

Gilchrist County, Florida

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

MANAGEMENT'S DISCUSSION AND ANALYSIS 4

BASIC FINANCIAL STATEMENTS

Government-wide Financial Statements:

Statement of Net Position 12

Statement of Activities 13

Governmental Fund Financial Statements:

Balance Sheet 14

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

Statement of Revenues, Expenditures and Changes in Fund Balances 16

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

Proprietary Fund Financial Statements:

Statement of Net Position 18

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

Statement of Cash Flows 20

Fiduciary Fund Statements:

Statement of Fiduciary Net Position 21

Notes to Financial Statements 22

REQUIRED SUPPLEMENTARY INFORMATION

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

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

Other Postemployment Benefits:

Schedule of Changes in the County's Total: OPEB Liability and Related Ratios 48

Pension Plans:

Schedules of Proportionate Share of Net Pension Liability 49

Schedules of Employer Contributions 50

Table of Contents
September 30, 2018

SUPPLEMENTARY INFORMATION

Combining Balance Sheet – Nonmajor Governmental Funds	51
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	55
Combining Statement of Fiduciary Net Position	59
Schedule of Expenditures of State Financial Assistance	60

ADDITIONAL ELEMENTS REQUIRED BY THE RULES OF THE AUDITOR

GENERAL

Management Letter	61
Independent Accountants’ Report on Compliance with Section 218.415, Florida Statutes	63
Independent Accountants’ Report on Compliance with Sections 365.172(10) and 365.173(2)(d), Florida Statutes	64
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>	65
Independent Auditors’ Report on Compliance for Each Major State Project and on Internal Control Over Compliance Required by Chapter 10.550, Rules of the Auditor General	67
Schedule of Findings and Questioned Costs	69
Management’s Response	--



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

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

INDEPENDENT AUDITORS' REPORT

The Honorable County Commissioners
Gilchrist County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Gilchrist County, Florida (the "County") as of and for the year ended September 30, 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 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 governmental activities, 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 cash flows, where applicable, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter - Adoption of New Accounting Pronouncement

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

Other Reporting Required by *Government Auditing Standards*

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

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

Gainesville, Florida
June 28, 2019

Management's Discussion and Analysis
September 30, 2018

This Management Discussion and Analysis provides an objective and easily readable analysis of the County's financial activities for fiscal year ending September 30, 2018. The analysis provides summary financial information for the County and should be read in conjunction with the county's financial statements.

FINANCIAL HIGHLIGHTS

- Gilchrist County's assets and deferred outflows exceeded total liabilities and deferred inflows by \$26,488,868 (*net position*). Of this amount, (\$393,758) is unrestricted net position while \$25,262,307 was net investment in capital assets. The remaining \$1,620,319 is restricted net position.
- The County's total net position decreased \$2,504,504 from the previous year.
- At September 30, 2018, the unassigned fund balance for the General Fund was \$6,690,138 or 50.0% of expenditures and transfers out.
- At September 30, 2018, the County's governmental funds reported a combined fund balance of \$10,299,779.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

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

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

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

Management's Discussion and Analysis
September 30, 2018

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

Fund Financial Statements

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

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

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

The County maintains numerous individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and EMS Fund, both of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

Proprietary Funds – Internal service funds are used to accumulate and allocate costs internally for a government's various functions. The County used an internal service fund to account for its self-insured health plan until the prior fiscal year 2016. For the current fiscal year, the internal service fund was not used and it only generated passive income. The County eliminated the internal service fund during the fiscal year ending September 30, 2018. Enterprise funds are used to report business-type activities. The County has no enterprise funds.

Management's Discussion and Analysis
September 30, 2018

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because resources of those funds are not available to support the county's own programs.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements, and accompanying notes, this report also presents certain required supplementary information containing budget to actual comparisons for the general fund and major special revenue funds, the OPEB schedules of funding progress and the pension plans' schedules of proportionate share of liability and employer contributions. Following the required supplementary information can be found combining balance sheets and combining statements of revenues, expenditures, and changes in fund balances for the non-major governmental funds, combining statement of fiduciary net position and schedule of expenditures of state awards.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Gilchrist County, assets and deferred outflows exceeded liabilities and deferred inflows by \$26,488,868 and \$28,993,372 at the close of the fiscal years ending September 30, 2018 and 2017, respectively.

Gilchrist County, Florida

Management's Discussion and Analysis September 30, 2018

Gilchrist County Net Position, End of Year

	2018	(restated) 2017
	Governmental Activities	
Current and other assets	\$ 11,534,729	\$ 12,151,727
Capital assets, net	27,173,387	27,866,663
Total assets	38,708,116	40,018,390
Deferred outflows	5,440,853	5,511,416
Other liabilities	997,336	1,124,535
Long-term liabilities	15,208,763	14,461,265
Total liabilities	16,206,099	15,585,800
Deferred inflows	1,454,002	950,634
Net position:		
Net investment in capital assets	25,262,307	26,276,243
Restricted	1,620,319	1,951,562
Unrestricted	(393,758)	765,567
Total net position	\$ 26,488,868	\$ 28,993,372

The largest portion of the County's net position (95%) reflects its investment in capital assets (e.g. land, parks, buildings, infrastructure, and equipment); less any related outstanding debt used to acquire those assets. The County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net position (6.0%) represents resources that are subject to restrictions imposed externally.

Gilchrist County, Florida

Management's Discussion and Analysis
September 30, 2018

Changes in Net Position

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

Gilchrist County		Changes in Net Position	
	2018	(restated)	2017
	Governmental		
	Activities		
Program revenues:			
Charges for services	\$ 4,282,454	\$	4,194,882
Operating grants and contributions	1,484,955		3,694,937
Capital grants and contributions	262,948		1,292,761
General revenues:			
Property taxes	6,552,849		6,278,481
Other taxes	1,493,203		1,461,626
Shared revenues	3,569,302		3,417,699
Other revenues	493,954		701,844
Total revenues	18,139,665		21,042,230
Expenses:			
General government	4,009,282		3,867,811
Public safety	9,329,733		8,834,487
Physical environment	1,286,105		1,279,270
Transportation	3,134,685		4,916,604
Economic environment	420,861		502,600
Human services	716,953		612,452
Culture and recreation	793,519		590,589
Court related	909,782		828,747
Interest on long-term debt	43,249		36,899
Total expenses	20,644,169		21,469,459
Change in net position	(2,504,504)		(427,229)
Net position - beginning of year, as restated	28,993,372		29,420,601
Net position - end of year	\$ 26,488,868	\$	28,993,372

**Management's Discussion and Analysis
September 30, 2018**

Changes in Net Position

The most significant changes in program revenues is noted in operating and capital grants. Fewer road paving and resurfacing projects were completed during 2018. Charges for services increased over prior year due in part to a successful year at Hart Springs gate fees, camping fees and other related charges. Property tax increase was due mainly to revenues from the gas pipeline that was privately built in the County as well as other real property added to the tax rolls. Public safety increases were mainly due to additional funding for sheriff salaries and operating costs. Transportation expenses decreased over prior year because of fewer road resurfacing projects during the current year.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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

Governmental Funds

At year-end, the County's governmental funds reported a combined fund balance of \$10,299,779 a decrease of \$286,729. Components of this change include a decrease of \$548,171 in the General Fund, an increase of \$92,175 in the EMS Fund and an increase of \$169,267 in the nonmajor governmental funds.

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

The General Fund is the chief operating fund of the County. At the end of fiscal year 2018, the unassigned fund balance of the General Fund was \$6,690,138, which is approximately 50.0% of the expenditures and transfers for fiscal year 2018.

The EMS Fund accounts for the operations of the Emergency Medical Services Department. Revenues are primarily from ambulance fees charged for emergency transport and medical services, and from ad valorem taxes. The fund had a total fund balance of \$785,349 at year-end. This was an increase of \$92,175 from prior year.

GENERAL FUND BUDGETARY HIGHLIGHTS

The General Fund budget was amended during the year for expenditures requiring reserves.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

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

Gilchrist County, Florida

Management's Discussion and Analysis September 30, 2018

Capital Assets, Net of Depreciation

	Governmental Activities
Land	\$ 1,293,695
Buildings, net	8,248,339
Infrastructure, net	12,256,416
Improvements, net	2,193,074
Equipment, net	2,682,195
Construction in Progress	<u>499,668</u>
Total	<u>\$ 27,173,387</u>

The County's total investment in capital assets for its governmental activities as of September 30, 2018, was \$27,173,387 (net of accumulated depreciation). This investment in capital assets includes land, buildings, infrastructure, improvements, machinery and equipment, and construction in progress.

Additional information on the County's capital assets may be found in Note 6 of the accompanying financial statements.

Long-Term Debt

At September 30, 2018, the County's outstanding long-term debt was \$15,208,763.

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

NEXT YEAR'S BUDGET AND SIGNIFICANT FINANCIAL CONDITIONS

- The millage rate remained the same at 9.5 mills for fiscal year 2019.
- The unemployment rate for the County remained at 3.8% for 2019.



Gilchrist County, Florida

**Management's Discussion and Analysis
September 30, 2018**

REQUESTS FOR INFORMATION

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

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

Gilchrist County, Florida

Statement of Net Position
September 30, 2018

	Governmental Activities
Assets	
Cash and equivalents	\$ 7,652,241
Investments	3,051,280
Due from other governments	430,762
Receivables	377,970
Inventory	22,476
Capital assets:	
Non-depreciable	1,793,363
Depreciable, net	25,380,024
Total assets	38,708,116
Deferred outflows of resources	
Pension related	5,440,853
Liabilities	
Accounts payable and accrued liabilities	997,336
Noncurrent liabilities:	
Due within one year	852,318
Due in more than one year	14,356,445
Total liabilities	16,206,099
Deferred inflows of resources	
Pension related	1,454,002
Net position	
Net investment in capital assets	25,262,307
Restricted:	
Public safety	390,432
Physical environment	120,795
Transportation	323,512
Economic environment	183,309
Court related	477,483
Other	124,788
Unrestricted (deficit)	(393,758)
Total net position	\$ 26,488,868

See accompanying notes.

Statement of Activities
Year ended September 30, 2018

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
General government	\$ 4,009,282	\$ 374,636	\$ -	\$ 35,323	\$ (3,599,323)
Public safety	9,329,733	2,143,833	179,741	177,625	(6,828,534)
Physical environment	1,286,105	724,881	90,909	-	(470,315)
Transportation	3,134,685	134,365	464,926	-	(2,535,394)
Economic environment	420,861	7,990	350,000	-	(62,871)
Human services	716,953	40,930	-	-	(676,023)
Culture and recreation	793,519	597,367	43,134	50,000	(103,018)
Court related	909,782	258,452	356,245	-	(295,085)
Interest on long-term debt	43,249	-	-	-	(43,249)
Total	\$ 20,644,169	\$ 4,282,454	\$ 1,484,955	\$ 262,948	(14,613,812)

General revenues:	
Property taxes	6,552,849
Sales taxes	865,482
Gas taxes	497,410
Tourist development tax	49,951
Communication service tax	80,360
Shared revenues	3,569,302
Investment earnings	98,346
Miscellaneous	395,608
Total general revenues	12,109,308
Change in net position	(2,504,504)
Net position - beginning of year, as restated	28,993,372
Net position - end of year	\$ 26,488,868

See accompanying notes.

Balance Sheet – Governmental Funds
September 30, 2018

	General Fund	EMS Fund	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and equivalents	\$ 4,732,949	\$ 637,959	\$ 2,281,333	\$ 7,652,241
Investments	2,535,970	74,457	440,853	3,051,280
Receivables	6,515	370,286	1,169	377,970
Due from other funds	-	134	11,224	11,358
Due from other governments	300,491	563	129,708	430,762
Inventory	22,476	-	-	22,476
Total assets	\$ 7,598,401	\$ 1,083,399	\$ 2,864,287	\$ 11,546,087
Liabilities				
Accounts payable and accrued liabilities	\$ 746,413	\$ 60,436	\$ 190,487	\$ 997,336
Due to other funds	11,358	-	-	11,358
Total liabilities	757,771	60,436	190,487	1,008,694
Deferred inflows				
Unavailable revenue	-	237,614	-	237,614
Fund balances				
Nonspendable Inventory	22,476	-	-	22,476
Restricted	92,864	-	1,922,461	2,015,325
Assigned	35,152	785,349	751,339	1,571,840
Unassigned	6,690,138	-	-	6,690,138
Total fund balances	6,840,630	785,349	2,673,800	10,299,779
Total liabilities, deferred inflows and fund balances	\$ 7,598,401	\$ 1,083,399	\$ 2,864,287	\$ 11,546,087

See accompanying notes.

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

Fund balances - total governmental funds	\$ 10,299,779
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	27,173,387
Deferred outflows and inflows associated with pensions are not reported in the governmental funds.	
Deferred outflows	5,440,853
Deferred inflows	(1,454,002)
Long-term liabilities are not reported in the governmental funds.	
Bonds payable	(97,694)
Notes payable	(1,681,220)
Capital lease	(132,166)
Title IVD recapture	(46,512)
Landfill postclosure care	(40,607)
Compensated absences	(771,100)
Net OPEB liability	(156,480)
Net pension liability	(12,282,984)
Deferred inflows for earned but unavailable revenue are reported in the governmental funds but not in the statement of net position.	237,614
Net position of governmental activities	\$ 26,488,868

See accompanying notes.

