 28.35 and 28.36, Florida Statutes	27
Independent Accountants' Report on Compliance with Section 61.181, Florida Statutes	28

INDEPENDENT AUDITORS' REPORT

The Honorable Tara S. Green
Clerk of the Circuit Court
Clay County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the Office of the Clay County, Florida Clerk of the Circuit Court (the "Office"), as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Office's financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the Office as of September 30, 2018, and the respective changes in financial position, where applicable, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position, where applicable, of each major fund, and the aggregate remaining fund information, only for that portion of each major fund, and the aggregate remaining fund information, of Clay County, Florida, that is attributable to the Office. They do not purport to, and do not, present fairly the financial position of Clay County, Florida, as of September 30, 2018, and the changes in its financial position, where applicable, for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to these matters.

Other Matters***Required Supplementary Information***

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Office's financial statements. The supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such 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 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated, April 29, 2019, on our consideration of the Office's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the Office's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Office's internal control over financial reporting and compliance.

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

St. Augustine, Florida

April 29, 2019

Clay County Clerk of the Circuit Court

Balance Sheet – Governmental Funds
As of September 30, 2018

	General Fund	Fine & Forfeiture Fund	Records Modernization Fund	Information Technology Fund	Other Governmental Funds	Total Govern- mental Funds
Assets						
Cash & cash equivalents	\$ 32,036	\$ 947,665	\$ 175,096	\$ 502,152	\$ 87,822	\$ 1,744,771
Investments	-	-	78,129	28,197	1,196	107,522
Due from other governments	20,960	117,378	-	-	-	138,338
Due from other funds	-	7,622	-	-	-	7,622
Prepaid expenditures	21,999	19,854	-	-	-	41,853
Total assets	\$ 74,995	\$ 1,092,519	\$ 253,225	\$ 530,349	\$ 89,018	\$ 2,040,106
Liabilities and fund balances						
Liabilities:						
Accounts payable and accrued liabilities	\$ 39,331	\$ 117,587	\$ -	\$ 1,860	\$ 6,694	\$ 165,472
Due to other county agencies	4,934	380,630	-	-	29,467	415,031
Due to other funds	7,622	-	-	-	-	7,622
Total liabilities	51,887	498,217	-	1,860	36,161	588,125
Fund balances:						
Nonspendable	21,999	19,854	-	-	-	41,853
Restricted	1,109	574,448	253,225	528,489	52,857	1,410,128
Total fund balances	23,108	594,302	253,225	528,489	52,857	1,451,981
Total liabilities and fund balances	\$ 74,995	\$ 1,092,519	\$ 253,225	\$ 530,349	\$ 89,018	\$ 2,040,106

See accompanying Notes.

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year ended September 30, 2018

	General Fund	Fine & Forfeiture Fund	Records Modernization Fund	Information Technology Fund	Other Governmental Funds	Total Govern- mental Funds
Revenues						
Intergovernmental	\$ 24,826	\$ 572,873	\$ -	\$ -	\$ -	\$ 597,699
Charges for services	1,165,616	2,709,889	114,769	347,140	267	4,337,681
Fines and forfeitures	-	677,857	-	-	-	677,857
Miscellaneous revenue	-	-	901	127	25,453	26,481
Total revenues	1,190,442	3,960,619	115,670	347,267	25,720	5,639,718
Expenditures						
Current:						
General government:						
Personal services	782,986	-	-	-	-	782,986
Operating expenditures	669,054	-	50,621	-	2,784	722,459
Capital outlay	27,097	-	-	-	4,079	31,176
Court related:						
Personal services	142,364	3,401,155	-	49,551	97,395	3,690,465
Operating expenditures	28,737	155,630	-	185,178	305,854	675,399
Capital outlay	-	-	-	-	118,516	118,516
Total expenditures	1,650,238	3,556,785	50,621	234,729	528,628	6,021,001
Excess of revenues over (under) expenditures	(459,796)	403,834	65,049	112,538	(502,908)	(381,283)
Other financing source (uses)						
Appropriation from Board of County Commissioners						
	460,855	-	-	-	543,604	1,004,459
Reversion to Board of County Commissioners						
	(4,934)	-	-	-	(29,467)	(34,401)
Reversion to Clerks of Court Trust Fund						
	-	(316,091)	-	-	-	(316,091)
Total other financing sources (uses)	455,921	(316,091)	-	-	514,137	653,967
Net change in fund balances	(3,875)	87,743	65,049	112,538	11,229	272,684
Fund balances - beginning of year	10,811	492,335	188,176	415,951	41,628	1,148,901
Change in prepaid expenditures	16,172	14,224	-	-	-	30,396
Fund balances - end of year	\$ 23,108	\$ 594,302	\$ 253,225	\$ 528,489	\$ 52,857	\$ 1,451,981

See accompanying Notes.

Clay County Clerk of the Circuit Court

Statement of Fiduciary Net Position
As of September 30, 2018

	Agency Funds
Assets	
Cash	\$ 7,713,756
Receivables	4,189
<hr/>	
Total assets	7,717,945
<hr/>	
Liabilities	
Assets held for others	7,588,783
Assets held for county agencies	129,162
<hr/>	
Total liabilities	7,717,945
<hr/>	
Net position	\$ -

See accompanying Notes.

Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

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

Basis of Presentation

The Office’s financial statements have been prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida (the “Rules”). These financial statements are the fund financial statements required by generally accepted accounting principles. However, these fund statements do not constitute a complete presentation because, in conformity with the Rules, the Office has not presented reconciliations to the government-wide financial statements, the government-wide financial statements, management’s discussion and analysis, or the pension or the other post-employment benefit related required supplementary information. Also, certain notes to the financial statements may supplement rather than duplicate the notes included in the County’s countywide financial statements. In conformity with the rules, the accompanying financial statements are intended to present the financial position and changes in financial position, where applicable, of each major fund, and the aggregate remaining fund information, only for that portion of each major fund, and the aggregate remaining fund information, of Clay County, Florida, that is attributable to the Office. They do not purport to, and do not, present fairly the financial position of Clay County, Florida, as of September 30, 2018, and the changes in its financial position, where applicable, for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Fund Accounting

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

The Office reports the following major governmental funds:

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

Fine and Forfeiture Fund – This fund is used to account for appropriations from the State of Florida and court fees to fund court expenditures.

Information Technology Fund – This fund is used to account for additional service charges collected by the Office to fund state-mandated court related technology needs of the Office.

Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Office reports the following nonmajor governmental funds:

BCC Technology Fund – This fund is used to account for additional service charges collected by the Office and used by the Board of County Commissioners to fund state-mandated court technology improvements and upgrades.

Records Modernization Fund – This fund is used to account for fees collected and associated expenditures related to equipment upgrades and modernization of all official records of the County.

CGD Supplementary Fee – To account for monies to upgrade the child support enforcement program. Financing is provided primarily through fees.

Teen Court – To account for donations received from the general public for the operation and administration of the Teen Court system.

Clay County Archives – To account for donations received from the general public to promote historical documents.

The Office also reports the following fiduciary funds:

Agency Funds – Agency Funds are used to account for resources held by the Office in a custodial capacity.

Fund Balance

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

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

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

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

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

Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

Measurement Focus/Basis of Accounting

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

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

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

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

Cash and Cash Equivalents

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

Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

The Office invests certain surplus funds in the Florida Local Government Investment Trust’s (“FLGIT”) short-term bond fund. The FLGIT is an external investment pool administered by the Florida Association of Court Clerks and Comptrollers, and is not registered with the SEC. The Trust is an open-ended professionally managed fund available only to public entities in Florida. The fair value of the position in the FLGIT is equal to the value of the pool shares. Such investments are reported at fair value.

Use of Estimates

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

NOTE 2 – INVESTMENTS

As of September 30, 2018, the Office’s investment in FLGIT’s short-term bond fund consists of the following:

Fund	Fair Value	S&P Rating
Records modernization trust fund	\$ 78,129	AAAf
Information technology fund	28,197	AAAf
CGD supplementary fee fund	1,196	AAAf
Total	\$ 107,522	

The effective duration of FLGIT at September 30, 2018 was 1.51 years. Currently, the Office’s policy is to follow Section 218.415, Florida Statutes, with regard to the investment of public funds which addresses investment risks. The Office does not have a formal policy for credit or interest rate risk.