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

	General Fund	EMS Fund	Other Govern- mental Funds	Total Govern- mental Funds
Revenues				
Taxes	\$ 6,888,168	\$ 660,475	\$ 494,346	\$ 8,042,989
Licenses, permits and special assessments	214,967	-	1,312,395	1,527,362
Intergovernmental	3,552,227	244,178	1,528,180	5,324,585
Charges for services	1,221,288	999,539	430,921	2,651,748
Fines and forfeitures	100	-	57,258	57,358
Miscellaneous	415,221	25,136	72,779	513,136
Total revenues	12,291,971	1,929,328	3,895,879	18,117,178
Expenditures				
Current:				
General government	3,749,029	-	60,465	3,809,494
Public safety	6,038,531	1,702,913	840,578	8,582,022
Physical environment	378,998	-	800,131	1,179,129
Transportation	684,246	-	2,022,258	2,706,504
Economic environment	95,687	-	277,964	373,651
Human services	677,041	-	-	677,041
Culture and recreation	714,366	-	-	714,366
Court related	305,140	-	543,175	848,315
Capital outlay	-	-	21,150	21,150
Debt service:				
Principal retirement	168,991	126,975	165,597	461,563
Interest and fiscal charges	7,565	7,265	28,419	43,249
Total expenditures	12,819,594	1,837,153	4,759,737	19,416,484
Excess of revenues over (under) expenditures	(527,623)	92,175	(863,858)	(1,299,306)
Other financing sources (uses)				
Debt issued	170,000	-	552,217	722,217
Capital lease	55,585	-	-	55,585
Transfers in	369,908	-	617,150	987,058
Transfers out	(616,041)	-	(136,242)	(752,283)
Total other financing sources (uses)	(20,548)	-	1,033,125	1,012,577
Net change in fund balances	(548,171)	92,175	169,267	(286,729)
Fund balances - beginning of year	7,388,801	693,174	2,504,533	10,586,508
Fund balances - end of year	\$ 6,840,630	\$ 785,349	\$ 2,673,800	\$ 10,299,779

See accompanying notes.

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

Net change in fund balances - total governmental funds	\$ (286,729)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is depreciated over their estimated useful lives.	
Acquisitions of capital assets	1,646,279
Current year depreciation expense	(2,330,337)
Loss on asset disposal	(9,218)
The timing of revenue recognition sometimes differs between governmental funds and the statement of activities.	28,050
The issuance of long-term debt provides current financial resources for governmental funds, but does not effect net position of governmental activities.	
Notes payable	(722,217)
Capital lease	(55,585)
Repayment of debt is an expenditure in the governmental funds, but the repayment does not effect net position of governmental activities.	
Principal payments	461,563
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	(132,000)
Landfill postclosure care	(718)
Net OPEB liability	1,948
The change in net pension liability and deferred outflows and inflows are reported in the statement of activities, but not in the governmental funds.	
Change in net pension liability	(300,489)
Change in deferred outflows related to pensions	(377,156)
Change in deferred inflows related to pensions	(503,368)
Deferred outflow for contributions subsequent to the measurement date	306,593
Internal service fund is used to charge the cost of risk management to individual funds. The net revenue is reported with governmental activities.	(231,120)
Change in net position of governmental activities	\$ (2,504,504)

See accompanying notes.

Statement of Net Position – Proprietary Funds
September 30, 2018

	<u>Governmental Activities</u> Internal Service Fund
Assets	\$ -
Liabilities	-
Net position	<u>\$ -</u>

See accompanying notes.

Statement of Revenues, Expenses and Changes in Fund Net Position
 Proprietary Funds
 September 30, 2018

	Governmental Activities
	<u>Internal Service Fund</u>
Operating revenues	\$ -
Operating expenses	-
Operating income	-
Nonoperating revenues	
Interest revenue	3,655
Total nonoperating revenues	3,655
Transfers out	(234,775)
Change in net position	(231,120)
Net position - beginning of year	231,120
<u>Net position - end of year</u>	<u>\$ -</u>

See accompanying notes.

Gilchrist County, Florida

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

	Governmental Activities
	Internal Service Fund
	<u> </u>
Cash flows from operating activities	\$ -
Cash flows from noncapital financing activities	
Transfers out	(234,775)
Cash flows from investing activities	
Interest received	3,655
Net change in cash and equivalents	(231,120)
Cash and equivalents - beginning of year	231,120
Cash and equivalents - end of year	<u>\$ -</u>
Reconciliation of operating income to net cash provided (used) by operating activities	
Operating income (loss)	\$ -
Change in assets and liabilities:	-
Net cash provided (used) by operating activities	<u>\$ -</u>

See accompanying notes.

Gilchrist County, Florida

Statement of Fiduciary Net Position
September 30, 2018

	Agency Funds
Assets	
Cash and equivalents	\$ 689,394
Receivables	49,127
<hr/>	
Total assets	738,521
Liabilities	
Assets held for others	738,521
<hr/>	
Net position	\$ -
<hr/> <hr/>	

See accompanying notes.

Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

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

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

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

Joint Venture

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

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

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



Gilchrist County, Florida
Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide Financial Statements

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

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

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

Fund Financial Statements

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

The County reports the following major governmental funds:

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

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

Additionally, the County reports the following funds:

Internal service fund, which accounts for the risk financing activities of the board and other county agencies on a cost reimbursement basis. For the current fiscal year, the internal service fund was not used and it only generated passive income. The County eliminated the internal service fund during the current fiscal year.



Gilchrist County, Florida
Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Measurement Focus and Basis of Accounting

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

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

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

Deposits with Financial Institutions

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

Investments

The County's investment in the State Pool is reported at amortized cost. The investment in FLGIT is reported at fair value.

Receivables

Accounts receivable of the EMS Fund are reported net of an allowance for uncollectable accounts of approximately \$247,000. The allowance represents approximately 40% of gross ambulance service accounts receivable at September 30, 2018. The County considers all other receivables to be fully collectible.

Capital Assets

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



Gilchrist County, Florida
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:

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

Compensated Absences

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

Restricted Net Position

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

The accompanying government-wide statement of net position includes approximately \$610,000 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.



Gilchrist County, Florida
Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

Pensions

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

Deferred Outflows/Inflows of Resources

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

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

Use of Estimates

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

Gilchrist County, Florida
Notes to Financial Statements

NOTE 2 – PROPERTY TAXES

Details of the property tax calendar are presented below:

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

NOTE 3 – INVESTMENTS

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

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

State Pool (Florida PRIME)	\$ 191,765
FLGIT	2,859,515
<hr/>	
Total investments	<u>\$ 3,051,280</u>

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

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

Investment Risks

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

Gilchrist County, Florida
Notes to Financial Statements

NOTE 3 – INVESTMENTS (CONTINUED)

Credit Risk – The risk that an issuer or other counterparty to an investment will not fulfill its obligations. Prime investment pools are rated AAAM by Standard and Poor’s at September 30, 2018. FLGIT has a rating of AAAf.

Interest Rate Risk – The risk that changes in interest rates will adversely affect the fair value of an investment. At September 30, 2018, the dollar weighted average days to maturity of the SBA was 33 days and the average maturity of FLGIT was 1.51 years.

NOTE 4 – FAIR VALUE MEASUREMENTS

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

The County has the following recurring fair value measurements as of September 30, 2018:

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

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

Investment Measured at Fair Value	Fair Value	Quoted Prices in Active Markets For Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
FLGIT	\$ 3,051,280	\$ -	\$ -	\$ -
Total investments	\$ 3,051,280	\$ -	\$ -	\$ -

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

Gilchrist County, Florida
Notes to Financial Statements

NOTE 5 – FUND BALANCE CLASSIFICATIONS

Fund balance is *restricted* for the following purposes:

	General Fund	Other Governmental Funds
Public safety	\$ -	\$ 390,432
Transportation	-	130,555
Physical environment	-	323,512
Economic environment	-	183,309
Court related	72,813	404,670
Capital outlay	20,051	489,983
Total restricted fund balance	\$ 92,864	\$ 1,922,461

Fund balance is *assigned* for the following purposes:

	General Fund	EMS Fund	Other Governmental Funds	Total
Public safety	\$ -	\$ 785,349	\$ 12,225	\$ 797,574
Transportation	-	-	655,796	655,796
Economic environment	-	-	83,318	83,318
Subsequent year's expenditures	35,152	-	-	35,152
Total assigned fund balance	\$ 35,152	\$ 785,349	\$ 751,339	\$ 1,571,840

Gilchrist County, Florida
Notes to Financial Statements

NOTE 6 – CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets follows:

	October 1, 2017	Additions	Deductions	September 30, 2018
Capital assets not being depreciated:				
Land	\$ 1,293,695	\$ -	\$ -	\$ 1,293,695
Construction in progress	117,560	427,652	45,544	499,668
Total capital assets not being depreciated	1,411,255	427,652	45,544	1,793,363
Capital assets being depreciated:				
Buildings	12,510,922	-	-	12,510,922
Improvements	3,050,529	68,494	-	3,119,023
Infrastructure	22,098,440	336,632	-	22,435,072
Equipment	12,828,127	859,045	154,600	13,532,572
Total capital assets being depreciated	50,488,018	1,264,171	154,600	51,597,589
Less accumulated depreciation for:				
Buildings	3,979,219	283,364	-	4,262,583
Improvements	792,843	133,106	-	925,949
Infrastructure	9,099,931	1,078,725	-	10,178,656
Equipment	10,160,617	835,142	145,382	10,850,377
Total accumulated depreciation	24,032,610	2,330,337	145,382	26,217,565
Total capital assets being depreciated, net	26,455,408	(1,066,166)	9,218	25,380,024
Total capital assets, net	\$ 27,866,663	\$ (638,514)	\$ 54,762	\$ 27,173,387

Gilchrist County, Florida
Notes to Financial Statements

NOTE 6 – CHANGES IN CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions as follows:

General government	\$ 214,542
Public safety	611,555
Physical environment	72,724
Transportation	1,285,219
Economic environment	41,903
Human services	21,387
Culture/recreation	83,007
<hr/>	
Total depreciation expense	<u>\$ 2,330,337</u>

NOTE 7 – LONG-TERM LIABILITIES

At September 30, 2018, the County's long-term liabilities consisted of:

Special assessment bonds, series 2008	\$ 97,694
Notes payable	1,681,220
Title IVD Recapture	46,512
Landfill postclosure care	40,607
Capital leases	132,166
Compensated absences	771,100
Net OPEB liability	156,480
Net pension liability	12,282,984
<hr/>	
Total long-term liabilities	<u>\$ 15,208,763</u>

Bonds Payable

Debt service requirements are as follows:

\$198,077 - 2008 Special Assessment Bonds for road and ancillary improvements. Due in annual installments varying from \$6,881 to \$13,794, plus interest (payable annually) at 5.0% beginning April 1, 2009 and through 2027. The bond interest indenture pledges the proceeds of special assessments. The approximate amount of the pledge is equal to the remaining principal and interest of \$121,940. Assessments totaling \$16,164 were recognized during 2018.

\$ 97,694

Gilchrist County, Florida
Notes to Financial Statements

NOTE 7 – LONG-TERM LIABILITIES (CONTINUED)

Year Ending September 30,	Principal	Interest	Total
2019	\$ 9,760	\$ 4,894	\$ 14,654
2020	10,239	4,407	14,646
2021	10,773	3,895	14,668
2022	11,320	3,356	14,676
2023	11,893	2,789	14,682
2024 - 2027	43,709	4,905	48,614
Total	\$ 97,694	\$ 24,246	\$ 121,940

Notes Payable

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

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

31% Transportation Trust Fund resources, 18% EMS Fund fees, 5% Solid Waste Fund fees, 29% Fire Districts Fund resources, and 17% General Fund shared revenues and racing tax commissions.

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

Debt service requirements are as follows:

Year Ending September 30,	Principal	Interest	Total
2019	\$ 399,961	\$ 49,315	\$ 449,276
2020	294,093	39,990	334,083
2021	190,274	32,664	222,938
2022	161,389	27,622	189,011
2023	140,740	23,135	163,875
2024 - 2028	285,067	72,837	357,904
2029 - 2033	101,326	41,965	143,291
2034 - 2038	108,370	16,031	124,401
Total	\$ 1,681,220	\$ 303,559	\$ 1,984,779

Gilchrist County, Florida
Notes to Financial Statements

NOTE 7 – LONG-TERM LIABILITIES (CONTINUED)

Capital leases

At September 30, 2018, the County had outstanding capital leases for equipment with interest ranging from 2.8% to 4.7%.

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

Year Ending September 30,	Principal	Interest	Total
2019	\$ 113,072	\$ 4,306	\$ 117,378
2020	19,094	1,003	20,097
Total	\$ 132,166	\$ 5,309	\$ 137,475

Landfill Postclosure Care

The Florida Department of Environmental Protection (DEP) requires landfill owners to perform certain maintenance and monitoring functions at the landfill sites for twenty years after closure. The County was previously released by the DEP from these requirements on its Central Landfill which closed in 1993. The County has accrued \$40,607 for closure costs for its Materials Recovery facility.

DEP also requires the County to deposit in an escrow account, by the end of each fiscal year, funds sufficient to cover closure costs. The County has set aside approximately \$83,266 for that requirement.

Title IV D Recapture

During the fiscal year ended September 30, 2018, the County received notice from the Florida Department of Revenue (the Department) that as result of an audit performed by the Department, it was determined that federal funds claimed using the provisional indirect rate for contract COC21 for fiscal years ended September 30, 2016, 2017 and 2018 exceeded the allowable reimbursement amount by \$46,512. The County will repay this amount in installments as detailed below. These payments will reduce future claims for the following fiscal years:

Gilchrist County, Florida
Notes to Financial Statements

NOTE 7 – LONG-TERM LIABILITIES (CONTINUED)

Year Ending September 30,	Principal
2019	\$ 10,725
2020	26,494
2021	9,293
Total	\$ 46,512

Changes in Long-Term Liabilities

	Balance October 1, 2017 (restated)	Additions	Deductions	Balance September 30, 2018	Due Within One Year
Bonds payable	\$ 106,983	\$ -	\$ 9,289	\$ 97,694	\$ 9,760
Notes payable	1,296,441	722,217	337,438	1,681,220	399,961
Title IVD Recapture	50,933	-	4,421	46,512	10,725
Landfill postclosure care	39,889	718	-	40,607	-
Capital lease	186,996	55,585	110,415	132,166	113,072
Compensated absences	639,100	553,200	421,200	771,100	264,500
Net OPEB liability	158,428	13,207	15,155	156,480	-
Net pension liability	11,982,495	300,489	-	12,282,984	54,300
Total	\$ 14,461,265	\$ 1,645,416	\$ 897,918	\$ 15,208,763	\$ 852,318



Gilchrist County, Florida
Notes to Financial Statements

NOTE 8 – STATE OF FLORIDA PENSION PLANS

Defined Benefit Plans

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

The Florida Retirement System (FRS) Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan with a Deferred Retirement Option Program (DROP) available for eligible employees. The FRS was established by 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.

Gilchrist County, Florida
Notes to Financial Statements

NOTE 8 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

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:

	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 County’s contributions for the year ended September 30, 2018, were \$952,086 to the FRS Pension Plan and \$113,600 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	\$ 10,065,861	\$ 2,217,123
Proportion at:		
Current measurement date	0.0334%	0.0209%
Prior measurement date	0.0331%	0.0204%
Pension expense (benefit)	\$ 1,808,564	\$ 165,640

Gilchrist County, Florida
Notes to Financial Statements

NOTE 8 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

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	\$ 852,445	\$ 30,940	\$ 33,943	\$ 3,767
Changes of assumptions	3,287,935	-	246,571	234,413
Net difference between projected and actual earnings on pension plan investments	-	777,451	1,338	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	600,723	317,131	111,305	90,300
Employer contributions subsequent to the measurement date	275,648	-	30,945	-
Total	\$ 5,016,751	\$ 1,125,522	\$ 424,102	\$ 328,480

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, 2019. 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	\$ 1,378,957	\$ 31,240
2020	942,287	31,240
2021	190,415	21,094
2022	645,508	5,709
2023	421,890	(20,077)
Thereafter	36,524	(4,529)
Total	\$ 3,615,581	\$ 64,677

Gilchrist County, Florida
Notes to Financial Statements

NOTE 8 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

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, rolled-forward using standard actuarial procedures. The individual entry age normal actuarial cost method was used for each plan, along with the following significant actuarial assumptions:

	FRS	HIS
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%.

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.

Gilchrist County, Florida
Notes to Financial Statements

NOTE 8 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return
Cash	1%	2.9%	2.9%
Fixed income	18%	4.4%	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%
	<u>100%</u>		

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.

Sensitivity Analysis

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

	FRS			HIS		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)	1% Decrease (2.87%)	Current Discount Rate (3.87%)	1% Increase (4.87%)
Employer's proportionate share of the net pension liability	\$ 18,364,481	\$ 10,065,861	\$ 3,167,210	\$ 2,525,172	\$ 2,217,123	\$ 1,960,344



Gilchrist County, Florida
Notes to Financial Statements

NOTE 8 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

Pension Plans' Fiduciary Net Position

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

Defined Contribution Plan

Pursuant to Chapter 121, Florida Statutes, the Florida Legislature created the Florida Retirement Investment Plan ("FRS Investment Plan"), a defined contribution pension plan qualified under Section 401(a) of the Internal Revenue Code. The FRS Investment Plan is an alternative available to members of the Florida Retirement System in lieu of the defined benefit plan. There is a uniform contribution rate covering both the defined benefit and defined contribution plans, depending on membership class. Required employer contributions made to the plan during the year ended September 30, 2018, totaled \$282,043.

NOTE 9 – OTHER POSTEMPLOYMENT BENEFIT PLAN

Plan Description - The County employees are provided with OPEB through a single employer defined benefit plan that is administered by the Gilchrist County Board of County Commissioners ("the County"). The County can amend the benefit provisions provided by the OPEB Plan. The County provides health care coverage through a self-insured plan.

Benefits Provided – The OPEB Plan provides for medical insurance for retirees and eligible dependents of the Board of County Commissioners, Clerk of Court, Supervisor of Elections, Property Appraiser, Sheriff and Tax Collector.

Employees of the Board of County Commissioners and Constitutional Officers are eligible to retire at age 64 and 10 years of service, or 30 years of service, regardless of age, which is normal retirement. Once a retiree waives coverage, he is not eligible to participate in the future. Surviving spouses of deceased retirees cannot keep coverage. Additionally, in accordance with Florida Statutes 112.0801, currently, active County employees who retire and immediately begin receiving benefits from FRS have the option of paying premiums to continue in the County's health insurance plan at the same group rate as active employees. The retiree pays 100% of the premium.

Contributions – The contribution requirements of the plan members and the County are established and may be amended by the Gilchrist County Board of County Commissioners. A trust has not been established. Contributions are made based on pay-as-you-go financing requirements. Retirees pay 100% of the premium, which is the same as the active premium rates, until age 65. County retiree plan members contributed to pay-as-you-go financing through their required contributions of \$559.40 per month for retiree only coverage, \$1,249.00 per month for retiree and spouse coverage, \$972.74 per month for employee and children coverage and \$1,621.30 per month for family coverage.

Gilchrist County, Florida
Notes to Financial Statements

NOTE 9 – OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

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

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB –

The County implemented GASB 75 in fiscal year 2018. At September 30, 2018, the County reported a liability of \$156,480 for the net OPEB Liability. The net OPEB liability was measured as of September 30, 2018 and was determined by an actuarial valuation as of October 1, 2017. Standard actuarial update procedures were used to roll forward to the measurement date from the actuarial valuation date.

For the year ended September 30, 2018, the County recognized a decrease in the OPEB expense of \$1,948. At September 30, 2018, the County had no deferred outflows of resources or deferred inflows of resources related to OPEB:

Actuarial Methods and Assumptions - The total OPEB liability in the October 1, 2017, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Inflation rate	2%			
Projected annual salaries increase	3%			
Investment rate of return	3.36% based on 20-year municipal bond index (SAPIHG)			
Health care cost trend rate	2018	2019	2020	2021+
	6.5%	6.0%	5.5%	5.0%
Mortality	RP-2000 Healthy Annuitant Mortality Table with 10 year Scale AA projection			

Gilchrist County, Florida
Notes to Financial Statements

NOTE 9 – OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

Changes in the Total OPEB Liability

	2018
Total OPEB Liability	
Service cost	\$ 8,003
Interest cost	5,204
Benefit changes	-
Difference b/w projected and actual experience	-
Assumption changes	-
Benefit payments and refunds	(15,155)
Net Change in Liability	(1,948)
Total OPEB Liability - Beginning of Year	158,428
Total OPEB Liability - End of Year	\$ 156,480
Covered Employee Payroll - Beginning of Year	7,130,016
Total OPEB Liability as % of Covered Employee Payroll	2.2%

Discount Rate – The discount rate used to measure the total OPEB liability was 3.36%. The discount rate is based on the 20-year municipal board index.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate – The following presents the net OPEB liability of the County's, as well as what the County's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.36 percent) or 1-percentage-point higher (4.36 percent) than the current discount rate:

	Discount Rate		
	1% Decrease (2.36%)	Current (3.36)	1% increase (4.36%)
Net OPEB Liability	\$ 168,985	\$ 158,428	\$ 148,331

Gilchrist County, Florida
Notes to Financial Statements

NOTE 9 – OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate – The following presents the net OPEB liability of the County’s, as well as what the County’s net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (5.5 percent decreasing to 4 percent) or 1-percentage-point higher (7.5 percent decreasing to 6 percent) than the current healthcare cost trend rates:

	1% Decrease (5.5% decreasing to 4%)	Healthcare Cost Trend Rates (6.5% decreasing to 5%)	1% Increase (7.5% decreasing to 6%)
Net OPEB Liability at October 1, 2017	\$ 149,556	\$ 158,428	\$ 166,287

NOTE 10 – INTERFUND BALANCES/TRANSFERS

At September 30, 2018, interfund balances consisted of:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General fund	\$ -	\$ 11,358
EMS fund	134	-
Nonmajor governmental	<u>11,224</u>	<u>-</u>
Total	<u>\$ 11,358</u>	<u>\$ 11,358</u>

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

Gilchrist County, Florida
Notes to Financial Statements

NOTE 10 – INTERFUND BALANCES/TRANSFERS (CONTINUED)

Interfund transfers are summarized below:

	Transfers from other funds	Transfers to other funds
Governmental funds:		
General fund	\$ 369,908	\$ 616,041
Nonmajor Governmental	617,150	136,242
Subtotal - Governmental funds	\$ 987,058	\$ 752,283
Proprietary fund:		
Internal service fund	\$ -	\$ 234,775
Total	\$ 987,058	\$ 987,058

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

NOTE 11 – RISK MANAGEMENT

Commercial Insurance

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

Public Entity Risk Pool

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

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

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

Gilchrist County, Florida
Notes to Financial Statements

NOTE 12 – MISCELLANEOUS REVENUES

Miscellaneous revenues included in general revenues consist of:

	General Fund	EMS Fund	Other Govmt. Funds	Govmt. Wide
Reimbursement for Gilchrist County				
Soil and Water Conservation Office	\$ 177,000	\$ -	\$ -	\$ 177,000
Tower lease fees	46,000	-	-	46,000
Insurance claims proceeds	45,000	-	-	45,000
Canteen fees	28,000	-	18,780	28,000
Other	119,221	25,136	53,999	99,608
Total	\$ 415,221	\$ 25,136	\$ 72,779	\$ 395,608

NOTE 13 – FUTURE COMMITMENTS AND CONTINGENCIES

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

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

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

NOTE 14 – FUTURE ACCOUNTING PRONOUNCEMENTS

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

- Asset retirement obligations;
- Disclosures related to debt

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

NOTE 15 – RESTATEMENT

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

	Governmental Activities
Net position - beginning of year, as previously reported	\$ 28,665,522
Net OPEB Liability	(158,428)
Eliminate net OPEB obligation	486,278
Net position - beginning of year, as restated	\$ 28,993,372

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	\$ 7,126,970	\$ 7,126,970	\$ 6,888,168	\$ (238,802)
Licenses, permits and special assessments	160,400	160,400	214,967	54,567
Intergovernmental	11,791,912	11,791,912	3,552,227	(8,239,685)
Charges for services	1,014,630	1,014,766	1,221,288	206,522
Fines and forfeitures	500	500	100	(400)
Miscellaneous	316,032	316,032	415,221	99,189
Total revenues	20,410,444	20,410,580	12,291,971	(8,118,609)
Expenditures				
Current:				
General government	3,700,800	3,726,354	3,749,029	(22,675)
Public safety	5,527,676	5,939,648	6,038,531	(98,883)
Physical environment	441,247	441,247	378,998	62,249
Transportation	6,943,551	6,943,551	684,246	6,259,305
Economic environment	188,283	188,283	95,687	92,596
Human services	683,633	683,633	677,041	6,592
Culture and recreation	1,717,051	1,717,051	714,366	1,002,685
Court related	466,378	476,412	305,140	171,272
Reserve for contingencies	276,855	229,043	-	229,043
Debt service:				
Principal retirement	87,574	87,574	168,991	(81,417)
Interest and fiscal charges	4,075	4,075	7,565	(3,490)
Total expenditures	20,037,123	20,436,871	12,819,594	7,728,447
Excess of revenues over (under) expenditures	373,321	(26,291)	(527,623)	(501,332)
Other financing sources (uses)				
Debt issued	-	-	170,000	170,000
Capital lease	-	-	55,585	55,585
Transfers in	367,654	367,654	369,908	2,254
Transfers out	(647,386)	(669,779)	(616,041)	53,738
Total other financing sources (uses)	(279,732)	(302,125)	(20,548)	281,577
Net change in fund balances	93,589	(328,416)	(548,171)	(219,755)
Fund balances - beginning of year	(93,589)	328,416	7,388,801	7,060,385
Fund balances - end of year	\$ -	\$ -	\$ 6,840,630	\$ 6,840,630

Notes to Budgetary Comparison Schedule

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

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

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 690,515	\$ 690,515	\$ 660,475	\$ (30,040)
Intergovernmental	74,892	74,892	244,178	169,286
Charges for services	1,022,000	1,022,000	999,539	(22,461)
Miscellaneous	490	490	25,136	24,646
Total revenues	1,787,897	1,787,897	1,929,328	141,431
Expenditures				
Current:				
Public safety	1,779,095	1,779,095	1,702,913	76,182
Reserve for contingencies	216,322	216,322	-	216,322
Debt service:				
Principal retirement	126,703	126,703	126,975	(272)
Interest and fiscal charges	8,093	8,093	7,265	828
Total expenditures	2,130,213	2,130,213	1,837,153	293,060
Excess of revenues over (under) expenditures	(342,316)	(342,316)	92,175	434,491
Other financing sources (uses)				
Debt issued	145,000	145,000	-	(145,000)
Net change in fund balances	(197,316)	(197,316)	92,175	289,491
Fund balances - beginning of year	197,316	197,316	693,174	495,858
Fund balances - end of year	\$ -	\$ -	\$ 785,349	\$ 785,349

Note to Budgetary Comparison Schedule

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

**Schedule of Changes in the County's Total OPEB
Liability and Related Ratios
Last 10 Fiscal Years**

	2018
Total OPEB Liability	
Service cost	\$ 8,003
Interest cost	5,204
Benefit changes	-
Difference b/w projected and actual experience	-
Assumption changes	-
Benefit payments and refunds	(15,155)
Net Change in Liability	(1,948)
Total OPEB Liability - Beginning of Year	158,428
Total OPEB Liability - End of Year	\$ 156,480
Covered Employee Payroll - Beginning of Year	7,130,016
Total OPEB Liability as % of Covered Employee Payroll	2.2%

Notes to Schedule:

The County implemented GASB 75 in fiscal year 2018.

Until a full 10 year trend is compiled, information is presented for those years for which information is available.