NOTE 3 – FAIR VALUE MEASUREMENT

As a governmental external investment pool, the Office’s investment in FLGIT’s short-term bond fund is not required to be categorized in GASB’s fair value hierarchy.

Notes to Financial Statements

NOTE 4 – FUND BALANCE CLASSIFICATIONS

Balances of reported fund balance at September 30, 2018 are as follows:

	General Fund	Fine & Forfeiture Fund	Records Modern- ization Fund	Information Technology Fund	Other Governmental Funds	Total
Nonspendable-prepaid items	\$ 21,999	\$ 19,854	\$ -	\$ -	\$ -	\$ 41,853
Restricted for:						
Court operations	-	574,448	-	-	36,083	610,531
Court technology	-	-	-	528,489	-	528,489
Records modernization	-	-	253,225	-	-	253,225
Child support program	-	-	-	-	6,717	6,717
Archives	-	-	-	-	10,057	10,057
Other restrictions	1,109	-	-	-	-	1,109
Total fund balances	\$ 23,108	\$ 594,302	\$ 253,225	\$ 528,489	\$ 52,857	\$ 1,451,981

NOTE 5 – RISK MANAGEMENT

For health insurance, the Office participates in the risk management program established by the Board of County Commissioners to cover claims against the Board and Constitutional Officers. The risk management program is accounted for in the Board’s financial statements as an Internal Service Fund, in accordance with requirements of GASB Statement 10.

For risks of loss related to workers’ compensation, general liability and errors or omissions, the Office participates with the Board of County Commissioners to purchase commercial insurance. For the past three years, there have been no insurance settlements in excess of insurance coverages.

Notes to Financial Statements

NOTE 6 – OPERATING LEASE COMMITMENTS

The Office leases premises in Orange Park for office space. The lease is currently set to expire in 2026. The agreement calls for annual lease payments of \$46,280 through June 2021 with 3% annual increases effective July 1st of each year thereafter through June 2026. The future minimum lease payments as of September 30, 2018 are as follows:

Fiscal Year Ended September 30,	Amount	
2019	\$	46,280
2020		46,280
2021		46,627
2022		48,026
2023		49,467
2024-2026		143,668
Total	\$	380,348

In addition to the rental payments above, the Office is also responsible for its share of the common area maintenance and real estate taxes estimated to be approximately \$8,000 annually. For the year ended September 30, 2018, the Office incurred approximately \$54,000 for these premises.

Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – General Fund
Year ended September 30, 2018

	Budgeted Amounts		Actual	Variance
	Original	Final		With Final Budget
Revenues				
Intergovernmental	\$ -	\$ -	\$ 24,826	\$ 24,826
Charges for services	1,143,400	1,186,400	1,165,616	(20,784)
Total revenues	1,143,400	1,186,400	1,190,442	4,042
Expenditures				
Current:				
General government:				
Personal services	808,028	781,000	782,986	(1,986)
Operating expenditures	411,125	673,985	669,054	4,931
Capital outlay	15,500	29,300	27,097	2,203
Court related:				
Personal services	117,282	142,000	142,364	(364)
Operating expenditures	24,370	29,720	28,737	983
Total expenditures	1,376,305	1,656,005	1,650,238	5,767
Excess of revenues over (under) expenditures	(232,905)	(469,605)	(459,796)	9,809
Other financing sources (uses)				
Appropriation from Board of County Commissioners				
Commissioners	460,855	469,605	460,855	(8,750)
Reversion to Board of County Commissioners				
Commissioners	(227,950)	-	(4,934)	(4,934)
Total other financing sources (uses)	232,905	469,605	455,921	(13,684)
Net change in fund balances	-	-	(3,875)	(3,875)
Fund balances – beginning of year	-	-	10,811	10,811
Change in prepaid expenditures	-	-	16,172	16,172
Fund balances – end of year	\$ -	\$ -	\$ 23,108	\$ 23,108

Notes to Schedule:

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

**Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Fine and Forfeiture Fund
Year ended September 30, 2018**

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 397,272	\$ 573,600	\$ 572,873	\$ (727)
Charges for services	2,590,595	2,707,840	2,709,889	2,049
Fines and forfeitures	734,000	679,500	677,857	(1,643)
Total revenues	3,721,867	3,960,940	3,960,619	(321)
Expenditures				
Court related:				
Personal services	3,266,271	3,400,471	3,401,155	(684)
Operating expenditures	185,472	160,100	155,630	4,470
Total expenditures	3,451,743	3,560,571	3,556,785	3,786
Excess of revenues over (under) expenditures	270,124	400,369	403,834	3,465
Other financing sources (uses)				
Reversion to Clerks of Court Trust Fund	(270,124)	(400,369)	(316,091)	84,278
Total other financing sources (uses)	(270,124)	(400,369)	(316,091)	84,278
Net change in fund balances	-	-	87,743	87,743
Fund balances – beginning of year	-	-	492,335	492,335
Change in prepaid expenditures	-	-	14,224	14,224
Fund balances – end of year	\$ -	\$ -	\$ 594,302	\$ 594,302

Notes to Schedule:

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

**Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Records Modernization Fund
Year ended September 30, 2018**

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Charges for services	\$ 116,000	\$ 115,000	\$ 114,769	\$ (231)
Miscellaneous revenues	100	1,000	901	(99)
Total revenues	116,100	116,000	115,670	(330)
Expenditures				
Current:				
General government				
Operating expenditures	54,500	54,000	50,621	3,379
Total expenditures	54,500	54,000	50,621	3,379
Excess of revenues over (under) expenditures	61,600	62,000	65,049	3,049
Fund balances – beginning of year	188,176	188,176	188,176	-
Fund balances – end of year	\$ 249,776	\$ 250,176	\$ 253,225	\$ 3,049

Notes to Schedule:

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

**Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Information Technology Fund
Year ended September 30, 2018**

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Charges for services	\$ 348,000	\$ 348,000	\$ 347,140	\$ (860)
Miscellaneous revenues	-	-	127	127
Total revenues	348,000	348,000	347,267	(733)
Expenditures				
Court related:				
Personal services	45,800	49,500	49,551	(51)
Operating expenditures	187,850	185,900	185,178	722
Total expenditures	233,650	235,400	234,729	671
Net change in fund balances	114,350	112,600	112,538	(62)
Fund balances – beginning of year	415,951	415,951	415,951	-
Fund balances – end of year	\$ 530,301	\$ 528,551	\$ 528,489	\$ (62)

Notes to Schedule:

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

Supplementary Information

Supplementary Information

NONMAJOR GOVERNMENTAL FUNDS

BCC Technology Fund – This fund is used to account for additional service charges collected by the Office and used by the Board of County Commissioners to fund state-mandated court technology improvement and upgrades.

CGD Supplementary Fee – To account for monies to upgrade the child support enforcement program. Financing is provided primarily through fees.

Teen Court – To account for donations received from the general public for the operation and administration of the Teen Court System.

Clay County Archives – To account for donations received from the general public to promote historical documents.

Clay County Clerk of the Circuit Court

Combining Balance Sheet
Nonmajor Governmental Funds
As of September 30, 2018

	BCC Technology Fund	CGD Supplementary Fee	Teen Court	Clay County Archives	Total
Assets					
Cash & cash equivalents	\$ 33,659	\$ 5,521	\$ 38,585	\$ 10,057	\$ 87,822
Investments	-	1,196	-	-	1,196
Total assets	\$ 33,659	\$ 6,717	\$ 38,585	\$ 10,057	\$ 89,018
Liabilities and fund balances					
Liabilities:					
Accounts payable and accrued liabilities	\$ 4,192	\$ -	\$ 2,502	\$ -	\$ 6,694
Due to other county agencies	29,467	-	-	-	29,467
Total liabilities	33,659	-	2,502	-	36,161
Fund balances:					
Restricted	-	6,717	36,083	10,057	52,857
Total liabilities and fund balances	\$ 33,659	\$ 6,717	\$ 38,585	\$ 10,057	\$ 89,018

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year ended September 30, 2018**

	BCC Technology Fund	CGD Supplementary Fee	Teen Court	Clay County Archives	Total
Revenues					
Charges for services	\$ -	\$ 267	\$ -	\$ -	\$ 267
Miscellaneous revenue	-	5	21,994	3,454	25,453
Total revenues	-	272	21,994	3,454	25,720
Expenditures					
General government:					
Operating expenditures	-	-	-	2,784	2,784
Capital outlay	-	-	-	4,079	4,079
Court related:					
Personal services	97,395	-	-	-	97,395
Operating expenditures	298,226	-	7,628	-	305,854
Capital outlay	118,516	-	-	-	118,516
Total expenditures	514,137	-	7,628	6,863	528,628
Excess of revenues over (under) expenditures	(514,137)	272	14,366	(3,409)	(502,908)
Other financing source (uses)					
Appropriation from Board of County Commissioners					
	543,604	-	-	-	543,604
Reversion to Board of County Commissioners					
	(29,467)	-	-	-	(29,467)
Total other financing sources (uses)	514,137	-	-	-	514,137
Net change in fund balances	-	272	14,366	(3,409)	11,229
Fund balances - beginning of year	-	6,445	21,717	13,466	41,628
Fund balances - end of year	\$ -	\$ 6,717	\$ 36,083	\$ 10,057	\$ 52,857

Supplementary Information

FIDUCIARY FUNDS – AGENCY FUNDS

General Trust Fund – A central clearing account for all monies received, and the receipt and disbursement of fines and services charges.