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

Florida Retirement System	2018	2017	2016	2015
Employer's proportion of the net pension liability (asset)	0.0334%	0.0331%	0.0317%	0.0314%
Employer's proportionate share of the net pension liability (asset)	\$ 10,062,498	\$ 9,796,663	\$ 7,996,789	\$ 4,051,945
Employer's covered payroll (2)	\$ 6,683,209	\$ 6,729,932	\$ 6,178,688	\$ 6,277,264
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	150.56%	145.57%	129.43%	64.55%
Plan fiduciary net position as a percentage of the total pension liability	83.89%	83.89%	84.88%	92.00%
Health Insurance Subsidy Program	2018	2017	2016	2015
Employer's proportion of the net pension liability (asset)	0.0209%	0.0204%	0.0201%	0.0209%
Employer's proportionate share of the net pension liability (asset)	\$ 2,217,123	\$ 2,185,831	\$ 2,343,283	\$ 2,132,135
Employer's covered payroll (2)	\$ 6,683,209	\$ 6,729,932	\$ 6,178,688	\$ 6,277,264
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	33.17%	32.48%	37.93%	33.97%
Plan fiduciary net position as a percentage of the total pension liability	1.64%	1.64%	0.97%	0.50%

Notes to schedules:

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

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

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

Schedules of Employer Contributions
Last 10 Fiscal Years

Florida Retirement System	2018	2017	2016	2015
Contractually required contribution	\$ 952,086	\$ 862,194	\$ 810,666	\$ 765,613
Contributions in relation to the contractually required contribution	952,086	862,194	810,666	765,613
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll (1)	\$ 6,895,239	\$ 6,729,932	\$ 6,268,104	\$ 6,257,901
Contributions as a percentage of covered payroll	13.81%	12.81%	12.93%	12.23%
<hr/>				
Health Insurance Subsidy Program	2018	2017	2016	2015
Contractually required contribution	\$ 113,600	\$ 108,189	\$ 104,227	\$ 86,178
Contributions in relation to the contractually required contribution	113,600	108,189	104,227	86,178
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll (1)	\$ 6,895,239	\$ 6,729,932	\$ 6,268,104	\$ 6,257,901
Contributions as a percentage of covered payroll	1.65%	1.61%	1.66%	1.38%

Notes to schedules:

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

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

Supplementary Information

Combining Balance Sheet – Nonmajor Governmental Funds
September 30, 2018

	Special Revenue Funds					
	State Law Enforcement Trust	Fire District Trust	Court Facilities Trust	Transportation Trust	Transportation Projects / Impact Fee	State Attorney/ Public Defender
Assets						
Cash and equivalents	\$ 7,574	\$ 188,601	\$ 92,924	\$ 570,625	\$ 125,386	\$ 157,860
Investments	-	81,844	35,127	13,117	-	-
Receivables	-	-	-	-	-	-
Due from other funds	4,873	352	1,080	-	-	1,288
Due from other governments	-	201	-	100,494	-	-
Total assets	\$ 12,447	\$ 270,998	\$ 129,131	\$ 684,236	\$ 125,386	\$ 159,148
Deferred outflows						
Prepaid expenses	-	-	-	-	-	-
Liabilities						
Accounts payable and accrued liabilities	\$ -	\$ 17,806	\$ 167	\$ 18,680	\$ 4,591	\$ 2,186
Fund balances						
Restricted	12,447	253,192	128,964	9,760	120,795	156,962
Assigned	-	-	-	655,796	-	-
Total fund balances	12,447	253,192	128,964	665,556	120,795	156,962
Total liabilities, deferred inflows and fund balances	\$ 12,447	\$ 270,998	\$ 129,131	\$ 684,236	\$ 125,386	\$ 159,148

(Continued)

Combining Balance Sheet – Nonmajor Governmental Funds
September 30, 2018

	Special Revenue Funds				
	Public Records Modern- ization	Clerk's Title IV-D Services	Inmate Welfare Fund	Volun- teers Fund	Federal Law Enforce- ment Trust
Assets					
Cash and equivalents	\$ 78,593	\$ 79,767	\$ 12,225	\$ 5,156	\$ 10,599
Investments	-	-	-	-	-
Receivables	-	-	-	-	-
Due from other funds	2,459	-	-	-	-
Due from other governments	-	4,624	-	-	-
Prepays	-	-	-	-	-
Total assets	\$ 81,052	\$ 84,391	\$ 12,225	\$ 5,156	\$ 10,599
Liabilities					
Accounts payable and accrued liabilities	\$ -	\$ 1,073	\$ -	\$ -	\$ -
Fund balances					
Restricted	81,052	-	-	5,156	10,599
Assigned	-	83,318	12,225	-	-
Total fund balances	81,052	83,318	12,225	5,156	10,599
Total liabilities, deferred inflows and fund balances	\$ 81,052	\$ 84,391	\$ 12,225	\$ 5,156	\$ 10,599

(Continued)

Combining Balance Sheet – Nonmajor Governmental Funds
September 30, 2018

	Special Revenue Funds					
	SHIP	E911	Capital Traffic Surcharge	Solid Waste	Law Enforce- ment Education	Clerk's Fine and Forfeiture Fund
Assets						
Cash and equivalents	\$ 212,309	\$ 51,974	\$ 7,136	\$ 121,192	\$ 7,628	\$ 97,757
Investments	-	23,585	2,283	248,941	-	-
Receivables	-	-	-	1,169	-	-
Due from other funds	-	-	650	414	108	-
Due from other governments	-	18,259	-	6,130	-	-
Prepays	-	-	-	-	-	-
Total assets	\$ 212,309	\$ 93,818	\$ 10,069	\$ 377,846	\$ 7,736	\$ 97,757
Liabilities						
Accounts payable and accrued liabilities	\$ 29,000	\$ 2,558	\$ 13	\$ 54,334	\$ 14	\$ 60,065
	-	-	-	-	-	-
Fund balances						
Restricted	183,309	91,260	10,056	323,512	7,722	37,692
Assigned	-	-	-	-	-	-
Total fund balances	183,309	91,260	10,056	323,512	7,722	37,692
Total liabilities, deferred inflows and fund balances	\$ 212,309	\$ 93,818	\$ 10,069	\$ 377,846	\$ 7,736	\$ 97,757

(Continued)

Combining Balance Sheet – Nonmajor Governmental Funds
September 30, 2018

	Capital Projects Funds		Totals
	Capital Projects Fund	Capital Impact Fees	
Assets			
Cash and equivalents	\$ 349,290	\$ 104,737	\$ 2,281,333
Investments	35,956	-	440,853
Receivables	-	-	1,169
Due from other funds	-	-	11,224
Due from other governments	-	-	129,708
Total assets	\$ 385,246	\$ 104,737	\$ 2,864,287
Liabilities			
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 190,487
Fund balances			
Restricted	385,246	104,737	1,922,461
Assigned	-	-	751,339
Total fund balances	385,246	104,737	2,673,800
Total liabilities, deferred inflows and fund balances	\$ 385,246	\$ 104,737	\$ 2,864,287

(Concluded)

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

	Special Revenue Funds					
	State Law Enforce- ment Trust	Fire District Trust	Court Facilities Trust	Transportation Trust	Transportation Projects / Impact Fee	State Attorney/ Public Defender
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ 494,346	\$ -	\$ -
Licenses, permits and special assessments	-	567,231	-	138,625	-	-
Intergovernmental	-	1,373	-	686,853	-	-
Charges for services	-	-	11,665	5,954	-	15,925
Fines and forfeitures	4,873	-	-	-	-	140
Miscellaneous	107	4,047	1,385	1,842	2,185	1,353
Total revenues	4,980	572,651	13,050	1,327,620	2,185	17,418
Expenditures						
Current:						
General government	-	-	-	-	-	-
Public safety	-	588,031	-	-	-	-
Physical environment	-	-	-	-	-	-
Transportation	-	-	-	2,017,608	4,650	-
Economic environment	-	-	-	-	-	-
Court related	-	-	45,645	-	-	5,311
Capital outlay	-	-	-	-	-	-
Debt service:						
Principal retirement	-	64,802	-	51,498	-	-
Interest and fiscal charges	-	13,275	-	11,814	-	-
Total expenditures	-	666,108	45,645	2,080,920	4,650	5,311
Excess of revenues over (under) expenditures	4,980	(93,457)	(32,595)	(753,300)	(2,465)	12,107
Other financing sources (uses)						
Debt issued	-	-	-	552,217	-	-
Transfers in	-	-	-	409,150	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	961,367	-	-
Net change in fund balances	4,980	(93,457)	(32,595)	208,067	(2,465)	12,107
Fund balances – beginning of year	7,467	346,649	161,559	457,489	123,260	144,855
Fund balances – end of year	\$ 12,447	\$ 253,192	\$ 128,964	\$ 665,556	\$ 120,795	\$ 156,962

(Continued)

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

	Special Revenue Funds					
	SHIP	E911	Capital Traffic Surcharge	Solid Waste	Law Enforce- ment Education	Clerk's Fine and Forfeiture Fund
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, permits and special assessments	-	-	-	606,539	-	-
Intergovernmental	350,000	40,174	-	93,535	-	289,389
Charges for services	-	110,077	5,533	113,583	-	137,809
Fines and forfeitures	-	-	-	-	1,210	51,035
Miscellaneous	15,732	2,383	204	9,226	62	2,039
Total revenues	365,732	152,634	5,737	822,883	1,272	480,272
Expenditures						
Current:						
General government	-	-	-	-	-	-
Public safety	-	225,207	3,700	-	-	-
Physical environment	-	-	-	800,131	-	-
Transportation	-	-	-	-	-	-
Economic environment	277,964	-	-	-	-	-
Court related	-	-	-	-	-	470,409
Capital outlay	-	-	-	-	-	-
Debt service:						
Principal retirement	-	-	11,224	33,652	-	-
Interest and fiscal charges	-	-	1,070	2,260	-	-
Total expenditures	277,964	225,207	15,994	836,043	-	470,409
Excess of revenues over (under) expenditures	87,768	(72,573)	(10,257)	(13,160)	1,272	9,863
Other financing sources (uses)						
Debt issued	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	(136,242)	-	-	-	-
Total other financing sources (uses)	-	(136,242)	-	-	-	-
Net change in fund balances	87,768	(208,815)	(10,257)	(13,160)	1,272	9,863
Fund balances – beginning of year	95,541	300,075	20,313	336,672	6,450	27,829
Fund balances – end of year	\$ 183,309	\$ 91,260	\$ 10,056	\$ 323,512	\$ 7,722	\$ 37,692

(Continued)

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

	Special Revenue Funds				
	Public Records Modern- ization	Clerk's Title IV-D Services	Inmate Welfare Fund	Volun- teers Fund	Federal Law Enforce- ment Trust
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, permits and special assessments	-	-	-	-	-
Intergovernmental	-	66,856	-	-	-
Charges for services	30,375	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Miscellaneous	1,247	-	18,780	4,965	-
Total revenues	31,622	66,856	18,780	4,965	-
Expenditures					
Current:					
General government	6,550	53,915	-	-	-
Public safety	-	-	16,955	4,685	2,000
Physical environment	-	-	-	-	-
Transportation	-	-	-	-	-
Economic environment	-	-	-	-	-
Court related	21,810	-	-	-	-
Capital Outlay	-	-	-	-	-
Debt service:					
Principal retirement	-	4,421	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	28,360	58,336	16,955	4,685	2,000
Excess of revenues over (under) expenditures	3,262	8,520	1,825	280	(2,000)
Other financing sources (uses)					
Debt issued	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net change in fund balances	3,262	8,520	1,825	280	(2,000)
Fund balances – beginning of year	77,790	74,798	10,400	4,876	12,599
Fund balances – end of year	\$ 81,052	\$ 83,318	\$ 12,225	\$ 5,156	\$ 10,599

(Continued)

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

	<u>Capital Projects Funds</u>	<u>Capital Projects Fund</u>	
	Capital Projects Fund	Capital Impact Fees	Totals
Revenues			
Taxes	\$ -	\$ -	\$ 494,346
Licenses, permits and special assessments	-	-	1,312,395
Intergovernmental	-	-	1,528,180
Charges for services	-	-	430,921
Fines and forfeitures	-	-	57,258
Miscellaneous	5,397	1,825	72,779
Total revenues	5,397	1,825	3,895,879
Expenditures			
Current:			
General government	-	-	60,465
Public safety	-	-	840,578
Physical environment	-	-	800,131
Transportation	-	-	2,022,258
Economic environment	-	-	277,964
Court related	-	-	543,175
Capital outlay	21,150	-	21,150
Debt service:			
Principal retirement	-	-	165,597
Interest and fiscal charges	-	-	28,419
Total expenditures	21,150	-	4,759,737
Excess of revenues over (under) expenditures	(15,753)	1,825	(863,858)
Other financing sources (uses)			
Debt issued	-	-	552,217
Transfers in	208,000	-	617,150
Transfers out	-	-	(136,242)
Total other financing sources (uses)	208,000	-	1,033,125
Net change in fund balances	192,247	1,825	169,267
Fund balances – beginning of year	192,999	102,912	2,504,533
Fund balances – end of year	\$ 385,246	\$ 104,737	\$ 2,673,800

(Concluded)

Combining Statement of Fiduciary Net Position
September 30, 2018

	Agency Funds			Totals
	Tax Collector	Clerk of Court	Sheriff	
Assets				
Cash and equivalents	\$ 419,598	\$ 213,817	\$ 55,979	\$ 689,394
Receivables	47,795	1,332	-	49,127
Total assets	467,393	215,149	55,979	738,521
Liabilities				
Assets held for others	467,393	215,149	55,979	738,521
Net position	\$ -	\$ -	\$ -	\$ -

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

State Financial Assistance	CSFA Number	Contract/Grant Number	Expenditures	Project Total
Executive Office of the Governor				
Emergency Management Preparedness and Assistance Base Grant	31.063	.8-BG-W9-03-31-01-13	\$ 84,701	
Department of Environmental Protection				
Small County Consolidated Grants	37.012	SC810	90,909	
Florida Recreation Development Assistance Program	37.017	A16037	20,978	
Florida Recreation Development Assistance Program	37.017	A17018	161	
Florida Recreation Development Assistance Program	37.017	U17037	1,125	
Florida Recreation Development Assistance Program	37.017	U17044	74,530	96,794
Department of Health				
Emergency Medical Services (EMS) Matching Grant	64.003	M6088	17,363	
Emergency Medical Services (EMS) Matching Grant	64.003	M6089	9,000	
Emergency Medical Services (EMS) Matching Grant	64.003	M6090	8,625	
Department of Management Services				
E-911 Rural County Grant Program	72.001	17-04-08	37,629	
E-911 Rural County Grant Program	72.001	17-11-07	2,545	40,174
Division of State, Secretary of State				
State Aid to Libraries	45.030	18-ST-85	42,534	
Florida Housing Finance Corporation				
State Housing Initiatives Partnership	40.901	2017-2018	288,589	*
Department of Transportation				
Small County Road Assistance Program (CR340 FR 47 - ALACHUA CO.)	55.016	436442-1-54-1	70,548	
Small County Road Assistance Program (CR340 ROCK BLUFF - 129)	55.016	436441-1-54-01	44,513	
Small County Outreach Program (NE 2nd Way)	55.009	434568-1-54-01	39,960	
Small County Outreach Program (SE 70th)	55.009	435326-1-54-01	66,495	
Small County Outreach Program (340 FR US129 to SR47)	55.009	434583-1-54-01	17,321	
Small County Outreach Program (Santa Fe Park Loop)	55.009	433533-1-54,58-01	389,160	
Small County Outreach Program (CR236 FR CR341 TO US129)	55.009	436454-1-54-0-01	56,250	684,247
Total expenditures of state financial assistance			\$ 1,362,936	

*The County passed \$288,589 of SHIP funds to a subrecipient

NOTE 1 - BASIS OF PRESENTATION

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

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



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

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

MANAGEMENT LETTER

The Honorable County Commissioners
Gilchrist County, Florida

We have audited the financial statements of Gilchrist County, Florida (the "County") as of and for the year ended September 30, 2018, and have issued our report thereon dated June 28, 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; and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards; Independent Auditor's Report on Compliance for Each Major State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; 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 June 28, 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 financial audit report. The County has no unresolved prior audit findings or recommendations.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The Gilchrist County was created on December 4, 1925, by an Act of the Florida Legislature (Laws, Chap 11371, p.30 Compiled General Laws of Florida 1927).