Registry of Court Fund – To account for the collection and disbursement of deposits required by the Circuit and County Court legal actions.

Jury Witness Fund – To account for the receipt and disbursement of the Jury Witness Fund required by the Court.

Clay County Clerk of the Circuit Court

Combining Statement of Fiduciary Net Position

Agency Funds

As of September 30, 2018

	General Trust Fund	Registry of Court Fund	Jury Witness Fund	Total
Assets				
Cash	\$ 4,899,093	\$ 2,813,825	\$ 838	\$ 7,713,756
Receivables	4,189	-	-	4,189
Total assets	4,903,282	2,813,825	838	7,717,945
Liabilities				
Assets held for others	4,774,120	2,813,825	838	7,588,783
Assets held for county agencies	129,162	-	-	129,162
Total liabilities	4,903,282	2,813,825	838	7,717,945
Net position	\$ -	\$ -	\$ -	\$ -

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

MANAGEMENT LETTER

The Honorable Tara S. Green
Clerk of the Circuit Court
Clay County, Florida

We have audited the financial statements of the office of the Clay County, Florida Clerk of the Circuit Court (the "Office"), as of and for the year ended September 30, 2018, and have issued our report thereon dated April 29, 2019. That report should be considered in conjunction with this management letter.

Auditors' Responsibility

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 Auditor General.

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Reports on examinations conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated April 29, 2019, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Financial Management

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

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Clay County Clerk of the Circuit Court, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Carri Riggs & Ingram, L.L.C.

St. Augustine, Florida

April 29, 2019

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

The Honorable Tara S. Green
Clerk of the Circuit Court
Clay County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of each major fund and the aggregate remaining fund information of the Office of the Clay County, Florida Clerk of the Circuit Court (the "Office"), as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Office's financial statements, and have issued our report thereon dated April 29, 2019.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

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

St. Augustine, Florida

April 29, 2019

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES

The Honorable Tara S. Green
Clerk of the Circuit Court
Clay County, Florida

We have examined the Clay County, Florida Clerk of the Circuit Court's (the "Office") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2018. Management is responsible for the Office's compliance with the specified requirements. Our responsibility is to express an opinion on the Office's compliance with the specified requirements based on our examination.

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

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

In our opinion, the Office complied, in all material respects, with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2018.

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

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

St. Augustine, Florida
April 29, 2019

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

The Honorable Tara S. Green
Clerk of the Circuit Court
Clay County, Florida

We have examined the Clay County, Florida Clerk of the Circuit Court's (the "Office") compliance with the requirements of Section 28.35, Florida Statutes, *Florida Clerks of Court Operations Corporation*, and Section 28.36, Florida Statutes, *Budget Procedure*, during the year ended September 30, 2018. Management is responsible for the Office's compliance with the specified requirements. Our responsibility is to express an opinion on the Office's compliance with the specified requirements based on our examination.

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

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

In our opinion, the Office complied, in all material respects, with the requirements of Section 28.35, Florida Statutes, *Florida Clerks of Court Operations Corporation*, and Section 28.36, Florida Statutes, *Budget Procedure*, for the year ended September 30, 2018.

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

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

St. Augustine, Florida
April 29, 2019

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH SECTION 61.181, FLORIDA STATUTES

The Honorable Tara S. Green
Clerk of the Circuit Court
Clay County, Florida

We have examined the Clay County, Florida Clerk of the Circuit Court's (the "Office") compliance with the requirements of Section 61.181, Florida Statutes, *Depository for Alimony Transactions, Support, Maintenance, and Support Payments; Fees*, during the year ended September 30, 2018. Management is responsible for the Office's compliance with the specified requirements. Our responsibility is to express an opinion on the Office's compliance with the specified requirements based on our examination.

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

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

In our opinion, the Office complied, in all material respects, with the requirements of Section 61.181, Florida Statutes, *Depository for Alimony Transactions, Support, Maintenance, and Support Payments; Fees*, for the year ended September 30, 2018.

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

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

St. Augustine, Florida
April 29, 2019

Clay County Sheriff

Audit Report

September 30, 2018



CRI CARR
RIGGS &
INGRAM

CPAs and Advisors

CRIcpa.com

Table of Contents
September 30, 2018

REPORT

Independent Auditors' Report	1
------------------------------	---

FINANCIAL STATEMENTS

Governmental Funds:

Balance Sheet	3
---------------	---

Statement of Revenues, Expenditures and Changes in Fund Balances	4
--	---

Fiduciary Funds:

Statement of Fiduciary Net Position	5
-------------------------------------	---

Notes to Financial Statements	6
-------------------------------	---

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	10
--	----

SUPPLEMENTARY INFORMATION

Clay County Sheriff's Office Fund Descriptions	11
--	----

Schedule of Expenditures – General Fund	13
---	----

Combining Balance Sheet – Nonmajor Governmental Funds	14
---	----

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	15
---	----

Combining Statement of Fiduciary Net Position – Agency Funds	16
--	----

ADDITIONAL ELEMENTS REQUIRED BY THE RULES OF THE AUDITOR

GENERAL

Management Letter	17
-------------------	----

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	19
---	----

Independent Accountants' Report on Compliance with Section 218.415, Florida Statutes	21
--	----

INDEPENDENT AUDITORS' REPORT

The Honorable Darryl Daniels
Sheriff
Clay County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the office of the Clay County Sheriff (the "Office") as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Office's financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the Office as of September 30, 2018, and the respective changes in financial position, where applicable, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position, where applicable, of each major fund, and the aggregate remaining fund information, only for that portion of each major fund, and the aggregate remaining fund information, of Clay County, Florida, that is attributable to the Office. They do not purport to, and do not, present fairly the financial position of Clay County, Florida, as of September 30, 2018, and the changes in its financial position, where applicable, for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to these matters.

Other Matters

Required Supplementary Information

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

Other Information

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

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such 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 supplementary information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 29, 2019, on our consideration of the Office's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the Office's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Office's internal control over financial reporting and compliance.

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

St. Augustine, Florida
March 29, 2019

**Balance Sheet – Governmental Funds
As of September 30, 2018**

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets			
Cash	\$ 4,117,240	\$ 1,148,220	\$ 5,265,460
Accounts receivable	23,955	92,182	116,137
Due from other funds	9,739	441	10,180
Inventory	314,712	304	315,016
Total assets	\$ 4,465,646	\$ 1,241,147	\$ 5,706,793
Liabilities and fund balances			
Liabilities:			
Accounts payable and accrued liabilities	\$ 2,696,502	\$ 9,599	\$ 2,706,101
Due to other funds	-	10,039	10,039
Due to other county agencies	1,450,240	668,835	2,119,075
Due to other governmental units	4,192	-	4,192
Total liabilities	4,150,934	688,473	4,839,407
Fund balances:			
Nonspendable - inventory	314,712	304	315,016
Restricted:			
Special law enforcement	-	28,100	28,100
Benefit of inmates	-	524,270	524,270
Total fund balances	314,712	552,674	867,386
Total liabilities and fund balances	\$ 4,465,646	\$ 1,241,147	\$ 5,706,793

See accompanying notes.

**Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year ended September 30, 2018**

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues			
Fines and forfeitures	\$ -	\$ 9,921	\$ 9,921
Miscellaneous revenue	77,967	365,838	443,805
Total revenue	77,967	375,759	453,726
Expenditures			
Current:			
Public safety:			
Personal services	35,983,419	314,993	36,298,412
Operating expenditures	6,681,321	236,437	6,917,758
Capital outlay	644,000	1,017,683	1,661,683
Court-related:			
Personal services	1,141,024	-	1,141,024
Operating expenditures	227,698	-	227,698
Capital outlay	2,302	-	2,302
Total expenditures	44,679,764	1,569,113	46,248,877
Excess of revenues under expenditures	(44,601,797)	(1,193,354)	(45,795,151)
Other financing sources (uses)			
Appropriations from Board of County Commissioners	45,877,540	1,899,959	47,777,499
Reversion to Board of County Commissioners	(1,275,743)	(624,310)	(1,900,053)
Total other financing sources (uses)	44,601,797	1,275,649	45,877,446
Net change in fund balances	-	82,295	82,295
Fund balances - beginning of year	322,389	477,039	799,428
Change in inventory	(7,677)	(6,660)	(14,337)
Fund balances - end of year	\$ 314,712	\$ 552,674	\$ 867,386

See accompanying notes.



Clay County Sheriff

Statement of Fiduciary Net Position
As of September 30, 2018

	Agency Funds
<hr/>	
Assets	
Cash	\$ 151,914
Amounts due from others	25,961
<hr/>	
Total assets	177,875
<hr/>	
Liabilities	
Assets held for others	78,074
Due to other funds	141
Due to other county agencies	99,660
<hr/>	
Total liabilities	177,875
<hr/>	
Net position	\$ -
<hr/> <hr/>	

See accompanying notes.

Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

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

Basis of Presentation

The Office’s financial statements have been prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida (the “Rules”). These financial statements are the fund financial statements required by generally accepted accounting principles. However, these fund statements do not constitute a complete presentation because, in conformity with the Rules, the Office has not presented reconciliations to the government-wide financial statements, the government-wide financial statements, management’s discussion and analysis, or the pension or the other post-employment benefit related required supplementary information. Also, certain notes to the financial statements may supplement rather than duplicate the notes included in the County’s countywide financial statements. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position, where applicable, of each major fund, and the aggregate remaining fund information, only for that portion of each major fund, and the aggregate remaining fund information, of Clay County, Florida, that is attributable to the Office. They do not purport to, and do not, present fairly the financial position of Clay County, Florida, as of September 30, 2018, and the changes in its financial position, where applicable, for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Fund Accounting

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

The Office reports the following major governmental fund:

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

The Office also reports the following fiduciary fund:

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

Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance

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

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

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

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

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

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

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

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

Measurement Focus/Basis of Accounting

All governmental funds are accounted for on a current financial resources measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources." "Available" is defined as being collectible within the current period or soon enough thereafter (60 days) to be used to liquidate liabilities of the current period. Their operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets and, accordingly, are said to present a summary of sources and uses of "available spendable resources" during a period.

Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

Cash and Equivalent

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

Inventory

Auto parts and supplies inventory is valued at average cost and other inventory is valued at cost (first-in, first-out). Inventory is accounted for using the “purchases” method.

Accounts receivable

Accounts receivable consist primarily of commissions earned from inmate commissary transactions and secondary employment fees. Management considers these fully collectible and no allowance for bad debts has been provided.

NOTE 2 – INVENTORY

Inventories consist of:

Auto parts and supplies	\$	48,862
Radio parts		52,295
Armory weapons and ammunition		213,859
Total inventory	\$	315,016

Notes to Financial Statements

NOTE 3 – INTERFUND BALANCES

The following interfund balances arose through the normal course of operations.

	Due from Other Funds	Due to Other Funds
General fund	\$ 9,739	\$ -
Inmate welfare fund	441	10,039
Agency funds	-	141
Totals	\$ 10,180	\$ 10,180

NOTE 4 – RISK MANAGEMENT

The County carries commercial insurance for certain general risks which covers the Board of County Commissioners and all Constitutional Officers. There were no significant reductions in this insurance coverage during the current year. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

For health insurance and worker’s compensation, the County has a self-insurance program which covers the Board of County Commissioners and all the Constitutional Officers and is reported through the use of an internal service fund, which is recorded in the County-wide financial statements. The Board provides this coverage with no charge to the Constitutional Officers. Please refer to the notes to the County-wide financial statements for further information on the County’s self-insurance program.

The Office participates in the Florida Sheriffs’ self-insurance fund, a public entity risk pool, for risk related to professional police liability and certain tangible personal property. Aggregate coverage is \$5,000,000. In addition, the Office insures its vehicles with a policy through the Florida Sheriff’s Insurance Agency. The Office had no settlements that exceeded coverage and has not received additional assessments from the coverage in the previous three fiscal years.

Required Supplementary Information

**Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – General Fund
Year ended September 30, 2018**

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Miscellaneous revenue	\$ -	\$ -	\$ 77,967	\$ 77,967
Expenditures				
Current:				
Public safety:				
Personal services	36,310,000	36,449,107	35,983,419	465,688
Operating expenditures	7,098,189	6,958,599	6,681,321	277,278
Capital outlay	588,282	1,028,570	644,000	384,570
Court related:				
Personal services	1,195,903	1,204,110	1,141,024	63,086
Operating expenditures	237,154	234,852	227,698	7,154
Capital outlay	-	2,302	2,302	-
Total expenditures	45,429,528	45,877,540	44,679,764	1,197,776
Excess of revenues under expenditures	(45,429,528)	(45,877,540)	(44,601,797)	1,275,743
Other financing sources (uses)				
Appropriation from Board of County Commissioners	45,429,528	45,877,540	45,877,540	-
Reversion to Board of County Commissioners	-	-	(1,275,743)	(1,275,743)
Total other financing sources (uses)	45,429,528	45,877,540	44,601,797	(1,275,743)
Net change in fund balances	-	-	-	-
Fund balances - beginning of year	-	-	322,389	322,389
Change in inventory	-	-	(7,677)	(7,677)
Fund balances - end of year	\$ -	\$ -	\$ 314,712	\$ 314,712

Notes to schedule:

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

Supplementary Information

Clay County Sheriff's Office – Fund Descriptions

Non-Major Governmental Funds

Inmate Welfare Fund – This fund is used to account for commissions received, deposits of money, refunds or rebates from inmate commissary, inmate phone services, and miscellaneous revenues at the Clay County jail. All money and property deposited in the Inmate Welfare fund is managed by the Sheriff and Inmate Welfare Committee for the overall benefit of the inmates.

Grant Fund – The fund is used to account from the revenues and expenditures associated with federal, state and local grants awarded to the Clay County Sheriff's Office.

2nd Dollar Sheriff Education Fund – This fund is used to account for the appropriations received from the Board of County Commissioners and the expenditures associated with criminal justice training and education as per Florida Statute 938.15.

Drug Investigative Fund – This fund is used to account for the appropriations received from the Board of County Commissioners and the expenditures associated with drug investigations and other law enforcement uses.

Federal Forfeiture-Law Enforcement Trust Fund – This fund is used to account for the proceeds of confiscated property that is legally restricted to specific activities.

Crime Prevention Program Fund – This fund is used to account for the appropriations received from the Board of County Commissioners and the expenditures associated with the agency's crime prevention programs and initiatives.

\$12.50 Motor Vehicle Surcharge Fund – This fund is used to account for the appropriations received from the Board of County Commissioners and the expenditures associated with repair and maintenance of the Clay County 800 MHz Public Safety Radio Communications System.

Capital Improvement Fund – This fund is used to account for the appropriations received from the Board of County Commissioners and the expenditures associated with major capital improvement projects in the area of public safety. This fund is mostly funded with infrastructure surtax, 2nd Local Option fuel tax, and interest earnings.

Clay County Sheriff's Office – Fund Descriptions

Fiduciary Funds – Agency Funds

Agency Funds – The Agency Funds are used to account for funds held in a custodial capacity which include the following:

Levy Fund – This fund is used to account for the receipt and subsequent activities of levy funds associated with the civil process.

Depositors Fund – This fund is used to account for the receipt and subsequent activities of monies temporarily held for others.

Seized Assets Fund – This fund is used to account for funds that have been seized by the agency under the provisions of the Florida Contraband Forfeiture Act and are pending award by the Court.