Financial Condition and Management

Sections 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 Gilchrist 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 Gilchrist 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 Gilchrist 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 of September 30, 2018, 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.

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 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, 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.

Cary Riggs & Ingram, L.L.C.

Gainesville, Florida

June 28, 2019



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

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

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

The Honorable County Commissioners
Gilchrist County, Florida

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

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the County complied, in all material 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 the specified requirements.

In our opinion, the County complied, in all material respects, with the aforementioned requirements during 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.

Gainesville Florida
June 28, 2019



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

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

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

The Honorable County Commissioners
Gilchrist County, Florida

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

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the County complied, in all material 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 the specified requirements.

In our opinion, the County complied, in all material respects, with the aforementioned requirements during 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.

Gainesville, Florida
June 28, 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
Gilchrist County, Florida

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

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

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

Purpose of this Report

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

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

Gainesville, Florida

June 28, 2019

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

The Honorable County Commissioners
Gilchrist, Florida

Report on Compliance for Each Major State Project

We have audited the compliance of Gilchrist County, Florida (the "County") with the types of compliance requirements described in the Department of Financial Services' State Projects Compliance Supplement that could have a direct and material effect on each of the County's major state projects for the year ended September 30, 2018. The County's major 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 state statutes, regulations, and the terms and conditions of its state awards applicable to its state projects.

Auditors' Responsibility

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

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

Opinion on Each Major State Project

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state projects for the year ended September 30, 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 state project to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state project and to test and report on internal control over compliance in accordance with Chapter 10.550, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

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

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

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

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

Gainesville, Florida
June 28, 2019

Schedule of Findings and Questioned Costs
Year ended September 30, 2018

PART I – SUMMARY OF AUDITORS’ RESULTS

- (i) The independent auditors’ report on the financial statements expressed unmodified opinions.
- (ii) The audit did not report significant deficiencies or 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 material weaknesses, but did report one significant deficiency in internal control over a major state project.
- (v) The report on compliance with requirements applicable to the major state projects expressed an unmodified opinion.
- (vi) The audit did report a finding required to be disclosed in accordance with Chapter 10.557, Rules of the Auditor General. The audit did not disclose any material non-compliance findings.
- (vii) The County's major projects were:

<u>State Projects</u>	<u>CFSA Number</u>
State Housing Initiatives Partnership Program (SHIP)	40.901
Small County Outreach Program (SCOP)	55.009

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

PART II – FINANCIAL STATEMENT FINDINGS

None noted.

PART III – FINDINGS AND QUESTIONED COSTS – STATE PROJECTS

2018-001 **CFSA No. 40-901, State Housing Initiatives Partnership Program, passed through Florida Housing Finance Corporation, Award 2017-2018, Awarded 2017**
Questioned Costs: None

Criteria: As required by Section 420.907-420.9079, Florida Statutes and Rule Chapters 67-37.019 and 67-37.002, Florida Administrative Code and the local government’s Local Housing Assistance Plans (LHAP), any local government participating in SHIP that uses a Sub-Recipient to administer all or part of the SHIP program should be aware that the SHIP rule defines a Sub Recipient as any entity contracted by a SHIP eligible local government and compensated with SHIP funds to provide administration of any portion of the SHIP

**Schedule of Findings and Questioned Costs
Year ended September 30, 2018**

and compensated with SHIP funds to provide administration of any portion of the SHIP program. In addition, any local government receiving SHIP funds which administers any portion of the SHIP program through a Sub Recipient shall bear responsibility for actions of the sub recipient and shall monitor all sub recipients to insure compliance is maintained on all SHIP funded activities. The internal control environment should incorporate appropriate policies and procedures to to prevent and detect noncompliance with State awards.

Condition: While monitoring controls are in place at the County and were found to be effective to monitor the spending of SHIP funds by the sub-recipient in conformance with the award's conditions and requirements, it was noted that on the sub-recipient's annual single audit report for the year ended September 30, 2017, the SHIP funds were excluded.

Cause: SHIP funds are disbursed by a sub-recipient which may not include these funds in the scope of their annual single audit. The County monitors the spending of the sub-recipient but was not aware of the requirement of the the Florida Single Audit Act, Section 215.97, F.S which extends the single audit requirement to the sub-recipient. The recently issued SHIP bulletin 2016-01 clarifies the definition of a sub-recipient and the County's responsibility to monitor their compliance.

Effect: The County was not in compance with the sub-recipient monitoring requirement aspect that requires recipients to ascertain that SHIP funds are included in the scope of the sub-recipient's annual single audit.

Recommendation: We recommend that the client include additional monitoring controls over sub-recipient(s) to ascertain that they include the SHIP funds in the scope of their annual single audit.

PART IV – SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

There are no unresolved prior audit findings.

Gilchrist County Board of County Commissioners

P.O. Box 37

112 South Main Street

Trenton, FL 32693

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

District I
Sharon A. Langford

District II
Bill Martin

District III
Todd Gray

District IV
Marion Poitevint

District V
Kenrick Thomas

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

Bobby Crosby
County Administrator
352-463-3198

Todd Newton
Clerk of Court
325-463-3170

June 28, 2019

The Honorable Sherrill F. Norman
Auditor General's Office
PO Box 1735
Tallahassee, Florida 32302

RE: 2017-2018 Annual Audit for Gilchrist County Board of County Commissioners

In response to the finding in the current 2017-2018 audit, the following information is provided.

Finding:

2018-001

Condition: While monitoring controls are in place at the County and were found to be effective to monitor the spending of SHIP funds by the sub-recipient in conformance with the award's conditions and requirements, it was noted that on the sub-recipient's annual single audit report for the year ended September 30, 2017, the SHIP funds were excluded.

Response: All incoming and future close-out annual reports will include the language regarding sub recipient and consultant information as required.

If any additional information is needed, please contact us.

Respectfully,



Todd Newton,
Clerk of Court, Gilchrist County



Richard A. Romans
Finance Director



**Gilchrist County
Clerk of the Circuit Court**

Audit Report

September 30, 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 11

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

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

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

SUPPLEMENTARY INFORMATION

Combining Statement of Fiduciary Net Position – Agency Funds 15

ADDITIONAL ELEMENTS REQUIRED BY THE RULES OF THE AUDITOR

GENERAL

Management Letter 16

Independent 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* 18

Independent Accountants' Report on Compliance with Section 218.415, Florida Statutes 20

**Table of Contents
September 30, 2018**

Independent Accountants' Report on Compliance with Sections 28.35 and 28.36, Florida Statutes	21
Independent Accountants' Report on Compliance with Section 61.181, Florida Statutes	22
Schedule of Findings	23
Elected Official's Response to Auditors' Comments	--



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

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

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the office of the Gilchrist County Clerk of the Circuit Court (the "Office") as of and for the year ended September 30, 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 Gilchrist County, Florida, that is attributable to the Office. They do not purport to, and do not, present fairly the financial position of Gilchrist 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 this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules, as listed in the table of contents, be presented to supplement the financial statements. Such information, although not a 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 combining statement is presented for purposes of additional analysis and is not a required part of the financial statements.

The combining statement 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 combining statement 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 June 27, 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.

Gainesville, Florida

June 27, 2019

Gilchrist County Clerk of the Circuit Court

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

	General Fund	Records Modernization Trust Fund	Fine and Forfeiture Fund	Title IV D Fund	Total Governmental Funds
Assets					
Cash and equivalents	\$ 88,152	\$ 78,593	\$ 97,757	\$ 79,767	\$ 344,269
Due from other funds	580	2,459	-	-	3,039
Due from other governments	-	-	-	4,624	4,624
Total assets	\$ 88,732	\$ 81,052	\$ 97,757	\$ 84,391	\$ 351,932
Liabilities and fund balances					
Liabilities:					
Accounts payable and accrued liabilities	\$ 19,712	\$ -	\$ 60,065	\$ 1,073	\$ 80,850
Due to other county agencies	69,020	-	-	-	69,020
Total liabilities	88,732	-	60,065	1,073	149,870
Fund balances:					
Restricted	-	81,052	37,692	-	118,744
Assigned	-	-	-	83,318	83,318
Total fund balances	-	81,052	37,692	83,318	202,062
Total liabilities and fund balances	\$ 88,732	\$ 81,052	\$ 97,757	\$ 84,391	\$ 351,932

See accompanying notes.

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

	General Fund	Records Modernization Trust Fund	Fine and Forfeiture Fund	Title IV D Fund	Total Governmental Funds
Revenues					
Intergovernmental revenues	\$ -	\$ -	\$ 301,204	\$ 66,856	\$ 368,060
Charges for services	133,176	30,375	137,809	-	301,360
Fines and forfeitures	-	-	51,035	-	51,035
Miscellaneous revenue	66,966	1,247	2,039	-	70,252
Total revenues	200,142	31,622	492,087	66,856	790,707
Expenditures					
Current:					
General government services	463,588	6,550	-	53,915	524,053
Court related	-	21,810	470,409	-	492,219
Debt service: principle reduction	-	-	-	4,421	4,421
Total expenditures	463,588	28,360	470,409	58,336	1,020,693
Excess of revenues over (under) expenditures	(263,446)	3,262	21,678	8,520	(229,986)
Other financing sources (uses)					
Appropriations from board of county commissioners	332,466	-	-	-	332,466
Reversion to board of county commissioners	(69,020)	-	-	-	(69,020)
Reversion to clerks of court operations corporation	-	-	(11,815)	-	(11,815)
Total other financing sources (uses)	263,446	-	(11,815)	-	251,631
Net change in fund balances	-	3,262	9,863	8,520	21,645
Fund balances – beginning of year	-	77,790	27,829	74,798	180,417
Fund balances – end of year	\$ -	\$ 81,052	\$ 37,692	\$ 83,318	\$ 202,062

See accompanying notes.

Gilchrist County Clerk of the Circuit Court

Statement of Fiduciary Net Position
September 30, 2018

	Agency Funds
<hr/>	
Assets	
Cash and equivalents	\$ 223,300
Receivables	1,332
<hr/>	
Total assets	224,632
<hr/>	
Liabilities	
Due to other funds	3,039
Due to other county agencies	6,444
Assets held for others	215,149
<hr/>	
Total liabilities	224,632
<hr/>	
Net position	\$ -
<hr/> <hr/>	

See accompanying notes.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

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

Basis of Presentation

The Office’s financial statements 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 Gilchrist County, Florida, that is attributable to the Office. They do not purport to, and do not, present fairly the financial position of Gilchrist 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.

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

Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

The Office also reports the following fiduciary funds:

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

Fund Balance

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

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

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

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

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

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

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

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

Measurement Focus/Basis of Accounting

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

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 general long-term debt are recognized when due.

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

Capital Assets and Long-Term Liabilities

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

Cash and Equivalents

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

Use of Estimates

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

Gilchrist County Clerk of the Circuit Court

Notes to Financial Statements

NOTE 2 – FUND BALANCE CLASSIFICATIONS

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

	Records Modernization Fund	Fine and Forfeiture Fund	Total
Restricted for:			
Court operations	\$ 9,538	\$ 38,947	\$ 48,485
Court technology	57,946	-	57,946
Records modernization	13,568	-	13,568
Total fund balances	\$ 81,052	\$ 38,947	\$ 119,999

	Title IV D Fund	Total
Assigned for:		
Title IV D - PY revenue overpayment	\$ 46,512	\$ 46,512
Title IV D	36,806	36,806
Total fund balances	\$ 83,318	\$ 83,318

NOTE 3 – INTERFUND BALANCES

At September 30, 2018, interfund balances consisted of:

	Due from Other Funds	Due to Other Funds
General fund	\$ 580	\$ -
Records modernization trust	2,459	-
Agency funds:		
Domestic relations	-	580
General trust	-	2,459
Totals	\$ 3,039	\$ 3,039

The interfund balances above arose during the normal course of operations of the Office. All interfund balances are expected to be liquidated fully within the subsequent fiscal year.