Inmate Fund – This fund is used to account for the receipt and subsequent activity of funds temporarily held for the inmates of the Clay County Jail.

**Schedule of Expenditures - General Fund
Year ended September 30, 2018**

	Court Costs	Law Enforcement	Corrections/ Detention	Total
Personal services:				
Executive salaries	\$ -	\$ 145,813	\$ -	\$ 145,813
Regular salaries and wages	866,569	19,667,684	7,517,313	28,051,566
Other salaries and wages	5,412	83,838	60,524	149,774
Overtime	2,537	139,107	91,463	233,107
Special pay	14,748	432,925	124,612	572,285
FICA taxes	64,637	1,499,075	568,319	2,132,031
Retirement contributions	181,436	3,893,821	1,573,717	5,648,974
Life and health benefits	5,685	132,682	44,204	182,571
Unemployment compensation	-	4,385	3,937	8,322
Total personal services	1,141,024	25,999,330	9,984,089	37,124,443
Operating expenditures:				
Professional services - inmate medical	-	-	871,821	871,821
Professional services - other	236	55,797	8,280	64,313
Contractual services - inmate food	-	-	517,768	517,768
Contractual services - licenses and support	14,128	674,973	108,158	797,259
Contractual services - other	177,330	132,395	68,671	378,396
Investigations	-	5,838	-	5,838
Travel and per diem	75	139,341	29,628	169,044
Communication services	5,127	369,343	42,062	416,532
Freight and postage	41	21,614	2,763	24,418
Utility services	-	1,167	-	1,167
Rentals and leases	-	32,984	5,757	38,741
Insurance	16,912	730,182	229,680	976,774
Repair and maintenance services	1,918	322,110	16,496	340,524
Printing and binding	-	3,718	-	3,718
Promotional activities - advertising	-	7,209	-	7,209
Other current charges and obligations	26	32,074	8,797	40,897
Office supplies and materials	1,112	185,192	27,916	214,220
Operating supplies and materials	10,250	1,343,954	402,833	1,757,037
Dues, memberships, subscriptions and books	543	32,609	4,993	38,145
Training and education	-	201,113	44,085	245,198
Total operating expenditures	227,698	4,291,613	2,389,708	6,909,019
Capital outlay:				
Data processing equipment	-	221,485	1,419	222,904
Machinery and equipment	2,302	175,163	20,667	198,132
Vehicles	-	192,581	32,685	225,266
Total capital outlay	2,302	589,229	54,771	646,302
Total expenditures	\$ 1,371,024	\$ 30,880,172	\$ 12,428,568	\$ 44,679,764

**Combining Balance Sheet
Nonmajor Governmental Funds
As of September 30, 2018**

	Inmate Welfare Fund	Grant Fund	2nd Dollar Sheriff Education Fund	Drug Investigative Fund	Federal Forfeiture -Law Enforcement Trust Fund	Crime Prevention Program Fund	\$12.50 Motor Vehicle Surcharge Fund	Capital Improvement Fund	Total
Assets									
Cash and equivalents	\$ 493,737	\$ 46,877	\$ 42,131	\$ 44,053	\$ 137,819	\$ 6,330	\$ 51,663	\$ 325,610	\$ 1,148,220
Accounts receivable	46,407	-	92	77	44,765	14	113	714	92,182
Due from other funds	441	-	-	-	-	-	-	-	441
Inventory	-	-	-	-	-	-	304	-	304
Total assets	\$ 540,585	\$ 46,877	\$ 42,223	\$ 44,130	\$ 182,584	\$ 6,344	\$ 52,080	\$ 326,324	\$ 1,241,147
Liabilities and fund balances									
Liabilities									
Accounts payable and accrued liabilities	\$ 6,276	\$ -	\$ 845	\$ -	\$ -	\$ -	\$ 2,478	\$ -	\$ 9,599
Due to other funds	10,039	-	-	-	-	-	-	-	10,039
Due to other county agencies	-	46,877	41,378	44,130	154,484	6,344	49,298	326,324	668,835
Total liabilities	16,315	46,877	42,223	44,130	154,484	6,344	51,776	326,324	688,473
Fund balances									
Nonspendable - inventory	-	-	-	-	-	-	304	-	304
Restricted:									
Special law enforcement	-	-	-	-	28,100	-	-	-	28,100
Benefit of inmates	524,270	-	-	-	-	-	-	-	524,270
Total fund balances	524,270	-	-	-	28,100	-	304	-	552,674
Total liabilities and fund balances	\$ 540,585	\$ 46,877	\$ 42,223	\$ 44,130	\$ 182,584	\$ 6,344	\$ 52,080	\$ 326,324	\$ 1,241,147

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year ended September 30, 2018**

	Inmate Welfare Fund	Grant Fund	2nd Dollar Sheriff Education Fund	Drug Investigative Fund	Federal Forfeiture -Law Enforcement Trust Fund	Crime Prevention Program Fund	\$12.50 Motor Vehicle Surcharge Fund	Capital Improvement Fund	Total
Revenues									
Fines and forfeitures	\$ -	\$ -	\$ -	\$ -	\$ 9,921	\$ -	\$ -	\$ -	\$ 9,921
Miscellaneous revenue	354,716	2,000	305	300	1,054	320	457	6,686	365,838
Total revenue	354,716	2,000	305	300	10,975	320	457	6,686	375,759
Expenditures									
Public safety:									
Personal services	179,083	50,910	-	-	-	85,000	-	-	314,993
Operating expenditures	73,283	2,430	8,927	16,170	1,445	38,976	11,159	84,047	236,437
Capital outlay	29,976	5,260	-	-	14,650	-	-	967,797	1,017,683
Total expenditures	282,342	58,600	8,927	16,170	16,095	123,976	11,159	1,051,844	1,569,113
Excess of revenues over (under) expenditures	72,374	(56,600)	(8,622)	(15,870)	(5,120)	(123,656)	(10,702)	(1,045,158)	(1,193,354)
Other financing sources (uses)									
Appropriation from Board of County Commissioners	-	103,477	50,000	60,000	125,000	130,000	60,000	1,371,482	1,899,959
Reversion to Board of County Commissioners	-	(46,877)	(41,378)	(44,130)	(109,959)	(6,344)	(49,298)	(326,324)	(624,310)
Total other financing sources (uses)	-	56,600	8,622	15,870	15,041	123,656	10,702	1,045,158	1,275,649
Net change in fund balances	72,374	-	-	-	9,921	-	-	-	82,295
Fund balances - beginning of year	451,896	-	-	-	18,179	-	6,964	-	477,039
Change in inventory	-	-	-	-	-	-	(6,660)	-	(6,660)
Fund balances - end of year	\$ 524,270	\$ -	\$ -	\$ -	\$ 28,100	\$ -	\$ 304	\$ -	\$ 552,674

Combining Statement of Fiduciary Net Position

Agency Funds

As of September 30, 2018

	Bond Fund	Depositors Fund	Inmate Fund	Total Agency Funds
Assets				
Cash	\$ 16,010	\$ 88,977	\$ 46,927	\$ 151,914
Amounts due from others	-	24,355	1,606	25,961
Total assets	16,010	113,332	48,533	177,875
Liabilities				
Assets held for others	16,010	23,425	38,639	78,074
Due to other funds	-	-	141	141
Due to other county agencies	-	89,907	9,753	99,660
Total liabilities	16,010	113,332	48,533	177,875
Net position	\$ -	\$ -	\$ -	\$ -

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

MANAGEMENT LETTER

The Honorable Darryl Daniels
Sheriff
Clay County, Florida

We have audited the financial statements of the office of the Clay County Sheriff (the "Office"), as of and for the year ended September 30, 2018, and have issued our report thereon dated March 29, 2019.

Auditors' Responsibility

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 Auditor General.

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated March 29, 2019, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Financial Management

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

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Clay County Sheriff, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

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

St. Augustine, Florida

March 29, 2019

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

The Honorable Darryl Daniels
Sheriff
Clay County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of each major fund and the aggregate remaining fund information of the office of the Clay County Sheriff (the "Office"), as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Office's financial statements, and have issued our report thereon dated March 29, 2019.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

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

St. Augustine, Florida

March 29, 2019



Carr, Riggs & Ingram, LLC
1301 Plantation Island Drive
Suite 205A
St. Augustine, Florida 32080

(904) 471-3445
(904) 471-3825 (fax)
www.cricpa.com

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES

The Honorable Darryl Daniels
Sheriff
Clay County, Florida

We have examined the office of the Clay County Sheriff's (the "Office") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2018. Management is responsible for the Office's compliance with the specified requirements. Our responsibility is to express an opinion on the Office's compliance with the specified requirements based on our examination.