Required Supplementary Information

Gilchrist County Clerk of the Circuit Court

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

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Charges for services	\$ 133,647	\$ 133,647	\$ 133,176	\$ (471)
Miscellaneous revenue	15,220	15,220	66,966	51,746
Total revenues	148,867	148,867	200,142	51,275
Expenditures				
Current:				
General government services	489,478	489,478	463,588	25,890
Reserve for contingencies	6,855	6,855	-	6,855
Total expenditures	496,333	496,333	463,588	32,745
Excess of revenues over (under) expenditures	(347,466)	(347,466)	(263,446)	84,020
Other financing sources (uses)				
Appropriation from board of county commissioners	332,466	332,466	332,466	-
Transfers in	15,000	15,000	-	(15,000)
Reversion to board of county commissioners	-	-	(69,020)	(69,020)
Total other financing sources (uses)	347,466	347,466	263,446	(84,020)
Net change in fund balances	-	-	-	-
Fund balances - beginning of year	-	-	-	-
Fund balances - end of year	\$ -	\$ -	\$ -	\$ -

Notes to Schedule:

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

Gilchrist County Clerk of the Circuit Court

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

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Charges for services	\$ 29,000	\$ 29,000	\$ 30,375	\$ 1,375
Miscellaneous revenue	300	300	1,247	947
Total revenues	29,300	29,300	31,622	2,322
Expenditures				
Current:				
General government	30,650	30,650	6,550	24,100
Court related	81,150	81,150	21,810	59,340
Total expenditures	111,800	111,800	28,360	83,440
Excess of revenues over (under) expenditures	(82,500)	(82,500)	3,262	85,762
Other financing sources (uses)				
Transfers out	-	-	-	-
Net change in fund balances	(82,500)	(82,500)	3,262	85,762
Fund balances - beginning of year	82,500	82,500	77,790	(4,710)
Fund balances - end of year	\$ -	\$ -	\$ 81,052	\$ 81,052

Notes to Schedule:

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

Gilchrist County Clerk of the Circuit Court

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

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Intergovernmental revenues	\$ 299,401	\$ 299,401	\$ 301,204	\$ 1,803
Charges for services	127,500	127,500	137,809	10,309
Fines and forfeitures	53,994	53,994	51,035	(2,959)
Miscellaneous revenue	1,175	1,175	2,039	864
Total revenues	482,070	482,070	492,087	10,017
Expenditures				
Current:				
Court related	482,070	482,070	470,409	11,661
Reserve in contingencies	5,455	5,455	-	5,455
Total expenditures	487,525	487,525	470,409	17,116
Excess of revenues over (under) expenditures	(5,455)	(5,455)	21,678	27,133
Other financing sources (uses)				
Reversion to clerk of court operations corporation	-	-	(11,815)	(11,815)
Total other financing sources (uses)	-	-	(11,815)	(11,815)
Net change in fund balances	(5,455)	(5,455)	9,863	15,318
Fund balances - beginning of year	5,455	5,455	27,829	22,374
Fund balances - end of year	\$ -	\$ -	\$ 37,692	\$ 37,692

Notes to Schedule:

Pursuant to Section 28.36, Florida Statutes, the budget is subject to the General Appropriations Act of the Florida Legislature through September 30, 2018, and is prepared on a basis that does not differ materially from generally accepted accounting principles. The State of Florida releases this appropriation on a monthly basis. The fund is the legal level of control.

Gilchrist County Clerk of the Circuit Court

**Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Title IV D Fund
Year Ended September 30, 2018**

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Intergovernmental revenues	\$ 60,000	\$ 60,000	\$ 66,856	\$ 6,856
Expenditures				
Current:				
General government	60,000	55,579	53,915	1,664
Debt service: principal retirement	-	4,421	4,421	-
Reserve for contingencies	12,000	12,000	-	12,000
Total expenditures	72,000	72,000	58,336	13,664
Excess of revenues over (under) expenditures	(12,000)	(12,000)	8,520	20,520
Other financing sources (uses)				
Transfers out	(15,000)	(15,000)	-	15,000
Total other financing sources (uses)	(15,000)	(15,000)	-	15,000
Net change in fund balances	(27,000)	(27,000)	8,520	35,520
Fund balances - beginning of year	27,000	27,000	74,798	47,798
Fund balances - end of year	\$ -	\$ -	\$ 83,318	\$ 83,318

Notes to Schedule:

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

Supplementary Information

Gilchrist County Clerk of the Circuit Court

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

	Domestic Relations Fund	Registry of the Court	General Trust Fund	Total Agency Funds
Assets				
Cash and equivalents	\$ 780	\$ 17,781	\$ 204,739	\$ 223,300
Receivables	-	-	1,332	1,332
Total assets	780	17,781	206,071	224,632
Liabilities				
Due to other funds	580	-	2,459	3,039
Due to other county agencies	-	-	6,444	6,444
Deposits	200	17,781	197,168	215,149
Total liabilities	780	17,781	206,071	224,632
Net position	\$ -	\$ -	\$ -	\$ -

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



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

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

MANAGEMENT LETTER

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

We have audited the financial statements of the office of the Gilchrist County Tax Collector (the "Office"), as of and for the year ended September 30, 2018, and have issued our report thereon dated June 27, 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.

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, which are dated June 27, 2019, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., of the 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 findings and recommendations made in the preceding 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, the Gilchrist County Clerk of the County Circuit Court, 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.

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

Gainesville, Florida
June 27, 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 Todd Newton
Clerk of the Circuit Court
Gilchrist County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of each major fund and the aggregate remaining fund information of the office of the Gilchrist County Clerk of 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 June 27, 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 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 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 Office's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and

material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings as item 2018-002.

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 Office's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Gainesville, Florida
June 27, 2019



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

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

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

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

We have examined the office of the Gilchrist County Clerk of the Circuit Court's (the "Office") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 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 judgement, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

In our opinion, the Office complied, in all material respects, with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the 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.

Gainesville, Florida
June 27, 2019

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

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

We have examined the office of the Gilchrist County Clerk of the Circuit Court's (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 judgement, 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. However, we did note two immaterial instances of noncompliance that are reported in the accompanying schedule of findings as items 2018-003 and 2018-004.

The Office's response to the findings identified in our examination is described in its accompanying letter of response. The Office's response was not subjected to the examination procedures applied in the examination of the Office's compliance referred to in the first paragraph and, accordingly we express no opinion on it.

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

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

Gainesville, Florida
June 27, 2019



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

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

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

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

We have examined the office of the Gilchrist County Clerk of the Circuit Court's (the "Office") compliance with the requirements of Section 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 judgement, 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.

Gainesville, Florida
June 27, 2019

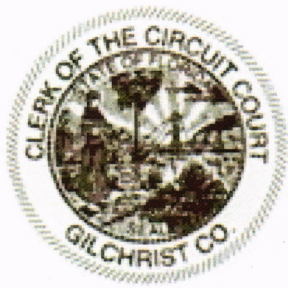
Schedule of Findings

- 2018-001 **Criteria** – ACH files are easily manipulated and lack of timely review by an employee independent of the payroll process could result in material misstatement or fraud.
- Condition** — Our review of the Clerk’s payroll system disclosed that the person responsible for preparing the payroll also prepares the ACH for direct deposits.
- Cause** – The Office is small and has operated the payroll function in same way for many years, combined with the fact that there have been no issues in the past. The Office performs a monthly bank reconciliation over the payroll account but this would not detect a misstatement or fraud in a timely manner.
- Effect** – This lack of segregation of payroll procedures weakens internal control, and we believe that opportunities exist for material misstatement or fraud due to the employee preparing the ACH file creating fraudulent pay for certain employees.
- Recommendation** — As an additional control, we recommend the Office should implement the practice of having an employee independent of the payroll function: 1) Ensure the amount per the ACH file sent to the bank agrees to the direct deposit payroll register from Edmunds and 2) ensure that the amount that clears the bank for direct deposits (from online banking printout) agrees to the previously reviewed ACH file and direct deposit payroll register from Edmunds. This practice should ideally be documented with a signature and date.
- 2018-002 **Criteria** – Service charges must be in compliance with 28.24 as outlined in the Distribution Schedule (the manual as authorized in 28.42 F.S.).
- Condition** — The Gilchrist County Clerk is not charging and/or allocating certain fees in the Clericus ORI application in compliance with 28.24 F.S. Some fees have a portion due DOR which is not being remitted as required.
- Cause** – The Office did not update the fees/distributions in the Clericus ORI application according to the Distribution Schedule.
- Effect** – There is a potential for material noncompliance if the fees are not corrected in the application, in the event that the volume of transactions involving the noncompliant fees increase in volume in future periods. There is also the potential for a material liability owed to DOR for unremitted fees if not corrected.
- Recommendation** — The Office should correct the fees and GL distribution accounts as described and mandated in the Distribution Schedule, and should monitor the receipting applications annually to ensure all fees are compliant with the relevant Statutes.

Schedule of Findings

- 2018-003 **Criteria** – Section 28.36, F.S., in reference to Section 28.37 (2), F.S. requires that remittances for fees, service charges, court costs, and fines are due to the Department of Revenue on the last working day on or before the 10th of the month following the month in which the funds were collected.
- Condition** — The Gilchrist County Clerk did not remit court collections to the Florida Department of Revenue on or before the 10th day of the month following collection.
- Cause** – The Office is small and often finds itself to be short-staffed as the requirements for County Clerks continues to increase as available funding remains stagnant. As one of the months to be remitted late was September 2018, a potential cause of the condition is also the data breach that occurred on September 28, 2018, which affected the Clerk’s receipting records for the last working day in September and was not fully recovered from until mid-October.
- Effect** – There is a potential for material noncompliance if funds are not remitted timely as required by Statute.
- Recommendation** — The Office should ensure that court-related fees, service charges, court costs, and fines are remitted to the Department of Revenue on or before the 10th day of the month following the month of collection.
- 2018-004 **Criteria** – The CCOC requires quarterly performance reports be submitted by the 20th of the month following quarter end.
- Condition** — The Gilchrist County Clerk did not submit the 4th quarter juror payment timeliness report or 4th quarter collections report by the 20th of the month following quarter-end.
- Cause** – The Office had a data breach occur on September 28, 2018 which resulted in a total loss on the computer from which these reports are prepared. It took the Clerk several days to get up and running again and even longer to resume normal operations.
- Effect** – There is a potential for material noncompliance as a result of not submitting performance reports timely to the CCOC.
- Recommendation** — As the cause of condition was an event that was out of the Clerk’s direct control, CRI recommends that all relevant documents required for reporting be stored on the Clerk’s backed-up drive rather than the desktop to aid in remaining in compliance even when such an event takes place.

Elected Official's Response



Office of Clerk of the Circuit Court & Comptroller Gilchrist County, Florida

P.O. BOX 37, TRENTON, FLORIDA 32693
(352)463-3170
Fax: (352)463-3166

CLERK OF THE CIRCUIT COURT
COUNTY COURT
BOARD OF COUNTY COMMISSIONERS
COMPTROLLER

Todd Newton
Clerk

June 27, 2019

The Honorable Sherrill F. Norman
Auditor General's Office
PO Box 1735
Tallahassee, FL 32302

Dear Ms. Norman,

This letter is in response to the Independent Auditors' management letter to the Clerk of the Circuit Court of Gilchrist County for the fiscal year ending September 30, 2018.

I have reviewed the auditor's schedule of findings and respond with the following corrective action plans.

2018-001 Finding:

The auditor believes there is a lack of segregation of duties in the payroll process. The finding is related to the controls surrounding the payroll process during uploading the direct deposit ACH files to the bank. The auditor believes there is opportunity to manipulate the ACH file prior to uploading it to the bank resulting in the theft of funds through fraudulent conversion by changing the pay for certain employees. Their recommendation is to have someone independent of the payroll process review the electronic file prior to uploading the file and compare to the report provided by the bank for the actual bank transfers.

Corrective Action:

We are a small office and adequate segregation of duties is difficult to design, given the fiscal constraints of my office. However, the size of my office is a mitigating factor. We only have 16 employees and that gives the opportunity for better oversight. With the size of the office, material variances would be apparent. Given that I am a very active clerk in the day to day operations, this also, is a mitigating factor to fraud prevention. Additionally, any changes to a particular employee payroll would be reported by that employee. Therefore, the employee provides some mitigation of this type of fraud. Because of these mitigating factors, I believe that a material fraud has a remote probability of occurrence in this instance.

However, given that, we believe the recommendation of reviewing the ACH file documentation with the resulting upload report from the bank is a simple and cost-effective process to implement. We will begin a review of this documentation immediately.

2018-002 Finding:

The condition found is the Clerk is not charging and/or allocating certain fees in the Clericus ORI application in compliance with 28.24 Florida Statutes.

Corrective Action:

We were unaware that the fee schedule for ORI had not been updated to match that provided in the Clerk's Distribution Schedule. In the past, Civitek has provided the setup and changes to fees charged in Clericus ORI. We contacted Civitek and requested assistance in the matter. We have corrected the fees to agree with the Clerk Distribution Schedule. The fees identified were for Research under FS 28.24(20) and Microfilm under FS 28.24(6)(a). These fees will be properly assessed, collected and distributed in the future.

2018-003 & 2018-004 Findings:

Finding 3 is the Clerk did not remit court collections to the Florida Department of Revenue by the 10th of the month. Finding 4 is the fourth quarter juror payment timeliness report and collections report were not submitted by the 20th of October.

Corrective Action:

As mentioned in the findings, we were the target of a ransomware data breach on September 28, 2018. Our office operations were hampered for approximately two weeks. During that time, we manually processed collections as our computer systems were rebuilt. During the recovery of our computers, we upgraded and improved our firewalls through hardware and software implementations.

In other instances where reporting was not timely, we will continue to monitor the office processes and strive to make improvements to insure that reporting is compliant with Florida Statutes.

Please advise if you have any questions.

Sincerely,



The Honorable Todd Newton
Clerk of the Circuit Court
Gilchrist County

Gilchrist 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
------------------------------	---

SPECIAL PURPOSE FINANCIAL STATEMENTS

Governmental Funds:

Balance Sheet	4
---------------	---

Statement of Revenues, Expenditures and Changes in Fund Balances	5
--	---

Fiduciary Funds:

Statement of Fiduciary Net Position	6
-------------------------------------	---

Notes to Financial Statements	7
-------------------------------	---

REQUIRED SUPPLEMENTARY INFORMATION

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

SUPPLEMENTARY INFORMATION

Combining Balance Sheet – Nonmajor Governmental Funds	11
---	----

Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental 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 <i>Government Auditing Standards</i>	16
---	----

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

Schedule of Findings	19
----------------------	----

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

REQUIRED COMMUNICATIONS	21
--------------------------------	----

Summary of Audit Adjustments	26
------------------------------	----



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

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

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the major fund and the aggregate remaining fund information of the office of the Gilchrist County, Florida 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 auditors consider 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, 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 the major fund and the aggregate remaining fund information, only for that portion of the major fund and the aggregate remaining fund information, of Gilchrist County, Florida that is attributable to the Office. They do not purport to, and do not, present fairly the financial position of Gilchrist 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 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 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 listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 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.