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

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

In our opinion, the Office complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2018.

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

Carr, Riggs & Ingram, LLC

St. Augustine, Florida
March 29, 2019

Clay County Tax Collector

Audit Report

September 30, 2018



CRI CARR
RIGGS &
INGRAM

CPAs and Advisors

CRIcpa.com

Table of Contents
September 30, 2018

REPORT

Independent Auditors' Report 1

FINANCIAL STATEMENTS

Governmental Funds:

Balance Sheet 4

Statement of Revenues, Expenditures and Changes in Fund
Balance 5

Fiduciary Funds:

Statement of Fiduciary Net Position 6

Notes to Financial Statements 7

REQUIRED SUPPLEMENTARY INFORMATION

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

SUPPLEMENTARY INFORMATION

Fiduciary Funds 12

Combining Statement of Fiduciary Net Position – Agency Funds 13

ADDITIONAL ELEMENTS REQUIRED BY THE RULES OF THE AUDITOR

GENERAL

Management Letter 14

Independent Auditors' Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial
Statements Performed in Accordance with *Government Auditing
Standards* 16

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

INDEPENDENT AUDITORS' REPORT

The Honorable Jimmy Weeks
Tax Collector
Clay County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the major fund and the aggregate remaining fund information of the Clay County, Florida Tax Collector (the "Office"), as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Office's financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the major fund and the aggregate remaining fund information of the Office as of September 30, 2018, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of the major fund, and the aggregate remaining fund information, only for that portion of the major fund, and the aggregate remaining fund information, of Clay County, Florida, that is attributable to the Office. They do not purport to, and do not, present fairly the financial position of Clay County, Florida, as of September 30, 2018, and the changes in its financial position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to these matters.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Office's financial statements. The supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such 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 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 supplementary information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 25, 2019, on our consideration of the Office's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the Office's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Office's internal control over financial reporting and compliance.

Carly Riggs & Ingram, L.L.C.

St. Augustine, Florida
January 25, 2019

Balance Sheet – Governmental Funds
As of September 30, 2018

	General Fund
<hr/>	
Assets	
Equity in pooled cash and equivalents	\$ 1,567,991
<hr/>	
Liabilities and fund balance	
Liabilities	
Due to other county agencies	\$ 1,554,076
Due to other governments	13,915
<hr/>	
Total liabilities	1,567,991
Fund balance	-
<hr/>	
Total liabilities and fund balance	\$ 1,567,991
<hr/>	

See accompanying notes.

Clay County Tax Collector

Statement of Revenues, Expenditures and Changes in Fund Balance
 Governmental Funds
 Year ended September 30, 2018

	General Fund
Revenues	
Charges for services	\$ 5,760,995
Miscellaneous revenue	47,320
Total revenues	5,808,315
Expenditures	
General government services:	
Personal services	3,283,716
Operating expenditures	929,868
Capital outlay	40,655
Total expenditures	4,254,239
Excess of revenues over expenditures	1,554,076
Other financing uses	
Reversion to board of county commissioners	(1,554,076)
Net change in fund balance	-
Fund balance, beginning of year	-
Fund balance, end of year	\$ -

See accompanying notes.

Statement of Fiduciary Net Position
As of September 30, 2018

	Agency Funds
<hr/>	
Assets	
Equity in pooled cash and equivalents	\$ 2,427,725
Accounts receivable	86,718
<hr/>	
Total assets	2,514,443
<hr/>	
Liabilities	
Assets held for others	2,404,149
Due to other county agencies	110,294
<hr/>	
Total liabilities	2,514,443
<hr/>	
Net position	\$ -
<hr/> <hr/>	

See accompanying notes.

Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

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

Basis of Presentation

The Office’s financial statements have been prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida (the “Rules”). These financial statements are the fund financial statements required by generally accepted accounting principles. However, these fund statements do not constitute a complete presentation because, in conformity with the Rules, the Office has not presented reconciliations to the government-wide financial statements, the government-wide financial statements, management’s discussion and analysis, or the pension or the other post-employment benefit related required supplementary information. Also, certain notes to the financial statements may supplement rather than duplicate the notes included in the County’s countywide financial statements. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of the major fund, and the aggregate remaining fund information, only for that portion of the major fund, and the aggregate remaining fund information, of Clay County, Florida, that is attributable to the Office. They do not purport to, and do not, present fairly the financial position of Clay County, Florida, as of September 30, 2018, and the changes in its financial position, for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Fund Accounting

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

The Office reports the following major governmental fund:

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

The Office also reports the following fiduciary funds:

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

Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance

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

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

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

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

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

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

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

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

Measurement Focus/Basis of Accounting

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

Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

Capital Assets and Long-Term Liabilities

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

Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are instead reported as liabilities in the financial statements of the County.

Equity in Pooled Cash and Equivalents

The Office maintains a cash and equivalents pool that is available for use by all funds. Each fund's portion of this pool is displayed on the balance sheet as "Equity in Pooled Cash and Equivalents." If a fund overdraws its account in the pool, a liability and corresponding receivable (i.e., due to/from other funds) are reported on the balance sheet. All pooled cash is placed in a bank that qualifies as a public depository pursuant to the provisions of the Florida Security For Public Deposits Act. Every qualified public depository is required by this law to deposit with the Chief Financial Officer eligible collateral equal to, or in excess of, an amount to be determined by the Chief Financial Officer. The Chief Financial Officer is required to ensure that all funds are entirely insured or collateralized throughout the fiscal year.

Use of Estimates

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

Notes to Financial Statements

NOTE 2 – OPERATING LEASE COMMITMENTS

The Office leases premises in Orange Park and Keystone Heights where its branches are located. Future minimum rental payments are as follows:

Year ended September 30,		
2019	\$	81,878
2020		47,344
Total	\$	129,222

In addition to the rental payments above, the Office is also responsible for its share of the common area maintenance and real estate taxes. For the year ended September 30, 2018, the Office incurred approximately \$22,308 for these premises.

NOTE 3 – RISK MANAGEMENT

The County carries commercial insurance for certain risks, including general and auto liability, which covers the Board of County Commissioners and all Constitutional Officers. There were no significant reductions in this insurance coverage during the current year. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

For health insurance and worker’s compensation, the County has a self-insurance program which covers the Board of County Commissioners and all the Constitutional Officers and is reported through the use of an internal service fund, which is recorded in the County-wide financial statements. The Board provides this coverage with no charge to the Tax Collector’s Office. Please refer to the notes to the County-wide financial statements for further information on the County’s self-insurance program.

NOTE 4 – LITIGATION AND CONTINGENT LIABILITIES

The Tax Collector is involved in various litigation arising from the ordinary course of business. In the opinion of management, after consultation with legal counsel, these matters will be resolved without a material adverse effect on the Tax Collector’s financial position.

Required Supplementary Information

**Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – General Fund
Year ended September 30, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Charges for services	\$ 4,348,024	\$ 4,383,861	\$ 5,760,995	\$ 1,377,134
Miscellaneous revenue	-	-	47,320	47,320
Total revenues	4,348,024	4,383,861	5,808,315	1,424,454
Expenditures				
Current:				
General government services:				
Personal services	3,308,210	3,344,047	3,283,716	60,331
Operating expenditures	983,162	983,162	929,868	53,294
Capital outlay	56,652	56,652	40,655	15,997
Total expenditures	4,348,024	4,383,861	4,254,239	129,622
Excess of revenues over expenditures	-	-	1,554,076	1,554,076
Other financing uses				
Reversion to board of county commissioners	-	-	(1,554,076)	(1,554,076)
Net change in fund balances	-	-	-	-
Fund balances - beginning of year	-	-	-	-
Fund balances - end of year	\$ -	\$ -	\$ -	\$ -

Notes to schedule:

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

Supplementary Information

FIDUCIARY FUNDS

General Property Taxes – To account for the collection and disbursement of real and tangible property taxes.

Vehicle Tags – To account for the collection and disbursement of collections such as vehicle tag, title, sales tax and marine title fees on behalf of various State agencies.

Sport Licenses – To account for the collection and disbursement of collections for hunting and fishing licenses on behalf of various State agencies.

**Combining Statement of Fiduciary Net Position
Agency Funds
As of September 30, 2018**

	General Property Taxes	Vehicle Tags	Sports Licenses	Total
Assets				
Equity in pooled cash and equivalents	\$ 2,354,523	\$ 71,360	\$ 1,842	\$ 2,427,725
Accounts receivable	83,597	3,121	-	86,718
Total assets	2,438,120	74,481	1,842	2,514,443
Liabilities				
Assets held for others	2,341,872	60,435	1,842	2,404,149
Due to other county agencies	96,248	14,046	-	110,294
Total liabilities	2,438,120	74,481	1,842	2,514,443
Net position	\$ -	\$ -	\$ -	\$ -

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

MANAGEMENT LETTER

The Honorable Jimmy Weeks
Tax Collector
Clay County, Florida

We have audited the financial statements of the office of the Clay County Tax Collector (the "Office"), as of and for the year ended September 30, 2018, and have issued our report thereon dated January 25, 2019. That report should be considered in conjunction with this management letter.

Auditors' Responsibility

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 Auditor General.

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated January 25, 2019, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Financial Management

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

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Clay County Tax Collector, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

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

St. Augustine, Florida

January 25, 2019

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

The Honorable Jimmy Weeks
Tax Collector
Clay County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the major fund and the aggregate remaining fund information of the office of the Clay County Tax Collector (the "Office"), as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Office's financial statements, and have issued our report thereon dated January 25, 2019.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

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

St. Augustine, Florida
January 25, 2019



Carr, Riggs & Ingram, LLC
1301 Plantation Island Drive
Suite 205A
St. Augustine, Florida 32080

(904) 471-3445
(904) 471-3825 (fax)
www.cricpa.com

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES

The Honorable Jimmy Weeks
Tax Collector
Clay County, Florida

We have examined the office of the Clay County Tax Collector's (the "Office") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2018. Management is responsible for the Office's compliance with the specified requirements. Our responsibility is to express an opinion on the Office's compliance with the specified requirements based on our examination.

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

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

In our opinion, the Office complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2018.

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

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

St. Augustine, Florida
January 25, 2019

Clay County Property Appraiser

Audit Report

September 30, 2018



CRI CARR
RIGGS &
INGRAM

CPAs and Advisors

CRICpa.com

Table of Contents
September 30, 2018

REPORT

Independent Auditors' Report	1
------------------------------	---

FINANCIAL STATEMENTS

Governmental Funds:

Balance Sheet	3
---------------	---

Statement of Revenues, Expenditures, and Changes in Fund Balance	4
--	---

Notes to Financial Statements	5
-------------------------------	---

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund	9
---	---

ADDITIONAL ELEMENTS REQUIRED BY THE RULES OF THE AUDITOR

GENERAL

Management Letter	10
-------------------	----

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	12
---	----

Independent Accountants' Report on Compliance with Section 218.415, Florida Statutes	14
--	----

INDEPENDENT AUDITORS' REPORT

The Honorable Roger A. Suggs
Property Appraiser
Clay County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the major fund of the Clay County, Florida Property Appraiser (the "Office"), as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Office's financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the major fund of the Office as of September 30, 2018, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of the major fund, only for that portion of the major fund, of Clay County, Florida that is attributable to the Office. They do not purport to, and do not, present fairly the financial position of Clay County, Florida, as of September 30, 2018, and the changes in its financial position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 11, 2019 on our consideration of the Office's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the Office's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Office's internal control over financial reporting and compliance.

Carri Riggs & Ingram, L.L.C.

St. Augustine, Florida
January 11, 2019



Clay County Property Appraiser

Balance Sheet – Governmental Funds
As of September 30, 2018

	General Fund
Assets	
Cash and equivalents	\$ 187,798
Total assets	\$ 187,798
Liabilities and fund balance	
Liabilities:	
Accounts payable and accrued liabilities	\$ 42,084
Due to other governments	2,604
Due to other county agencies	143,110
Total liabilities	187,798
Fund balance	-
Total liabilities and fund balance	\$ 187,798

See accompanying Notes.

Clay County Property Appraiser

Statement of Revenues, Expenditures and Changes in Fund Balance
 Governmental Funds
 Year ended September 30, 2018

	General Fund
Revenues	
Charges for services	\$ 46,395
Miscellaneous revenues	1,898
Total revenues	48,293
Expenditures	
Current:	
General government:	
Personal services	2,167,033
Operating expenditures	376,995
Capital outlay	46,631
Total expenditures	2,590,659
Excess of revenues under expenditures	(2,542,366)
Other financing sources (uses)	
Appropriation from board of county commissioners	2,685,241
Reversion to board of county commissioners	(142,875)
Total other financing sources (uses)	2,542,366
Net change in fund balance	-
Fund balance - beginning of year	-
Fund balance - end of year	\$ -

See accompanying Notes.

Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

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

Basis of Presentation

The Office’s financial statements have been prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida (the “Rules”). These financial statements are the fund financial statements required by generally accepted accounting principles. However, these fund statements do not constitute a complete presentation because, in conformity with the Rules, the Office has not presented reconciliations to the government-wide financial statements, the government-wide financial statements, management’s discussion and analysis or the pension or the other post-employment benefit related required supplementary information. Also, certain notes to the financial statements may supplement rather than duplicate the notes included in the County’s countywide financial statements. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of the major fund only for that portion of the major fund of Clay County, Florida, that is attributable to the Office. They do not purport to, and do not, present fairly the financial position of Clay County, Florida, as of September 30, 2018, and the changes in its financial position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Fund Accounting

Accounts are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Government resources are allocated to, and accounted for in, individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The focus of fund financial statements is on major funds, each displayed in a separate column. All nonmajor funds are aggregated and displayed in a single column. The Office does not report any nonmajor funds.

The Office reports the following major governmental fund:

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

Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance

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

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

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

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

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

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

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

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

Measurement Focus/Basis of Accounting

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

Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Capital Assets and Long-Term Liabilities

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

Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are instead reported as liabilities in the financial statements of the County.

Cash and Equivalents

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

Use of Estimates

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

NOTE 2 – CONTINGENCIES AND COMMITMENTS

The Office is, during the course of normal operations, involved in various claims regarding the assessments of real and tangible personal property. It is the opinion of management that any uninsured claims would not be material in relation to the Office's financial condition.

Notes to Financial Statements

NOTE 3 – RISK MANAGEMENT

For health insurance, the Office participates in the risk management program established by the Board of County Commissioners to cover claims against the Board and Constitutional Officers. The risk management program is accounted for in the Board's financial statements as an Internal Service Fund, in accordance with requirements of GASB Statement 10.

For risks of loss related to workers' compensation, general liability and errors or omissions, the Office participates with the Board of County Commissioners to purchase commercial insurance. For the past three years, there have been no insurance settlements in excess of insurance coverages.

Required Supplementary Information

Clay County Property Appraiser

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – General Fund
Year ended September 30, 2018

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Charges for services	\$ 51,388	\$ 51,401	\$ 46,395	\$ (5,006)
Miscellaneous	-	-	1,898	1,898
Total revenues	51,388	51,401	48,293	(3,108)
Expenditures				
Current:				
General government:				
Personal services	2,111,106	2,206,832	2,167,033	39,799
Operating expenditures	616,647	479,351	376,995	102,356
Capital outlay	-	48,000	46,631	1,369
Total expenditures	2,727,753	2,734,183	2,590,659	143,524
Excess of revenues under expenditures	(2,676,365)	(2,682,782)	(2,542,366)	140,416
Other financing sources (uses)				
Appropriation from board of county commissioners	2,676,365	2,682,782	2,685,241	2,459
Reversion to board of county commissioners	-	-	(142,875)	(142,875)
Total other financing sources (uses)	2,676,365	2,682,782	2,542,366	(140,416)
Net change in fund balances	-	-	-	-
Fund balances – beginning of year	-	-	-	-
Fund balances – end of year	\$ -	\$ -	\$ -	\$ -

Notes to Schedule:

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

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

MANAGEMENT LETTER

The Honorable Roger A. Suggs
Property Appraiser
Clay County, Florida

We have audited the financial statements of the office of the Clay County Property Appraiser (the "Office"), as of and for the year ended September 30, 2018, and have issued our report thereon dated January 11, 2019.