Gainesville, Florida
June 19, 2019

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

	General Fund	Other Govern- mental Funds	Total Govern- mental Funds
Assets			
Cash and equivalents	\$ 340,456	\$ 27,980	\$ 368,436
Liabilities and fund balances			
Liabilities:			
Accounts payable and accrued liabilities	\$ 205,077	\$ -	\$ 205,077
Due to other county agencies	135,379	-	135,379
Total liabilities	340,456	-	340,456
Fund balances:			
Restricted:			
Charitable purposes	-	5,156	5,156
Federal shared funds	-	10,599	10,599
Assigned:			
Inmate benefits	-	12,225	12,225
Total fund balances	-	27,980	27,980
Total liabilities and fund balances	\$ 340,456	\$ 27,980	\$ 368,436

See accompanying notes.

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

	General Fund	Other Govern- mental Funds	Total Govern- mental Funds
Revenues			
Miscellaneous revenue	\$ 3,310	\$ 23,745	\$ 27,055
Expenditures			
Current:			
Public safety	4,635,507	23,640	4,659,147
Court related	208,839	-	208,839
Debt service:			
Principal	80,840	-	80,840
Interest	4,149	-	4,149
Total expenditures	4,929,335	23,640	4,952,975
Excess of revenues over (under) expenditures	(4,926,025)	105	(4,925,920)
Other financing sources (uses)			
Appropriation from board of county commissioners	5,061,404	-	5,061,404
Reversion to board of county commissioners	(135,379)	-	(135,379)
Total other financing sources (uses)	4,926,025	-	4,926,025
Net change in fund balances	-	105	105
Fund balances - beginning of year	-	27,875	27,875
Fund balances - end of year	\$ -	\$ 27,980	\$ 27,980

See accompanying notes.

Statement of Fiduciary Net Position
Year ended September 30, 2018

	Agency Funds
<hr/>	
Assets	
Cash and equivalents	\$ 57,088
<hr/>	
Liabilities	
Assets held for others	55,979
Due to other county agencies	1,109
<hr/>	
Total liabilities	57,088
<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 Gilchrist County Sheriff (the “Office”) conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies.

Reporting Entity

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

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

Basis of Presentation

The Office’s financial statements 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 and 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 the major fund and the aggregate remaining fund information, only for that portion of the major fund and the aggregate remaining fund information of Gilchrist County, Florida, that is attributable to the Office. They do not purport to, and do not, present fairly the financial position of Gilchrist 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 governmental funds are aggregated and displayed in a single column.

The Office reports the following major governmental fund:

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

The Office also reports the following fiduciary funds:

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

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.

Cash and Equivalents

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

Capital Assets and Long-Term Liabilities

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

Use of Estimates

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

NOTE 2 – CONTINGENCIES

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

Required Supplementary Information

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

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Miscellaneous revenue	\$ -	\$ -	\$ 3,310	\$ 3,310
Expenditures				
Current:				
Public safety	4,379,484	4,791,456	4,720,496	70,960
Court related	244,894	254,928	208,839	46,089
Reserve for contingencies	10,000	10,000	-	10,000
Total expenditures	4,634,378	5,056,384	4,929,335	127,049
Excess of revenues over (under) expenditures	(4,634,378)	(5,056,384)	(4,926,025)	130,359
Other financing sources (uses)				
Appropriation from board of county commissioners	4,634,378	5,056,384	5,061,404	5,020
Reversion to board of county commissioners	-	-	(135,379)	(135,379)
Total other financing sources (uses)	4,634,378	5,056,384	4,926,025	(130,359)
Net change in fund balances	-	-	-	-
Fund balances - beginning of year	-	-	-	-
Fund balances - end of year	\$ -	\$ -	\$ -	\$ -

Note to Schedule:

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

Supplementary Information

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

	Volunteers	FLETF Fund	Inmate Welfare Fund	Total Nonmajor Governmental Funds
Assets				
Cash and equivalents	\$ 5,156	\$ 10,599	\$ 12,225	\$ 27,980
Liabilities				
	-	-	-	-
Fund balances				
Restricted:				
Charitable purposes	5,156	-	-	5,156
Federal shared funds	-	10,599	-	10,599
Assigned:				
Inmate benefits	-	-	12,225	12,225
Total fund balances	5,156	10,599	12,225	27,980
Total liabilities and fund balances	\$ 5,156	\$ 10,599	\$ 12,225	\$ 27,980

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

	Volunteers	FLETF Fund	Inmate Welfare Fund	Total Nonmajor Governmental Funds
Revenues				
Miscellaneous revenue	\$ 4,965	\$ -	\$ 18,780	\$ 23,745
Expenditures				
Current:				
Public safety	4,685	2,000	16,955	23,640
Excess of revenues over (under) expenditures	280	(2,000)	1,825	105
Fund balances - beginning of year	4,876	12,599	10,400	27,875
Fund balances - end of year	\$ 5,156	\$ 10,599	\$ 12,225	\$ 27,980

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

	Inmate Trust Fund	Bonds and Fines Fund	Individual and Suspense Fund	Evidence Trust Fund	Total Agency Funds
Assets					
Cash and equivalents	\$ 5,158	\$ 26,087	\$ 2,581	\$ 23,262	\$ 57,088
Liabilities					
Assets held for others	4,049	26,087	2,581	23,262	55,979
Due to other county agencies	1,109	-	-	-	1,109
Total liabilities	5,158	26,087	2,581	23,262	57,088
Net position	\$ -	\$ -	\$ -	\$ -	\$ -

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



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

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

MANAGEMENT LETTER

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

We have audited the financial statements of the office of the Gilchrist County, Florida Sheriff (the "Office") as of and for the year ended September 30, 2018, and have issued our report thereon dated June 19, 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

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, which are dated June 19, 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. Prior year finding 2017-001 remains uncorrected and is repeated as current year finding 2018-001, and was also included in the second preceding annual financial audit report as 2016-001.

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, the Gilchrist County Sheriff, 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.

Gainesville, Florida

June 19, 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 Robert D. Schultz, III
Sheriff
Gilchrist County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the major fund and the aggregate remaining fund information of the office of the Gilchrist County, Sheriff (the "Office"), as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Office's financial statements, and have issued our report thereon dated June 19, 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 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 have not been identified. We consider the deficiencies described in the accompanying Schedule of Findings as items 2018-001, 2018-002, 2018-003 and 2018-004 to be material weaknesses.

Compliance and Other Matters

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

The Office's Response to Findings

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

Purpose of this Report

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

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

Gainesville, Florida

June 19, 2019



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

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

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

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

We have examined the office of the Gilchrist County Sheriff (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 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 legal determination on the Office's compliance with specified requirements.

In our opinion, the Office complied, in all material respects, with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the 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.

Gainesville, Florida
June 19, 2019

Schedule of Findings

2018-001 (Reported in previous audit reports as items 2017-001 and 2016-001)

Criteria – The internal control environment should include appropriate segregation of duties along with policies and procedures to prevent and detect errors to the accounting records and a means to correct them in a timely manner. The basic premise is that no one employee should have access to both physical assets and the related accounting records or to all phases of a transaction.

Condition – There were insufficient internal controls over the cash receipting and disbursement processes with one individual performing all aspects of certain transactions. The financial records are updated and maintained by one person with no review performed.

Cause – Limited number of personnel in the Finance department.

Effect – Risk of misappropriation of assets or misstatements of financial information is elevated.

Recommendation – We recommend that whenever possible, duties should be segregated so that receipting and disbursements by one employee are reviewed by an employee separate from that function, with that review being documented. Cash collections and disbursements should be documented with formal procedures and those procedures should be followed consistently.

2018-002

Criteria – Financial statements must be presented in accordance with generally accepted accounting principles.

Condition – As part of the audit, we proposed material adjustments to the Officer's financial statements for accrued payroll.

Cause – Payroll accrual liability was estimated using inaccurate information, which resulted in a material overstatement in the general ledger.

Effect – The audit work revealed that the Sheriff's office had overestimated the payroll expense and liability by \$23, 628. Our proposed adjustment was accepted by management, enabling the financial statements to be fairly presented in conformity with generally accepted accounting practices.

Recommendation – The Office should consider and evaluate the costs and benefits of improving internal controls relative to the financial reporting process to establish segregated review points that would capture material misstatements in routine transactions.

Schedule of Findings

2018-003

Criteria – The balance of cash accounts should be reflected on the accrual basis of accounting as required by Generally Accepted Accounting Principles (GAAP).

Condition – During our audit work over the cash balances, we noted that material adjustments were needed to properly present the cash balances in books.

Cause – The Sheriff’s office maintains their cash accounts on the cash basis of accounting and adjustments to accrue transactions to reflect them in the corresponding period are not performed.

Effect – Improper recording procedures revealed that a total of \$160,232 of backdated checks and \$180,200 of payroll expenses had not been accrued in the corresponding period. This created an understatement in the cash account by such amounts, a understatement of the amounts due to the Board of County Commissioners (BoCC) of \$111,751, an understatement in accounts payable of \$48,481, and understatement in accrued wages of \$180,200. Our proposed adjustment were accepted by management, enabling the financial statements to be fairly presented in conformity with generally accepted accounting practices.

Recommendation – The month end closing of books procedures should incorporate control activities that ensure that the balances in the books of the Sheriff are properly reflected in the accrual basis of accounting as required by GAAP.

2018-004

Criteria – Adequate controls should be in place to allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements in a timely basis.

Condition – During our audit work over the due to/from balances, we noted material differences with the balances due to the BoCC.

Cause – The Sheriff’s office runs independent of the BoCC and transactions from amounts transferred in or out were not reconciled to activities reflected by the BoCC..

Effect – Improper cut off procedures revealed that a total of \$135,379 of funds had not been properly accounted for, which resulted in an understatement of the amount owed to the BoCC by such amount, an understatement of the cash balance by \$111,751, and an understatement of the reversion to the BoCC for \$23,628.

Recommendation – The month end closing of books procedures should incorporate control activities that ensure that the balances in the books of the Sheriff’s Office are in agreement with any counterpart including but not limited to the BoCC. Balances at month end and details of transactions that occurred during the month should be compared to the ones recorded in the books of the BoCC and any differences noted should be reconciled as part of the month end closing of books process.



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

June 19, 2019

Sherrill F. Norman, CPA,
State of Florida Auditor General's Office
Claude Pepper Building
Suite G74
111 West Madison St
Tallahassee, FL 32399-1450

RE: Written Explanation or Rebuttal
Gilchrist County Sheriff's Office Audit Report Ending Sept. 30, 2018

To Whom It May Concern:

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

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

- 2018-001 A Finance Assistant has been hired to improve with segregation of duties. Steps are being taken to improve internal controls to minimize any risk for errors.
- 2018-002 The overestimated payroll accrual has been corrected and the funds returned to the Gilchrist County Board of Commissioners. Steps will be taken to have additional staff review the estimated amount for accuracy.
- 2018-003 This finding will be corrected by adding the Accruals to the Accounting software to track the "due to" and "due from".
- 2018-004 Steps are being taken to coordinate with the Finance Director at the Gilchrist County Board of Commissioners to compare month end and year end balances and transactions.

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

Sincerely,

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

Robert D. Schultz, III
Sheriff

Gilchrist County Tax Collector

Audit Report

September 30, 2018



CRI CARR
RIGGS &
INGRAM

CPAs and Advisors

CRIcpa.com

Table of Contents
September 30, 2018

REPORT

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

SPECIAL PURPOSE FINANCIAL STATEMENTS

Governmental Funds:

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

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

Fiduciary Funds:

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

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

REQUIRED SUPPLEMENTARY INFORMATION

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

SUPPLEMENTARY INFORMATION

Combining Statement of Fiduciary Net Position – Agency Funds	10
--	----

ADDITIONAL ELEMENTS REQUIRED BY THE RULES OF THE AUDITOR

GENERAL

Management Letter	11
-------------------	----

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

Elected Official's Response to Auditors' Comments	15
---	----

REQUIRED COMMUNICATIONS	18
--------------------------------	-----------

Summary of Audit Adjustments	24
------------------------------	----

Management Representation Letter	--
----------------------------------	----



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

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

INDEPENDENT AUDITORS' REPORT

The Honorable Terri Trail
Assistant Tax Collector
Gilchrist County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the major fund and the aggregate remaining fund information of the office of the Gilchrist County, 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, 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 the major fund and the aggregate remaining fund information, only for that portion of the major fund and the aggregate remaining fund information, of Gilchrist County, Florida that is attributable to the Office. They do not purport to, and do not, present fairly the financial position of Gilchrist 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 listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 13, 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.

Gainesville, Florida

June 13, 2019



Gilchrist County Tax Collector

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

	General Fund
<hr/>	
Assets	
Cash and equivalents	\$ 9,517
<hr/> <hr/>	
Liabilities and fund balance	
Liabilities:	
Due to other county agencies	9,517
<hr/>	
Fund balance	-
<hr/>	
Total liabilities and fund balance	\$ 9,517
<hr/> <hr/>	

See accompanying notes.



Gilchrist County Tax Collector

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

	General Fund
Revenues	
Miscellaneous revenue	\$ 722
Expenditures	
Current:	
General government services	521,492
Excess of revenues under expenditures	(520,770)
Other financing sources (uses)	
Appropriation from board of county commissioners	530,287
Reversion to board of county commissioners	(9,517)
Total other financing sources (uses)	520,770
Net change in fund balance	-
Fund balance – October 1, 2017	-
Fund balance – September 30, 2018	\$ -

See accompanying notes.



Gilchrist County Tax Collector

Statement of Fiduciary Net Position
September 30, 2018

	Agency Funds
<hr/>	
Assets	
Cash and equivalents	\$ 429,259
Accounts receivable	47,795
<hr/>	
Total assets	477,054
<hr/>	
Liabilities	
Assets held for others	418,863
Due to other county agencies	9,661
Due to other governments	48,530
<hr/>	
Total liabilities	477,054
<hr/>	
Net position	\$ -
<hr/> <hr/>	

See accompanying notes.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

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

Basis of Presentation

The Office’s financial statements 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 the major fund, and the aggregate remaining fund information, only for that portion of the major fund, and aggregate remaining fund information, of Gilchrist County, Florida, that is attributable to the Office. They do not purport to, and do not, present fairly the financial position of Gilchrist 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 has no nonmajor governmental funds.