Auditors' Responsibility

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 Auditor General.

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated January 11, 2019, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Financial Management

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

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Clay County Property Appraiser, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Carri Riggs & Ingram, L.L.C.

St. Augustine, Florida

January 11, 2019

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

The Honorable Roger A. Suggs
Property Appraiser
Clay County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the office of the Clay County Property Appraiser (the "Office"), as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Office's financial statements, and have issued our report thereon dated January 11, 2019.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

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

St. Augustine, Florida

January 11, 2019



Carr, Riggs & Ingram, LLC
1301 Plantation Island Drive
Suite 205A
St. Augustine, Florida 32080

(904) 471-3445
(904) 471-3825 (fax)
www.cricpa.com

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES

To The Honorable Roger A. Suggs
Property Appraiser
Clay County, Florida

We have examined the office of the Clay County Property Appraiser's (the "Office") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2018. Management is responsible for the Office's compliance with the specified requirements. Our responsibility is to express an opinion on the Office's compliance with the specified requirements based on our examination.

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

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

In our opinion, the Office complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2018.

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

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

St. Augustine, Florida
January 11, 2019

Clay County Supervisor of Elections

Audit Report

September 30, 2018



CRI CARR
RIGGS &
INGRAM

CPAs and Advisors

CRIcpa.com

Table of Contents
September 30, 2018

REPORT

Independent Auditors' Report	1
------------------------------	---

FINANCIAL STATEMENTS

Governmental Funds:

Balance Sheet	3
---------------	---

Statement of Revenues, Expenditures and Changes in Fund Balance	4
---	---

Notes to Financial Statements	5
-------------------------------	---

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	8
--	---

ADDITIONAL ELEMENTS REQUIRED BY THE RULES OF THE AUDITOR GENERAL

Management Letter	9
-------------------	---

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	11
---	----

Independent Accountants' Report on Compliance with Section 218.415, Florida Statutes	13
--	----

INDEPENDENT AUDITORS' REPORT

The Honorable Chris H. Chambless
Supervisor of Elections
Clay County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the major fund of the Clay County, Florida Supervisor of Elections (the "Office"), as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Office's financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the major fund of the Office as of September 30, 2018, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of the major fund, only for that portion of the major fund, of Clay County, Florida that is attributable to the Office. They do not purport to, and do not, present fairly the financial position of Clay County, Florida, as of September 30, 2018, and the changes in its financial position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 30, 2019 on our consideration of the Office's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the Office's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Office's internal control over financial reporting and compliance.

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

St. Augustine, Florida
January 30, 2019

Clay County Supervisor of Elections

Balance Sheet – Governmental Funds
September 30, 2018

	General Fund
Assets	
Cash	\$ 191,684
Restricted Cash	219,795
Total assets	\$ 411,479
Liabilities and fund balance	
Liabilities:	
Accounts payable and accrued liabilities	\$ 38,931
Due to other county agencies	152,753
Total liabilities	191,684
Fund balance:	
Restricted - state elections grants	219,795
Total liabilities and fund balance	\$ 411,479

See accompanying notes.

Clay County Supervisor of Elections

Statement of Revenues, Expenditures and Changes in Fund Balance
 Governmental Funds
 Year ended September 30, 2018

	General Fund
Revenues	
Intergovernmental	\$ 173,291
Miscellaneous revenues	3,570
Total revenues	176,861
Expenditures	
Current:	
General government:	
Personal services	936,693
Operating expenditures	557,830
Capital outlay	55,789
Total expenditures	1,550,312
Excess of revenues under expenditures	(1,373,451)
Other financing sources (uses)	
Appropriation from board of county commissioners	1,521,077
Reversion to board of county commissioners	(152,753)
Total other financing sources (uses)	1,368,324
Net change in fund balance	(5,127)
Fund balance - beginning of year	224,922
Fund balance - end of year	\$ 219,795

See accompanying notes.

Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

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

Basis of Presentation

The Office’s financial statements have been prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida (the “Rules”). These financial statements are the fund financial statements required by generally accepted accounting principles. However, these fund statements do not constitute a complete presentation because, in conformity with the Rules, the Office has not presented reconciliations to the government-wide financial statements, the government-wide financial statements, management’s discussion and analysis, or the pension or the other post-employment benefit related required supplementary information. Also, certain notes to the financial statements may supplement rather than duplicate the notes included in the County’s countywide financial statements. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of the major fund only for that portion of the major fund of Clay County, Florida, that is attributable to the Office. They do not purport to, and do not, present fairly the financial position of Clay County, Florida, as of September 30, 2018, and the changes in its financial position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Fund Accounting

Accounts are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Government resources are allocated to, and accounted for in, individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The focus of fund financial statements is on major funds, each displayed in a separate column. All nonmajor funds are aggregated and displayed in a single column. The Office does not report any nonmajor funds.

The Office reports the following major governmental fund:

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

Fund Balance

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

Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

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

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

Measurement Focus/Basis of Accounting

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

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

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. 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 Office considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is related fund liability is incurred. However, principal and interest on long-term debt are recognized when due.

Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets and Long-Term Liabilities

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

Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are instead reported as liabilities in the financial statements of the County.

Cash

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

Use of Estimates

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

NOTE 2 – RISK MANAGEMENT

The County carries commercial insurance for certain risks, including general and auto liability, which covers the Board of County Commissioners and all Constitutional Officers. There were no significant reductions in this insurance coverage during the current year. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

For health insurance and worker's compensation, the County has a self-insurance program which covers the Board of County Commissioners and all the Constitutional Officers and is reported through the use of an internal service fund, which is recorded in the County-wide financial statements. The Board provides this coverage with no charge to the Constitutional Officers. Please refer to the notes to the County-wide financial statements for further information on the County's self-insurance program.

Required Supplementary Information

**Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – General Fund
Year ended September 30, 2018**

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ -	\$ 173,291	\$ 173,291
Miscellaneous	-	-	3,570	3,570
Total revenues	-	-	176,861	176,861
Expenditures				
Current:				
General government:				
Personal services	1,019,611	1,019,611	936,693	82,918
Operating expenditures	630,535	630,535	557,830	72,705
Capital outlay	7,000	7,000	55,789	(48,789)
Total expenditures	1,657,146	1,657,146	1,550,312	106,834
Excess of revenues over (under) expenditures	(1,657,146)	(1,657,146)	(1,373,451)	283,695
Other financing source (uses)				
Appropriation from board of county commissioners	1,521,077	1,521,077	1,521,077	-
Reversion to board of county commissioners	-	-	(152,753)	(152,753)
Total other financing sources (uses)	1,521,077	1,521,077	1,368,324	(152,753)
Net change in fund balances	(136,069)	(136,069)	(5,127)	130,942
Fund balances - beginning of year	136,069	136,069	224,922	88,853
Fund balances - end of year	\$ -	\$ -	\$ 219,795	\$ 219,795

Notes to Schedule:

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

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

MANAGEMENT LETTER

The Honorable Chris H. Chambless
Supervisor of Elections
Clay County, Florida

We have audited the financial statements of the office of the Clay County Supervisor of Elections (the "Office"), as of and for the year ended September 30, 2018, and have issued our report thereon dated January 30, 2019.

Auditors' Responsibility

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 Auditor General.

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated January 30, 2019 should be considered in conjunction with this management letter.

Prior Audit Findings

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

Financial Management

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

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Clay County Supervisor of Elections, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Carly Riggs & Ingram, L.L.C.

St. Augustine, Florida

January 30, 2019

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

The Honorable Chris H. Chambless
Supervisor of Elections
Clay 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 general fund of the Clay County Supervisor of Elections (the "Office"), as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Office's financial statements, and have issued our report thereon dated January 30, 2019.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

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

St. Augustine, Florida
January 30, 2019

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES

To the Honorable Chris H. Chambless
Supervisor of Elections
Clay County, Florida

We have examined the office of the Clay County Supervisor of Elections' (the "Office") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2018. Management is responsible for the Office's compliance with the specified requirements. Our responsibility is to express an opinion on the Office's compliance with the specified requirements based on our examination.

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

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

In our opinion, the Office complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2018.

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

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

St. Augustine, Florida
January 30, 2019