The Office reports the following major governmental fund:

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

The Office also reports the following fiduciary funds:

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance

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

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

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

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

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

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

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

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

Measurement Focus/Basis of Accounting

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

Cash and Equivalents

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

Capital Assets and Long-Term Liabilities

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

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

Use of Estimates

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

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	\$ -	\$ -	\$ 722	\$ 722
Expenditures				
Current:				
General government services	530,287	530,287	521,492	8,795
Excess of revenues over (under) expenditures	(530,287)	(530,287)	(520,770)	9,517
Other financing sources (uses)				
Appropriation from board of county commissioners	530,287	530,287	530,287	-
Reversion to board of county commissioners	-	-	(9,517)	(9,517)
Total other financing sources (uses)	530,287	530,287	520,770	(9,517)
Net change in fund balances	-	-	-	-
Fund balances - October 1, 2017	-	-	-	-
Fund balances - September 30, 2018	\$ -	\$ -	\$ -	\$ -

Notes to Schedule:

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

Supplementary Information

Gilchrist County Tax Collector

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

	Tag Fund	Trust Fund	Tax Fund	Total
Assets				
Cash and equivalents	\$ 60,560	\$ 34,315	\$ 334,384	\$ 429,259
Accounts receivable	45,953	-	1,842	47,795
Total assets	106,513	34,315	336,226	477,054
Liabilities				
Assets held for others	53,209	34,315	331,339	418,863
Due to other county agencies	6,948	-	2,713	9,661
Due to other governments	46,356	-	2,174	48,530
Total liabilities	106,513	34,315	336,226	477,054
Net position	\$ -	\$ -	\$ -	\$ -

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

MANAGEMENT LETTER

The Honorable Terri Trail
Assistant Tax Collector
Gilchrist County, Florida

We have audited the financial statements of the office of the Gilchrist County Tax Collector (the "Office"), as of and for the year ended September 30, 2018, and have issued our report thereon dated June 13, 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.

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, which are dated June 13, 2019, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., of the 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 findings and recommendations made in the preceding 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, the Gilchrist County Tax Collector, 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.

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

Gainesville, Florida

June 13, 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 Terri Trail
Assistant Tax Collector
Gilchrist County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the major fund and the aggregate remaining fund information of the office of the Gilchrist County Tax Collector (the "Office"), as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Office's financial statements, and have issued our report thereon dated June 13, 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 have not been identified. We did identify a deficiency in internal control, described in the accompanying schedule of findings as item 2018-001, that we consider to be a material weakness.

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*.

Office's Response to Finding

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

Purpose of this Report

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

Carri Riggs & Ingram, L.L.C.

Gainesville, Florida

June 13, 2019



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

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

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

The Honorable Terri Trail
Assistant Tax Collector
Gilchrist County, Florida

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

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. 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 legal determination on the Office's compliance with specified requirements.

In our opinion, the Office complied, in all material respects, with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the 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

Gainesville, Florida
June 13, 2019

Schedule of Findings

- 2018-001 **Criteria** – Adequate controls should be in place to allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements in a timely basis.
- Condition** – As part of the current fiscal year audit over the balances due to/from, we noted a material difference with the amount due to the Gilchrist Board of County Commissioners (BoCC).
- Cause** – The Tax Collector’s office operates independent of the BoCC and transactions from amounts transferred in or out were not reconciled to the books of the BoCC.
- Effect** – Improper cut-off procedures revealed that a total of \$9,364 of agency funds had not been properly accounted for, which resulted in a understatement of the amount owed to the BoCC and the related amount of assets held for others. The misstatement resulted in a material audit adjustment.
- Recommendation** – The month end closing of books procedures should incorporate control activities that ensure that the balances in the books of the Tax Collector are in agreement with any other counterpart including but not limited to the BoCC. Balances to month end and details of transactions that occurred during the month should be compared to the ones recorded in the books of the BoCC on a timely manner and any differences noted should be reconciled as part of the month end closing of books process.



TERRY E. TRAIL, CFCA, CEL
GILCHRIST COUNTY INTERIM TAX COLLECTOR

June 18, 2019

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

RE: 2018 Tax Collector Audit

To Whom It May Concern:

I'm writing to you in response to the finding noted in our audit for the fiscal year ending September 30, 2018.

2018-001 *Condition* – As part of the current fiscal year audit over the balances due to/from, we noted a material difference with the amount due to the Gilchrist Board of County Commissioners (BOCC).

Recommendation – The month end closing of books procedures should incorporate control activities that ensure that the balances in the books of the Tax Collector are in agreement with the ones recorded in the books of the BOCC in a timely manner and any differences noted should be reconciled as part of the month end closing of books process.

Resolution – This procedure is already incorporated in our end of fiscal year processing procedures. For the first time in over 12 years this process was not followed due to several extenuating circumstances that pushed back the end of year process for several months.

Please feel free to contact me with any questions.

Sincerely,

A handwritten signature in cursive script that reads "Terry E. Trail".

Terry E. Trail
Interim Tax Collector
Gilchrist County

TET/pcp

P.O. Box 194 | 112 South Main Street | Trenton, FL 32693
Phone (352) 463-3178 | Fax (352) 463-3177

**Gilchrist County
Property Appraiser**

Audit Report

September 30, 2018



CRI CARR
RIGGS &
INGRAM

CPAs and Advisors

CRIcpa.com

Table of Contents
September 30, 2018

REPORTS

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
--	----

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

INDEPENDENT AUDITORS' REPORT

The Honorable Damon Leggett
Property Appraiser
Gilchrist County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the major fund of the Gilchrist 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 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 financial position of the major fund of the Office as of September 30, 2018, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America

Emphasis of Matter

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 Gilchrist County, Florida that is attributable to the Office. They do not purport to, and do not, present fairly the financial position of Gilchrist 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 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 June 5, 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.

Cary Riggs & Ingram, L.L.C.

Gainesville, Florida

June 5, 2019



Gilchrist County Property Appraiser

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

	General Fund
<hr/>	
Assets	
Cash and equivalents	\$ 44,563
<hr/>	
Liabilities and fund balance	
Liabilities:	
Accounts payable and accrued liabilities	\$ 11,897
Due to the board of county commissioners	32,666
<hr/>	
Total liabilities	44,563
Fund balance	-
<hr/>	
Total liabilities and fund balance	\$ 44,563
<hr/>	

See accompanying notes.

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

	General Fund
Revenues	
Charges for services	\$ 16,526
Miscellaneous	88
Total revenues	16,614
Expenditures	
Current:	
General government services	588,107
Excess of revenues under expenditures	(571,493)
Other financing sources (uses)	
Appropriation from board of county commissioners	604,158
Reversion to board of county commissioners	(32,665)
Total other financing sources (uses)	571,493
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 Gilchrist County Property Appraiser (the “Office”) conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies.

Reporting Entity

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

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

Basis of Presentation

The Office’s financial statements 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 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 Gilchrist County, Florida, that is attributable to the Office. They do not purport to, and do not, present fairly the financial position of Gilchrist 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 has no nonmajor governmental funds.

The Office reports the following major governmental fund:

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

Fund Balance

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

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

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

Measurement Focus/Basis of Accounting

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

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

Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Capital Assets and Long-Term Liabilities

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

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

Cash and 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 this law to deposit with the Chief Financial Officer eligible collateral equal to, or in excess of, an amount to be determined by the Chief Financial Officer. The Chief Financial Officer is required to ensure that all funds are entirely insured or collateralized throughout the fiscal year.

Use of Estimates

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

Required Supplementary Information

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

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Charges for services	\$ 13,334	\$ 13,470	\$ 16,526	\$ 3,056
Miscellaneous	-	-	88	88
Total revenues	13,334	13,470	16,614	3,144
Expenditures				
Current:				
General government services	596,074	617,628	588,107	29,521
Reserve for contingencies	10,000	-	-	-
Total expenditures	606,074	617,628	588,107	29,521
Excess of revenues over (under) expenditures	(592,740)	(604,158)	(571,493)	32,665
Other financing sources (uses)				
Appropriation from board of county commissioners	592,740	604,158	604,158	-
Reversion to board of county commissioners	-	-	(32,665)	(32,665)
Total other financing sources (uses)	592,740	604,158	571,493	(32,665)
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**



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

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

MANAGEMENT LETTER

The Honorable Damon Leggett
Property Appraiser
Gilchrist County, Florida

We have audited the financial statements of the office of the Gilchrist County Property Appraiser (the "Office"), as of and for the year ended September 30, 2018, and have issued our report thereon dated June 5, 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.

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, which are dated June 5, 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 audit report. There were no findings and recommendations made in the preceding 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, the Gilchrist County Property Appraiser, 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.

Gainesville, Florida

June 5, 2019



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

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

INDEPENDENT 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 Damon Leggett
Property Appraiser
Gilchrist County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the office of the Gilchrist County Property Appraiser (the "Office"), as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Office's financial statements, and have issued our report thereon dated June 5, 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.

Gainesville, Florida
June 5, 2019



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

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

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

The Honorable Damon Leggett
Property Appraiser
Gilchrist County, Florida

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

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. 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 legal determination on the Office's compliance with specified requirements.

In our opinion, the Office complied, in all material respects, with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the 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.

Gainesville, Florida
June 5, 2019



Damon C. Leggett, C.F.A.

Gilchrist County Property Appraiser

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

June 5, 2019

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

To Whom It May Concern:

I have reviewed the auditor's comments relating to this office for the fiscal year ending September 30, 2018.

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

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

Sincerely,

A handwritten signature in black ink that reads "Damon C. Leggett". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Damon C. Leggett
Gilchrist Property Appraiser

Copy: File

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



**Gilchrist 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
--	----



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

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

INDEPENDENT AUDITORS' REPORT

The Honorable Connie Sanchez
Supervisor of Elections
Gilchrist County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the major fund of the Gilchrist 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 financial position of the major fund of the Office as of September 30, 2018, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

We draw attention to Note 1 to the financial statements, which describes that the accompanying financial statements were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of the major fund, only for that portion of the major fund, of Gilchrist County, Florida that is attributable to the Office. They do not purport to, and do not, present fairly the financial position of Gilchrist 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 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 June 12, 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.

Gainesville, Florida
June 12, 2019



Gilchrist County Supervisor of Elections

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

General
Fund

Assets

Cash and equivalents \$ 120,196

Liabilities and fund balance

Liabilities:

Accounts payable and accrued liabilities \$ 13,115
Due to the board of county commissioners 107,081

Total liabilities 120,196

Fund balance -

Total liabilities and fund balance \$ 120,196



Gilchrist County Supervisor of Elections

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

General
Fund

Revenues

Intergovernmental revenue	\$ 35,323
Charges for services	36
Miscellaneous	461

Total revenues	35,820
----------------	--------

Expenditures

Current:

General government services	321,218
-----------------------------	---------

Excess of revenues under expenditures	(285,398)
--	------------------

Other financing sources (uses)

Appropriation from board of county commissioners	381,637
Reversion to board of county commissioners	(107,081)

Total other financing sources (uses)	274,556
--------------------------------------	---------

Net change in fund balance	(10,842)
-----------------------------------	-----------------

Fund balance - beginning of year	10,842
---	---------------

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

Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

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

Basis of Presentation

The Office’s financial statements 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 and 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 Gilchrist County, Florida, that is attributable to the Office. They do not purport to, and do not, present fairly the financial position of Gilchrist 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 has no nonmajor funds.

The Office reports the following major governmental fund:

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

Fund Balance

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

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.

Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Capital Assets and Long-Term Liabilities

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

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

Cash and Equivalents

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

Use of Estimates

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

Required Supplementary Information

Gilchrist County Supervisor of Elections

**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 revenue	\$ -	\$ -	\$ 35,323	\$ 35,323
Charges for services	-	-	36	36
Miscellaneous	-	-	461	461
Total revenues	-	-	35,820	35,820
Expenditures				
Current:				
General government services	377,637	381,637	321,218	60,419
Excess of revenues over (under) expenditures	(377,637)	(381,637)	(285,398)	96,239
Other financing sources (uses)				
Appropriation from board of county commissioners	377,637	381,637	381,637	-
Reversion to board of county commissioners	-	-	(107,081)	(107,081)
Total other financing sources (uses)	377,637	381,637	274,556	(107,081)
Net change in fund balances	-	-	(10,842)	(10,842)
Fund balances - beginning of year	-	-	10,842	10,842
Fund balances - end of year	\$ -	\$ -	\$ -	\$ -

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

MANAGEMENT LETTER

The Honorable Connie Sanchez
Supervisor of Elections
Gilchrist County, Florida

We have audited the financial statements of the office of the Gilchrist County Supervisor of Elections (the "Office"), as of and for the year ended September 30, 2018, and have issued our report thereon dated June 12, 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.*

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, which are dated June 12, 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 audit report. There were no findings and recommendations made in the preceding 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, the Gilchrist 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.

We wish to take this opportunity to thank you and your staff for the cooperation and courtesies extended to us during the course of this 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.

Gainesville, Florida

June 12, 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 Connie Sanchez
Supervisor of Elections
Gilchrist County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the office of the Gilchrist County Supervisor of Elections (the "Office"), as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Office's financial statements, and have issued our report thereon dated June 12, 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.

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

Gainesville, Florida

June 12, 2019

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

The Honorable Connie Sanchez
Supervisor of Elections
Gilchrist County, Florida

We have examined the office of the Gilchrist County Supervisor of Elections' (the "Office") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 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 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 legal determination on the Office's compliance with specified requirements.

In our opinion, the Office complied, in all material respects, with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the 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.

Gainesville, Florida
June 12, 2019



Connie Sanchez
Gilchrist County
Supervisor of Elections

June 12, 2019

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

RE: Gilchrist County Supervisor of Election 2017-18 Audit Report

Dear Ms. Norman,

I have reviewed Carr, Riggs and Ingram auditor's report relating to the office of Supervisor of Elections, Gilchrist County, Florida for the fiscal year ending September 30, 2018.

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

Respectfully,

A handwritten signature in cursive script that reads "Connie D. Sanchez".

Connie D. Sanchez
Supervisor of Elections

CDS:

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